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# ANNUAL REPORT

2020/21



सन्राइज बैंक लिमिटेड  
**SUNRISE BANK LIMITED**  
— RISING TO SERVE —

हामी  
संग-संगै



# REPORT OBJECTIVES

The consolidated as well as standalone financial statements, prepared in accordance with NFRS, remain the primary source of communication with stakeholders. The purpose is to show how we are working to improve every aspect of our business for the benefit of all our stakeholders.

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# STRATEGIC REPORT

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Sunrise Bank's secret of continued growth and success is its highly diversified and well-balanced business model. Being amongst the preferred Banks in Nepal, we have always taken a proactive stance towards improving strategic alignment to drive stronger growth and deliver the highest returns on stakeholder value.







# STRATEGIC REPORT

In the year under review, we embraced a broader performance-driven strategy to transform all key business pillars and support services, and to sharpen their alignment with our vision to 'Establish Sunrise Bank as a leading Bank in all places of our branch locations and nation-wide'. At the heart of our strategy is the perfect blend of our corporate goals with the aspirations of stakeholders, which prompted us to leverage on four key areas to strengthen top line, enhance digital capability, boost core capital and expand the bottom line. To expand our top line in 2020-21, we continued to orient ourselves more consistently towards both Retail and SME customers in all core markets. At the same time, to strengthen our roots as a commercial Bank, we adopted a two-pronged approach; firstly to increase our penetration and capture market share in selected retail segments and secondly to be the first-mover to promote unique, as well as structured solutions to capture the Retail and Corporate segment.

Hand-in-hand with this volume driven strategy we enhanced digital capabilities, for which our IT transformation programme became the key enabler. Our IT transformation programme also spearheads our efforts to differentiate ourselves from peers. Further, investments in digital technology were aimed at enhancing customer service, augmenting the risk management framework and improving employee productivity.

Equally important to our long-term success is our cost structure. Ongoing cost control efforts are aimed at reducing our cost-to-income ratio, which, combined with top line growth, are instrumental in meeting bottom line targets. We have always understood that supporting our ambitious plans will most certainly depend on how well we manage our capital requirements now and in the future. Based on this premise, Sunrise Bank has outstanding debenture worth NPR 4 Billion to augment the supplementary capital as well as to strengthen CCD Ratio.

We constantly question the status quo to find new and better ways to do things. With fresh eyes, we seek out new ways to meet customer needs and help shape their own path through innovative products, insightful advice and invigorating attitude. In doing so, we have leveraged on innovation to build a fully integrated multi-channel Banking system that combines traditional and digital channels, giving rise to an unprecedented level of customer convenience. Innovation has helped us to simplify our procedures, reduce organizational layers and delegate more decision making powers to branches, enabling us to respond to customers' needs faster than ever before. Meanwhile, amidst the growing risk of cyber security threats, we have begun to emphasize on innovation to preserve both customer privacy and data security.





# AN OVERVIEW



## SUNRISE BANK LIMITED, a leading financial institution, was established as the 23<sup>rd</sup> commercial Bank in Nepal on 12 October 2007.

Its corporate office is located at the Gairidhara Crossing, in Kathmandu. Sunrise Bank is driven by its motto “Rising to Serve” and offers innovative products and services to all categories of clients. It also offers products that can contribute towards the economic development needs of the country.

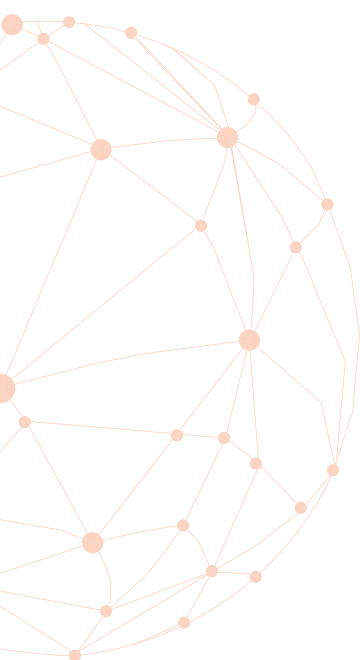
The Bank is continuously supervised by the Board of Directors that has members with extensive knowledge and entrepreneurial experience. The Chairman of the Bank, Mr. Motilal Dugar is a business leader with extensive interests in both industry and services sector. The management team comprises of nine members with Mr. Suman Sharma as Chief Executive Officer. This team of seasoned Banking and management professionals are dedicated towards establishing an institution determined to cater to the needs of all categories of clients.

Sunrise Bank’s continued growth and success is founded on a highly diversified and well-balanced business model. The Bank has had balanced

growth throughout its first decade and is now poised to expand into new markets. The Bank’s ever growing geographical coverage has enabled it to serve a spectrum of customer segments, including retail, middle market, small and medium enterprises, and large corporations. The Bank has been continuously upgrading its services using state-of-art core Banking technology, while remaining vigilant on risks and risk management.

The Bank serves a spectrum of customer segments, including retail, large corporate, middle market, Small and Medium Enterprises (SMEs) and Deprived Sectors. Sunrise Bank’s continued growth and success is founded on a highly diversified and well-balanced business model and a robust multi-channel environment.

Sunrise Bank keeps pushing its limits and continuously endeavors to be a market leader, thanks to a strategy based on innovation and service differentiation.







## Vision

You & Us. Together We Can Build.

## Mission

Establish Sunrise Bank as a leading Bank in all places of our branch locations and nationwide.

## Strategy

Our strategies are long-term and our commitment towards corporate sustainability is absolute.

## Objectives

The overall objective of the Bank is to contribute to nation building and meeting the expectation of its shareholders, depositors, customers and other stakeholders. The Bank will make concerted efforts to realize its goal by leading the Banking sector in every front with:

- Expanding presence of the Bank within and outside the country,
- Targeting under-served or potential services like SMEs and retail businesses,
- Reshaping and restructuring Bank's infrastructure and systems,
- Service provision through efficient and knowledgeable staffs supported by automated procedures, and
- High degree of compliance and risk management.

## Core Values

### Sound Capital Structure

By maintaining minimum capital adequacy requirement under BASEL – III and meeting the NRB requirement of minimum paid-up capital.

### Efficient Operational Base

By establishing state of art facilities to serve its client through improved systems, procedures and infrastructures.

### Good Assets Quality

By maintaining good quality of assets with lowest Non-performing Assets (NPA) level in the industry through effective appraisal and monitoring mechanism and penetration to un-served and potential areas of business.

## Standard Customer Services

By providing state of art services to its clients, including technical support to assess their business operations and market responsive cost.

## Staffing Standard And Career

By providing competitive compensation packages and career development opportunity to its staff.

## Good Corporate Governance

By fully complying with regulatory requirements, improving risk management systems, monitoring of compliances continuously and reliable reporting mechanism.

## Operational Highlights

The Bank remained a strong player in the market throughout 2020-21. The market indicators for fiscal year were bolstered by,

- Good revenue generation despite the cut throat competition in the market and liquidity crisis.
- Prudent risk management system to minimize financial and operational risks and eliminate losses.
- Remarkable growth in balance sheet with a good composition of capital and liquid assets.
- Diverse credit portfolio to minimize credit risk and maximize returns.
- Surge in investment and sizable incomes from investments.
- Integrated team efforts from the ground level to top management, and
- Reinvention of products and services to cater to the diverse needs of customers.

## Code of Conduct

Commitment to the highest standards of transparency, reliability and ethical business conduct are well-established guiding principles within the Bank. These are articulated in a comprehensive policy and a Code of Conduct communicated to and understood by all employees.

# BANK'S PERFORMANCE

## Alignment with Strategies

Over the journey of fourteen years, Sunrise Bank has built a solid foundation to confront the future. The Bank has a successful history, a distinctive culture and a shared pride in performance, which is the foundation for its growth.

Across the Bank, its employees place great value on working together and share a genuine desire to best serve customers. The Bank is confident that its strategy is sound and that proper execution of the strategies can bring meaningful progress that is needed to create long-term value for all stakeholders, including customers. This is the secret of Sunrise Bank that has assisted it to truly live up to its brand proposition.

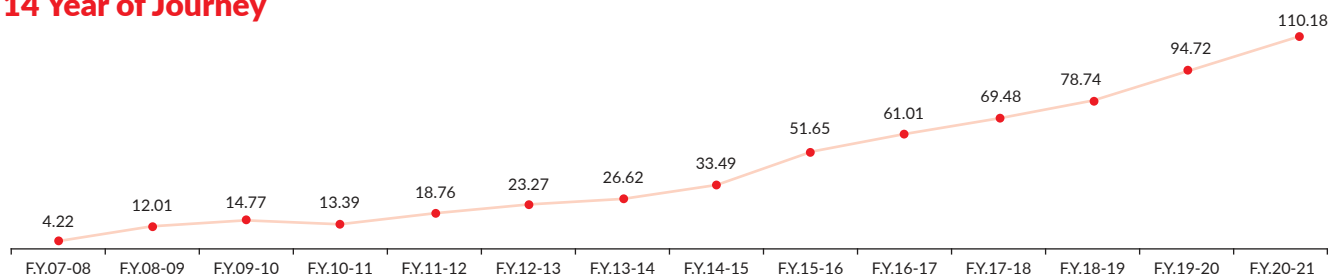
The major force driving growth at Sunrise Bank is its core values and enhanced digital capabilities, which remains key component to continued progress. While integrating technology the Bank continuously strives to create a culture that exemplifies service excellence,

simplification of the interfaces between customers and the Bank, while creating secure and safe transactional platforms.

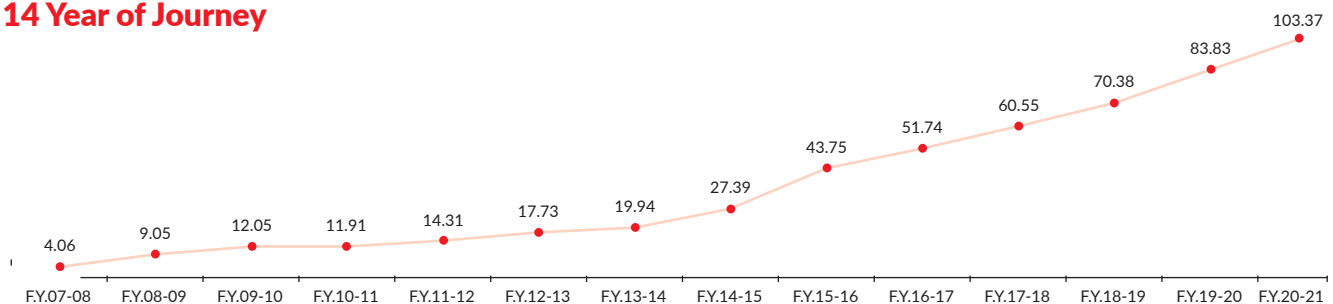
Sunrise Bank has emerged as one of the trusted Banks in Nepal and it will keep on investing in its highly customer-centric strategies. It values the trust customers have placed on it, which is the rationale for investments in the right technology and teams to protect its' customers information whilst also delivering faster and more reliable services. The Bank recognizes that customer-led innovation is crucial in the rapidly changing digital space. This explains its efforts to continuously engage in developing customer focused concepts and platforms that will be introduced in the coming years.

Engaging stakeholders is another core component of the Bank's strategy implementation process. By developing and maintaining meaningful relationships through stakeholder engagement, the Bank has been able to continuously improve its relations with stakeholders and in building trust needed for expanding the business. Sunrise Bank trusts that its vision, together with products and services that better cater to its customers, will set a steady path for progress.

## Deposit "In Billion" From Beginning of SRBL to 15 -July-2021 14 Year of Journey

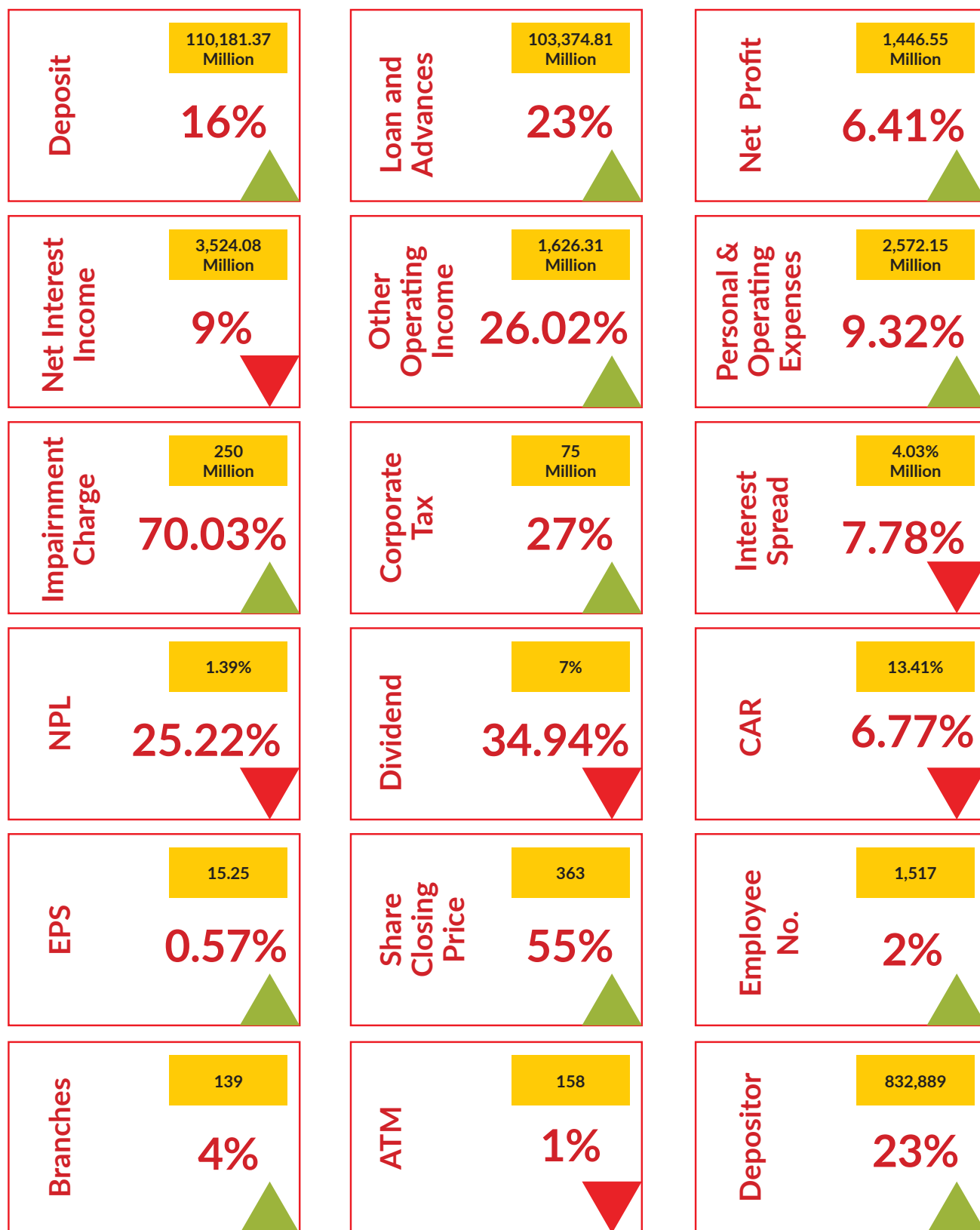


## Gross Loan and Advances "In Billion" From Beginning of SRBL to 15 -July-2021 14 Year of Journey



# FINANCIAL REVIEW

## (FINANCIAL YEAR 2020-21)

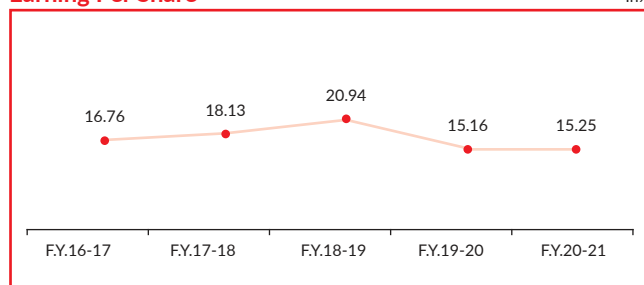


# FINANCIAL HIGHLIGHTS

## FINANCIAL REVIEWS of FIVE YEAR

### Earning Per Share

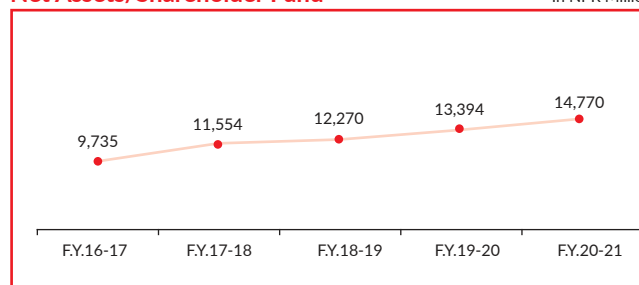
In%



Earnings per Share represent the share of each of the outstanding ordinary shares in the profit earned during the year by the Bank.

### Net Assets/Shareholder Fund

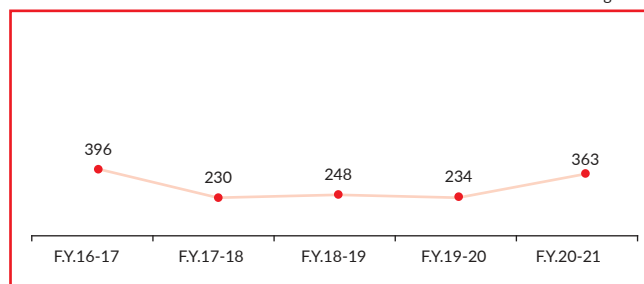
In NPR Million



Net Assets represent the total assets minus total liabilities. Steady and enormous growth was achieved in the net assets of the Bank over the last five years. The increase in Net Assets was due to higher increase in total assets, as compared to amount of increment in total liability of the Bank, and effect of cumulative profits and retained earnings. Net Assets increased by 10.27 % during FY 2020-21 in line with increase in business of the Bank during the period.

### Stock Performance

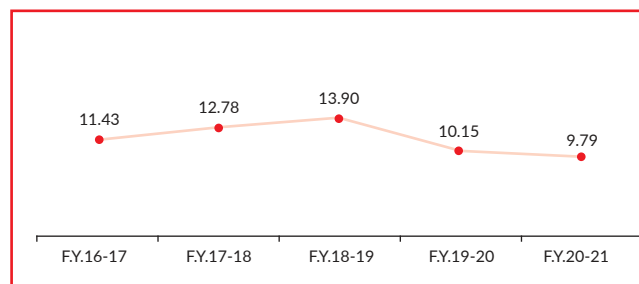
Closing Price



Closing Stock Price per Share of the Bank was NPR 363 as on mid July 2021, as compared to NPR 234 as on mid July 2020.

### Return on Shareholder's Fund

In %

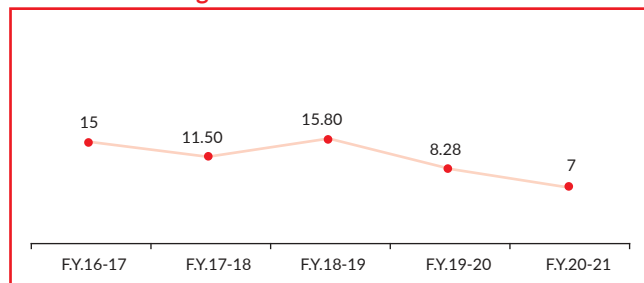


Return on Shareholder's fund measure the rate of return that shareholders have obtained on the capital which they have invested in the business. There was slight fluctuation on return on shareholder's fund during the last five years.



### Dividend Including Bonus Share

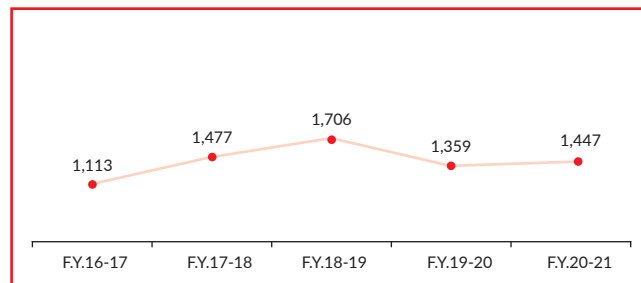
In%



During the F.Y. 2020-21 6.65% of Bonus Share and 0.35% of Cash dividend were distributed to shareholders.

### Profit after Tax

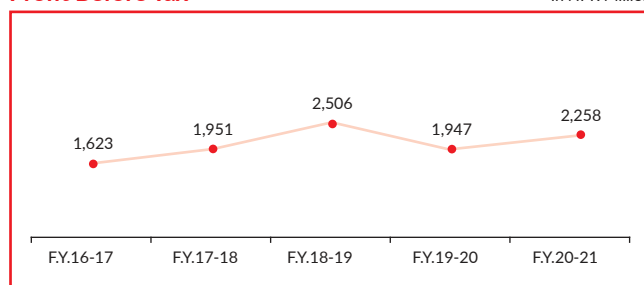
In NPR Million



Profit after Tax represents the net amount earned by the Bank after deducting all taxation and related expenses. Growth and expansion of business has resulted in increase in profit. During the F.Y. 2020-2021 profit after tax increased by 6.41%.

### Profit Before Tax

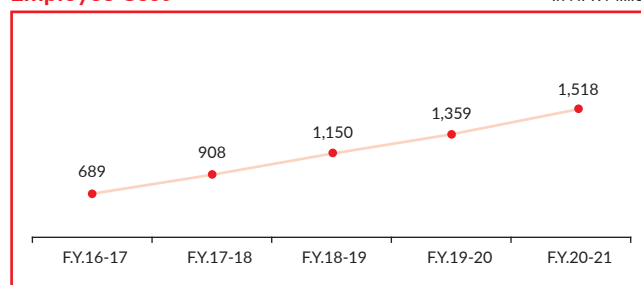
In NPR Million



Profit before Tax represents the total amount earned by the Bank before all taxation related expenses have been deducted. Growth and expansion of business has resulted in increase in profit During the F.Y. 2020-2021 profit after tax increased by 15.96%.

### Employee Cost

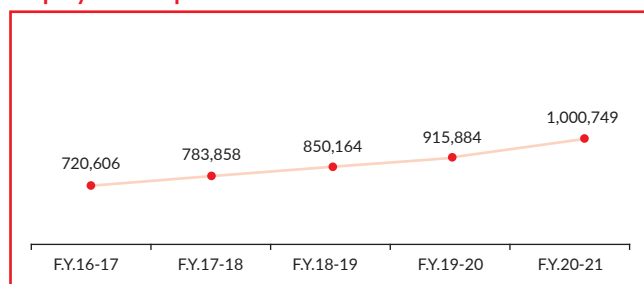
In NPR Million



Employee Cost of the Bank increases with respect to increasing in No of Employee and volume of business. Employee Cost increased by 11.70 % during the F.Y.2020-21 with addition of 33 new employees.

### Employee Cost per Staff

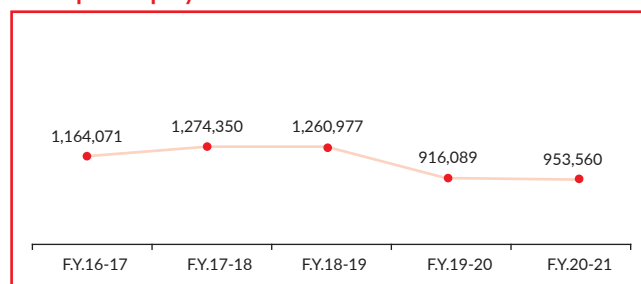
In NPR



Staff Cost per Employee represents the average staff expenses incurred per employee. Staff Cost per Employee was on an increasing trend. However, Staff Cost per Employee has increased during the year as a result of the Bank's policy to retain skilled and capable employees, promotion to deserving employees, hiring of talented and skilled staff in this competitive market, and the Bank's policy towards growth and development of the staff.

### Profit per Employee

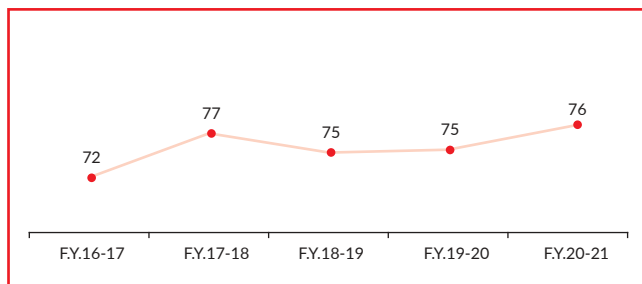
In NPR



Net Profit per Employee represents the average net profit earned by the staff of the Bank. Net Profit Per employee of the staff increased by 4.09% as compared to the previous year.

### Total Cost/Total Revenue

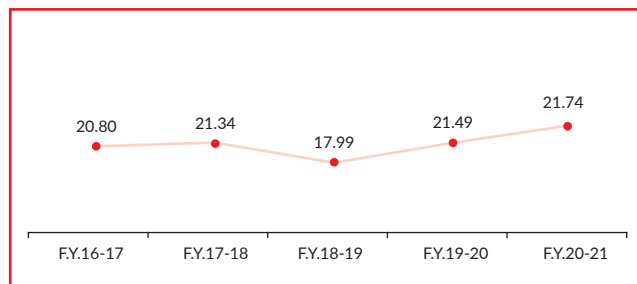
In %



It represents total cost incurred by the Bank in comparison to total revenue earned.

### SLR

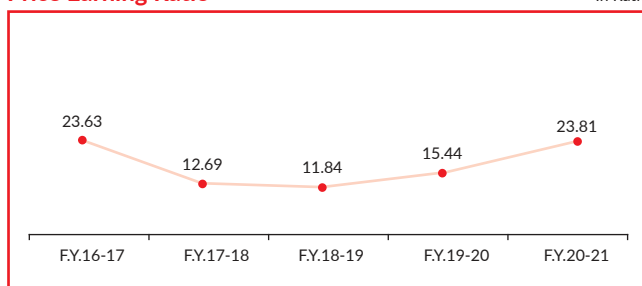
In %



Statutory Liquidity Ratio represents minimum percentage of deposits that the Bank has to maintain in form of gold, cash or other approved securities. There were slight fluctuations in the SLR of the Bank over the last five years. However, it was always higher than the regulatory requirement of 10%.

### Price Earning Ratio

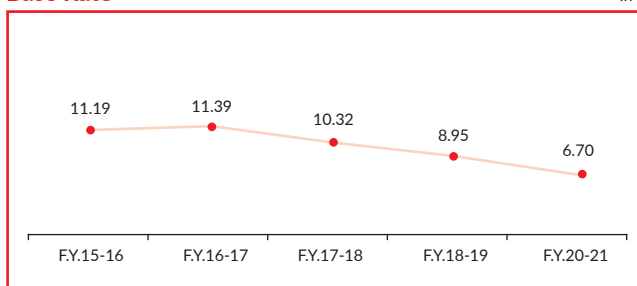
In Ratio



PE Ratio represents the ratio of earning per share in comparison to current share price. PE ratio increased during the F.Y. 2020-21 due to increasing in Closing Price of Share and Earning Per share.

### Base Rate

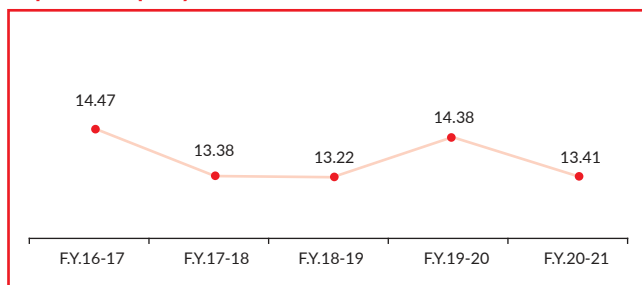
In %



Base Rate is a minimum interest rate on Lending fixed by the Bank. Fluctuation of Base Rate due to fluctuation of cost of fund and other operating Expenses.

### Capital Adequacy

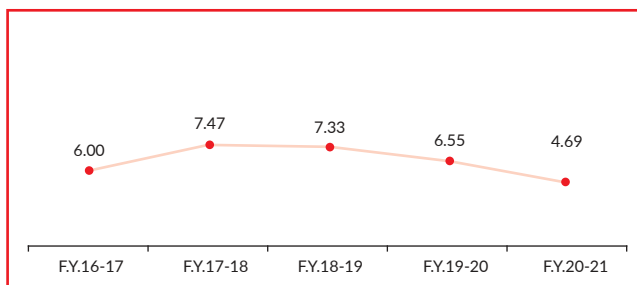
In %



Capital Adequacy Ratio represents the measure of capital of a Bank's eligible capital expressed as a percentage of its risk weighted asset. There were slight fluctuations in the CAR of the Bank over the last five years. However, it was always higher than the regulatory requirement of 11% and that required by the ICAAP of the Bank

### Cost of Fund

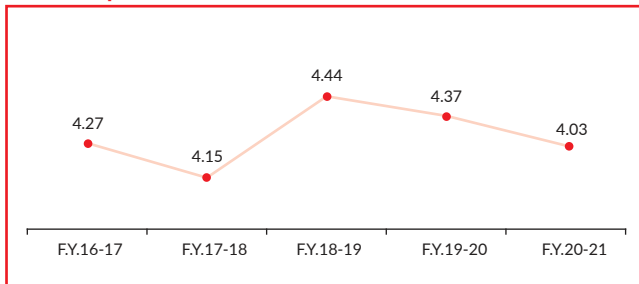
In %



Cost of Fund represents cost of Bank on Local Currency deposit, Borrowing and debentures.

### Interest Spread Rate

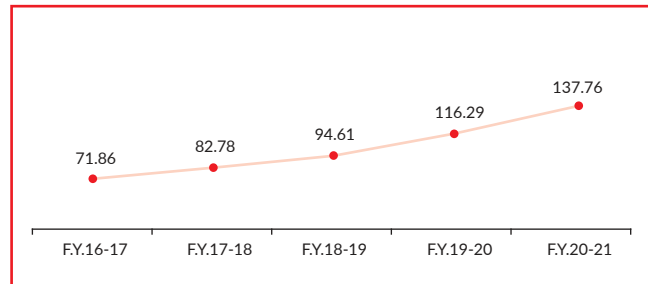
In %



Return on Total Assets represents the percentage of profit earned during the year as compared to average total assets (total balance sheet value) during the year.

### Total Assets

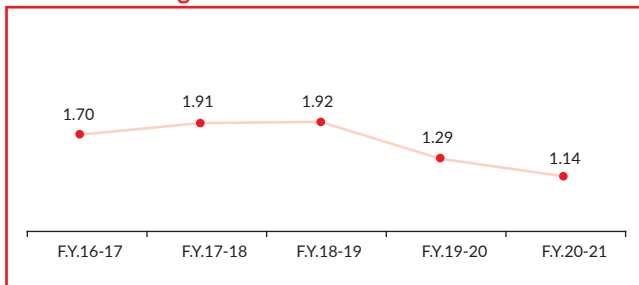
In NPR Billion



Total Assets represent the total balance sheet value of the Bank, which increases or decreases in line with the increase and decrease in the volume of business. Total Asset during the F.Y. 2020-21 increased by 18.47% as compared to P.Y. 2019-20.

### Return on Average Assets

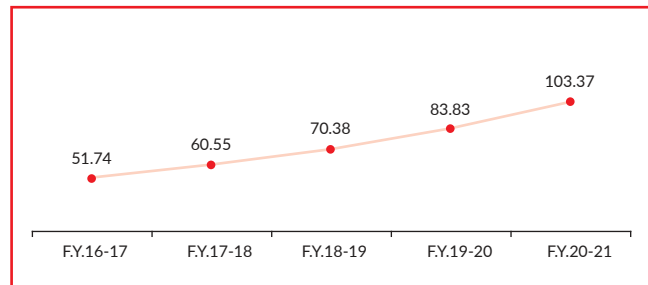
In %



Return on Total Assets represents the percentage of profit earned during the year as compared to average total assets (total balance sheet value) during the year.

### Gross Loan and Advances

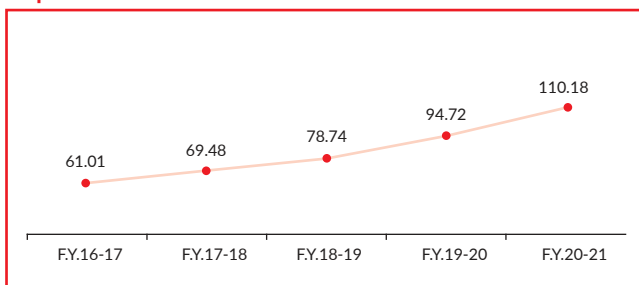
In NPR Billion



The Bank was able to achieve enormous increase in loans and advances during the last few years. Gross Loan and Advances during the F.Y. 2020-21 increased by 23.31% as compared to F.Y. 2019-20.

### Deposit

In NPR Billion

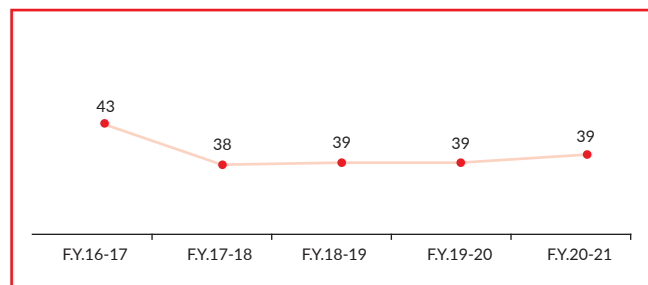


The Bank has been able to achieve enormous increase in Total Deposits during the last few years.

Deposit during the F.Y. 2020-21 increased by 16.32% as compared to F.Y. 2019-20.

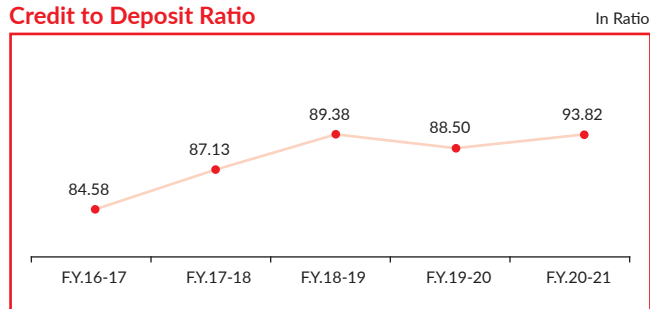
### Net Interest Income Ratio

In %



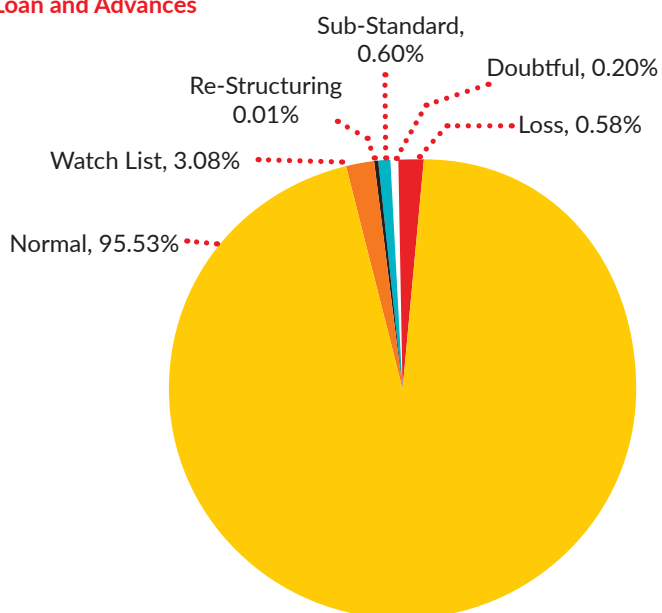
Net Interest Income Ratio represents percentage of income earned from total interest income. Net interest income ratio fluctuates in line with cost of fund and yield on loan.

## Credit to Deposit Ratio



It represents the credit facility provided by the Bank in comparison to deposits collected from the customers. Total Credits/Deposits was showing a slight fluctuation with respect to fluctuation in Loan and Deposit during the last year and during the F.Y. 2018-19 and F.Y. 219-20 it seems highly fluctuating due to issuance of four billion debenture.

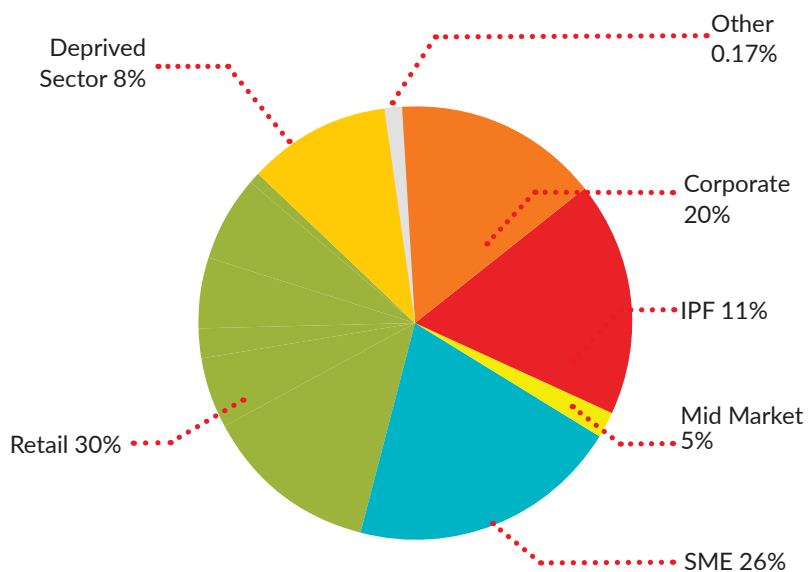
## Gross Loan and Advances



Normal	98,756.48 M
Watch List	3,180.45 M
Re-Structuring	11.45 M
Sub-Standard	616.25 M
Doubtful	209.63 M
Loss	600.52M
Total Loan	103,374.80 M

- Normal
- Watch List
- Re-Structuring
- Sub-Standard
- Doubtful
- Loss

## Sector Wise Gross Loan and Advances



Corporate	20,178.55
IPF	11,777.57
Mid Market	4,704.63
SME	26,512.20
Retail	31,467.59
Deprived	8,562.01
Others	172.26



# RATING INFORMATION

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Bank's Rating has been done by CARE Ratings NEPAL, which has assigned Issuer Rating of (CARE -NPA-) Single A Minus (Issuer Rating).

# THE OVERALL ECONOMIC AND BANKING SCENARIO

## 1. Economic Scenario and Trends

The global economy was contracted by 3.3 percent in 2020, where majority of nation's experienced negative economic growth due to the slowdown in global economic activities caused by the COVID-19 pandemic. With the production and distribution of vaccines against COVID-19, various countries have started vaccinating their citizens. Therefore, in the coming days, it is expected that the supply chain of the world market will be resumed, demand for goods will be increased, lockdown will be relaxed, working pattern of each nation will be changed and financial support will be increased in order to provide economic assistance and relief to consumers industries and businesses. Therefore, the International Monetary Fund has projected an expansion of 6.0 percent growth rate of the world economy in 2021.

Global Economic Growth rate (in Percent)

PARTICULARS	2016	2017	2018	2019	2020	2021*
World Economy	3.3	3.8	3.6	2.8	-3.3	6.0
Advanced Economies	1.8	2.5	2.3	1.6	-4.7	5.1
Emerging and Developing Economies	4.5	4.8	4.5	3.6	-2.2	6.7
Emerging and Developing Asia	6.8	6.6	6.4	5.3	-1	8.6
Middle East and North African Countries	5.1	1.9	1.2	0.8	-3.4	4.0
Emerging and Developing Europe	1.9	4.1	3.4	2.4	-2	4.4
European Union Countries	2.1	3.0	2.3	1.7	-6.1	4.4
Low Income Developing Countries	3.9	4.9	5.1	5.3	0.0	4.3

Source: International Monetary Fund, April 2021 \*Projection

Growth in the major advanced economies this year will be slightly lower than anticipated. Consumption slowed by COVID-19 surges and fading fiscal support in the United States and Japan weakened third quarter (Q3) outturns, prompting downward revisions to growth forecasts for the whole of 2021. This was partly offset by strong Q3 growth in the euro area. In aggregate, the major advanced economies are now expected to grow by 5.1% in 2021 and 4.5% in 2022

## Advanced economies:

Growth prospects for 2021 are revised down compared to the July forecast, largely reflecting downgrades to the United States (due to large inventory drawdowns in the second quarter, in part reflecting supply disruptions, and softening consumption in the third quarter); Germany (in part because of shortages of key inputs weighing on manufacturing output); and Japan (reflecting the effect of the fourth State of Emergency from July to September as infections hit a record level in the current wave). The US outlook incorporates the infrastructure bill recently passed by the Senate and anticipated legislation to strengthen the social safety net, equivalent to about \$4 trillion in spending over the next 10 years. The baseline also includes expected Next Generation European Union (EU) grants and loans for EU economies. Across advanced economies, an anticipated stronger rebound in the first half of next year, as vaccination proceeds, yields an upward revision to the growth forecast for 2022.

## Emerging market and developing economies:

The forecast for the group is marked up slightly compared to the July 2021 WEO Update, reflecting upgrades across most regions. China's prospects for 2021 are marked down slightly due to stronger-than-anticipated scaling back of public investment. Outside of China and India, emerging and developing Asia is downgraded slightly as the pandemic has picked up. Growth forecasts in other regions have been revised up slightly for 2021. The revisions in part reflect improved assessments for some commodity exporters outweighing drags from pandemic developments (Latin America and the Caribbean, Middle East and Central Asia, sub-Saharan Africa). Elsewhere, stronger-than-anticipated domestic demand in key regional economies further lifts the 2021 forecast (emerging and developing Europe).

## Low-income developing country group

The growth forecast for the low-income developing country group is marked down 0.6 percentage point relative to July, with the continuing slow rollout of vaccines as the main factor weighing on the recovery. IMF staff analysis indicates that low-income developing countries will require close to \$200 billion in spending to combat the pandemic and \$250 billion to regain the convergence paths they were on prior to the pandemic. Labor market prospects for low-skilled workers and youth continue to be relatively bleak compared to other demographic groups, pointing to increasing inequality and higher vulnerability to incomes falling below extreme

poverty thresholds within countries in this group. About 65–75 million additional people are estimated to be in extreme poverty in 2021 compared to pre-pandemic projections.

## South Asian Countries and China

Economies of majority of South Asian nations are expected to improve in 2021. The economy of Maldives, a South Asian country heavily dependent on tourism, was hardest hit by the Covid-19 infection. The Maldivian economy, which was contracted by 32.2 percent in 2020, is projected to expand by 18.9 percent in 2021. Likewise, the Bhutanese economy, which was contracted by 0.8 percent in 2020, is expected to contract further to 1.9 percent in 2021. The largest economies in South Asia, the economies of India and China are expected to expand significantly. In 2021, Indian economy is projected to grow by 12.5 percent and China's by 8.4 percent. In 2020, Indian economy was contracted by 8.0 percent while China's economy was expanded by 2.3 percent. According to the IMF, the Nepalese economy was contracted by 1.9 percent in 2020 and is projected to expand by 2.9 percent in 2021.

**Economic Growth Rate of South Asian Countries and China**

	(in Percent)					
COUNTRY	2016	2017	2018	2019	2020	2021*
Bangladesh	7.1	7.3	7.9	8.2	3.8	5.0
Bhutan	7.4	6.3	3.8	4.3	-0.8	-1.9
India	8.3	6.8	6.5	4.0	-8.0	12.5
Maldives	6.3	7.2	8.1	7.0	-32.2	18.9
Nepal	0.4	9.0	7.6	6.7	-1.9	2.9
Sri Lanka	4.5	3.6	3.3	2.3	-3.6	4.0
Pakistan	4.6	5.2	5.5	1.9	-0.4	1.5
Afghanistan	2.2	2.6	1.2	3.9	-5.0	4.0
China	6.9	6.9	6.7	5.8	2.3	8.4

Source: International Monetary Fund, April 2021 \*Projection

## Price Situation

In 2021, among the South Asian countries Pakistan is expected to have the highest inflation and Maldives the lowest. The consumer price inflation in South Asian countries is expected to decline with the exception of Bangladesh, Bhutan and Maldives. The International Monetary Fund has projected that Nepal's consumer price inflation will fall to 4.2 percent in 2021 from 6.1 percent in 2020. China's consumer price inflation is projected to decline by 1.2 percent in 2021 compared to that of the 2020.

**Inflation in South Asian Nations and China Based on Consumer Price**

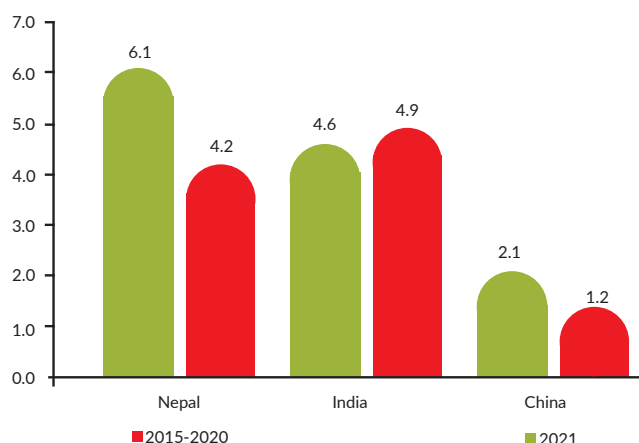
(in Percent)

COUNTRY	2016	2017	2018	2019	2020	2021*
Bangladesh	5.9	5.4	5.8	5.5	5.6	5.8
Bhutan	3.3	4.3	3.7	2.8	4.2	4.9
India	4.5	3.6	3.4	4.8	6.2	4.9
Maldives	0.8	2.3	1.4	1.3	-1.6	1.6
Nepal	9.9	4.5	4.1	4.6	6.1	4.2
Sri Lanka	4	6.6	4.3	4.3	4.6	4.4
Afghanistan	4.4	5	0.6	2.3	5.6	5.1
Pakistan	2.9	4.1	3.9	6.7	10.7	8.7
China	2.0	1.6	2.1	2.9	2.4	1.2

Source: International Monetary Fund, April 2021 \*Projection

The average inflation rate of Nepal during 2015 to 2020 was 6.1 percent, while that of neighboring countries India and China was 4.6 percent and 2.1 percent, respectively. In 2021, the inflation in Nepal, India and China is projected to be 4.2 percent, 4.9 percent and 1.2 percent, respectively, by the IMF.

## Comparative Status of Inflation in Nepal, India and China (in Percent)



Source: International Monetary Fund, April 2021

## Nepal

A second wave of COVID-19 infections beginning April 2021 has led to renewed containment measures. Economic growth is now estimated at 1.8 percent in FY21, below previous expectations, and is projected to rise to 3.9 percent in FY22. Poverty is expected to increase, despite increased coverage of social protection in FY22 (from a low base). Downside risks to the outlook include delays in vaccine deployment, new COVID-19 variants, higher public debt burdens, and longer-term scarring of the economy

The composition of the ECBC is as follows:

	2020
Population, million	29.1
GDP, current \$ billion	33.7
GDP per capita, current \$	1158.1
International poverty rate (\$1\$)'	15.0
Lower middle-income poverty rate (\$3.2h) <sup>a</sup>	50.9
Upper middle-income poverty rate (\$5.5) <sup>a</sup>	83.0
Gini indexa	32.8
School enrollment, primary (% gross)b	142.1
Life expectancy at birth, years* <sup>1</sup>	70.8
Total GHG Emissions (mtCO2e)	58.3

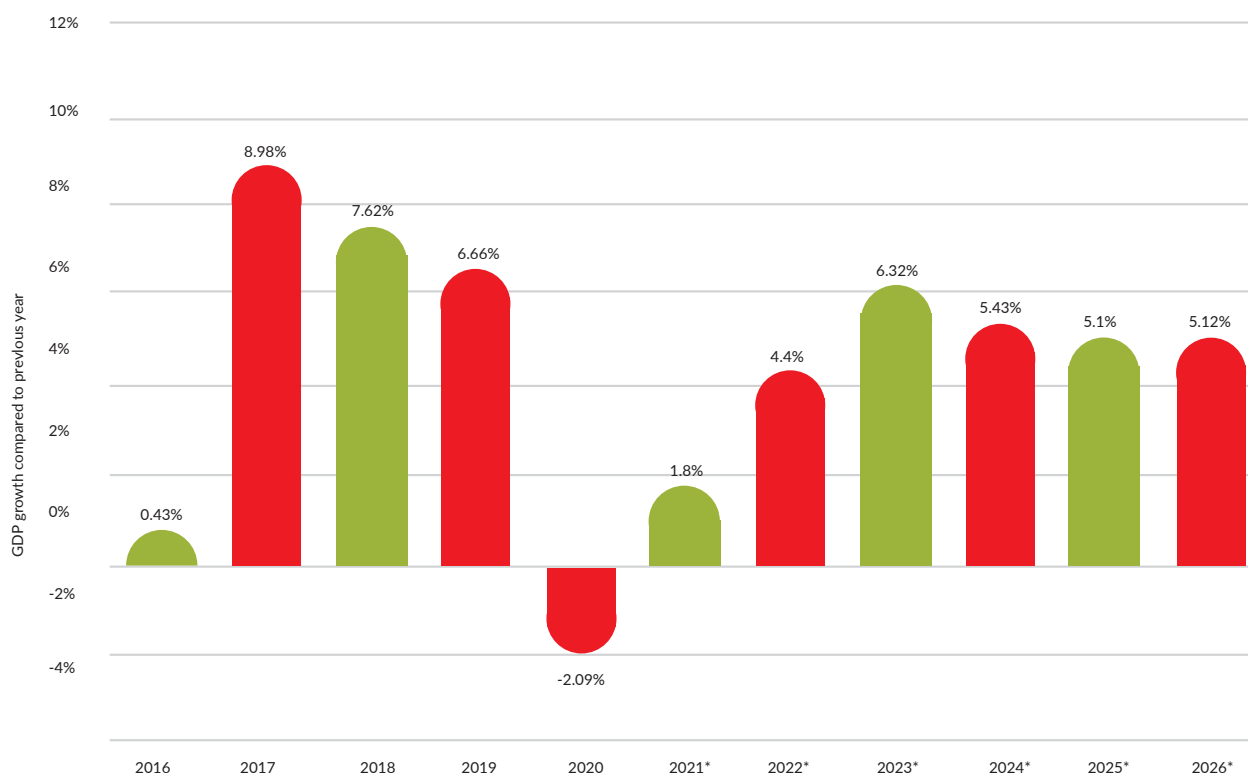
Source: WDI, Macro Poverty Outlook, and official data. (a) Most recent value (2010). 2011 PPPs. (b) Most recent I value (2019)

GDP growth is anticipated to fall to 1.8% in FY2021 primarily owing to continued stringent measures to contain the spread of COVID-19 with the spike in infections and increased fatalities. Expected sharp economic downturn in neighboring India, Nepal's predominant trade partner will also dent Nepal's growth prospects. With continued rise of COVID-19 cases, periodic lockdowns in major hotspots and the consequent restrictions in economic activities may be the norm at least through the first half of this fiscal year.

## Key conditions and challenges

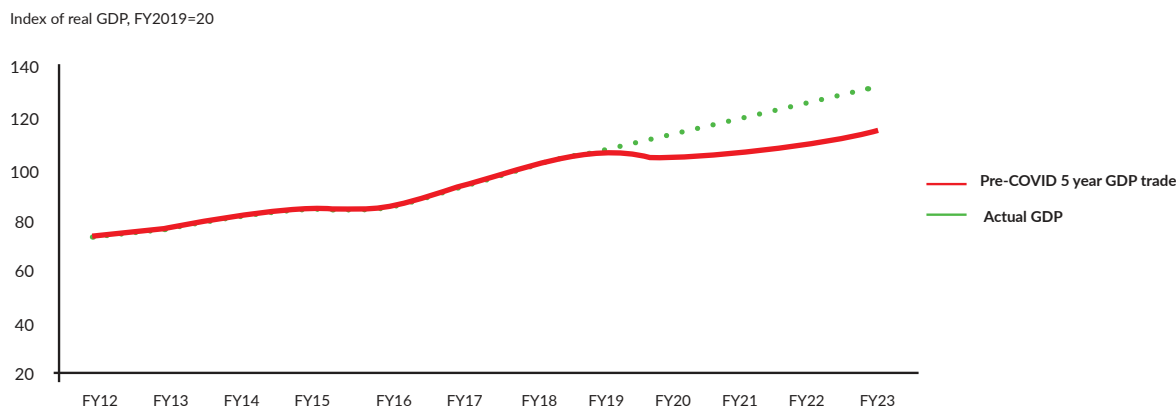
While Nepal has achieved respectable growth in the past, averaging 4.9 percent over FY09-FY19, the country faces significant vulnerabilities to achieve inclusive and sustainable growth going forward. The ongoing disruptions by the pandemic are compounded by structural constraints such as slow domestic job creation, high vulnerability to natural disasters (including climate change and environmental degradation), and large infrastructure gaps. Furthermore, the pandemic has recently triggered a surge in debt levels that needs to be addressed.

## Gross Domestic Product (GDP) Growth Rate (Basic Price)



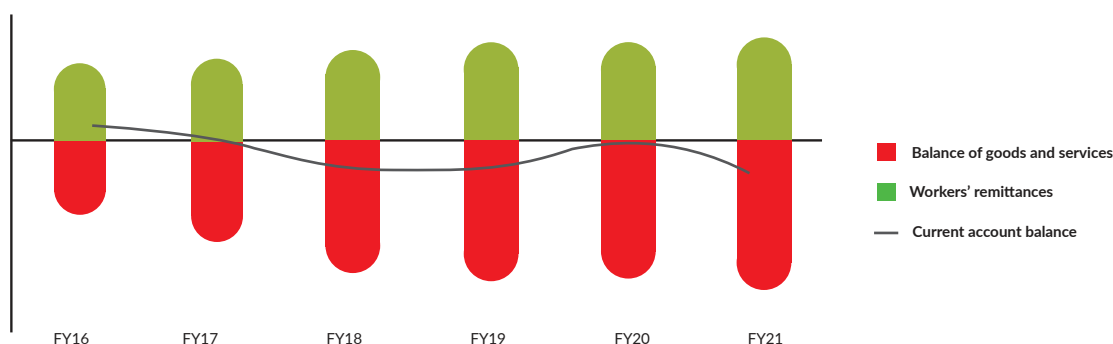


**Figure 1: Real GDP levels: Actual vs. Pre-COVID trend**



Source: World Bank staff projections and Nepal Central Bureau of Statistics.

**Figure 2: The current account deficit has widened**



Source: World Bank staff projections and Nepal Central Bureau of Statistics.

## Recent Developments

Following a GDP contraction of 2.1 percent in FY20, the economy is estimated to have grown by 1.8 percent in FY21 even with renewed containment measures imposed in the fourth quarter of the fiscal year. Agriculture, contributing over one-fifth of nominal GDP, has been a bright spot, registering 2.2 and 2.7 percent growth in FY20 and FY21, respectively, on the back of favorable summer monsoons. Industry and the services sectors were more severely impacted by the renewed containment measures. After contracting during FY20, the industry and service sectors are estimated to have grown by only 0.9 and 1.6 percent in FY21, respectively.

Consumer price inflation cooled from 6.1 percent in FY20 to 3.6 percent in FY21, considerably below the central Bank's ceiling of 7 percent, with food inflation (5.0 percent) outstripping non-food inflation (2.5 percent). Monetary policy remained accommodative to ensure the continuous flow of credit amid COVID-19. As a result, private sector credit expanded by 26.6 percent in FY21.

The current account deficit widened from 0.9 percent to 8.1 percent of GDP between FY20 and FY21. Surging imports, helped in part by a stronger recovery in industrial supplies, and lower exports in FY21 widened the goods and services trade deficit from 27.1 percent to 34.5 percent of GDP from FY20 to FY21. Service exports remained low as tourist arrivals contracted by more than 90 percent in FY21. Remittance inflows have remained robust throughout the pandemic, dipping only slightly during FY20 and strengthening during FY21 to 23.2 percent of GDP. In the absence of significant FDI inflows, the current account deficit was financed by external debt. The central Bank's foreign exchange reserves remain robust at \$10.5 billion by mid-July 2021, equivalent to 9 months of imports.

The World Bank's 2020 SAR COVID-19 phone monitoring survey reports significant labor income shocks from the crisis in the latter half of 2020. Six months into the first national lockdown beginning March 2020, 25 percent of workers reported permanent job loss and 19 percent reported a prolonged work absence of 4.4 months on

average (with a gap of 4 months since the last pay). In addition, 46 percent of employed workers reported earnings losses. With a negligible scaleup (2 percent) of social assistance in response to these shocks in 2020, the risks of increased poverty and longer-term inequality remain high.

The fiscal deficit narrowed from 5.3 percent of GDP in FY20 to 4.6 percent of GDP in FY21. A recovery in VAT and customs revenue collections associated with the pickup in imports was partially offset by lower non-tax revenue reflecting decreased tourism-related royalties and visa fee collections. Concurrently, government spending picked up with ongoing COVID-19 relief and a resumption of capital spending. Public debt increased by around 6 percentage points of GDP to 41.8 percent of GDP in FY21.

## Outlook

The new wave of localized lockdowns beginning in April 2021 have stalled the nascent recovery. The forecast assumes

- (i) No return to nationwide lockdowns despite the rise in new COVID-19 cases,
- (ii) An effective vaccination rollout to the entire eligible population by mid-April 2022,
- (iii) a gradual increase in international migration and tourist arrivals as global vaccination rates rise thereby reaching pre-pandemic levels in FY24, and
- (iv) The gradual resumption of economic activities alongside social distancing and public-health measures.

Under the baseline scenario, the economy is expected to gradually recover to 3.9 percent and 4.7 percent growth in FY22 and FY23, respectively. Above-normal rainfall during summer monsoons and the availability of chemical fertilizers should boost agricultural output in FY22. Industrial and service sector activities are expected to expand with the vaccination rollout and are likely to reach pre-pandemic levels by FY22.

The current account deficit is expected to widen to 9.0 percent of GDP in FY22 and to remain elevated in FY23 even as remittances stabilize at a high 22.5 percent of GDP. Import growth will likely remain strong reflecting ongoing COVID-related medical purchases and the construction of health and local infrastructure. Service exports, equivalent to 4.8 percent of GDP in FY19, are expected to remain below their pre-pandemic level at less than 3.0 percent of GDP through FY23.

The fiscal deficit is projected to increase to 5.8 percent of GDP in FY22 as expenditure growth continues to outstrip revenue growth and remain elevated at 5.0 percent of

GDP in FY23. Revenues will remain moderately high at 24.2 percent of GDP in FY22 and rise to 24.9 percent of GDP by FY23 on the back of an expected continued recovery of imports. Expenditures are expected to continue rising at a faster rate, reaching 30 percent of GDP in both years. As a result, public debt is projected to reach 45.4 percent of GDP in FY22 and 47.7 percent of GDP by FY23, a significant increase and 20.5 percentage points of GDP higher than the pre-pandemic level.

The economic outlook is subject to downside risks. A slower than expected vaccine rollout or a new COVID-19 variant reducing vaccine effectiveness could derail the nascent economic recovery. Financial risks could increase as borrowers face repayment difficulties, which could be triggered by a slowdown in remittance growth. These factors combined with unproductive public spending and recurring climate-related natural disasters are likely to result in increased risks to government finances. The lack of pre-existing policy mechanisms that can be scaled up to reach poor and vulnerable groups is likely to increase the downside risk to poverty, especially given the severity of the second wave. On the upside, effective vaccination campaigns could help decouple economic trends from future pandemic waves.

## Inflation

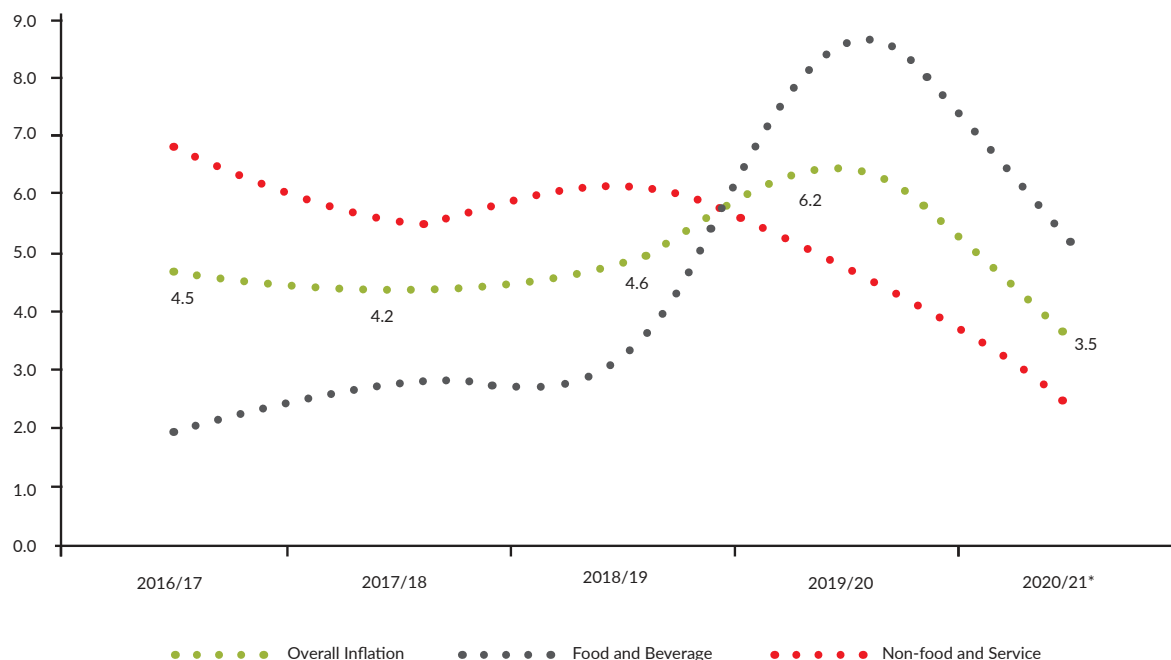
The average consumer price inflation during the first eight months of the current fiscal year 2020/21 is 3.5 percent whereas in the corresponding period of fiscal year 2019/20 such inflation was 6.5 percent. On year-over-year basis, consumer price inflation rate has remained 3.0 percent in mid-March 2021. During the corresponding month of the previous year, such inflation rate was 6.7 percent.

In mid-March of 2021, the inflation of food and beverages group has remained at 3.8 percent on year-on-year basis. Such inflation rate was 9.3 percent during the corresponding month of the previous year. Prices of pulses, ghee and oil, fruits and tobacco have gone up by double digits under food and beverages group. The prices of vegetables and spices have decreased compared to that of the last year.

As of mid-March of 2021, the non-food and services group inflation on Y-O-Y basis has remained 2.4 percent. Such inflation rate was 4.7 percent during the corresponding month of previous year.

Consumer price inflation during mid-March 2021 was 2.5 percent in Kathmandu, 3.2 percent in Terai, 3.4 percent in hill and 1.3 percent in Mountain. During mid March 2020, the inflation rates in those areas were, 7.6 percent, 6.8 percent, 5.5 percent and 5.4 percent, respectively.

## Overall and Sectoral Consumer Price Inflation Rate (in percent)



## Macro poverty outlook indicators (annual percent change unless indicated otherwise)

	2018	2019	2020	2021	2022	2023
Real GDP growth, at constant market prices	7.6	6.7	-2.1	1.8	3.9	4.7
Private Consumption	6.2	8.1	3.6	2.4	2.5	2.6
Government Consumption	2.1	9.8	3.8	2.0	20.8	2.0
Gross Fixed Capital Investment	11.8	11.3	-12.4	-0.5	9.3	12.9
Exports, Goods and Services	7.7	5.5	-15.9	-19.8	11.2	13.4
Imports, Goods and Services	19.0	5.8	-15.2	16.9	9.0	7.5
Real GDP growth, at constant factor prices	7.4	6.4	-2.1	1.8	3.9	4.7
Agriculture	2.6	5.2	2.2	2.7	2.8	3.0
Industry	10.4	7.4	-3.7	0.9	3.3	5.8
Services	9.3	6.8	-4.0	1.6	4.7	5.3
Inflation (Consumer price Index)	4.1	4.6	6.1	3.6	4.3	4.7
Current Account Balance (% of GDP)	-7.1	-6.9	-0.9	-8.1	-9.0	-8.5
Fiscal Balance (% of GDP)	-5.8	-5.0	-5.3	-4.6	-5.8	-5.0
Debt (% of GDP)	26.5	27.2	36.3	41.8	45.4	47.7
Primary Balance (% Of GDP)	-5.4	-4.5	-4.7	-3.7	-4.8	-4.0
GHG emissions growth (mtCO2e)	2.8	5.1	1.7	3.7	3.2	3.8
Energy related CHG emissions (% of total)	43.2	43.5	43.5	46.3	47.2	48.2

Source: World Bank Economic Overview; Asian Development Bank Economic Overview

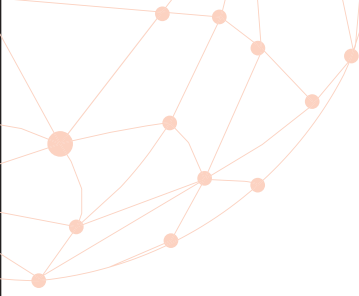
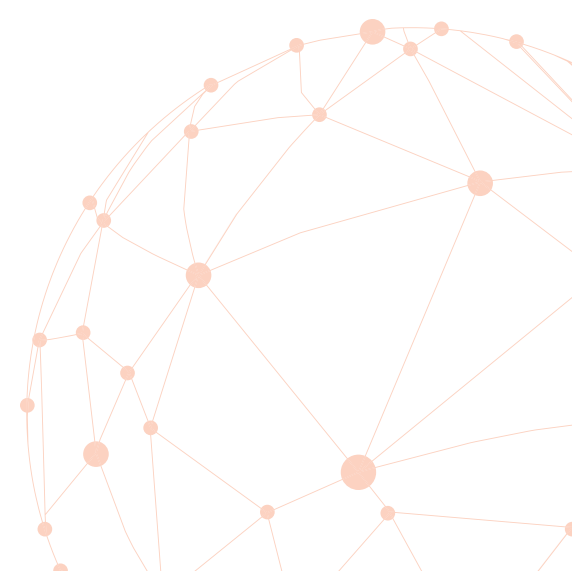
# GOVERNANCE AT A GLANCE

- Corporate Governance Unit is in the Banks constituent Chief Risk Officer, Head-Internal Risk Management Department, Head-Legal and Head-Compliance. This unit holds meeting on a scheduled basis to discuss on several governance related issues happening within the Bank with further action plans.
- AML committee is the board level committee in the Bank comprising of one of the board members, Chief Risk Officer along with H-Compliance and AML/CFT In-charge. The meetings of AML Committee is held at least on a quarterly basis and as and when required where the policy level discussions and matters are discussed as well as several other AML & CFT related developments, to do tasks and other Compliance related issues are discussed and needful instructions are given to the Management.
- There is Grievance Cell in the Bank which is responsible for listening to the grievances of staffs and takes them to the next level for their resolutions.
- Trainings on AML and Corporate Governance have been provided to Directors/ Top Management and all staffs of Bank, this is an ongoing process as it is done regularly and as and when there are new changes in the regulatory levels policies/directives.
- Compliance and other staffs regularly have been participating on various workshops and seminars on AML and Corporate Governance.
- There is disclosure /declaration practice for Directors and Staffs in terms of written declaration on social and personal compliance terms, declaration of assets. For staffs there is Know Your Employee form to be filled by all staffs.
- There is zero tolerance culture for non-compliance in the Bank.
- Vigorous trainings on governance issues along with the AML & CFT compliance matters.
- A comprehensive AML & CFT Policy is implemented.

- To handle the hidden compromise on corporate governance related issues, the Bank also promotes whistle blowing mechanism among staffs.
- Customer's grievances and suggestions are also taken care of through Grievance handling desk at every Branch and also through the customer complaints and suggestion box placed at every Branch which is accessed every month with proper approval from the Management level for the further course of actions from respective Departments and Branches towards solving the matter at the earliest.
- During the period of FY 2077-78, 5 staffs were taken actions for non-compliance and compromising corporate governance of the Bank.
- And, There were grievances/whistle blows received from 5 staffs in the grievance cell during last fiscal year 2077-78 for which actions were taken.
- There are total 84 customer complaints received in FY 2077-78 out of which most all have been rectified and some are underway.

Under the direction of NRB No. 6.7.5 Provision related to Anti Money Laundering, The Bank has formed Money Laundering Prevention Committee, which shall be rearranged as per the provisions of Unified Directive, Directive # 6 and Point no. 7 (ta). The directive also includes the TOR of the committee which has to be implemented in Bank and needful has to be carried out accordingly. Some major points of TOR are as follows:

- i. Preparing a report on compliance status of provisions of Asset (Money) Laundering Prevention Act, 2064, Asset (Money) Laundering Prevention Rules, 2073, and Unified Directives (Directive Number 19) for submission to Board.
- ii. Discussing on the adequacy of internal policy, manuals and operating procedures based on Asset (Money) Laundering Prevention Act, 2064, Asset (Money) Laundering Prevention Rules, 2073, Unified Directives and Financial Action Task Force (FATF) Recommendation and making necessary policies, if required and implementing them.

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- 
- iii. Discussing adequacy and competency of procedural and operational aspects applied/to be applied by the Bank for identification and mitigation of risks related to ML/FT and making necessary suggestions to Board for any needed improvements.
  - iv. Analyzing the Customer Identification Policy and ensuring effective implementation of PEP, beneficial ownership as well as Customer Identification and Acceptance Policy based on risk grading of customer.
  - v. Presenting a quarterly report to the Board on compliance with Asset (Money) Laundering Prevention Act, 2064, Money Laundering Prevention Rules, 2073, and Directives, internal policy and manual.
  - vi. Discussing on the below reports/details received from management and giving suggestions to Board as deemed necessary.
    - a. Risk assessment report related to AML/CFT
    - b. Updated status of customer identification, Details of CDD, ECDD, PEPs along with details regarding the necessary procedural, operational and institutional improvements to be applied in the Bank to make the process faster, quicker by use of information technology.
    - c. Report on the comments of internal auditor, external auditor and inspection report along with detailed analysis of the procedural and operational improvements required.
  - vii. Analyzing and reviewing in detail of the mitigation of risks related to launching of any new product/ services, purchasing of new IT system, wire transfers, e-Banking/mobile Banking (including QR code), transactions through mobile wallet and other transactions through online/offline mediums.
  - viii. Analysis of national/international news and happenings related to money laundering and terrorist financing and providing suggestions to Board regarding the probable threats to the Bank and procedures measures to be applied for their mitigation.
  - ix. Ensuring adequate training/knowledge sharing is provided to CEO, shareholders holding 2% and above shares of the paid-up capital, Board of Directors, senior management, Head-Compliance and employees directly and regularly working in tasks related to AML/CFT.
  - x. Regularly analyzing the internal policies and strategies of the Bank regarding AML/CFT and suggesting to the Board about their adequacy.
  - xi. Effectiveness of AML/CFT measures, risk assessment, policies for monitoring of unreasonable activities, proper reporting to regulatory authorities and ensuring discussion of the same in Board meeting as well.
  - xii. Ensuring all the required reporting to Financial Information Unit and other units of NRB is done within deadline.

## AML/CFT Compliance Risk

There are growing sensitivities on both domestic and international front with regards to money laundering and terrorism financing. As a result, there is a need to focus on these areas where related risks are relatively high in order to allocate resources in the most effective way.

Accordingly, the Bank has separate units for compliance for AML/CFT regulations. The division is headed by senior level official with adequate access to the daily report, operational processes and right to recommend the changes in the system and procedures.

## Compliance Risk

Compliance risk is the risk of legal or regulatory sanctions; material financial loss or damage to reputation that a Bank may suffer as a result of failure to comply with laws, regulations, regulator's directives, self-regulatory standards and codes of conduct applicable to its activities.

Compliance risk management not only refers to compliance with regulatory requirements but also with the Bank's self-regulatory standards and Code of Conduct. The Bank has a separate compliance department which identifies the compliance requirements and submits optimized responses. Compliance department ensures Bank's compliances with internal and external standards prescribed by the management and ensures adequate measures to manage/mitigate compliance risk as well as provides governance advisory service to the management thereby establishing zero tolerance culture in the Bank.

## Money Laundering Prevention Committee

NAME	DESIGNATION
Ms. Sharada Pudasaini Sharma	Coordinator
Mr. Apachh Kumar Yadav	Member
Ms. Binita Jain	Member Secretary/Head Compliance Department





# BOARD OF DIRECTORS







# BOARD OF DIRECTORS



**Mr. Motilal Dugar**  
Chairman

Mr. Motilal Dugar is a renowned industrialist, hydropower developer and businessman of the country having over 55 years of experience in trading, manufacturing, automobile, banking, insurance, large scale cold storage and construction sectors. Mr. Dugar has served the Bank as a founder director since its inception and as the Chairman for a decade.

Mr. Dugar is also the Executive Chairman of MV Dugar Group, PAN Himalaya Energy Pvt. Ltd., Global Hydropower Associate Pvt. Ltd., Numbur Himalaya Hydropower Pvt. Ltd., NASA Hydropower Pvt. Ltd., Kohinoor Cold Storage Pvt. Ltd., Dugar Auto Clinic Pvt. Ltd., Dugar Automobiles Pvt. Ltd., Dugar Brothers and Sons Pvt. Ltd. etc., and former Chairman of Gurans Life Insurance Co. Ltd.

MV Dugar Group is constructing hydropower projects of altogether 321 MW in the country, which is the largest in itself till now being constructed by the private sector of Nepal. Some of these projects have already completed and electricity connected to the grid. Sumo Construction & Engineering Pvt. Ltd. promoted by MV Dugar Group is the largest construction company of Nepal specialized in Hydropower Sector.

He is also the Vice President of Nepal-USA Chamber of Commerce and Veerayatan Nepal, a religious and social organization.



**Er. Bachh Raj Tater**  
Director

Chairman of the Tater Group, Er. Bachh Raj Tater is a well-known businessman and one of the pioneers in private hydropower development in Nepal. A former banker, Mr. Tater has also been serving as the Chairman of South Asia Infrastructure Development Pvt. Ltd., RidiKhola Hydropower Development Company Ltd., and Vishal Plastocab Industries Pvt. Ltd. He is also a director of the Arun Valley Hydropower Development Company Ltd. As one of the oldest Civil Engineers of the country, he had worked in the past for a year at the Department of Irrigation, Government of Nepal and was involved for 24 years as Chief, Construction Section, Agricultural Development Bank



**Mr. Malchand Dugar**  
Director

Mr. Malchand Dugar comes from one of Nepal's largest business families. He, along with his father – Late Mr. Tolaram Dugar, who is also the founder Chairman of Sunrise Bank Limited, Gurans Life Insurance Company Limited and TM Dugar Group, has established and operated a number of successful industries and service centers in Nepal.

As Chairman of the TM Dugar Group, he heads several companies including Dugar Foods and Beverages Pvt. Ltd., Advikk Exim International Pvt. Ltd., Shirish Warehousing Solutions Pvt. Ltd., Pooja Warehousing Solutions Pvt. Ltd., Amrit Pulses Industries, Shrish Cold Storage, Navkar International, Nepal Sal Seed Oil Pvt. Ltd., and Bikas Intercontinental, etc. He is a former Director of Gurans Life Insurance Co. Ltd. Mr Dugar has over four and a half decades of experience in business and has also served in the Board of Sunrise Bank Limited for several years.



**Er. Shailendra Guragain**  
Director

Er. Shailendra Guragain is a prominent business leader, hydropower entrepreneur and untiring social worker. His business conglomerates comprise of financial services, hydropower development fintech services, tertiary educational institutions and others.

He is very influential leader in the business community. He has held leadership roles in the IPPAN (Independent Power Producers Association of Nepal). He has also held various leadership positions at FNCCI (Federation of Nepalese Chamber of Commerce and Industry), Chamber of Commerce, Power Association, Engineering Council, Nepal Engineer's Association.

He has played a pivotal role in commercialization of hydropower production projects especially regarding the involvement of private sectors. He has held leadership role in the Board of Varun Hydro Power Co. Ltd, Arun Valley Hydro Power Co. Ltd, Siuri Nyadi Hydro Power Ltd and River Fall Power Ltd, Shivam Power Ltd.

He holds M. Sc. In Engineering and Executive MBA degrees.



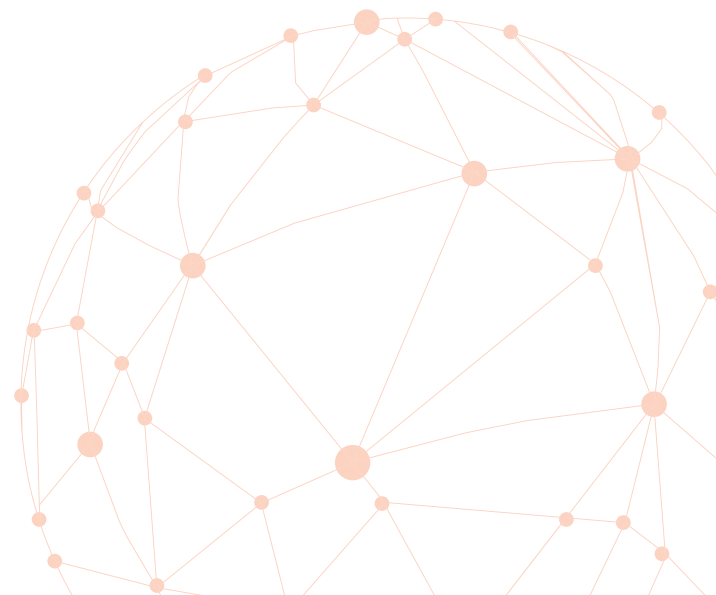
**Ms. Sharada Pudasaini Sharma**  
Director

Ms. Sharada Sharma Pudasaini has an active social worker with long experience in business. She served as a director in Info Hub Publication Pvt. Ltd. and Travel Hub Pvt. Ltd. She was also the chairman of Shree Krishna Pranami Women Association and Shree Krishna Pranami Baal Ashram. She has been travelling to the nook and corners of the country for the social work. Ms. Pudasaini was also involved in Narayani National Finance Co. Ltd. for a long period of time.



**Mr. Deepak Nepal**  
Director

Mr. Deepak Nepal is a representative of public shareholders in the Bank's board. He holds a diploma in Commerce from Tribhuvan University of Nepal. Mr. Nepal has involved in corporate sector nearly four decades. He is a former board director in Gurans life insurance company Ltd., where he served for more than 6 years. He was also an active Executive Member in Nepal Foreign Trade Association for four years. He has also worked with Nepal Govt. as the Chairman in Revenue Committee of Nepal Foreign Trade Association.





# CHAIRMAN'S STATEMENT





**Dear Fellow Shareholders,**

This gives me an immense pleasure to inform you that we have completed a journey of 14 years by the time we reach the Fiscal Year 2020-21. I would like to thank all of you for showing great faith and being so patient with us. The challenge of COVID 19 pandemic with newer variants is still looming over our heads and the world economy has suffered a lot. Nepalese economy and consequently our bank have also been affected due to it. However, amidst all the challenges, we have been able to grow significantly.

During Financial Year 2020-21, growth in the Bank's balance sheet size grew by 18.46% to Rs. 137.76 billion. Loans and advances grew by 23.31 % to Rs. 103.37 billion, whereas Deposit grew by 16.33% to Rs 110.18 billion.

Talking about profitability, operating profit was healthy and the capital and liquidity position remained strong. At the end of FY 2020/21, Operating Profit grew by 17.23% to Rs 2.28 billion, and Net Profit by 6.41 % to Rs1.45 billion.

While our branch network stands at 139 as before, extension counters and branchless banking network has expanded to 13 and 87 respectively. We have installed 159 ATMs by now. We have also extended our reach in 48 districts – from East to the West and North to the South of the country- as per our commitment of nationwide presence.

We have proposed a cash dividend of 0.35% and Bonus Share of 6.65% this year out of the profit and reserve. The paid-up capital will rise to Rs. 10.12 billion after the bonus shares. The Bank has been growing steadily as evident from the financials, which have been prepared according to the Nepal Financial Reporting Standard (NFRS).

The bank is focusing in innovative and tailor-made products for its customers. Devising customer-centric solutions has become possible due to placing the

customers at the center of the business operations and connecting them, more digitally every year, to the services. The Bank's ability to leverage technology combined with analytical insights and partnerships have created new ways of serving customers through digital journeys and one-stop solutions for all banking needs.

Apart from doing business and provide banking services to its customers, the bank also acts as a good corporate citizen and has been continuously helping towards welfare of the society. Similar to the past, it has contributed towards many tangible and intangible benefits to people focusing in education, health and sanitation, conservation of culture, child education, etc.

Finally, I would like to congratulate all of you on the occasion of completion of 14 years of successful operations. For this, I would like to thank all of our trusted shareholders, valued customers, hardworking employees, directors and executives, both former and present. I would also like to thank the employees at Sunrise Bank for their hard work without which the results would not have been possible. There are always risk and challenges in any business but I firmly believe that we will hold ground and will continue to move forward, always striving to achieve quality and delivering satisfying results, with risk mitigation and overcoming challenges.

Thank You!

Yours,

**Motilal Dugar**  
Chairman

# CEO'S PERSPECTIVE



## Macro-Economic Outlook:

Huge increase in imports coinciding with decrease in remittance inflows have led to a record negative balance of payment (NPR 241 billion) during first half of this fiscal year. Money supply (deposit growth in BFLs) has been far shorter than the loan expansion. Though inflation remains to be contained within 6.50% target of both monetary and fiscal policy, interest rates both in terms of deposit cost as well as credit price have increased significantly during this fiscal year.

In terms of limited money supply, Banks are facing deposit crunch which has increased credit growth and huge negative balance of payment in the first half of the fiscal year so far.

In terms of economic recovery, we have seen encouraging activities across all sectors of the economy as almost all of the COVID 19 induced lockdowns and closures have now been distant history. Both domestic and global economy are poised to post a robust growth during the fiscal year 2021-22.

The latest Russian invasion of Ukraine has shaken the nascent post COVID recovery in the global economy. Disruption of supply chains of food and energy across the globe due to this ongoing conflict is expected to have much wider ramifications in the global economy which is already facing a record inflationary pressures.

## Bank's performance indicators:

The fiscal year ending on mid-July 2021 was marked by lasting impacts of the pandemic where we saw the second wave of infections during the fourth quarter. Despite extraordinary challenges of the year in review, the Bank has solicited NPR 15.46 billion of deposits and disbursed NPR 19.54 billion in loans which will provide higher returns in the coming fiscal years. Further, the Bank has achieved milestone of NPR 100 billion deposit as well as loan in last fiscal year.

Current balance sheet size of the Bank is more than 166 billion. Retail deposit mix of the Bank is increasing at good pace which is its focus. SME/Retails/Agriculture/Deprived sector portfolio comprises nearly 70% of total portfolio.

Branch expansion at scale has led to wider solid foot print across various geographies, with its current branch outlets being at 139, gives the Bank a greater scope to expand its SME, Agriculture and Retail sector business rapidly. Similarly, BLB network and ATM network has expanded significantly. Currently, there are 87 BLBs, 159 ATMs and 13 extension counters throughout the country.

Leveraging on the central Bank's policy of permitting commercial Banks for external commercial borrowing (ECB), Bank has already debuted ECB sector for USD 10

million of midterm loan and will continue to search for more ECBs in the coming fiscal years.

The Bank took this period as an opportunity to consolidate its growth and improve its liquidity, capital adequacy and other prudential ratios stipulated by NRB so as to further strengthen the Bank.

## Dividend

This year, the Bank has proposed cash dividend at 0.35% and 6.65% stock dividend. Since growth in Banking business has to be supported by proportionate increase in its capital, a distinctive dividend policy will need consideration for future.

## Digitization

Sunrise Bank has been very aggressive in innovating and offering new products and services in the market. Sunrise Missed Call Banking has been landmark for Nepalese Banking where customers can enjoy the basic smart Banking services just by dialing the specific mobile number as per the service required, which can be used for electricity bill payment, mobile recharge etc. The Bank has prioritized digitization and use of digital delivery channel to reach wider customer networks along with additional investment in technology platform to be tech savvy financial services provider. The Bank foresees and values the application of big data, AI and machine learning in the Bank in upcoming future and our plans fixed to these paradigm shifting platforms.

## Governance, Risk and Compliance

Good governance remains at the center of our culture and we remain committed to it with no second priority. Risk management has been our one of the core operating values and we continue to harbor on robust risk management principles, systems and practices. Enforcement of compliance is without choice and we have zero tolerance in complying with all regulatory and statutory requirements including AML/KYC and Financial Crime Compliance.

## Credit Rating

Sunrise Bank has maintained a consistent rating from Credit Rating Agency, Care Ratings Nepal, a subsidiary of Care Ratings Limited, India, receiving a rating of Nepal [A-]. This has reflected strong creditworthiness of the Bank.

## Appreciation

The Bank is moving forward with great amount of confidence. The vision "YOU & US ... TOGETHER WE CAN BUILD" has been shared and practiced among us all. I am placing on record my sincere appreciation to all stakeholders for their contributions in building this Bank more vibrant and stronger.

**Suman Sharma**  
Chief Executive Officer



# MANAGEMENT TEAM







# MANAGEMENT TEAM



**Mr. Suman Sharma**  
CEO

Mr. Suman Sharma joined the Bank as Chief Executive Officer (CEO) with effect from 10th February 2021. Mr. Sharma a result oriented and visionary leader in Banking has more than 24 years of professional Banking experience. Prior to joining Sunrise Bank, he was leading Machhapuchhre Bank as Deputy CEO and subsequently as CEO (2018-2020). He was briefly associated with Global IME Bank as Deputy CEO (2017-2018). Earlier he was associated with NMB Bank Limited for almost a decade, concentrating portfolio on overall business /Risk assets. Prior to NMB, he was associated with Nepal SBI Bank.

Mr. Sharma brings with him a rich heritage and valuable experience of leading businesses and the Bank as a whole with proven track records/ results. He is well known in the market for his business acumen and professional leadership. He has an outstanding academic records and backgrounds. He got his MBA (Finance) from Maastricht School of Management (MsM), Maastricht, the Netherlands. Earlier he got his Master's Degree in Economics and Physics from Tribhuvan University. He has been awarded Mahendra Vidhya Bhushan (by the former King Gyanendra Bikram Shah) for his outstanding achievement of "Best Student Award (2005)" at MsM. He was also recognized and awarded Mahendra Vidhya Bhushan award (by the late crown Prince Dipendra Bikram Shah) for his university top rank in the M. A. (Economics).



**Ms. Aarti Rajya Laxmi Rana**  
DCEO

Serving the Nepalese Banking Industry for the last 20 years Ms. Aarti Rajya Laxmi Rana joined Sunrise Bank on 24th October, 2019. She has undertaken various responsibilities in diversified areas of Banking ranging from marketing, retail Banking, branch management, corporate lending and infrastructure project financing including credit risk. Before joining the Bank, she was serving as an Assistant General Manager in Global IME Bank Ltd since March, 2018 overlooking various departments like corporate, infrastructure & project financing, liability marketing & business promotion, branchless Banking, digital Banking, card and remittance. She started her Banking career since 2002 as a management trainee in Everest Bank Ltd.



**Mr. Apachh Kumar Yadav**  
DGM

Mr. Apachh Kumar Yadav served Sunrise Bank Ltd. since July 2015. He also served as an Assistant General Manager at Machhapuchhre Bank Ltd., Deputy Manager at Nepal SBI Bank Ltd. and Deputy Chief Credit Officer at Nepal Bank Ltd. Mr. Yadav was also the Member of ICC Management Team for the restructuring of Nepal Bank Ltd. under the Financial Sector Technical Assistance Project. He also served as an Accounting Consultant for "The Private Sector Support Program"- A World Bank Project. He served as a Group Coordinator for the Special Audit & Accounts Reconstruction Work in "Rastriya Banijya Bank Account Reconstruction Project". He was also Business Process & Portfolio Management Specialist in Agricultural Development Bank Ltd.

A well-known Chartered Accountant, Mr. Yadav secured third position in Bachelors in Commerce, Tribhuvan University and fourth position in Intermediate in Commerce, Tribhuvan University. He has wide experience in audit of commercial Banks, finance companies, insurance companies, hotels and manufacturing companies.



**Mr. Robin Nepal**  
DGM

Mr. Robin Nepal started his career with Sunrise Bank Ltd. in November 2009 as a Chief Manager. He also served as a Deputy Manager; Head-Risk Management Department at Himalayan Bank Ltd. Mr. Nepal has Banking experience of more than 2 decades and served various senior management roles in corporate lending and risk management. He started his Banking career at Nepal Grindlays Bank Ltd. now is Standard Chartered Bank Nepal Ltd. He holds a Masters degree in Business Administration.

Mr. Nepal has attended various professional trainings inside and outside the country. He obtained training on Integrated Risk Management from B.D.P. Consultants, Pune and Centralization of Trade Finance from Habib Bank, Karachi. He attended seminar in International Banking, CommerzBank Frankfurt; program on Project Finance, Reserve Bank of India among other professional trainings.





**Mr. Sarbendra Mishra**  
DGM/CFO

Mr. Sarbendra Mishra is a seasoned professional with more than 26 years of Banking/finance experience. He started his Banking career at Nabil Bank in the 1990s and worked there for about 15 years in core operation, trade finance, credit cards, corporate credit and treasury. He joined Sunrise Bank in 2007, and in 2010 moved to Civil Bank as Chief Operating Officer. He has also undertaken various leadership roles. He has rejoined Sunrise Bank as AGM/CFO. He is a former member of the Society of Technical Analysts, London; and the Canadian Securities Institute. He is an active member of the Association for Finance Professional (AFP), Bethesda, Maryland, USA. He holds first class Master's Degree in Business with majors in Multinational Corporate Finance.



**Mr. Hari Prasad Acharya**  
AGM

Mr. Hari Prasad Acharya has 24 years of Banking experience in class A commercial Bank from officer to AGM level. He has spent around 10 years in Nepal Bangladesh Bank, 4 years in Global IME Bank. He joined Sunrise Bank in June, 2012 and is currently working as Head of Business Banking. He is looking after the overall Banking business unit including Retail Banking, SME Banking, Corporate Banking and Correspondence Banking. Mr. Acharya holds MBA degree from Central Department of Management, T.U., Kirtipur. He holds a Professional Degree of Chartered Associate National Banking Institute (CANBI).



**Mr. Ishwar K. Pathak**  
CM/Company Secretary

Mr. Ishwar K Pathak possesses an experience of more than 19 years in Nepalese Banking sector in different capacities. He has been servicing at Sunrise Bank Ltd. since December, 2009. Starting his career from Himalayan Bank Ltd, he also worked briefly at Global IME Bank Ltd. Mr. Pathak has a diverse experience of various areas such as Branch Management, Corporate and SME/ Retails Business, Project Management, Compliance, AML/CFT, Banking Operations, Integrated Risk, Bank Audit, Shares, Strategic Planning, Product Development etc. He is currently working in the capacity of Company Secretary and Head of Internal Audit.

Mr. Pathak holds a Master Degree each in Science (Statistics) and Economics; and a Bachelor's degree in English from Tribhuvan University, Kathmandu.



**Mr. Pritam Lal Shrestha**  
CM

Mr. Pritam Lal Shrestha joined the Bank in February 2009 and has served in various capacity as Branch Manager to Head of various Departments like; SME and Risk Department, Marketing and Liability Department, NPA Department, General Service Department etc.

Mr. Shrestha started his Banking career from George Mason Bank, Virginia, USA. He came back to Nepal after completing MBA from Oklahoma City University, Oklahoma USA. He started his Banking career in Nepal from Nepal Indosuez Bank in September 1999 as a Relation Manager in Credit Department. He moved to Himalayan Bank in April 2003 and served in Corporate Credit Department. He also served there as Credit Head of New Road Branch, Branch Manager at Biratnagar Branch and then Operation In Charge at Main Branch, Thamel. In Feb 2009 he joined Sunrise Bank and has been associated with the Bank since last 13 plus years.



**Mr. Dileep Mainali**  
SM

Mr. Dileep Mainali has spent his career in Banking sector for more than 21 years in four commercial Banks. He started his career from NIC Bank (currently NIC Asia Bank) in 2000, where he served for about 6 years. Before joining Sunrise Bank in 2017, he served as Head of Tech-Based Operations at Bank of Kathmandu; and Head of IT as well as Manager-Operations at former Lumbini Bank Limited.

He has deep understanding and experience of Information Technology in Banking Sector. Besides, he is widely experienced in other Banking areas including branch operations, internal audit, treasury back office, compliance, policies, research & development and general service. Currently, he heads the General Service Department and Information Security area of the Bank.

Academically, he holds masters degrees on Business Studies (MBS), Information Technology (MSc-IT) and Economics (MA).

# DEPARTMENT HEADS



## Standing Left to Right

Mr. Rabindra K.C. (Credit Administration Department)  
 Mr. Min Pd. Gautam (Trade Finance Department)  
 Mr. Tarka Acharya (Central Operation Department)  
 Mr. Tilak Raj Khatiwada (IT/MIS Department)  
 Ms. Nalini Bajracharya (Internal Audit Department)  
 Mr. Dhiraj Nepal (Deprived Sector & Agriculture Banking Department)  
 Mr. Keshab Prasad Subedi (Legal Department)  
 Mr. Navin Upadhyay (Finance, Budget Planning & Control Department)

## Sitting Left to Right

Ms. Kanchan Joshi (Human Resource Department)  
 Mr. Nirish Raj Upadhyay (Recovery & NPA Management Department)  
 Ms. Pragya Adhikari (Treasury & Correspondent Banking Department)  
 Mr. Ganesh Regmi (Integrated Risk Management & Treasury Mid Office Department)



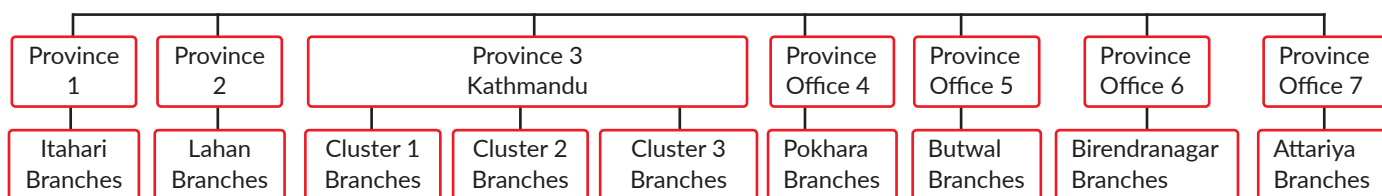
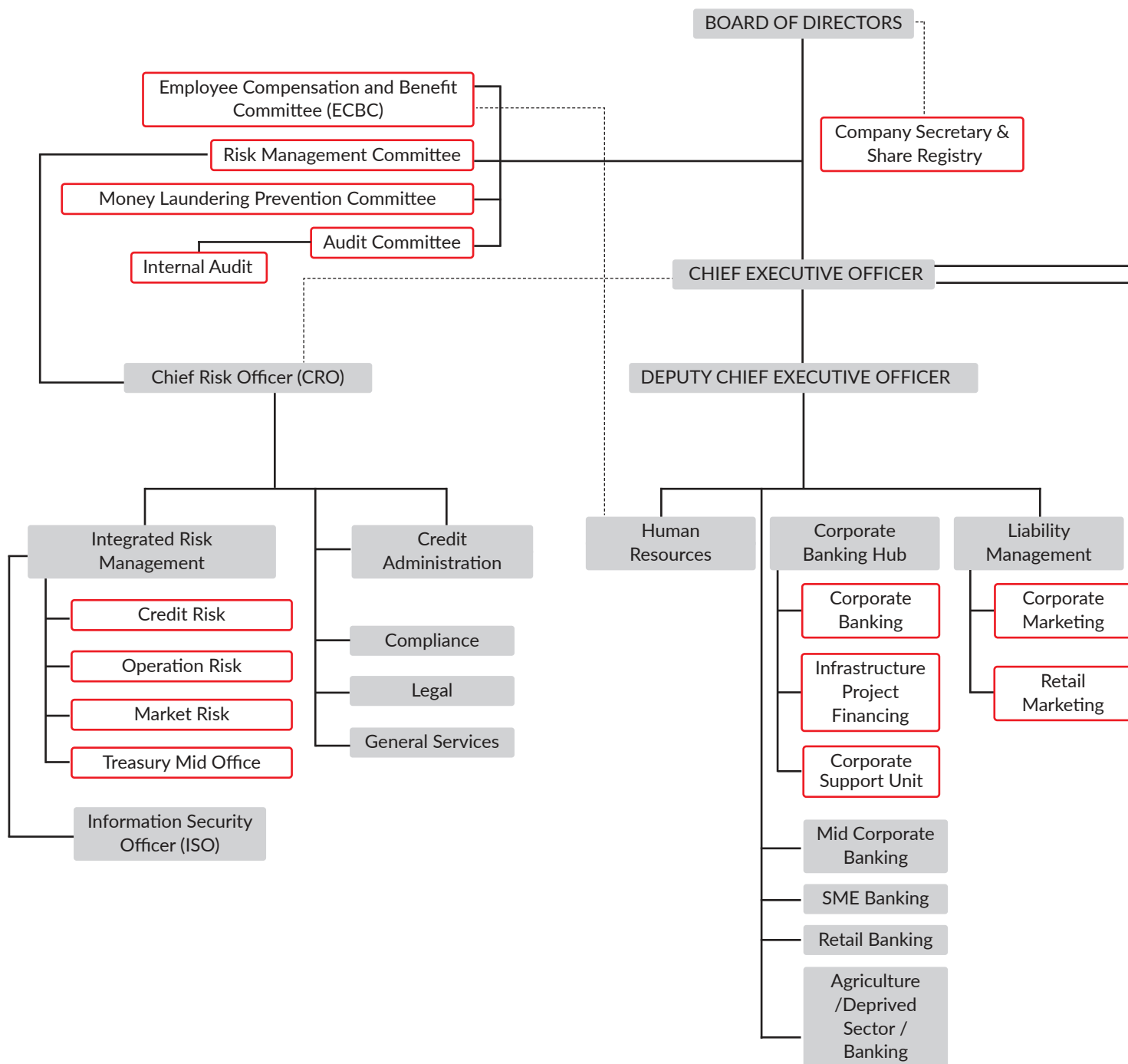
#### Standing Left to Right

Mr. Vijay Krishna Shrestha (Central Accounts Department)  
 Mr. Jatin Tandukar (Retail Banking Department)  
 Ms. Binita Jain (Compliance Department)  
 Mr. Manoj Ghimire (Card & E-Banking Department)  
 Mr. Bibek Risal (Retail Marketing Department)  
 Ms. Rabina Acharya (Branch Operation Department)  
 Mr. Pritam Lal Shrestha (General Services Department)  
 Mr. Tirtha Thapa (Security Officer)

#### Sitting Left to Right

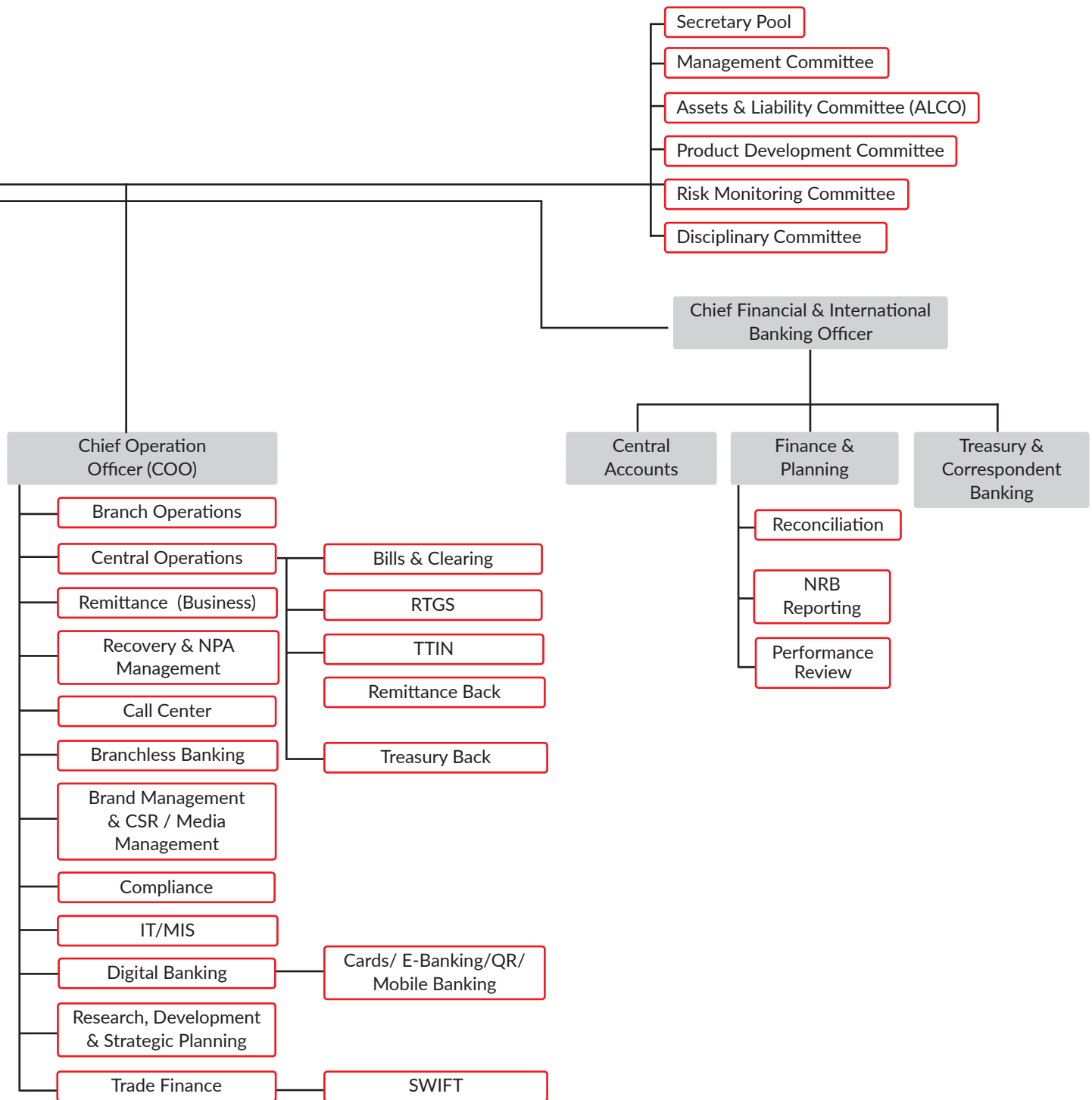
Mr. Dileep Mainali (Digital Banking Department & Information Security Officer)  
 Mr. Dipen Man Singh Pradhan (SME Banking Department)  
 Ms. Neema Pradhan (Corporate Marketing Department)  
 Mr. Suman Thapa (Brand, Media Management & CSR Department)

## Corporate Office Organogram



Province Offices shall report to appropriate authority

\*Note: Other arrangement as per the recommendation as per Memo.





# BOARD LEVEL COMMITTEES

The board consists of a Chairman, three directors representing the promoters group, three directors representing public shareholders and one independent director as per the provision of the Companies Act, 2063 Bikram Sambat of Nepal.

The board is a governing body which holds the fiduciary duty towards shareholders and all the stakeholders of the Bank -internal and external. The board of directors sets the strategies and the CEO, including senior management, is responsible for implementing those strategies and communicating them throughout the organization. Board facilitates the day to day functions of the management by formulating policies and procedures and establishing policy based governance systems to ensure that Bank is in full compliance of all the regulatory requirements and robust corporate governance is ensured. The CEO ensures that the daily banking activities are carried in compliance with applicable laws, directions of regulatory bodies and principles of corporate governance. As per the provision of Nepal Rastra Bank, there are four board level standing committees in the Bank, viz. The Audit Committee, The Risk Management Committee, The Employee Compensation and Benefit Committee and the Money Laundering Prevention Committee. Each of these committees is headed by one of the non-executive directors which also includes other directors and senior officials of the Bank as members. Apparently, the Bank may also have other ad-hoc board level committees, formed as a special purpose vehicle, with task -specific deadlines.

## Audit Committee

The Audit Committee is a key element in the governance structure of the Bank and operates under the delegated authority of the board chaired by a non-executive director. The committee periodically provides oversight of the overall financial performance of the Bank based on prevailing laws, internal control system, audit program and processes, and issues necessary guidelines to the management after detailed discussion of the findings of the internal auditor to reinforce the full compliance. Similarly, the committee reviews the findings/observations raised by the statutory auditors/ NRB Inspectors and directs the management to take necessary corrective

actions. The committee is responsible for maintaining independency of Internal Audit Department and allows internal auditors/statutory auditors/NRB inspectors a direct access into the committee. As per best practices of auditing standard and corporate governance, the committee has not included Chief Executive as member of the Audit Committee.

The composition of the committee is as follows:

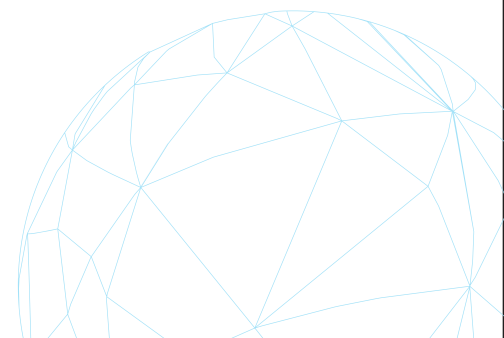
NAME	DESIGNATION
Mr. Dipak Nepal	Coordinator
Ms. Sharada Pudasaini Sharma	Member
Ms. Nalini Bajracharya	Member Secretary/ Head-IAD

## Risk Management Committee

The Risk Management Committee is the committee formed by board of directors to oversee the risk management policy and risk management framework of the Bank. The committee assists the Board of Directors regarding the risk appetite of the Bank as well as adequacy and effectiveness of existing risk management system of the Bank in identifying the risk. The Committee suggests for development of effective risk management system and mitigation of the risk identified. The Committee is responsible to make sure that the Bank possesses efficient and effective risk management system, and promotes better risk culture at all levels of the Bank. The Committee is also responsible for introducing, assessing, monitoring and reporting risk levels based on business activities taken by the Bank. The Committee reviews internal capital adequacy assessment procedures (ICAAP), adequacy of procedural provisions based on business strategy, adequacy of capital based on risk weighted assets and overall risk capacity of the Bank for the attention of the Board of Directors after detailed discussion in the committee.

The composition of the committee is as follows:

NAME	DESIGNATION
Er. Shailendra Guragain	Coordinator
Mr. Deepak Nepal	Member
Mr. Robin K. Nepal	Member/Chief Operating Officer
Mr. Apachh K. Yadav	Member Secretary/Chief Risk Officer





## Employee Compensation and Benefit Committee (ECBC)

The ECBC was established in order to assist the Board to evaluate and formulate the compensation and amenities of, and policies related to, the employees of the Bank. The committee is involved in forming the overall human resources strategies with the business strategy of the Bank.

The composition of the ECBC is as follows:

NAME	DESIGNATION
Er. Bachh Raj Tater	Coordinator
Ms. Sharada Pudasaini Sharma	Member
Mr. Suman Sharma	Member/CEO
Mr. Sarbendra Mishra	Member/CFO
Ms. Kanchan Joshi	Member Secretary/Head- Human Resources Department

## Money Laundering Prevention Committee

The composition of the MLPC is as follows;

Ms. Sharada Pudasaini Sharma	Coordinator
Mr. Apachh Kumar Yadav	Member/Chief Risk Officer
Ms. Binita Jain	Member Secretary/ Head - Compliance Department

The committee is responsible for formulation and effective implementation of risk based customer identification and acceptance procedures of the Bank, assessment of the adequacy and effectiveness of AML/CFT policies and procedures to combat against the financial investment through Money Laundering and Terrorist Activities. It reviews the management reports on adequacy and effectiveness of implementation of existing AML/CFT policies. It has a system to identify and monitor the suspicious/unusual transactions of High Risk Customers and beneficial owners in periodic manner and recommends the board for necessary policy improvements regarding Anti-Money Laundering and combating terrorist financing. Additionally, it assists in compliance of recommendations laid down under Financial Action Task Force (FATF), Assets (Money) Laundering Prevention Act, 2064, Assets (Money) Laundering Prevention Rules and Directives issued by NRB and FIU and instructs the management to take corrective actions over the comments raised by Internal/External/NRB Supervisors.



## RISK REVIEW

Risk review and mitigation is a top priority at Sunrise Bank. A committee of Directors is responsible for continuously assessing different risk faced in Banking to ensure that they are restrained at manageable levels.





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# RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) has been formed with an aim to assist the Board of Directors in overseeing the overall risk management process. The Committee is established to make sure that the Bank possesses efficient and effective risk management plans to cover all type of risks. In addition, the Committee is also responsible for setting, assessing, reducing, monitoring and reporting risk levels to the Board of Directors.

RMC monitors and provides recommendations to the Board on the business risk strategy of the Bank and monitors the alignment of risk profile with risk appetite. The Committee ensures that the Bank maintains an appropriate level and quality of capital and liquidity in line with the risks inherent in its activities. The Committee oversees the identification, management, monitoring and reporting of risks inherent in the Bank's operations. Such oversight includes, but is not restricted to, the points below:

- To update and advise Board on adequacy and effectiveness of existing risk identification, assessment, control, mitigation and management system; and further improvement of risk management framework.
- To advise Board following regular review and monitoring of risk level in business activities, risk tolerance limit, risk mitigation, management and development of strategies, policy and procedure guidelines for maintaining prudent level of risk management.
- To discuss and advise Board on regular basis after obtaining Risk Management Reports from Management and reviewing risk assessment, measurement, mitigation and monitoring process.
- To notify and advise Board on capital adequacy of the Bank based on risk weighted assets, ICAAP; adequacy of policies & procedures, risk tolerance limit for supporting business risk strategies under risk management framework.
- To advise Board on risk management issues following NRB Directives and Guidelines including setting of internal limits and maintaining of necessary risk management framework.
- To regularly review and discuss stress testing results, and advise the Board on the effect and the requirement for future changes and developments of policies and framework.
- To timely review limits/authorities delegated by Board and reasonableness thereof for proper utilization and further assessment for future changes and amendments as required.
- To report to Board on a quarterly basis following assessment and review of ALCO decisions and determination of asset composition, asset placement, income generation capacity and upgrade or decline in the position of asset quality.
- To regularly update on overall economic situation and developments, monitor changes anticipated for the economic and business environment, including consideration of emerging trends and other factors considered relevant to Sunrise Bank Limited (SrBL) risk profile and risk appetite; report to Board on mitigation of effects of such anticipated changes on financial position of SrBL.
- To review and update the Charter at least annually and recommend changes to the Board for approval.
- To ensure that the Bank has a strong management information system relating to reporting.
- To recommend Board on any other matters related to risk management to the extent RMC considers it necessary.

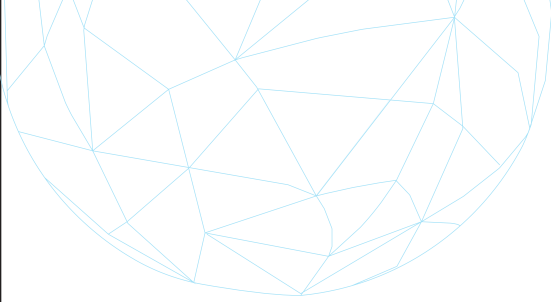
RMC membership and Coordinator is determined the Board from time to time. At present, the composition of the SrBL risk management committee is as follows:

NAME	DESIGNATION
Er. Shailendra Guragain	Coordinator
Mr. Deepak Nepal	Member
Mr. Robin K. Nepal	Member/Chief Operating Officer
Mr. Apachh K. Yadav	Member Secretary/Chief Risk Officer

During FY 2077-78, 6 meetings were held and NRs. 149,600/- (after deduction of TDS) was paid as fee to the director members of the committee.

As per RMC charter approved by the Board of Directors, following provisions are set for meetings and reporting criteria:





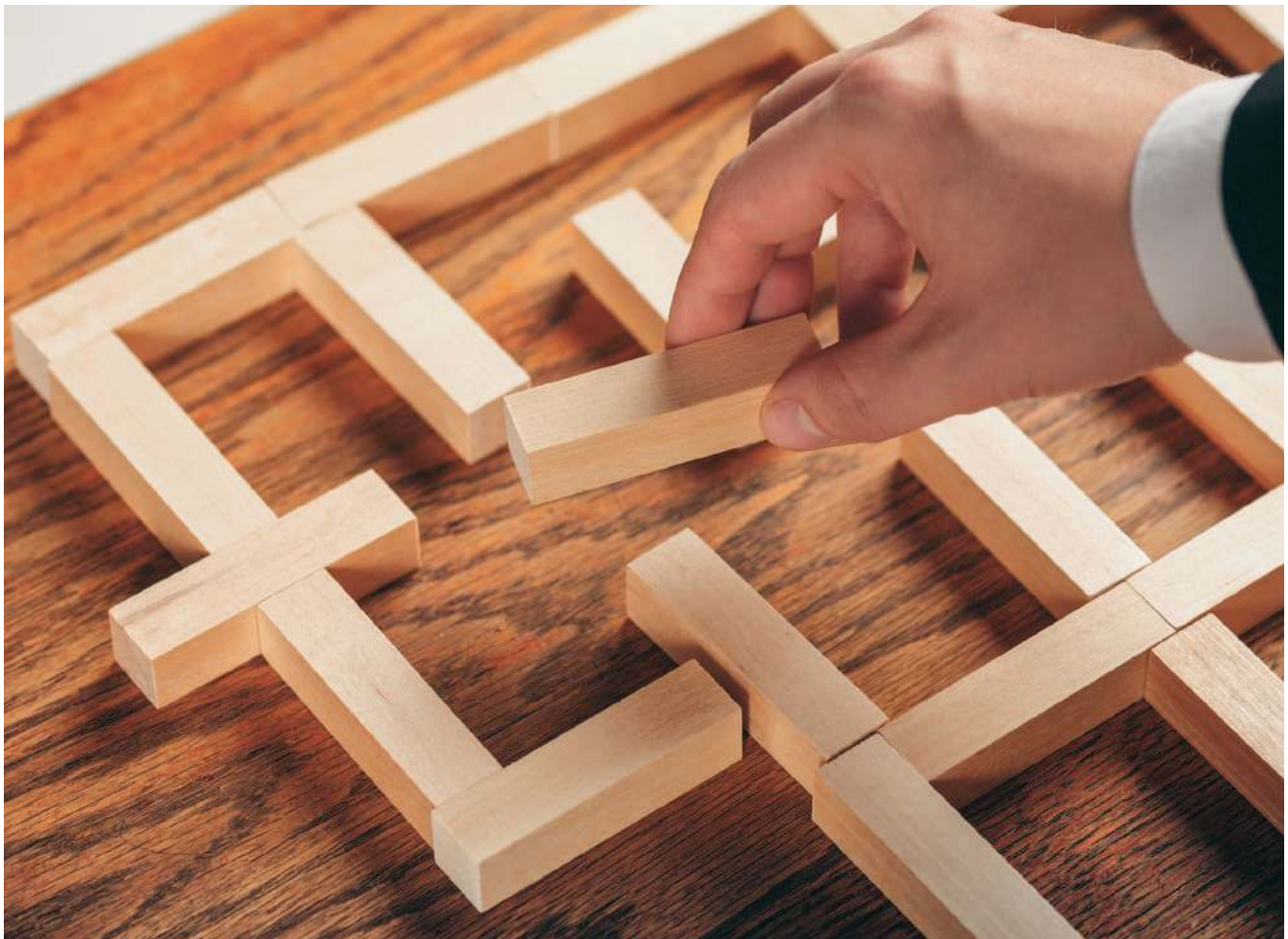
## Meetings

- RMC will meet at least four times annually (at least once in three months period) or more frequently if necessary.
- RMC may invite any officer or employee of SrBL, external legal counsel, the internal auditor, the external auditor or any person with relevant experience or expertise to attend of RMC or to meet with any members of RMC.
- A quorum for any meeting will require the presence of 51% of total members of RMC.
- The agenda and supporting documentation will be circulated to RMC members within a reasonable period in advance of each meeting. The Secretary will circulate minutes of meetings to members of RMC and the Board.
- Where approvals are granted outside the meeting of the committee, a report is to be provided to the next meeting of the Committee.

- RMC may adopt any rules and regulations considered appropriate for the conduct of its affairs under SrBL Article of Association and NRB Directives and prevailing relevant acts, provided that they are consistent with this Charter (as amended from time to time), or any resolution of the Board.

## Reporting

- RMC will regularly update the Board about RMC activities and make appropriate recommendations. The minutes of each RMC meeting will be tabled at the next Board meeting.
- RMC will refer to the Audit Committee any matters that have come to the attention of RMC that are relevant for the Audit Committee including any matters relating to internal control, audit or compliance concerns.



# RISK MANAGEMENT AND CONTROL ENVIRONMENT

The Bank aims for informed decision-making and strong risk awareness throughout its operation. Over the last few years, the Bank has invested heavily in developing a comprehensive and robust risk management infrastructure. This includes credit, market and operational risk identification process, risk measurement models and rating systems; and a strong business process to monitor and control these risks.

Being an independent risk-assessing unit under the regular supervision and guidance of Chief Risk Officer (CRO), Integrated Risk Management Department (IRMD) is focused in activities related to assessment, monitoring and minimization of different types of identified risks. IRMD is dedicated to handle risk management function as envisaged in Risk Management Policy Guidelines as well as in Directives of NRB. IRMD ensures that the Bank takes well-calculated business risks while safeguarding the Bank's capital, its financial resources and profitability. The major objective of IRMD is to minimize the negative impact of the occurrence of any risk event.

IRMD strives to continuously improve its activities by virtue of its expertise and thereby increasing the value of the services and products provided by the Bank.

Major objectives of the IRMD are as follows: comprise of:

- To monitor Risk Management Policy Framework and manage the overall risk including Credit risk, Operational risk, Market risk and other risks.
- To drive the Bank for maintaining good standards of corporate governance in line with the statutes and regulations set by the regulatory bodies.
- To regularly upgrade Internal Risk Grading system to make it more effective & efficient.
- To collect and analyze data/information for identifying risks and make appropriate recommendations for risk mitigation.
- To prepare risk management reports, schedule meeting of CRMC/ORMC and prepare meeting minutes, disseminate the decisions to the concerned department/divisions, monitor and follow up implementation status;

- To assist RMC/CRMC/ORMC by providing risk issues that are needed to be addressed;
- To design the Bank's overall risk management strategy.

The major strategy of the Bank's Risk Management function is mentioned below:

- Application of transparent, responsible, accountable, independent risk analysis system, both in operations and business functions
- Strengthen risk management systems

For the smooth functioning of Risk Management of the Bank, Credit Risk Monitoring Committee (CRMC) and Operation & Market Risk Monitoring Committee (ORMC) have been constituted as below:

## CRMC Members:

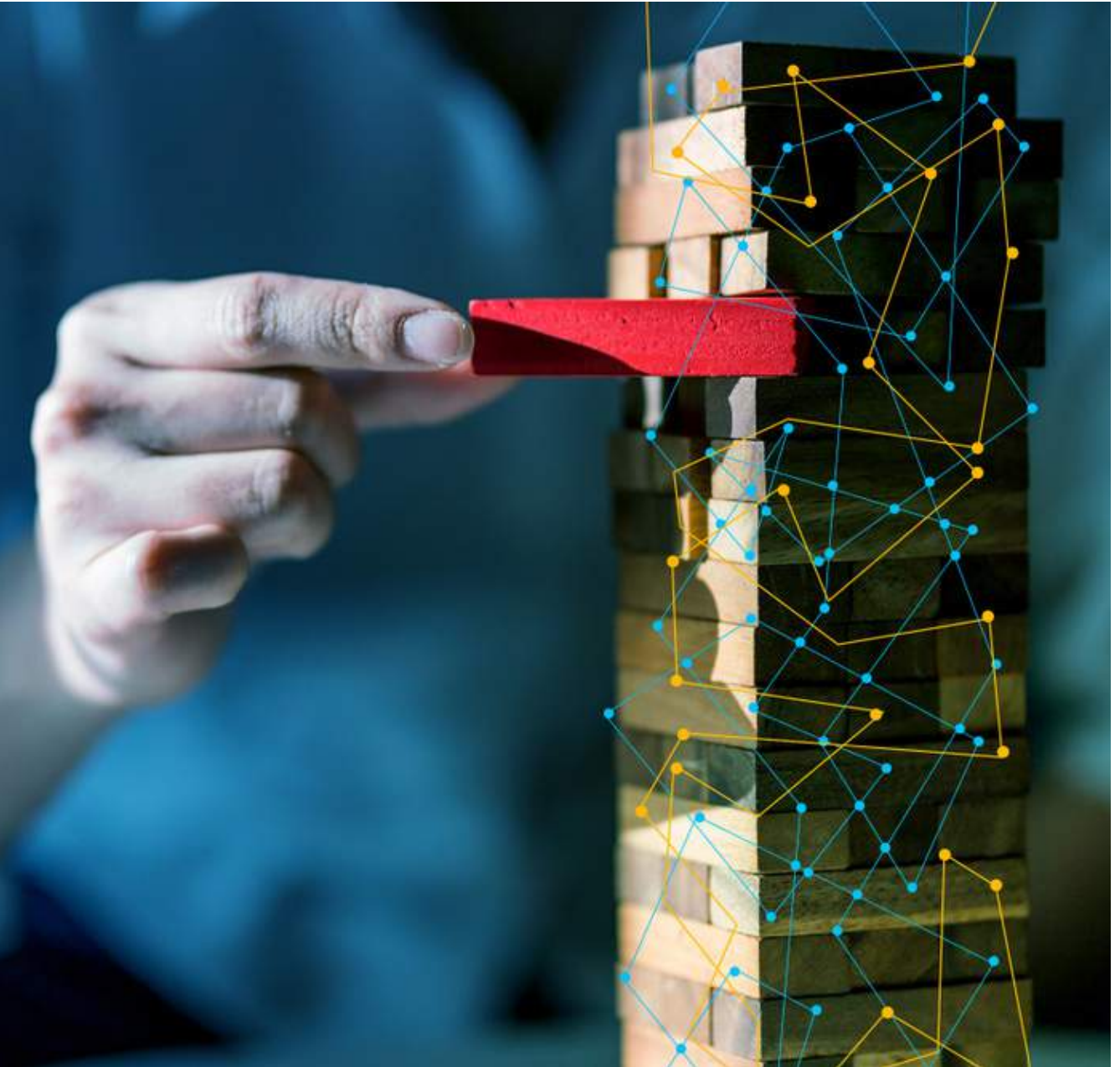
NAME OF THE MEMBER	DESIGNATION
Mr. Apachh K. Yadav	Coordinator
Mr. Hari Prasad Acharya	Member
Mr. Saroj Shrestha	Member
Mr. Dipen Man Singh Pradhan	Member
Mr. Dhiraj Nepal	Member
Mr. Jatin Tandukar	Member
Mr. Ganesh Regmi	Member Secretary

## ORMC Members:

NAME OF THE MEMBER	DESIGNATION
Mr. Apachh K. Yadav	Coordinator
Mr. Robin Nepal	Member
Ms. Kanchan Joshi	Member
Mr. Rabina Acharya	Member
Mr. Ganesh Regmi	Member Secretary

The Bank uses several measures for minimizing and managing risk, which are discussed below:





## 1. Strategic Risk

Effective management of strategic risk requires the Bank to establish prudent policies, procedures and limits approved by the Board to ensure its objective evaluation and responsiveness to the Bank's business environment. The Bank has formulated and approved five year strategic plan to define its strategy, or direction, and making decisions on allocating its resources to pursue the defined strategy. Further, the strategic plan is continuously monitored and evaluated against actual results.

## 2. Credit Risk

Credit risk is the major risk that Banks are exposed to during the normal course of lending and credit underwriting. It is the probability that a Bank's borrower or counter party will fail to meet its payment obligations in accordance with the terms of approval of the credit.

The Bank adopts methodologies for the assessment of credit risk involved in the exposure to individual borrowers or counterparties as well as at the portfolio level. At a minimum, credit review assessment covers internal risk ratings, risk concentration, portfolio analysis and large exposures. For reviewing the credit risk, following factors are taken into consideration:

- a) Internal Rating of Borrowers based on Internal Risk Grading System developed by the Bank
- b) Collateral Coverage
- c) Repayment Capacity
- d) Net-Worth Assessment
- e) Past Performance of the Borrower with Bank and Other Banks
- f) Single Obligor Limit
- g) Effect on Capital Adequacy
- h) Available Credit Risk Mitigants (CRM)
- i) Multiple Banking Declaration
- j) Adverse remarks from auditor of borrower on borrower's Financial Statements
- k) Business risk of the borrower, Probability of default on the basis of past performance and related industry's performance as a whole
- l) Others as per need

The Internal Risk Grading System was implemented since September 2014. The Bank has adopted credit proposal routing system introduced in September 2014. The system has been revised from time to time as per the requirements of the credit risk management function.



### 3. Liquidity Risk

Liquidity risk is the potential for loss to the Bank arising from either its inability to meet obligations as it falls due or to fund its assets without incurring unacceptable cost or losses.

The Bank has effective liquidity risk management for analyzing the Bank's on and off-balance sheet positions to forecast future cash flows and ascertaining how the funding requirements would be met. The Bank's liquidity risk management involves systems to identify, measure, monitor and control its liquidity exposures.

### 4. Interest Rate Risk

Interest rate risk is the exposure of the Bank's financial condition to adverse movements in interest rates. Accepting this risk is a normal part of Banking and can be an important source of profitability and shareholder value.

The Bank has in place, Assets Liabilities Management Committee (ALCO), which monitors risks arising from changes in interest rates. ALCO ascertains appropriate interest rates on deposit products and premium on loan products.

### 5. Foreign Exchange Risk

Foreign exchange risk is the potential impact of adverse currency rate movements on earnings and economic value. This involves settlement risk, which arises when the Bank incurs financial loss due to foreign exchange positions taken in both the trading and Banking books.

In line with capital framework prescribed by NRB, the Bank focuses on foreign exchange risk management for managing / computing the capital charge on market risk. The Treasury Middle Office (TMO) performs the risk review function in relation to treasury related risk. The TMO regularly reconciles positions of traders to ensure that these are within assigned limits.

Foreign Exchange Risk is discussed at ALCO meetings and even at respective division level on open position on daily basis. The limits for open position are controlled, level wise which ensures in-depth knowledge of the market and movement before taking decision.

### 6. Market (Price) Risk

Market (Price) risk management deals with the minimization of risks due to unfavorable movements in market prices.

The Bank has mechanisms for investment and disinvestment of equities in accordance with the changing circumstances and business requirements in Investment Policy of the Bank.

### 7. Operational Risk

Operational Risk is the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed

internal processes, people and systems or external events. Operational Risk Management is at the core of a Bank's operations and includes integrating risk management practices into processes, systems and culture.

The Bank has an independent operational risk management function under IRMD which is responsible for identification, assessment and mitigation of material operational risks of the Bank. This function is primarily responsible for implementation of operational risk management framework across the Bank.

#### 7.1. AML/CFT Compliance Risk

There are growing sensitivities on both domestic and interactional front with regards to money laundering and terrorism financing. As a result, there is a need to focus on these areas where related risks are relatively high in order to allocate resources in the most effective way.

Accordingly, the Bank has separate units for compliance of AML/CFT regulations. The division is headed by senior level official with adequate access to the daily report, operational processes and right to recommend the changes in the system and procedures.

### 8. Compliance Risk

Compliance risk is the risk of legal or regulatory sanctions; material financial loss or damage to reputation that a Bank may suffer as a result of failure to comply with laws, regulations, regulator's directives, self regulatory standards and codes of conduct applicable to its activities.

Compliance risk management not only refers to compliance with regulatory requirements but also with the Bank's self regulatory standards and code of conducts. The Bank has a separate compliance department which identifies the compliance requirements and submits optimized responses. Compliance department ensures the Bank's compliances with internal and external standards prescribed by the management and ensures adequate measures to manage/mitigate compliance risk as well as provides governance advisory service to the management thereby establishing zero tolerance culture in the Bank.

### 9. Reputation Risk

Reputation risk considers the potential that negative publicity regarding the Bank's business practices, whether true or not, will cause a decline in the customer base and lead to costly litigation or revenue reductions. Reputation risk management is continuing on an on-going basis. The Bank has developed a reputation data base and identifies key controls and tracking reports through suggestion box maintained at branches and also receives regular updates from the information officer.

# CORPORATE SOCIAL RESPONSIBILITY

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The Bank's social responsibility initiatives are win-win engagements. The initiatives not only appeal to socially conscious but also consumers and employees who not just seek the Bank's services, but they also make an impact on the lives of people.







# CORPORATE SOCIAL RESPONSIBILITY

The Bank's social responsibility initiatives are win-win engagements. The initiatives not only appeal to socially conscious consumers and employees who then seek the Bank's services, but they also make an impact on the lives of ordinary people.

The Bank provided financial support to the children of Bal Mandir as a part of the Bank's Anniversary celebration this year keeping the COVID-19 precautionary measure into consideration. Various other CSR activities were conducted by the Bank in FY 2077-78. The major ones amongst the many were; financial support provided to place traffic lights at Gairidhara Crossing. The financial support was provided to aware people about road safety by placing boards caring road safety messages and also maintain road safety for the daily commuters in the area. The Bank also provided financial support to depute one teacher in the Janata Secondary School, Dhanusa. The fund was provided to Teach for Nepal who had planned the project. The supported fund would be useful to the organization to take care of the expenses of the teacher deputed. Similarly, the Bank also provided financial support to Samata School. The fund provided to the school would help children achieve quality education from Nursery to Master's Degree enrolled in more than 80 schools operated by the trust all over Nepal for Rs. 100 as the monthly fee. The Bank also supported a

project designed to procure and distribute 200 units of fans to the needy families in Sudurpaschim by Rural Women's Development and Unity Centre.

The Bank could not conduct mass melas or any financial literacy programs throughout the fiscal year due to the pandemic however, was able to post various digital awareness posts as part of digital promotion and financial literacy.

The Bank's branches in different parts of Nepal conducted branch level CSR activities by distributing COVID safety equipment to the front liners and various hospitals, health posts, etc to fight against COVID-19.

## Corporate Business Ethics

Trust and integrity are two foundations on which most Banks are built. A high level of trust can develop when customers perceive that a company is exhibiting unwavering commitment to ethical business practices. This trust is essential for people to entrust a Bank with their savings. Sunrise Bank is fully committed to run the company responsibly and to serve the long-term interests of our customers, employees and communities it serves.



DCEO Ms. Aarti R. L. Rana handed over a cheque to the Director of Samata Education Trust Mr. Deepak Sanjel



Head Province Office 1 handing over a cheque to Duhabi Municipality to operate temporary health camp under the Bank's CSR

The Bank has a transparent set of rules, practices and processes that keep the best interests of the customers as guiding principle. The Bank is responsive and accountable for its actions. It has made equitable and inclusive growth and value to aspire for, abide by law and is committed to upholding rule of law. Simply said, these are values that drive corporate governance at Sunrise Bank.

These principles of corporate governance provides the Bank the framework within which it seeks to attain its objectives. The values guide every sphere of management, from action plans and internal control measures to performance measurement and corporate disclosures. These governance guideposts guide the Bank in setting and pursuing objectives in the context of the social, regulatory and market environment where it operates. High standards and adherence to the rules has assisted the Bank to weather crisis and reduce the possibility of fraud and scandals. It is this trust in the market that has made the Sunrise brand strong player in Nepal's highly competitive Banking and financial sector.

### CSR policies

Sunrise Bank is a good social citizen and is very clear on its obligations to the society. The Bank promises to do what is right, to take a long-term view and support its

clients, customers, and the communities where it operates. The Bank has always worked with and upheld fundamental values such as honesty and sincerity for creating a sustainable and valuable business that not only enables it to benefit while providing services to the people but also creates opportunities for it to contribute towards the social and economic development of the country.

The Bank's Corporate Social Responsibility (CSR) activities are primarily aimed at working in collaboration with customers, shareholders, investors and employees to engage in activities that can benefit communities. The range of activities it has supported under CSR are focused and based on the guidelines provided by the regulatory body and Sustainable Development Goals. The Bank has been responsible in identifying and selecting programs that are worth supporting which is aimed in making a positive difference in our community. Aligning to the Bank's mission and vision, the Bank focuses on the areas and mechanism for undertaking socially meaningful programs for the welfare and sustainable development of the community at large as a responsible corporate citizen.

The CSR activities are founded on the notion that helping communities can also help the Bank to become stronger. This drive is motivated by the belief that 'we are what our community is' and that it is our collective future that would determine the future of society.



Tikapur Branch handed over COVID relief essentials to Tikapur Hospital & Tikapur Police Station under the Bank's CSR



Inauguration of semi portable traffic lights at Gairidhara crossing by former CEO Mr. Janak Sharma Poudyal , Mr. Ashok Kumar Shrestha (Ward no: 1 Ward Secretary) and Mr. Janak Bhattarai (Traffic SSP)

# HUMAN RESOURCE MANAGEMENT

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Sunrise Bank believes in the abilities of the women and men of Nepal to help attain its goals. This is the philosophy behind the continuous learning opportunities it offers to its staff in the organization.





# HR OVERVIEW

SrBL believes that employees are most valuable assets. SrBL's people practice are designed to cater rapidly to its evolving business environment with the focus on "Human Approach". SrBL holds a principle that growth of the Bank solely depends on the growth of professionals involved with the Bank and such growth are closely monitored on a regular basis and any deviations to such are dealt with priority and to the utmost satisfaction. The major focus of the Bank is towards proper and maximum utilization of available skilled workforce.

The human resources under the Bank are functioning across different branches, departments and are contributing the best of their ability to ensure success and growth in the industry. Starting with 130 employees at the initial stage, Sunrise Bank Limited family has 1517 members at present and has diversified its network to 139 places across the country.

SrBL is highly focused on employee retention and is devoted to retain those employees that are core to the organization. Further to it, various trainings as well as enhancement programs are launched with a motive that employees under the Bank can clearly envision their career advancement, job satisfaction and security as well.

Human Resources involved at SrBL are fully aware about the fact that it is the responsibility of each individual to provide their effort and positivity to lead the Bank collectively towards accomplishment of its stated mission, vision and objectives. SrBL believes that skills of people in an organization should be utilized not only to achieve objectives of the organization but also for growth, development, satisfaction and benefit of its people.

## CONTRIBUTION TOWARDS HR

At Sunrise Bank, employees remain the most critical drivers for the growth and success of the Bank. This people philosophy is guided by initiatives under its 5 years strategy plans as mentioned below:

- Standardize procedure for selecting high potential performers' with in the industry and to provide opportunity for develop within the organization.
- Maintain good employee relationship and instill belongingness to the institution.
- Ensure equitable and market based compensation packages.
- Provide career development scope.
- Provide in-house capacity development through training, transfer opportunities from operations to business and vice-versa.
- Process Optimization in which technology are leveraged to make HR work more efficient.





# HR POLICIES

Human Resources shall define and shape the future of the Bank and this is possible with carefully defined objectives and vision. It shall execute different functionality under its domain.

## Training & Development

We provide resources, platform & tools to help our teammates to develop and grow in the Bank. HR Management at Sunrise Bank comes with learning process be it in-house, external or overseas training programs, which involves in sharpening skills, concepts, changing attitude and gaining knowledge to enhance the performance of the employees.

## Performance Appraisal

Performance management of each individual staff members remain as indicators of the pace of our Banks performance. Hence, this sensitive function will be taken care of with utmost vigilance so as to appraise the performance individually or as a team.

## Transfers/Assignment

Human resource development is possible through acquiring knowledge by undergoing job rotations, transfer and assignment in various functions of the Bank. Regular transfers of staff will enhance and bring competence.

## Succession Planning

The Banks provides ample opportunity for Succession planning to potential employees and ultimately develops future leaders. This not only provides growth opportunity for employees but also foundation to sustainability of the Bank.

## Quality Work Life

We work in a multidisciplinary field; we work for the safety, health and welfare of our employees. The main goal is to foster a safe and healthy work environment. We comply with the local law to take reasonable care about the health and safety of our employees. Safety, health, medical, accidental and welfare are primary measure and have been well covered under insurance modality. Working hours with appropriate numbers of leave days bring hours of time for the family and relatives.

## Grievance Handling

A recent initiative, grievance handling has been given a shape of formal process to address the grievance of each individual employee with personal visit by established Grievance Cell at our Bank. Timely grievance brings better relationship among employees and create better working environment.

## Know Your Employee Initiatives

Considering the human risk in Banking, Know Your Employee has been initiated with formal recording of information of employees. This will help in bringing down the human risk associated in the Banking sector.

## Supporting Wellness

Listening to our teammates and answering the question as well as providing the prompt service to the teammates of the Bank has always considered as priority job of the Human Resources Department. Supporting physical, emotional and financial wellness of our teammates has always created us to develop belongings among the staffs.

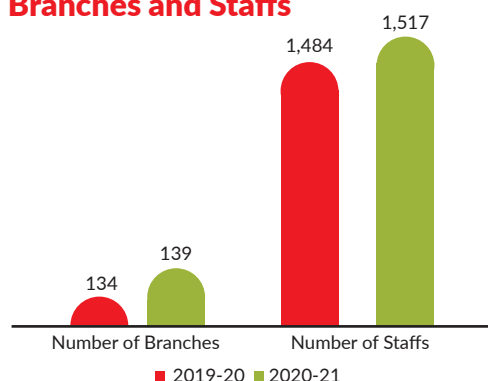


# HUMAN RESOURCES ACCOUNTING

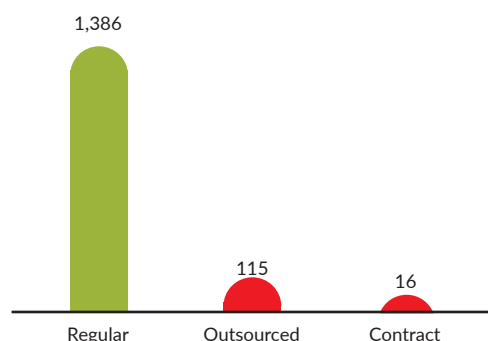
Management of human capital strength of any organization is gaining paramount importance for effective implementation of business strategies to achieve the corporate goals. Human Resources aim to benefit from multicultural, well-informed, and target-oriented employees who integrate their personal goals with that of the Bank. The Bank believes that professional development of employees, improvisation of expertise and adequate trainings determine the basis of success of the Bank.

Yearly Performance Appraisal and promotion of deserving employees are done to fulfill the requirement of skilled employee in the various department and branches. Beside that new roles/ jobs were fulfilled by hiring new employee through Talent Hunt of the Bank. Total number of employees of the Bank has reached to 1,517 in the year as compared to 1,484 last years, with the increment of 33 employees.

## Branches and Staffs



## Employee Type



## Employee Categories

Staff Category	Male	Female
Managerial	74	15
Officer	191	92
Assistant	563	367
OS Clerical	20	22
Support	92	8
OS Support	72	1
<b>Total</b>	<b>1,012</b>	<b>505</b>

## Age wise Analysis of the Employees

Age wise Number of Employees	Regular	Contract	Outsourced
51 to 60	19	3	-
41 to 50	122	3	3
31 to 40	479	6	26
21 to 30	763	4	80
Below 20	3	-	6
<b>Total</b>	<b>1,386</b>	<b>16</b>	<b>115</b>

## Province wise Number of Employees

Province	Grand Total	Male	Female
1	223	159	64
2	129	100	29
3	851	509	342
4	88	69	19
5	105	77	28
6	25	18	7
7	96	80	16
<b>Total</b>	<b>1,517</b>	<b>1,012</b>	<b>505</b>

Employee expenses were NPR 1,518,135,875 for the FY 2020-21 as compared to NPR 1,359,171,533 last year as a result of opening of 5 branches, addition of 33 Employee and increasing as per volume of Business.

PARTICULAR	F.Y. 2020-21	F.Y. 2019-20	INCREMENT AMOUNT	INCREMENT%
Staff Expenses	1,518,135,875	1,359,171,533	158,964,341	12%
No. of Staff	1,517	1,484	33	2%
Staff Expenses Per Staff	1,000,749	915,884	84,865	9%
Net Profit Per Staff	953,560	916,089	37,471	4%

## Building the Capabilities of Staff

Investment in skills and accelerating employees 'professional and personal development are essential components of the Bank's HR agenda. Our Bank is committed to strengthening the capability of staff and holding them accountable to enable employees to thrive and meet their full potential, which includes a recalibrated offering that helps to develop and nurture future leaders who are accountable, who champion the Bank's values and who inspire the best in their colleagues. These are the summary of staff capabilities program conducted during the year:

PARTICULAR	NO. OF TRAINING	PARTICIPANTS IN TRAINING
Internal	76	6,651
External	68	934
International	8	21

The Bank seeks to retain, develop and continue to attract people with the requisite skills to help shape a better Bank and foster employees' engagement and motivation throughout the implementation process. During the review period, the Bank spent 14,044,630 on Staff Training Expenses.

PARTICULAR	F.Y. 2020-21	F.Y. 2019-20
Staff Training Expenses	14,044,630	17,380,000
No of Staff	1,517	1,484
Staff Training Expenses Per Staff (NPR)	9,258	12,237

## Analysis of Human Resource Expenses on Basis of Benefits and Facilities

PARTICULAR	F.Y. 2020-21	F.Y. 2019-20
Salary	527,580,571	484,988,124
Allowances	456,554,659	416,212,776
Gratuity Expense	76,728,273	56,480,707
Provident Fund	49,181,373	44,001,380
Uniform	-	10,906,784
Training & development expense	14,044,630	18,159,841
Leave encashment	31,688,764	39,846,983
Insurance	11,500,379	8,892,884
Finance expense under NFRS	72,632,710	50,229,450
Other expenses related to staff	16,959,349	13,125,658
Employees Bonus	261,265,167	216,326,945
<b>Total</b>	<b>1,518,135,875</b>	<b>1,359,171,533</b>

# PRODUCTS AND SERVICES

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Sunrise Bank's secret of continued growth and success is its highly diversified and well-balanced business model. Being amongst the preferred Bank of Nepal, we have always taken a proactive stance towards improving strategic alignment to drive stronger growth and deliver the highest returns on stakeholder value.





# SUNRISE SMART BANKING

How easy your life would be when you can Bank without going to your Bank. Make enquiries for your Bank balance, or transfer funds to any accounts; pay your utility bills, recharge your mobile phones and much more just by a click from your Mobile Phone.

**Smart बनौं**  
डिजिटल बैंकिंग गरी

स्मार्ट बनौं, डिजिटल बैंकिंगको प्रयोग गरि  
आपनो दैनिक कार्यहरू सहज बनाऔं।

**MOBILE BANKING**

- Utility Bill payment (Telephone, Water, Light, Internet, etc.)
- Fund Transfer
- QR Payment
- Online FD Opening
- Insurance premium payment

**सुनराइज बैंक लिमिटेड**  
**SUNRISE BANK LIMITED**  
RISING TO SERVE

हामी  
सँग-सँगै

sunrisebanknepal | Toll Free No: 1660 0122 444 | www.sunrisebank.com.np

Mobile Banking को लागि  
Sunrise Smart App Download गरी

Google Play | App Store

## Why Sunrise Smart+?

- Omni Channel Experience
- Access from both web and mobile app
- User friendly design
- Secure and Easy

## Smart Features

- Self-Registration
- QR Code Payment
- Balance Details
- Mini Statement
- Top ups and Recharge Card
- E-Sewa/Khalti Cash Load
- FonePay Integration
- TV/Internet Bill Payment
- Fund Transfer to various Bank
- Credit card bill payments
- NEA Bill Payment
- Cheque Request

## Extra Features

- Auto Intelligence
- Personalization View
- Add quick favorite menus
- Schedule Payment
- ATM Location
- Branch Location
- Bank Promotions
- Exchange Rates
- Bank Share Rates
- Complain/Dispute Register

## Smart Banking Transaction Limit and Charges.

PARTICULARS	INTERNAL/INTRA FUND TRANSFER	QR PAYMENT	WALLET LOAD	INTRA BANK FUND TRANSFER CHARGE	
Per Transaction Limit	NPR 100,000	NPR 100,000	NPR 25,000	NPR 100 to NPR 100,000	NPR 10
Per day Limit	NPR 200,000	NPR 200,000	NPR 25,000	NPR 100,001 to above	NPR 10
Per Month	NPR 10,00,000	NPR 10,00,000	NPR 500,000		

### FAQs:

**1. Who can enroll to Sunrise Smart Banking ?**

Any saving account holder of Sunrise Bank Ltd can enrol to Sunrise Smart Banking.

**2. What if my Sunrise Smart Banking user is blocked ?**

You can inform nearest branch or Sunrise's Card department to unblock the user.

**3. What if I forget login password of Sunrise Smart Banking ?**

You can change your password from your end. However you need to inform your concern branch or Sunrise's Card department to reset the user. After getting confirmation open Smart App and go to "Not Registered Yet" – "Activate your Account" and input your account & mobile details and follow the process to reset your password.

**4. What happens if I change/format my mobile device ?**

After first login your device ID is saved in Sunrise Smart Banking system. If you change or format your device then you are required to follow 'Reset Device' from Sunrise Smart Banking application.

**5. How to pay NEA Bill using Sunrise Smart Banking ?**

Open Sunrise Smart Banking and click button 'Electricity' (right below the login box) and follow the rest process.

**6. How to Load e-Sewa wallet?**

Login to Sunrise Smart Banking and click plus (+) sign at bottom. Now click 'Bill Payment' from the top and choose 'Load eSewa'. Further, input required details and follow the process.

**7. What is Sunrise Smart Banking QR code? And how does it work?**

As Sunrise Smart Banking is integrated with FonePay system, now you can pay any Fonepay merchant bill through QR code. Simply login to app and open QR code reader and scan the code of merchant. Further, fill the required details and complete the transaction.

**8. How to submit a complaint using Sunrise Smart Banking?**

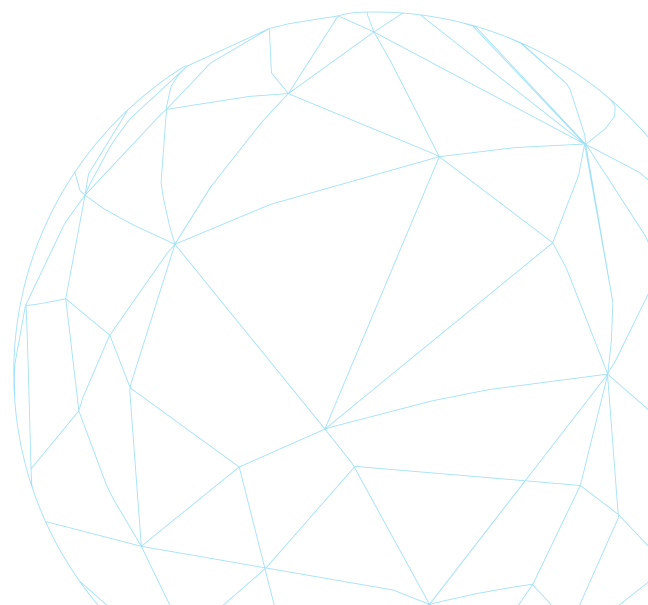
Login to Sunrise Smart Banking and click 'Others' menu at bottom right. Now click 'Complain' option and fill up all the details and click submit. Your complain details will be registered in system and you will get reply in your email shortly by Bank team.

Please download the App for Free to enjoy the benefit of Smart Banking services.



### Smart Banking

- Subscription/Annual Fee : NPR 350



# SUNRISE DOMESTIC VISA CREDIT CARD

A credit card is a payment card issued to users as a system of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for them. The issuer of the card creates a revolving account and grants a line of credit to the cardholder, from which the user can borrow money for payment to a merchant or as a cash advance.

A credit card is different from a debit card as debit requires the customer Bank account with available balance to be deducted during the transaction. Credit cards allow the consumers to perform a transaction as per the limit assigned to the card holder.

\*\* Tap or simply wave a card at contactless enabled Point of Sales (POS) device to pay instead of inserting or swiping a card. Check if you're Visa Card has a Contactless Indicator on it, then find the Contactless Symbol at POS device. Per transaction limit for purchase on Tap and Pay is NPR 5,000/-

## Key Benefits

- Tap to Pay \*\*
- Valid in Nepal, India, and Bhutan.
- 5 years validity.
- Can be used to purchase or cash withdrawal at any Visa Card accepting outlet.
- Can withdraw cash from ATMs of Banks accepting Visa Card.
- Credit Limit up-to 1.5 times of monthly income or higher.
- Competitive interest rate at 2% per month.
- Convenient payment option of 10% & 100%.
- Up-to 45 days credit period.
- Free online payment service with Nepal and India.
- Free transaction alert service for each card transaction.
- Billing information in both mobile and email address.
- Easy bill payment through Sunrise Bank Account/ Internet Banking/Mobile Banking/eSewa or over the counter.
- Various discount and cashback offer.
- Supplementary card facilities

## Eligibility

- Any Nepalese citizen with age of 18 years and above
- For salaried, Monthly income source of NPR 15,000 or above
- For businessman, Annual business income of NPR 150,000 or above
- Applicant should not be blacklisted in Credit Information Bureau (CIB)

## Documentation

### Salaried Person:

- Salary Certificate/Salary's Bank statement (last three months)
- Copy of Citizenship/Passport/PAN
- Latest Photograph (PP Size)

### Businessman/Self-employed

- Company Registration related documents/PAN.
- Audited Financial for the last 2 years.
- Latest audited Balance Sheet and statement of Profit and Loss of the Company.
- Additional documents may be required on case to case basis or as per the company nature.
- Copy of Citizenship & Latest Photograph.
- Frequently check the account statement for transaction verification.
- Verify SMS/email alert after each transaction.
- Immediately contact Bank for any dispute or any unusual activities found.

ईच्छा लागेका कुरा अब हुन्छ पुरा !  
सन्राइज भिसा क्रेडिट कार्डको साथ ।

सन्राइज बैंक लिमिटेड  
SUNRISE BANK LIMITED

VALID ONLY IN NEPAL & INDIA

XXXX XXXX XXXX XXXX

VALID 06/22

HOLDER NAME

CREDIT CARD

VISA

विशेषताहरू

- मासिक आयम्बन्धी १५ रुपैयाँ सम्मको क्रेडिट सिमा सुविधा
- किस्ताबन्दी (EMI) मा सामान खरिद सुविधा
- ईच्छा अनुसार १०% वा १००% मुक्तानी सुविधा

Tap and Pay सुविधा

अनलाइन बाटै जाबिद्वन दिन सकिने

सन्राइज बैंक लिमिटेड  
SUNRISE BANK LIMITED  
SERVING TO SERVE

हामी संग-संगै

VISA SECURE

sunrisebanknepal Toll Free No: 1660 0122 444 www.sunrisebank.com.np

**FEES & CHARGES****Billing Details**

Billing Date	1st of English Month
Payment Date	16th of Each English Month

**SERVICE FEES RELATED**

Joining Fee *	Rs. 500
Annual Fee *	Rs. 700
Card Re-issuance/Replacement Fee	Rs. 500
PIN re-generation Fee	Rs. 150
Limit enhancement fee	Rs. 750

**TRANSACTIONS FEE RELATED**

Cash withdrawal from SrBL's ATM	Rs. 200+ 2% of transaction amount
Cash withdrawal from Other Bank's ATM of Nepal	Rs. 250+ 2% of transaction amount
Cash withdrawal from India	Rs. 300+ 2% of transaction amount
Balance inquiry from SrBL's ATM	Free
Balance inquiry from Other Bank's ATM	Rs. 50

**OTHERS**

Late payment fee	Rs. 300 or 1% of overdue amount or maximum 2,000
Minimum Payment	10 % or Rs. 1,000.00 whichever is higher
Interest Rate	2% per months
Cash Limit	10% of credit limit
E-com/Online Payment Activation	Free
Block/Unblock Fee	Free

\*Same fees apply for Supplementary card issuance

**Safety & Security**

- Do not disclose credit card PIN to anyone.
- Report lost or stolen cards immediately.
- Frequently change the ATM PIN.
- Frequently check the account statement for transaction verification.
- Verify SMS/email alert after each transaction.
- Immediately contact Bank for any dispute or any unusual activities found.

**FAQs**

- Where should I contact to process Credit Card?**  
Visit your any nearest or convenient branch of Sunrise Bank Ltd.
- What is the processing time after I submit all the documents?**  
It may depends on applicant details and type, generally it takes minimum 3 to 4 working days to issue a credit card
- Will my Credit Card works immediately after receiving?**  
No, for a security reason your card will be not activated. Hence while receiving your card please inform branch to activate the card and then change the default PIN.
- How to link my Sunrise Bank Account for Credit Card Payment?**  
You can submit our Debit Authority from nearest branch with details and authorized signature.

**5. How to change my mobile or email address or Bank Account?**

Submit a request form to nearest branch or you can sent email from your registered email with application and authorized signature.

**6. How to pay my credit card bill if I don't have account with Sunrise Bank Ltd?**

You can use e-Sewa or other third party application or you can process direct deposit over our any branch counter.

**7. How to register dispute if any found in my credit card statement?**

For Sunrise's Mobile Banking use: You can go to Menu: Complain and submit your dispute details or you can contact directly to our Card Department or any nearest branch.

**8. How to increase my Credit Card Limit?**

Visit your concern branch and submit an application, branch concern will process necessary action as per your requirement and details.

**9. Can I pay process online payment via my Domestic Credit Card?**

Yes, however your domestic Credit card only works if the paying website support NPR or INR currency.

Download Application Form

<https://onlineeligibility.sunriseBank.com.np/online-credit>



# SUNRISE VISA DEBIT CARD - DOMESTIC



Sunrise Bank brings you a world of convenience by offering Sunrise Visa Debit Cards. Customers can now apply for Sunrise Visa Debit Cards – Domestic from any of our branches. This card can be used in any of the Visa ATMs and Visa Merchant locations (POS).

## Features

- Tap to Pay \*\*
- Valid in Nepal, India, and Bhutan.
- 5 years validity.
- Can be used to purchase merchandise/ services or cash withdrawal at any Visa Card accepting outlet.
- Accepted in electronic terminals only.
- Can withdraw cash from ATMs of Banks accepting Visa Card.
- Secure and easy online payment (e-com) service upon request.
- Transaction alert service (with Sunrise Smart Banking Subscription) for card and other financial transaction.
- Free e-mail alert for Card/Internet Banking and Mobile Banking transaction

## Fees and Charges

Joining Fee Options	Rs. 1750 only (installment of Rs. 350 every year till 5 years)
Supplementary Card Fee	Rs. 350/-
Re-PIN Generation Fee	Rs. 100/-
Replacement/Re-issue Fee	Rs. 500/-

## Other Fees

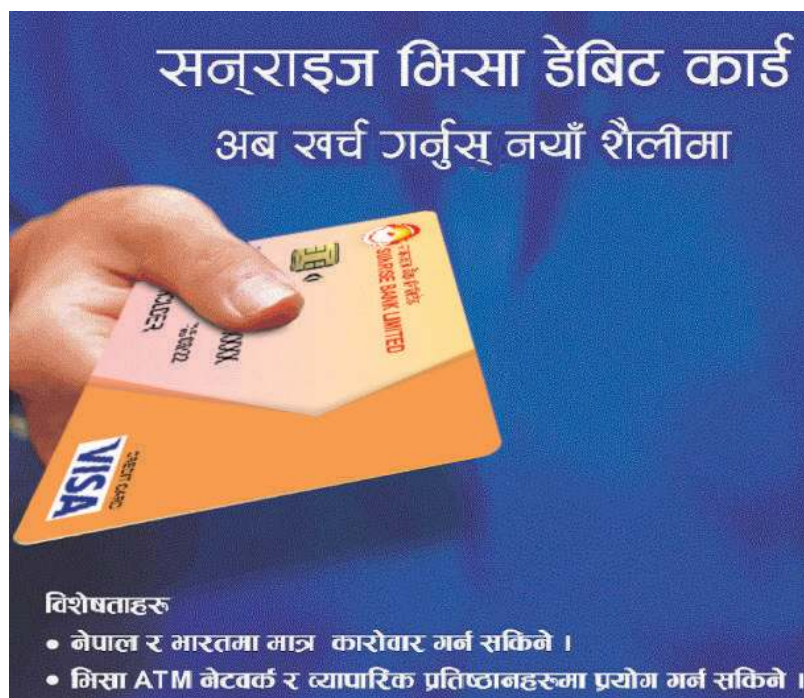
PARTICULAR	SUNRISE BANK ATMS	VISA NETWORK ATMS (IN NEPAL)	VISA NETWORK ATMS (IN INDIA)
Cash Withdrawal Fee	Free	Rs. 20/- *	Rs. 250/-
Balance Enquiry Fee	Free	Rs. 20/-	Rs. 50/-
PIN Change	Free	Not Allowed	Not Allowed
Mini Statement	Free	Not Allowed	Not Allowed

Frist two Tansaction is Free for each English Calendar Month

## Transaction Limit

PARTICULAR	NEPAL		INDIA	
	WITHDRAWAL	PURCHASE (POS)	WITHDRAWAL	PURCHASE (POS)
PER TRANSACTION	NPR 25,000	NPR 100,000	NPR 24,000	NPR 100,000
PER DAY	NPR 100,000	NPR 200,000	NPR 24,000	NPR 160,000
PER MONTH	NPR 4,00,000	NPR 600,000	NPR 160,000	NPR 160,000

# SUNRISE VISA DEBIT/TRAVEL CARD – INTERNATIONAL



## Sunrise Visa Debit/Travel Card – International

Customers can now apply for Sunrise Visa Debit Cards – International from any of our branches. This card can be used in any of the Visa ATMs and Visa Merchant locations worldwide.

Customer applying for Sunrise Visa Debit Card – International must meet any of the below criteria

- Must have convertible foreign currency account in any of our branches
- Valid Visa and Confirmed Air Ticket for travelling abroad
- Nepal Rastra Bank permit for foreign currency for travelling abroad

## Features

- Tap to Pay \*\*
- Valid Globally (except India).
- 5 years validity.
- Can be used to purchase merchandise/services or cash withdrawal at any Visa Card accepting outlet.
- Accepted in electronic terminals only.
- Can withdraw cash from ATMs of Banks accepting Visa Card.
- Secure and easy online payment (e-com) service upon request.
- Transaction alert service (with Sunrise Smart Banking Subscription) for card and other financial transaction.
- Free e-mail alert for Card/Internet Banking and Mobile Banking transaction

## Fees and Charges

In USD

Issuance Fee	10
Annual Fee	10
Re-PIN	1
<b>Cash Withdrawal Fee</b>	
Own Terminal	NIL
Visa Network	5
<b>Balance Enquiry</b>	
Own Terminal	NIL
Visa Network	0.75

## Transaction Limit

	NEPAL		CHARGE TO FOREIGN (EXCEPT INDIA)	
	WITHDRAWAL	PURCHASE (POS)	WITHDRAWAL/E-COM	PURCHASE (POS)
PER TRANSACTION	USD 200	USD 2,000	USD 250	USD 2,000
PER DAY	USD 500	USD 2,000	USD 250	USD 2,000
PER MONTH	USD 2,500	USD 2,500	USD 2,500	USD 2,500

\*\* Tap or simply wave a card at contactless enabled Point of Sales (POS) device to pay instead of inserting or swiping a card. Check if you're Visa Card has a Contactless Indicator

on it, then find the Contactless Symbol at POS device. Per transaction limit for purchase on Tap and Pay is NPR 5,000/-

# DEPOSITS

We understand the value of your money and your expectations for the services & returns. Hence, we serve to you the deposit products of your requirement. Sunrise Bank has developed various saving products as per the customized needs of customers. Considering the globalization, our schemes also suit the requirement of international customers through online account opening and remittance services. Our schemes also show our initiatives for CSR i.e. schemes for the helpful through the Sunrise Special Care Saving Account. Deposits have been further classified into saving, fixed, call and current deposit which range from non-interest bearing account to normal savings and high yielding fixed deposit.

## Deposit

Deposit mobilization is one of the primary functions of the Bank. Deposits mobilized by Banks play a key role not only as an important source of funds for Banks but also as instrument for promoting saving and Banking habit among the people. The Bank is making efforts in both rural and urban areas for mobilizing savings in the form of deposits which are beneficial to them and the country as well.

## Types of Deposit

Deposit, on the basis of its nature and feature, shall be categorized as follows:

### A. LCY saving deposit products

We have designed different saving accounts in order to encourage the saving habit of the customers. Your small savings leads to our huge deposits. You can save your amount with no limit and earn a good return from us. We have brought numerous saving products in order to meet requirements of all the groups like Nari Bachat Account to empower women; Sunrise Special Care Saving accounts to motivate the differently abled people; Senior Citizen Saving Account to cater to the senior citizens and so on. Thus, the Bank has been delivering its best effort to save your money and provide the finest return.

Please have a review of our saving deposit products and select the best one for you.

#### 1. Normal Saving

Normal saving deposits are meant for those individuals and households who have the habit of saving hard-earned money from their regular earnings so they can use it when required. With no limitation in deposit and withdrawals, the product provides emphasis on personalized services to the customers.

#### 2. Maha Bachat Khata

Sunrise Maha Bachat Khata offers a wide range of attractive features to our valued customers.

#### 3. Sunrise Pink Bachat Khata

This product targets women customers taking into account their unique saving habit that may help them to increase their access to productive resources.

#### 4. Sunrise payroll account

The product aims to provide the financial services to salaried staffs and shall facilitate to overcome the traditional way of distributing the salary of employees framed in the most safest and convenient ways .

#### 5. Sunrise Fat Saving

The product targets all individuals who give priority to attractive features that come along with the product.

#### 6. Sunrise Bal Bachat Khata

The product is expected to attract children to save and multiply their seed money which in the course of time could grow to a significant size.

#### 7. Sunrise senior citizen saving account

Upon turning 50 years old, we know you want the safety of your capital, assured returns and regular payouts. So, we being your partner help you through our Senior Citizen Saving Account with emphasis on personalized services.

#### 8. Sunrise Remit Bachat Khata

Sunrise Remit Bachat Khata has been designed to solicit deposit accounts of the Nepalese working abroad and is targeted towards remitters and beneficiary of remittance.

#### 9. Sunrise Share Dhani Khata

Sunrise Share Dhani Khata is developed for shareholders of Sunrise Bank Limited targeting the share applicants of the Bank who have been allotted shares in the Initial Public Offering of the Bank. This product also covers those shareholders who purchase shares from secondary market and become shareholder of the Bank.

#### 10. Sunrise Special Care Saving Account

A part of initiative for CSR is our sunrise special care saving account. We are the newest in the Banking industry to provide this service. Apart from the interest rate, we give concern of this account holders for efficient in other Banking facilities too.

#### 11. Sunrise Branchless Banking (BLB) saving account

BLB Saving Account is designed to encourage the unBanked communities to save their deposits. This service is catered to the public with the help of Branchless Banking Services.

#### 12. Relief Saving Account

Relief Saving Account shall facilitate earthquake victims to collect the earthquake relief fund through Banking channel in the most safest and convenient ways.

### 13. Sunrise Nari Bachat Khata

With an attractive interest rate and personalized service, this product aims to cater to all Nepali women in the country by encouraging digitalized transactions.

### 14. Sunrise Smart Saving Sccount

With the increase in Digitalization, this product has been designed solely for all individuals opening a Saving Account with us through our online portal.

### 15. Sunrise Samriddhi Bachat Khata

This product is targeted to encourage all Nepali individuals who do not have a Bank account to open one. As part of CSR, NPR 100 shall be deposited by the Bank in every account opened under this scheme.

### 16. Sunrise Karnali Bachat Surakshya Khata

This product intends to support the social security package towards new born girls initiated by Karnali Province Government. . As part of CSR towards financial security of a girl child, NPR 100 shall be deposited by the Bank in every account opened under this scheme.

### 17. Sunrise NRN Saving Account

Sunrise NRN Saving account targets all the NRNs wishing to open an account in Nepal. The product offers attractive features on digital facilities, Fixed Deposit accounts, and FCY exchange rates.

## B. FCY Saving Deposit Products

Sunrise Bank Limited has introduced the foreign currency deposit feature to cater to the niche market of foreign workers currently working in Nepal, Nepalese involved with foreign trade, Nepalese working for foreign organizations.

The types of FCY Saving Deposit Products offered by Sunrise Bank Limited are enlisted below:

1. USD Saving Account
  2. EUR Saving Account
  3. GBP Saving Account
  4. Sunrise Remit Bachat Khata (USD)
  5. Sunrise NRN Saving Account (USD)
- C. Fixed Deposits

We encourage you to deposit your idle fund with us for a period of time and help you to grab the best return for the same. We assure you to get a competitive interest from us, agreed at the time of account opening. The interest rate for the fixed deposit depends upon the volume of your deposits and the tenure. We have been developing different fixed deposit schemes often for the customers whereby the depositors get high interest rate for their deposits. Following is the list of Fixed Deposits:

1. Individual Fixed Deposit
2. Institutional Fixed Deposit
3. Sunrise Maha Muddati
4. Sunrise Recurring Deposit
5. Sunrise NRN Fixed Deposit

## D. Call Accounts

Call accounts are developed to provide certain interest rate on your deposits. It also provides you the facility of savings accounts through accrual of interest. The interest rate on your call account depends on the nominal interest rate of Saving account provided by the Bank. We possess call accounts for both individual and corporate clients.

### 1. Normal Call Account

Call Account is an interest bearing account designed especially for Institutions with stable deposits. Since Current Account is non interest bearing, Individuals and Institutions are offered Call Account so they can earn interest while we can solicit low interest deposit. However the primary account will be current account.

### 2. Social Security Fund Account

Social Security Fund Account is designed for the people who have been provided social security benefit allowance of various categories of citizens such as old age, disable, single woman and other special ethnic group from Nepal government.

### 3. Retirement Fund Account

It is designed for the people who are provided with retirement fund benefit and have been contributing for their retirement.

### 4. Sunrise Portfolio Management Service (pms) Deposit Account

The sunrise PMS Deposit account refers to managing money of customer under the expert guidance of portfolio managers. This product is developed to offer best opportunity to the customers willing to take the Portfolio Management Service for investment policy in terms of minimum risk and maximum return.

Sunrise Bank Limited has developed a prominent feature "Health Insurance Facility" and "Accidental/Death Insurance Facility" which can be availed by every saving account holders.

## A. Sunrise Health Insurance Facility:

Health insurance facility is designed to facilitate the saving account holders to avail the medical treatment with an ease and assists them to recover their health expenses.



**I. Eligible customer:**

- All saving Deposit Account holders shall be eligible for this facility
- The facility shall be limited to the saving Deposit holder as an individual. The insurance coverage shall not be deemed to have covered any one of his/her spouse and/or dependants (including children or parents).
- The facility can be availed either from Government Hospitals or through private Hospitals which are tied up with us.
- The account holders shall be eligible for the facility from the day 1 of account opening.

**II. Benefit to customer:**

The health insurance facility shall be up to 25% of weighted average deposit during last 365 days of saving account or the bill amount whichever is lower, with a maximum limitation of NPR. 80,000 (In words: Eighty Thousand Only) for hospitalization cases and OPD Facility of NPR 20,000 (In words: Twenty Thousand Only) or 150 Day care exclusion daycare treatments THRICE a year.

## RETAIL BANKING

With the motto "Rising to Serve" Sunrise Bank has completed thirteen year and currently is in 14th year continuously striving towards providing better service to its customers. In context of Nepalese Banking sector, retail lending is no doubt one of the profitable sector and in order to diversify the Bank's retail loan portfolio, minimize risk and broaden the service coverage, the Bank is lending to individual customers, for consumption as well as business/productive purposes. Retail loans comprise of around 30 percent of the total loan portfolio. The Bank has formulated comprehensive product paper of each retail products as well as devising new products and revising various existing ones on regular basis as per the changing market dynamism, and customer needs.

Following are the major facilities that are being offered by the Bank as retail products.

**Home Loan:**

This product has been devised in accordance with the vision of SrBL "Together We Can Build". Home is not only "the" dream of many Nepalese but also the major area of investment so the Bank is providing Home Loan to individuals to fulfill their financial requirement for acquiring/construction/maintenance of residential property. The loan is also provided for existing building/apartment to leverage on the value of property.

**B. Accidental/Death Insurance Facility:**

Accidental insurance facility is an attempt to incorporate the possible risk of future accidental death and/or permanent disability. The future is uncertain so the prime aim of this facility is to cover the possible expenses/risk born by family members of account holder during accidental death and /or permanent disability.

**I. Eligible customer:**

All natural person saving deposit customers of Bank

**II. Benefit to customer:**

Insurance coverage shall be limited to 4 times of the balance on saving account maintained on preceding day end of the accident or NPR 500,000 whichever is less.

**Discount in Tied-Up Businesses**

Account holders can avail various discounts agreed in our tied-up Restaurants, Hotels, Hospitals, and Retail Outlets by paying through our Visa Debit/Credit Card or presenting an identification of being Sunrise Bank account holder; as per terms agreed upon.

**Hire Purchase Loan:**

The attitude towards "Loan" in Nepal has changed drastically over time and households have learnt to upgrade their current living standard by leveraging their future income. In view of changing consumer pattern, the Bank is extending Hire Purchase Loans for the purchase of new vehicles both for consumer and commercial purposes, equipments and privately-used vehicles to individuals as well as business units.

**Sajilo Karja/Personal Loan:**

In the globe, our country has been mapped in between two economic giants. Though the country occupied smaller portion in the globe, the value pertaining to social and cultural norms have very high regards. So in this regards, we have been financing Sajilo Karja/Personal Loan to needy individual's easy access to finance to cover their various legitimate financial needs on fully collateralized basis.

**Education Loan:**

Increasing awareness among people has elevated the need for quality education in the country. In the recent days, even unqualified parents wants to provide qualitative education to their children both inside the country and in abroad, but every student cannot afford the cost of education. So in this regard, Education Loan Product has been devised to provide easy loans to students who aspire to pursue higher/technical/professional education in Nepal and abroad.

### Signature Loan:

This is a type of personal loan that the Bank is extending basically to professionals on a non-revolving basis. Loan may be provided up to NPR 1.5 million without fixed assets collateral.

### Loan Against Fixed Deposit Receipt:

This loan is being disbursed against Fixed Deposit Receipt of own Bank up to 90 percent of the fixed deposit amount.

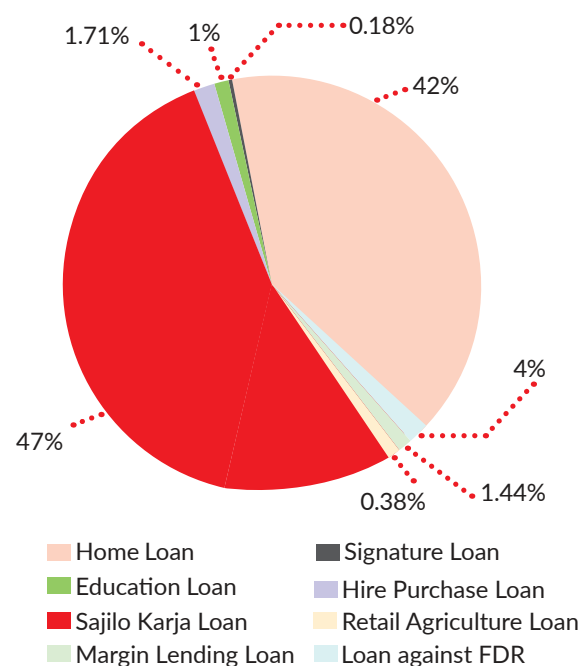
### Activities in the F/Y 2077/78

- Revision of product papers of Home Loan, Margin Lending, Sajilo Karja/Personal Loan, Hire Purchase Loan
- Sunrise Dream Home Loan Campaign V-2
- Hire Purchase Scheme for Consumer Vehicle during festive seasons.

The department is focused on moving ahead with the 5C's principle of lending. It includes capital, collateral, capacity, condition and character of the borrower. This product is focused on both urban and rural areas of our all branches targeting Upper middle class people.

At the end, this department holds the major loan portfolio. It helps to increase our reach to the nooks and corner of our country as well as contributing towards economic development.

### Retail Portfolio as of Ashadh end 2078



## MID MARKET BANKING

Sunrise Bank Ltd. offers various kind of lending facilities under Mid Market Banking Department. This department is newly formed department to increase the mid size business. Threshold exposure from NPR 100.00 Mil to NPR 250.00 Mil is considered as the mid corporate customers as per present classification of the Bank.

### Facilities offered:

#### Fixed Term loan:

Fixed Term Loan provided for financing fixed assets of the unit. The facility is equally available to finance on plants, machineries and equipments, land and buildings as required for the project. Such facilities are generally more than 4-5 years time period. The repayment tenure of the loan is fixed based on the cashflow of the unit. Repayment can be done on EMI/EQI or Ballooning as appropriate.

#### Working Capital Loans:

Working Capital Loan is provided to the customer to manage their working capital requirement. Overdraft, Demand Loan, Short Term Loan, Trust Receipt, Document Purchase, Export financing, Import financing, Pledge loan etc are some facilities offered from us. This type of loan is provided with tenure below one year. Generally, this type of loan is provided against current assets (Stocks and Receivables of the company).

### Import Letter of Credit (Foreign and Local):

LC is offered from our side against the contracts/Performa invoices to import goods and services from abroad and also support local purchase.

### Bank Guarantee Facility:

Bank also provides BG facility not only to facilitate the bidding requirements of various contracts but also to ensure the performance of the related party in terms of execution of contractual performance (supplies and/or assigned job/services). On the other hand it also provides surety of return of advances mobilized for performance of any given contract for smooth workflow of such contracts.

### Margin Lending:

This product allows individuals, firms or companies to borrow money from the Bank without any hassle against pledge of shares of the companies that are listed in Nepal Stock Exchange (NEPSE).

# REMITTANCE

Remittance has taken almost the centre stage in the economic development of our country. Migration of Nepalese youth force to the Gulf region and other countries in search of Foreign Employment can be taken as the major source of remittance entering inside the country.

The financial flows generated by these migrants by way of remittances are very substantial. It is estimated that around 2.0 million Nepalese are working in 40 different countries, excluding India whereas it is estimated that there are equal number of Nepalese residing in this territory entering through various unofficial channels.

Financial Institutions and Money Transfer Cos. have not only helped the country to bring remittances through formal channel thereby discouraging the informal channels but has also helped in increasing the Foreign Exchange Reserves with the Central Bank of Nepal, thereby making a positive impact in the Balance of Payments. However, it is estimated that only around 40 percent of Nepalese migrant workers use formal channel to send their earning back home.

Sunrise Bank Ltd., with the intention of channelizing inward remittance business through various countries established its Remittance Department since 2009 and launched its own web-based online remittance product named "SUNRISE REMIT".

Since then, it has been continuously increasing its international as well as domestic networks. We currently have remittance business arrangement with 24 foreign remittance companies / Banks covering 15 countries and have a domestic network of 18,000 agents spread all over Nepal. Remittance business arrangement with 15 Domestic remittance companies / Banks have further been initiated so as to provide one stop solution of any remittance entering inside the country from various formal sources.

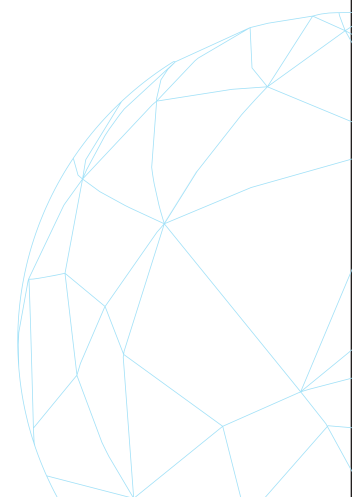
Sunrise Bank currently has its presence in Italy, Australia, UK, USA, Hong Kong, Singapore, South Korea, Israel,

Qatar, Bahrain, Oman, Kuwait, UAE and India for aligning remittance business from international market. Apart from this, we have also been serving people wanting to send domestic remittance from our branch networks. Remittances originated and disbursed from Sunrise Remit is easy and hassle free.

Sunrise Bank Ltd. was amongst the leading Bank of Nepal in providing mobile Banking facilities to the migrant workers abroad, thereby enabling them to access their personal account into their own mobile phones. This not only helped them view each and every activity of their account but also enabled them to top-up mobile phones of their family members, make utility payments, fund transfers to other financial institutions etc. Apart from providing remittance services from various countries, we have pioneered in providing retail-based loans to the family members of migrant workers back in home considering their source of income while working abroad. Also all legal documentations are done abroad by our representative officers residing there.

Bank has incorporated Fixed Deposit application form, DMAT account opening form etc which would also enable migrant workers to participate in IPOs and FPOs in the days to come. Sunrise Bank Ltd. is not only engaged in channelizing remittance from international market but also has been instrumental in providing the following facilities to its customers worldwide:

- Deputation of Bank staffs abroad in various countries to assist Nepali workers and to facilitate in availing various product services of the Bank
- Account Opening Facility from abroad including Mobile Banking, Internet Banking and Visa Card facility
- Fixed / Recurring Deposit processing from abroad
- Opening of DMAT Account and C-ASBA services to Nepalese from abroad
- Facilitating various type of loan to the migrant workers and to their family members.



# CORPORATE BANKING & TRADE PAYMENTS

Primary Article Sunrise Bank Ltd. offers various kind of lending facilities under Corporate Banking and Infrastructure & Project Financing segment (IPF). In order to facilitate the Corporate and Project based lending, dedicated unit named "Corporate Banking Hub" (CBH) was formed to ensure the one-window service delivery/relationship strategy to all the customers under Corporate and IPF clients. Few large volume branches have been continuously catering the big Corporate houses and IPF from branches itself. Threshold exposure above NPR 250.00 Mio is considered as the corporate customers as per present classification of the Bank. CBH/IPF has been providing prompt and efficient service to the Corporate customer to cater their regular demand with dedicated Relationship Managers.

Apart from the above facility, CBH also provides facilities to other BFI's (Development Banks and Finance Companies) for issuing Letter of Credit and Bank Guarantee under Business Sharing Agreement (BSA) on behalf of their customers.

## Facilities offered:

### Fixed Term loan:

Fixed Term Loan is provided for financing fixed assets of the unit. The facility is equally available to finance on plants, machineries and equipments, land and buildings as required for the project. Such facilities are generally more than 4-5 years time period. The repayment tenure of the loan is fixed based on the cashflow of the unit. Repayment can be done on EMI/EQI or Ballooning as appropriate.

### Working Capital Loans:

Working Capital Loan is provided to the customer to manage their working capital requirement. Overdraft, Demand

Loan, Short Term Loan, Trust Receipt, Document Purchase, Export financing, Import financing, Pledge loan e.t.c are some facilities offered from us. This type of loan is provided with tenure below one year. Generally, this type of loan is provided against current assets (Stocks and Receivables of the company).

### Consortium Loan:

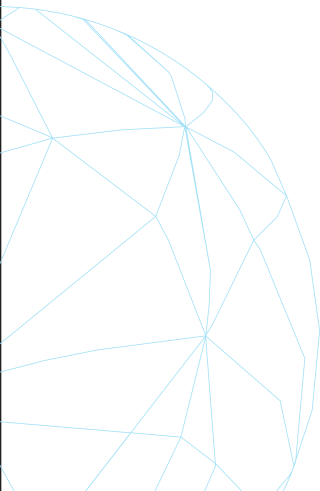
With coordination with other Banks and financial institutions as Lead Bank or a Joint/Co-Lead Bank Consortium Loan for high value funding requirements both Fixed Term Loan and Working Capital Loans (Both Funded as well as Non Funded Loans) has been provided. This type of loan is provided for the establishment of the unit, capacity addition, up-gradation of existing unit as well as acquisition/ takeover of existing facilities. The loan can be extended to manufacturing as well as service sector.

### Import Letter of Credit (Foreign and Local):

LC is offered from our side against the contracts/Performa invoices to import goods and services from abroad and also support local purchase.

### Bank Guarantee Facility:

Bank also provides BG facility not only to facilitate the bidding requirements of various contracts but also to ensure the performance of the related party in terms of execution of contractual performance (supplies and/or assigned job/ services). On the other hand it also provides surety of return of advances mobilized for performance of any given contract for smooth workflow of such contracts.





# TRADE FINANCE DEPARTMENT

Trade Finance is the financing of trade flows between importer/buyer and exporter/seller located in different places. Trade Finance makes it possible and easier for importer/ exporter to transact business through trade by mitigating the associated possible risks and it includes various kinds of trade finance facilities depends on currencies, rules and regulations. The Bank has been established trade processing hub at Head Office, Gairidhara, Kathmandu, Nepal to provide complete trade solutions through its branches for the following services:

- Letter of Credit (Import/Export),
- Documents Collection,
- Cash Against Documents (CAD),
- Payment through SWIFT/Draft,
- Bank Guaranties
- Financing under Trade Finance (Import Loan, Pre/Post shipment loan, Documents Negotiation) etc.

Moreover, the Bank has already been maintaining relationship with more than 140 financial institutions including Asian Development Bank (ADB) to provide trade services nationally/internationally. Additionally, the Bank has already been implementing payment tracker software to know the status of payment via FIN103 within the very short span of the days from the date of payment and remitter can check the payment status through the Bank.

Apart from the above, the Bank has been providing various advisory services to the customers for applicable Rules and Regulations (Like: ICC Publications, Government Rules & Regulations and Others as applicable) to mitigate the possible risks.

# MICROFINANCE

As a part of our long term strategy to shift more weight from large-scale corporate credit towards consumer and small business credit so as to diversify loan portfolio, we have been continuously devising new/innovative business products and reengineering existing ones to remain competitive in the Banking fraternity. Lately, an incredibly intense competition for small business lending is observed in the Banking sector. In order to tap into such emerging business opportunities, SrBL has designed and launched several business loan products which can cater rural population.

One of the strengths of Sunrise Bank is its branches, particularly those branches located outside Kathmandu can play vital role in serving the rural population. As most of microfinance players and cooperatives are located outside Kathmandu valley, it may be an opportunity for Deprived Sector Banking Department (DSB) and branches of Sunrise Bank to grow together in rural lending.

For deprived Banking sector, Sunrise Bank Limited has devised deprived sector loans in two forms. They are deprived sector wholesale lending and individual deprived sector lending. Under wholesale lending we provide loan to Microfinance (D Class BFIs), and Co-operatives while under individual deprived sector lending underprivileged and rural people are provided loan for small business,

agriculture sector and other productive sectors. The primary focus under deprived sector lending is for Direct Lending to individual borrowers. Sunrise Bank Limited has achieved mandatory requirement of Nepal Rastra Bank (NRB) for deprived sector lending portfolio from direct lending. SrBL has also designed and rolled out product like "SrbL Laghu Byabsaya Karja" which also falls under deprived sector loan and the main purpose of this loan product is to provide the financial solutions to borrowers/business/ to create fixed assets as well as to meet the requirements for small business enterprises. Furthermore, SrBL has developed product "Byaj Anudan Karja" in line with Nepal Rastra Bank circular for the 10 different types Interest Subsidized Loans including deprived sector lending including Women Entrepreneur Loan, Educated Youth Loan, Foreign Returned Youth Loan, Dalit Empowerment Loan, Higher Technical & Vocational Education Loan, Textile Industry Loan, Loan for Training from CTEVT Affiliated Institutes, Youth Self Employment Loan, Earthquake Housing Loan and Commercial Agriculture & Livestock Loan.

DSB has also plans to target other sector focusing mainly on agriculture such that its portfolio can be increase and at the same time diversified in the coming fiscal year. Such sector would be

- Dairy Sector/ Live stock Farming
- Seed & High Value crops including horticulture
- Value Chain Financing on Agriculture Commodities
- Agriculture/Herbal Products
- Agriculture Inputs & Machinery
- Others

Also to facilitate the above mentioned sector, particular INGO, company will be selected for the partnership. Partnership with INGO/NGO will help to build our own internal capacity. Also for the promotion of the small retail loan of DSB department, word of mouth promotion would be the primary promotion plan of the unit. The Bank will also take this as an image building opportunity.

This sector is being classified as development finance by the government, NRB and the Bank can gain distinct mileage by getting involved at this period. The promotional efforts would therefore have to emphasize on the Bank's vision and commitment towards economic development of the country. It will also have to iterate that this activity would contribute towards fulfilling the commitment. The efforts will also be directed towards cross-selling Bank's other products. Other promotional efforts e.g. personal relationships, sponsorships of events, joint training programs, commercial advertisement in paper of TV etc can be some of the effective tools.

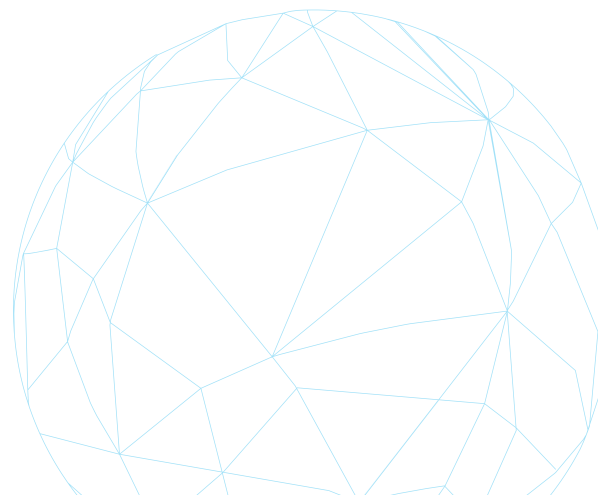
For the distribution plan the Bank plans to use its branches for the purpose of distribution strategy. With the reach of branches and trained man power, we will be able to increase the loan portfolio of DSB in coming days.

In addition, Sunrise Bank has adopted the practice to book all the DSB clients created by branches under the respective branches and hence any income, like: interest income, non-

interest income generated from those clients would be booked in the PL of respective branches. Hence we feel this strategy would act as a motivational factor for the branches and branches hence would put maximum effort to find and create DSB clients. Under this practice we will initially process the credit application being collected from the branches at the DSB, Head Office and gradually branches would be trained to process such application so that they themselves can process the credit application in due course of time. We suppose this practice will contribute to some extent to our objective of developing more business oriented and trained manpower in the Bank.

DSB department have increased the DSL loan providing branches to 139 branches with 80 dedicated staffs at branch, province & head office level. The main work of the dedicated RM at branch level is to provide small retail loans to the deprived sector clients.

With addition of branches and more staffs to provide micro credit loans, we achieved the target of deprived sector lending assigned by NRB from direct lending. Moreover, we also have achieved the target of Interest Subsidized Loans within stipulated time by NRB. In order to reach that target, we have been continuously conducting programs of training and workshop to impart knowledge of DSB and general credit processing to the staffs of branches so that more credit staffs can be developed and branches can be made independent in processing of DSB files.



# SME BANKING

We, Sunrise Bank have been continuously striving towards providing better service to our customers. In this competitive environment, it is essential for any Bank to introduce new product or expand the customer base of existing product in order to sustain in the Banking business. SME is one of the important sectors in lending. Traditionally less priority was given to this sector but now it is one of the most attractive areas.

Under funded facilities we provide Term loan and Working capital loan. Term Loan shall be provided to cover Fixed assets financing (land and building), financing for capital items (CapEx), construction equipment, and civil construction works etc. for maximum period of 10 years, repayable on EMI or EQI basis. The repayment schedule of the loan shall be customized as per the requirement.

Working Capital Facilities includes Overdraft Facility, Demand Loan, Installment Credit Facility, Contract Loan, Export Credit Facilities, and Bills Purchased/Discount etc. which are being provided to fulfill the working capital requirement of the borrowers.

We also provide non-funded facilities to our customers. In non-funded facilities Letter of Credit and Bank guarantee is provided to facilitate our customer's business growth.

Bank Guarantees issued by us not only facilitates the bidding requirements of various contracts but also helps to ensure the performance of the related party in terms of execution of

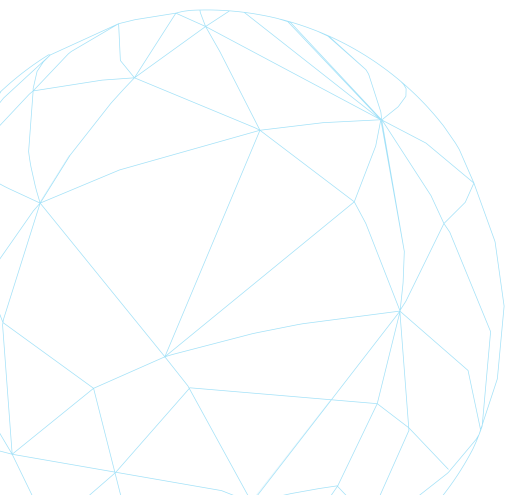
contractual performance. On the other hand it also provides surety of return of advances mobilized for performance of any given contract for smooth workflow of such contracts.

Apart from providing financial services, we are also conducting orientation programme on general accounting and taxation on a frequent basis to various small and middle businesspersons across the country to enhance their basic understanding of taxation and contribute to improved book-keeping skills. This Quarter itself we have conducted 12 such literacy program across the country.

The SME Banking Department controls the SME businesses. The Bank provides different credit facilities to cater as per the requirement of the customers. The Department deals with credit exposure of below NPR 100.00 Million (both Funded and Non-Funded) either in a party or in obligor group.

The department is focused on moving ahead with the 5C's principle of lending. It includes capital, collateral, capacity, condition and character of the borrower. This product is focused on businesses of both urban and rural areas of our all branches targeting business group.

At the end, this department holds the major loan portfolio. It helps to increase our reach to the nooks and corner of our country as well as contribute towards economic development.



# BRANCHLESS BANKING (BLB)

Branchless Banking (BLB) is a system which enables Bank and financial institutions to cater their Banking services through the hand held device known as POS/Tab with the help of Business Correspondent. It maneuvers the Bank and financial institution to spread their footprints without setting up a physical Bank branch. In this modality of Banking, commercial outlets such as small grocery shops, medical shops etc. can act in some capacity to provide basic Banking services on behalf of Banks and financial institutions to their customers. Branchless Banking represents significantly cheaper alternative to conventional branch-based Banking that allows financial institutions and other commercial factors to offer financial services outside the traditional Bank premises by using delivery channels like retails agents, mobile phone etc. and can be used to substantially increase the financial services to unBanked communities.

Sunrise Bank has successfully launched 86 Branchless Banking (BLB). In BLB, customers can avail Banking facilities

like opening saving account, depositing in their account, withdrawing money from account along with transferring fund to any saving accounts of Sunrise Bank as and when required. Apart from these services, BLB customers can enjoy additional facilities like top-up and recharge of NTC/NCELL, Smart Cell, dish home, NTC-landline payment, Broad Link payment, etc.

Following things should be considered for the operation of BLB:

- Business Correspondent shall provide Banking services on the behalf of Bank.
- Customers' finger prints are enrolled in the POS device while opening BLB Saving account.
- Every transaction is followed by finger print of Business Correspondent.
- Ensure the online connection is on the device.



86th BLB opening, KAMAL RURAL MUNICIPALITY 07, Bahraghare, Jhapa. Under supervision of Damak Branch.



## C-ASBA

“Centralized Application for ASBA Based Issuance Applications Supported by Blocked Amount” (C-ASBA) is a system developed CDS & Clearing Ltd to apply the share application online. To apply share through C-ASBA system, the customer has to visit the branch to register in the C-ASBA system with their verified Bank account number and DMAT account number. Then customer has to be registered with this system and obtain the C-ASBA Registration Number (CRN). For each share application to be applied through C-ASBA system, CRN is mandatory so as to verify the share application. Moreover, it is an application containing an authorization to block the application money in the Bank account, for subscribing to an issue of shares. If an investor is applying through C-ASBA, his/her application money shall be blocked. After allotment, only the part of money as per the allotment will be debited from the

applicant's account and unblocked the remaining amount. Securities Board of Nepal (SEBON) being the regulatory body, has issued guidelines regarding Issue of Securities, where it addresses the ASBA application charges from amendment section 8(1), the maximum application charge that can be levied to investor is NRs. 100.00 only. As we are levying the charge of NRs. 25 per unit of application in case of customers apply the share visiting the branch whereas customers applying through MERO SHARE are charged NRs. 10 per application. The application charge to be paid to Issue Manager is NRs. 10.00 per unit of application whereas no charges to be paid to SEBON. Sunrise Bank commenced the CASBA service by January 22, 2017. It has been providing CASBA service from all its branches.

# Subscribe to an Issue!!

## ASBA: Application Supported by Blocked Amount



# SUNRISE MISSED CALL BANKING

In keeping with the long standing recognition for coupling convenience with technological innovation, we are pleased to announce the launching of Simplified Banking Solutions "Sunrise Missed Call Banking Service". Missed Call Banking is yet another mobile Banking feature introduced to the existing and renowned Sunrise Mobile Banking portfolio to our valued customers.

In Sunrise Missed Call Banking Service, customers can enjoy the basic smart Banking services just by dialling the specific mobile number as per the service required. Customers can avail the missed call Banking services by using their normal phone without any pre-defined apps.



## Subscription Process:

In order to avail the services from Missed Call Banking, customers have to enrol with Sunrise Bank Smart.

## Key Features:

- This facility shall be available 24 X 7.
- The ring will automatically disconnect after calling to given numbers.
- No additional cost for this service for the Sunrise Bank Smart Users.

## List of Services Number:

- 1. Top-up**  
Miss call Number: **9851117272**  
On successful missed call, your mobile number will be auto recharged by Rs. 100. You need to have sufficient balance in your default account. Only NTC and Ncell numbers are valid and you can use this features for 4 times each day.
- 2. Balance Inquiry**  
Miss call Number: **9851147273**  
On successful missed call, you will get the SMS of your default account's available balance.
- 3. Mini Statement**  
Miss call number: **9851117275**  
On successful missed call, you will get the SMS of last 4 transaction of your default account.

## 4. Call Centre Support

Miss call number: **9851187274**

On successful missed call, your number will be registered in our system and our call centre will call you back for your support and query. ) This service is available from both registered/Non-Registered mobile number with Sunrise Bank Smart.

## FAQs

- 1. Do I need to have latest smart phone to use this service?**  
No, you can use any mobile phone which have facility of receiving SMS.
- 2. Does it cost to subscribe Missed call Banking?**  
No, it is free of cost. Any Sunrise mobile banking's subscriber can use missed call Banking service.
- 3. Can I top-up other's mobile number from miscall?**  
No, only your registered mobile number will be get top-up.

# NEA MISSED CALL BANKING

To provide hassle free and convenient Banking services to the customer by leveraging technology, Sunrise Bank proposed to NEA payment via Missed Call. Customers who has been registered in the Missed Call Banking System, can pay the NEA bill by just giving missed call to predefined numbers. Since customer can pay bill via Missed call, this will remove restraint to have advanced or latest tech mobile in their hand.

If customer is enrolled for NEA payment and give a missed call to predefined number then customer's NEA bill payment is auto processed by system; if customer have sufficient balance in respective account for current NEA bill.

## Subscription Process:

In order to avail the services, customers have to enrol with In order to avail the services, customers have to enrol with Sunrise Bank Smart and register their NEA Subscription details via Sunrise Smart app.

**Number for Missed Call: 9851273862**

## Key Features:

- No additional cost for this service for the Sunrise Bank Smart Users.
- Instant payment of NEA bill.

## FAQs

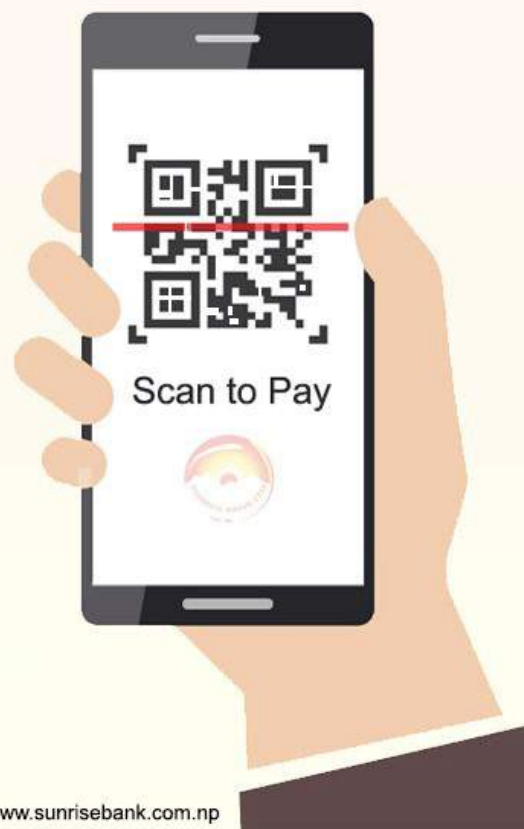
- How to enrol in NEA miscall Banking system?**  
First, customer must subscribe the Sunrise Smart (Mobile Banking) then customer need to Registered in NEA miscall service with NEA Customer ID & SC Number
- Is there any additional charge to subscribe NEA Miscall Banking?**  
No, however Sunrise Mobile Banking subscription charge is applicable
- Can I use this service via my Non-Smart Phone?**  
Yes, you can use your non smart phone for this service, but your number has to enrol at NEA Missed call service
- It is required to visit Sunrise Bank Branch to activate this service?**  
No, Customer can request the service via Sunrise Smart (from menu->More->NEA Missed call Service)
- Shall I get NEA discount upon payment with Missed Call Service?**  
Yes, however discount or penalty is calculated and adjusted in your due bill amount
- How can I received, NEA payment receipt upon payment if required?**  
Receipt will be auto sent to registered email address or can obtain from Branch counter as well by NEA itself
- Can I change my NEA information (Credential) for NEA Bill Payment?**  
Yes, details can be changed from branch counter
- Shall I pay multiple customer's NEA Bill via this service?**  
No, only single NEA bill payment can be done from one mobile number
- What, if I change the Mobile Number?**  
You need to re-register to NEA missed call service visiting SrBL branch counter.
- Shall I get declined message, if NEA payment does not succeed?**  
Yes, SMS will be sent to each transaction weather it is failed or success



# QR CODE PAYMENT

## Now payment made Easy

- ✓ Scan and Pay
- ✓ Quick and Easy
- ✓ Secure & Reliable
- ✓ More Convenient



[www.sunrisebank.com.np](http://www.sunrisebank.com.np)

Sunrise Bank offers a cash less mobile payment solution that enables the customers to make or receive payments from QR Codes via Sunrise Smart applications.

QR code abbreviated from Quick Response Code is the trademark for a type of matrix barcode which is a machine-readable black and white dotted optical label that contains information about the any item to which it is associated.

Customer now can simply scan the QR code of other user (of Sunrise Bank user's or authorised fonepay merchant/network Bank) and pay the bill amount directly from their account to their account.

### Features:

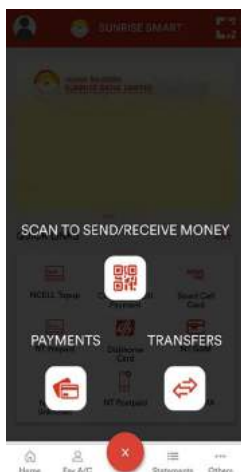
- Any Sunrise Smart Banking subscriber can enjoy the service.
- Quick, easy, secure, and cash less payment to merchant.
- Payment can be done to any outlet or shop of fonepay network.
- Payment can be done to any user of Sunrise Smart Banking user or any other Bank user which is under fonepay network.

### Process - Payment to Merchant

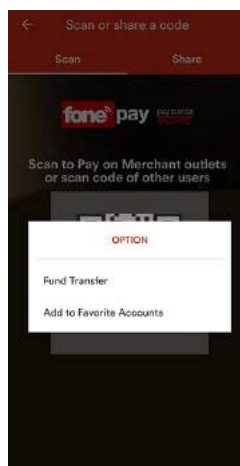
1. Login to Sunrise Smart Banking and slide right from your main page or click '+' (plus) button at bottom centre and click 'SCAN TO SEND/RECEIVE MONEY'
2. Scan the QR code of merchant (printed or digital).
3. Type the Bill amount click 'Submit'
4. Click 'Confirm' and enter PIN when asked. You will get notification of payment status.



## Process - Payment to Account Holder



1. Login to Sunrise Smart Banking and slide right from your main page or click '+' (plus) button at bottom centre and click 'SCAN TO SEND/RECEIVE MONEY'



2. Scan the QR code of other's user and option 'Fund Transfer' (you can save the details 'Add to favourite account for future use as well). User can be from Sunrise Bank or from other Bank. If both sending and receiving Bank is under fonepay network then QR code payment is supported.



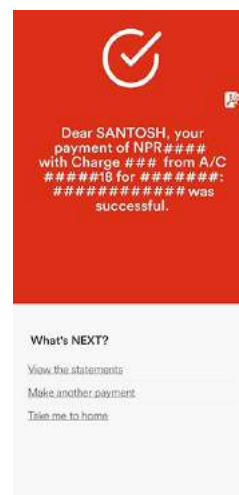
3. Enter the amount, click 'Next' now you will ask to select your account (you can choose account if you have linked multiple account)



4. Now click 'Next' and enter 'Remarks' then click 'Send Now'



5. Enter your PIN when asked or scan your fingerprint.



6. You will get notification of payment status.

# DIGITAL BANKING- THE NEW BEST EMERGING TECHNOLOGY FOR MANKIND

With the pandemic of COVID 19, digital Banking is the new best emerging technology that could have happened to mankind. Nonetheless, Sunrise Bank also has established separate Digital Banking Department with the aim to provide online services to the customers. Furthermore, Digital Banking Department is also in phase of digitalization and process automation for internal daily workflow, documentation, contentment management & information and make the Bank paperless.

Due to digital Banking system, Sunrise Bank customers no longer need to wait for the Bank working hours to carry out any Bank work. Now they can do the required transactions whenever it is convenient to them, 24\*7, even on holidays. Now the customers can easily make transactions, check their account balance or even make transfers just with a single click of a button on their smartphone, desktop or any other digital device.

Digital Banking has become a boon especially during pandemic period where it has helped the customers to do the Banking transaction through mobile Banking such as fund transfer, utility payments, online payments, credit card payments etc. The customers can even open their online account, renewal of fixed deposits, recurring account, online application of Bank guarantee and credit card facilities. Besides in near future, Digital Banking Department is on process to have automated loan process.

Focusing on the customers based within the country and outside, we have come up with chip based contactless Debit, Credit and Prepaid cards. For the security purpose of contactless cards, the Bank has come up with Green PIN system where the customers get OTP in their mobile number and can easily change the PIN Code. Further, with the help of

mobile Banking, the customers can block/unblock their Debit and Credit card, get information about Credit Card limit and other information. The Bank is in process where customers can make deposits in their account from ATM machine without the need for rushing to a deposit counter.

In Nepal for the first time, Sunrise Bank has come up with Missed call Banking facility where customers can avail the services like Balance Inquiry, Topup, Mini Statement. Cardless Banking is another feature, where Sunrise Bank is the first Bank in the entire Banking fertility in Nepal in which the customers can withdraw their money from ATM booths without using ATM Card. With the received OTP in their mobile number, customers can easily withdraw the money without using ATM card.

At present Sunrise Bank has started QR Payment System vigorously which has helped even small merchants to do their business. With the help of QR Payment, there is no extra cost and the payments can be done with a click of a button.

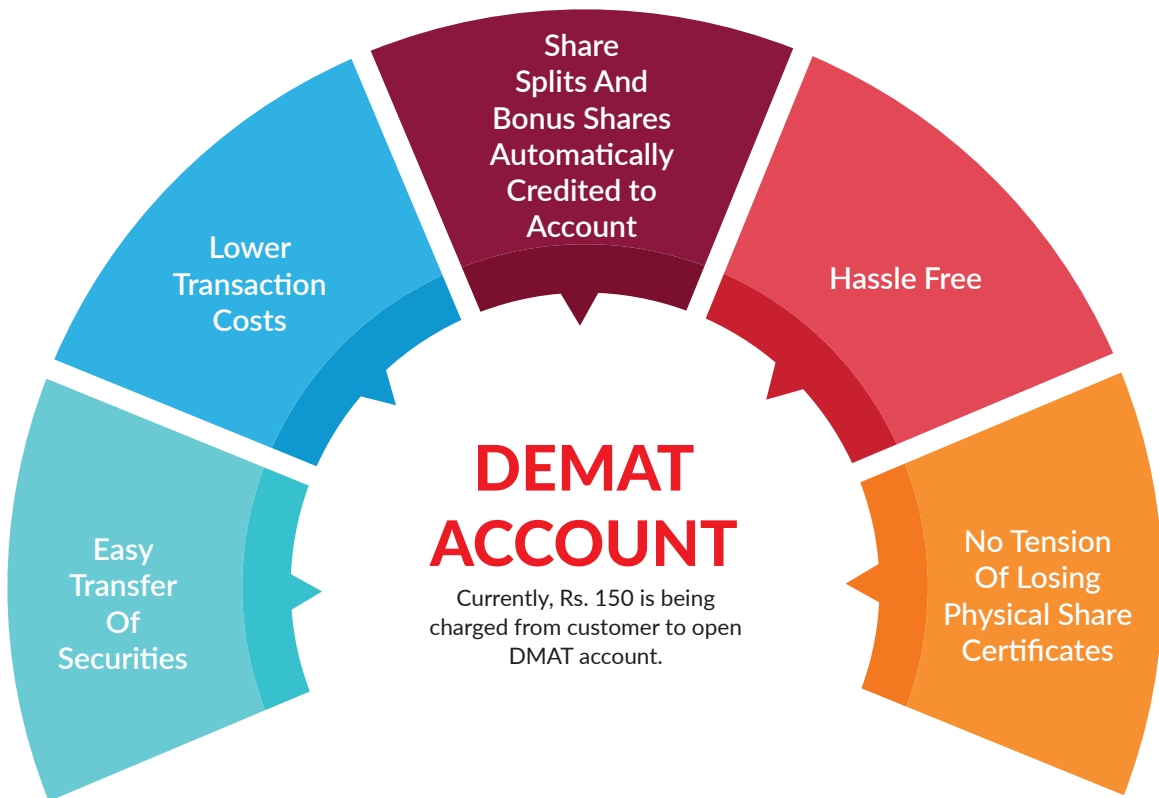
Shopping online was practically nonexistent few decades ago. Today, due to digitalization, we have been able to tie up with various merchants in different sectors where customers have wider opportunity to shop online, with plenty of brand options to consider.

With the change in time and technology, Digital Banking Department is in continuous effort to come up with the latest technologies. However, at the meantime, the Bank is aware to follow all the required protocols and security measures and committed to provide the customers with better Banking facility in tip of their finger.

# DMAT

The term DMAT is known as Dematerialization. Dematerialization means the process in which Share Certificates and other securities in the physical form are converted into Electronic form and making the corresponding credit of the same in the depository. DMAT (Dematerialization) helps in eliminating the problem of physical handling of securities. A depository is similar to a Bank. It holds shares, which belong to investors, in electronic form. The investor has to open an account with the depository, through a Depository Participant (DP). These

Depository Participants (DP) are authorized agents to operate DMAT Account. These DP acts as an agent between the investors and the company. Shares and securities are held electronically in a dematerialized (or DMAT) account, instead of the investor taking physical possession of certificates. To facilitate its customers in opening DMAT account, Sunrise Bank in coordination with Sunrise Capital has been serving its Customer to open DMAT accounts. As we have already implemented DP Secure System in all the branches, hence, the DMAT account opening service is available from all the branches.



# FINANCIAL STATEMENTS

Despite operating in a highly competitive market, Sunrise Bank has grown consistently every year. Its wide network across the country now provides the foundation to do better and grow faster.

The Directors bring together a variety of perspectives to the Board, including professional and entrepreneurial insights which enhance the quality and depth of discussions.

The primary responsibility of the Board includes setting the Bank's Strategic direction with the objective of delivering sustainable stakeholder value, governance structure and formulating comprehensive policy frameworks.

The Board of Directors has a deeper understanding of the material issues affecting the bank and continuity of strategy and direction is ensured.





# DIRECTOR'S REPORT

The Board of Directors of Sunrise Bank Ltd. has pleasure in presenting their Annual Report on the State of Affairs of the Company to the shareholders of Sunrise Bank Ltd. for the financial year ended 15th July 2021, together with the audited Financial Statements of the Bank, Consolidated Financial Statements of the Group for that year and the Auditors' Report on those Financial Statements, conforming to the requirements of the Nepal Rastra Bank Directives, Companies Act 2063 and the Banking and Financial Institutions Act 2073. The Financial Statements were reviewed and approved by the Board of Directors on 8th November 2021.

On behalf of the Board of Directors, I would like to welcome all of you to the 14th Annual General Meeting of Sunrise Bank Ltd. Since its inception, the Bank has been able to attain continuous, balanced growth through innovation, adoption of high-tech solutions and development of innovative financial products. We take your permission to present the Bank's achievement in the FY 2020-21 (FY 2077-78).

## Review of bank's operation for Financial Year 2020-21

### A. Key Financial Highlights Statement of Financial Position

NPR Millions			
PARTICULARS	15-JUL-21	15-JUL-20	GROWTH %
Share Capital	9,488	8,968	6%
Reserve & Surplus	5,282	4,426	19%
Deposits	110,181	94,718	16%
Loans and Advances	103,375	83,830	23%
Investment in Securities	20,860	13,113	59%
Investment in Subsidiaries	261	157	66%
Total Assets	137,763	116,299	18%
Net Assets Value per share	155.67	149.35	4%

The Bank achieved growth of 18% during the year in total assets, totaling NPR 137.763 Billion. Bank has also achieved sustainable growth of 16% in total Deposits, totaling NPR 110.18 Billion and 23% in total Loans and Advances, totaling NPR 103.37 Billion. The Bank has mobilized its resources well. Each Year, The Bank continues to implement financial strategies that enhance its' Financial Capital to enable it to carry out the day-to-day business activities. Growth in key parameters also shows that the Bank is in progressing along with its customers.

### Statement of Profit or Loss

NPR Millions			
PARTICULARS	15-JUL-21	15-JUL-20	GROWTH %
Interest Income	8,961	10,021	-11%
Net Interest Income	3,524	3,859	-9%
Fee/Commission & Other Operating Income	1,626	1,290	26%
Total Operating Income	5,150	5,149	0%
Personnel Expenses	1,518	1,359	12%
Operating Expenses	1,054	994	6%
Operating Profit	2,258	1,947	16%
Profit for the Period	1,447	1,359	6%
Earnings per Share			
Basic Earnings per Share	15.25	15.16	1%
Diluted Earnings per Share	15.25	15.16	1%

### B. Bank Network

The Bank now has 139 full-fledged branches, 7 province offices, 12 extension counters, and 89 branch-less banking outposts that serve customers at almost every business centre. The national network covers all major business centers in Nepal. In the international front we have an extensive network of correspondent banking counter parties in all major global financial centers. The Bank has a strategy of opening branches not only at the urban centers but also in the rural municipalities spread across the country.

### C. ATM Network

The Bank offers a variety of debit and credit cards to customers with enhanced security features. All cards of Sunrise Bank are EMV compliant that reduces the possibility of fraud, and compromise of customer information, to almost nil. The Bank has a wide network of ATM terminals and all of these are being made ready for chip security and fraud deterrence. The Bank has 158 ATMs across the country and customers can also benefit from the common ATM network of NEPS member banks.

In addition, the Bank has revamped the overall technology platform to enhance efficiency, augment security, and facilitate client capabilities. In retail banking, the Bank has launched online account opening services and also offers clients innovative payment options. Significant investment

has gone towards upgrading technology and training human resources. This is because we believe that only state-of-art technology can help a bank to grow in this day and age.

## **D. Remittances**

Sunrise Bank Ltd., with the intention of channelizing inward remittance business through various countries established its Remittance Department since 2009 and launched its own web-based online remittance product named "SUNRISE REMIT". Since then, it has been continuously increasing its international as well as domestic networks. We currently have remittance business arrangement with 24 foreign remittance companies / banks covering 15 countries and have a domestic network of 18,000 agents spread all over Nepal. Remittance business arrangement with 15 Domestic remittance companies / banks have further been initiated so as to provide one stop solution of any remittance entering inside the country from various formal sources.

Sunrise Bank currently has its presence in Italy, Australia, UK, USA, Hong Kong, Singapore, South Korea, Israel, Qatar, Bahrain, Oman, Kuwait, UAE, and India for aligning remittance business from international market. Apart from this, we have also been serving people wanting to send domestic remittance from our branch networks. Remittances originated and disbursed from Sunrise Remit is easy and hassle free.

## **E. Mobile Financial Services**

The mobile phone has been evolving into an intimate platform that brings together many technological possibilities. It is personal and therefore suited for banking operations. The Bank has added a number of features in its mobile banking application. The payment channels have been increased and customers can now use it to directly pay their electricity bills and more features are in the process of being added. This can make banking with Sunrise Bank a seamless experience for its customers.

Sunrise Bank's mobile banking platform 'Sunrise Smart Banking' is an unified digital banking solution that empowers customers with banking services on their fingertips. It allows banking and digital payments in multimedia rich interface for customers, while also providing a cost-effective means for the Bank for carrying out stakeholder relations and marketing/promotional campaigns.

Sunrise Smart Banking is currently available for Android and IOS applications and supports both the short messaging services (SMS) and GPRS giving customers the option to use either one depending on network availability and internet access.

## **F. Activities of the Banks subsidiary**

Sunrise Capital Limited is the subsidiary company of the Sunrise Bank Limited. Previously, NIDC capital market had setup a subsidiary company named NCM Merchant Banking limited to provide the merchant banking activities under the direction of NRB and guidelines of SEBON. After

NIDC Capital Markets Limited was acquired by Sunrise Bank on 10th Feb, 2017 and renamed under Sunrise Capital Limited, it has been providing merchant banking services as a subsidiary of Sunrise Bank Limited. It is Nepal's premier "Investment Services" company, with over some decades of experience in helping people protect and grow their wealth. No other firm can match the depth of its experience and its dedication to personal service. It has been providing customized and extraordinary financial services ranging from merchant banking, advisory, and assets management services to depository participant functions. The strength of our parent company, together with our network and experience acts as the premier provider of customer-centric and innovation-driven investment banking services in Nepal.

## **G. Major activities during the year:**

### **1. Information Technology and Digital Banking**

Sunrise bank has been the first bank to implement Finacle Core Banking Software while other banks are still in the planning phase. With this implementation, Bank has achieved a new height in the Banking Industry. The Bank now has a definite roadmap to move to a fully digitized environment. Sunrise Bank intends to use digitization not only for delivering services to customers but to transition to a fully digitized banking environment. Business Process Automation is one of the key strategic moves of the Bank where it is continuously evaluating the possibility of taking all of its internal processes to the fully digital platform. The Bank has acquired many applications, including software, for human resource management, assets management, Know Your Customer (KYC) and anti-money laundering (AML), document management, inventory management, conference video calls, etc. It is also considering the implementation of workflow management, performance management, automatic tracking system and other systems in the coming days to attain complete digitization of business processes. It also has hired human resources to facilitate and expedite the process of digitations.

Sunrise Bank has implemented a sophisticated Internet banking system at par with international standards to offer customers a bank-less banking environment. It has enhanced security features with strong authentication mechanisms that guarantee the protection of customer's credentials, passwords and information.

The Bank has started online account opening facility through its website, which is one of many initiatives undertaken to transform the way a customer does banking. Customers can now fill in all the required information through the Bank's website and open the desired account without the need to visit a branch.

The Bank has also started the service of validating Sunrise Bank issued bank guarantees through its website. This enables government offices and other principals to confirm that the Bank's undertakings are not forged are valid. This has reinforced its reliability and trust.

Recently, Bank has implemented a new version of the mobile banking (Bank Smart V5) which is capable of extending much more features to the customers, more detailed information, including QR code based payments, self-registration, self-management etc. Bank is in the plan of improving this platform to the higher version by making it much informative and feature intensive.

Bank introduced a very simple but innovative product called Missed Call Banking for the first time in the banking industry in Nepal. This product was taken overwhelming by the customers. The center of this product is banking service even without internet. This was a tremendous success in the scenario that bank has a lot of customers in rural area without having proper reach of internet service and many people do not possess smart phone or are not used to mobile banking because of age factors and others.

Bank has also introduced Viber-Banking services whereby the customers can avail various facilities for free through the Public Group in Viber.

## 2. Call Centre

For the first time in Nepal, Sunrise Bank had started its own call center and has now become the "Bank With a Voice". The call center has been very crucial for handling transactional interactions, informational calls, and for addressing complex issues, including sales and purchase-related activities. The call center is the first point of contact for remote customer interactions. It also provides opportunities for cross-selling and up-selling financial products and services. It is designed to deliver multiple ways for customers to connect with the Bank and the Bank believes it can play a crucial role in increasing customer satisfaction and improving the overall customer experience.

## 3. Corporate Social Responsibility

Sunrise Bank is a good corporate citizen and believes in contributing towards overall development of the Society it serves. It has given back to society at every opportunity and will continue this partnership for change. Separate section has been inserted in the Annual Report regarding our contribution.

## H. Macroeconomic Scenarios

Central Bureau of Statistics has estimated the Gross Domestic Product growth of 4.01 percent for 2020/21. Agriculture, industry and service sectors estimated to grow 2.64 percent, 5.05 percent and 4.43 percent respectively. Share of agriculture, industry and service sectors in GDP stands 25.83 percent, 13.11 percent and 61.06 percent respectively in 2020/21.

## DEPOSIT AND LENDING GROWTH

### Deposit Growth:

Deposits at Banks and Financial Institutions (BFIs) increased 21.4 percent in the review year compared to a growth of 18.7 percent in the previous year. The share of demand, saving, and fixed deposits in total deposits stands at 10.4 percent,

34.2 percent and 47.0 percent respectively in mid-July 2021. Such shares were 10 percent, 31.9 percent and 48.6 percent respectively a year ago. The share of institutional deposits in total deposit of BFIs stands at 42.7 percent in mid July 2021. Such a share was 44.3 percent in mid July 2020.

### Credit Growth:

Private sector credit from BFIs increased 27.3 percent in the review year compared to a growth of 12 percent in the previous year. In the review year, private sector credit from commercial banks and development banks increased 27.8 percent and 30.5 percent respectively, while that of finance companies decreased 6.3 percent. In the review year, out of the total outstanding credit of the BFIs, 66.1 percent is against the collateral of land and buildings and 12.7 percent against the collateral of current assets (such as agricultural and non-agricultural products). Such ratios were 65.7 percent and 13 percent respectively a year ago. Outstanding loan of BFIs to the agriculture sector increased 43.6 percent, industrial production sector 20.6 percent, construction sector 18.4 percent, transportation, communication and public sector 20.4 percent, wholesale and retail sector 26.2 percent and service industry sector 20.9 percent in the review year. In the review year, term loan extended by BFIs increased 29.7 percent, overdraft 29.8 percent, trust receipt (import) loan 48.7 percent, demand and working capital loan 25.4 percent, real estate loan (including residential personal home loan) 15.8 percent and margin nature loan 110.8 percent while that of hire purchase loan decreased 7.7 percent.

### INTEREST RATES

The weighted average 91-day treasury bills rate has remained 4.55 percent in mid-June to mid-July 2021, which was 1.27 percent a year ago. The weighted average inter-bank transaction rate among commercial banks, which was 0.35 percent a year ago, increased to 4.12 percent during mid-June to mid-July 2021. The average inter-bank rate of BFIs which is considered as an operating target of monetary policy, stood 4.14 percent in the review month (mid-June to mid-July) of 2021.

The average base rate of commercial banks decreased to 6.86 percent in the review month (mid June to mid-July) of 2021 from 8.50 percent a year ago. Weighted average deposit rate and lending rate of commercial banks stood at 4.65 percent and 8.43 percent respectively in the review month. Such rates were 6.01 percent and 10.11 percent respectively a year ago.

### Inter-bank Transaction

In the review year, BFIs interbank transactions amounted Rs.1996.58 billion including Rs.1782.96 billion inter-bank transactions among commercial banks and Rs.213.62 billion among other financial institutions (excluding transactions among commercial banks). In the previous year, such transactions was Rs.1630.85 billion including Rs.1501.45 billion among commercial banks and Rs.129.40 billion

among other financial institutions (excluding transactions among commercial banks).

### **Merger and Acquisition**

After introduction of merger and acquisition policy aimed at strengthening financial stability, the number of BFIs involved in this process reached 229 as of mid-July 2021. Out of which, the license of 171 BFIs was revoked thereby forming 58 BFIs.

### **Financial Access**

Of the total 753 local levels, commercial banks extended their branches at 750 levels as of mid July 2021. The number of local levels having commercial bank branches was 747 a year ago.

The total number of BFIs licensed by NRB remained 133 in mid July 2021. As of mid July 2021, 27 commercial banks, 18 development banks, 17 finance companies, 70 microfinance financial institutions and 1 infrastructure development bank are in operation. The number of BFIs branches reached 10,683 in mid-July 2021 from 9765 in mid-July 2020

### **I. Performance of the Bank in Second Quarter of FY 2021-22**

The Bank attained decent growth in business volume during the second quarter of 2021-22. Deposit Increased by NPR. 21,513.42 Million, growth by 19.53%. Loan and Advances increased by NPR. 22,000.52 Million, growth by 21.28%. Sunrise Bank has already attained the statutory target of having a minimum NPR 8 billion as paid up capital.

### **J. Issuance of Debenture**

The Bank has outstanding Debenture worth NPR 4 Billion to augment the supplementary capital as well as to strengthen CCD Ratio.

### **K. Mutual Fund Sponsor**

The Bank has invested seed capital of NPR 150 million in the 1st mutual fund issued by its subsidiary Sunrise Capital Limited.

### **L. Customer Relations and Risk Management**

The Bank has had a steady growth of customers. The customer base increased to 9,38,717 up to second Quarter of F.Y. 2020-21. Both the number of accounts and deposits has been growing satisfactorily since mid July 2021.

The Bank has always been guided by the principles of customer satisfaction, and customer-in-priority. It was the pioneer in launching customized products and high quality services in both loans and deposits. Further, the Bank has now adopted the principle of moving beyond customer satisfaction towards "customer delight". The Bank has fully adhered to the KYC norms and AML principles, and international best practices. It has a full-fledged Compliance Department at the corporate level and a Compliance Officer at each branch. Further, the Compliance Department has

a separate AML section to keep close watch on money laundering and terrorist financing risks. In order to look after the risks associated with banking, the Bank has appointed a Chief Risk Officer who has been working towards building a risk management culture in the Bank alongside the identification, measuring and mitigation of risks related to credit, operations, market, foreign exchange, liquidity and reputation risks, etc. The Bank has been very aggressive in capacity building of employees by supporting trainings and workshops to enhance their skills on using the tools required for risk assessment and aversion.

### **M. Human Resources**

The Bank has a workforce of about 1,517 employees, which is a growth from 1,484 in 2020-21. The Bank believes that its success rests on the performance of its employees and has been prioritizing the maintenance of a well-trained and qualified workforce through capacity development interventions at all levels. The capacity development interventions focus on developing a workforce of dedicated and professional staff with qualities such as honesty, integrity, professional capability, creativity, and cooperation. Because staff capacity building is directly related to employee productivity and customer delight, the Bank has been sending employees to attend national and international training programs. Nepal Rastra Bank has directed all banks to spend at least 3% of the total employee expenses in training and capacity building, which the Bank has adhered to fully.

### **N. Corporate Governance**

The Board of Directors and management of SrBL are committed to high level of corporate governance across the organization. All members of the Board have fully complied with the directives issued by the Nepal Rastra Bank pertaining to corporate governance and the associated code of conduct. The Bank has an Audit Committee as well as a Risk Management Committee to look after the audit and risk related issues. Further, the Bank also has a Money Laundering Prevention Committee to continuously monitor money laundering and terrorism financing related issues. SrBL believes that regular disclosures promote transparency, which in turn fosters corporate good governance.

### **O. Contribution to Revenue**

The Bank has paid NPR 1.29 billion as various taxes to Government of Nepal, which includes NPR 780 million as corporate tax, NPR 344.17 million as interest tax on deposits, NPR 111.74 million as employee income tax, and NPR 20.94 million as house rent tax and Other NPR 34.60 million. The Bank also pays reverse VAT on procurements of goods and services from outside the nation.

### **P. Committees**

The Bank has formed various board-level committees for implementing, controlling and monitoring the policy decisions. These include the Audit Committee, Risk Management Committee, Employee Compensation and Benefit Committee and Money Laundering Prevention



Committee. Each committee has a specific Terms of Reference. The members of the committees comprise of non-executive directors and senior executives. Besides there also are several other management-level committees: The CEO heads the Management Committee, with senior executives as members. Other committees include the Assets Liability Committee, Human Resources Management Committee, and Procurement Committee.

### Q. Financial Statement

The Bank has presented the financial statements including balance sheet as on 15th July 2021, profit and loss statement of fiscal year 2020-21, cash flow statement, and related annexure and consolidated financial statements including that of its subsidiary Sunrise Capital Ltd. to the general meeting for approval.

The Bank is fully committed to abide by the instructions of Nepal Rastra Bank provided at the time of AGM clearance as well as during the audit.

### R. Dividend

The board of the Bank has proposed 6.65% Bonus Share and 0.35% cash dividend including tax to its shareholders. In the last fiscal year, the Bank had provided 8.28 % Bonus Share and 2.48 % cash dividend to shareholders. The Bank is looking forward providing attractive dividends to its shareholders in the coming years.

### S. Change in Board Composition and Election

No Change in Board Composition.

### T. Appointment of the Auditor

M/s G.P. Rajbahak and Company, Chartered Accountants was appointed as the auditor of the Bank for fiscal year 2020-21 by last year's Annual General Meeting under the recommendations of the Audit Committee. However, the same auditor is eligible for external auditor as per Company Act-2063 and Re-appointed for External Audit for the F.Y. 2021-22.

Finally, we would like to express our sincere gratitude towards all who have directly or indirectly worked towards the betterment of the Bank and who have provided their valuable comments and suggestions for improvement of its product and services as well as services delivery. We would also like to thank our valued customers, shareholders, Government of Nepal, Ministry of Finance, Nepal Rastra Bank, Securities Board of Nepal, Office of the Company Registrar, Nepal Stock Exchange Ltd., and Bank's tireless employees. We will continuously strive to improve the service standards of SrBL and provide better services to customers and higher returns to shareholders.

Thank you!

2021 December 02

**Mrs. Sharada Pudasaini Sharma**  
Director

On behalf of Board of Director  
**Motilal Dugar**  
Chairman

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

**Opinion**

We have audited the financial statements of Sunrise Bank Ltd., which comprise the Statement of Financial Position as at Ashadh 31, 2078 (July 15, 2021), and the Statement of Profit or Loss, and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Financial Position of the Bank as at Ashadh 31, 2078 (July 15, 2021), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards [NFRS].

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S.No.	Key Audit Matters	Auditor's Response
a)	<b>Interest Income:</b> The interest income of the bank has been recognized on accrual basis and following the Interest Income Guidelines 2019 issued by NRB. The Guidelines specify condition for collateral testing in case of the interest overdue for 3-12 months and reversal of accrued interest on overdue for more than 12 months. Furthermore, the guidelines specify conditions for collective impairment of the loan. In case of improper application of the guidelines and determination of the Fair Value of the collateral, it imposes risk on the part of interest income. Thus, we have considered it as key audit matters.	Our audit approach included clear understanding of the Core Banking Software of the bank i.e. how the interest income is daily accrued regarding the loans and advances. Furthermore, we have relied on the engineer's valuation of the collateral for determination of fair value regarding collateral testing. Also, we have test checked the interest income booking with manual computation and we did not find any deviation. Furthermore, we have test checked the haircut regarding collateral fair value as

Page 1 of 5

		per the NRB Income recognition guidelines.
b)	<p>Investment valuation, identification and impairment:</p> <p>Investment of the bank comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted securities. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and Directive number 8 of NRB Unified Directive 2077. The investment in the government and NRB bonds and T-bills has been done on Amortized cost and rest have been valued through Fair Value through Other Comprehensive Income. The valuation of the investment requires special attention and further in view of the significance of the amount of the investment in the financial statement the same has been considered as Key Audit Matters in our audit.</p>	<p>Our audit approach regarding Investment of the bank is based on the NRB Directive and NFRS issued by the Accounting Standard Board of Nepal. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis.</p> <p>For the investment valued through OCI i.e. for quoted investment, we relied on the Last transaction price in NEPSE as on 15.07.2021. And for the unquoted investment the fair value has been taken as the NRs.100. Further the income and bonus have been cross verified from Demat statement of the bank wherever applicable.</p>
c)	<p>COVID-19 impact on the bank and NRB circular compliance thereon:</p> <p>On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Nepal Government announced a nationwide lock down multiple times and local federal government also imposed prohibitory order during FY 2077/78. Due to Lockdown the profitability of the bank was highly impacted and NRB issued various circulars for benefit of the stakeholder and bank. Since the matter imposes created impact on the performance of bank, we have considered this as our key audit matter.</p>	<p>Our audit approach regarding the COVID-19 outbreak and the mitigation approach by the bank is based on the various circular issued by NRB on various date till the date of our review. Provisions such as 1.3% impairment loss for good loan, conditions for restructuring and rescheduling of loan affected by COVID-19, enhancement of working capital, extension of moratorium period, etc. has been verified on sampling basis.</p> <p>Furthermore, the relaxation of the penal charge to the customer during the pandemic period was verified on test basis.</p> <p>Furthermore, due to COVID 19, we have modified our audit approach and most of the credit review has been done remotely from Head Office instead of Branch visit.</p>
d)	<p>Information Technology:</p> <p>Since most of the information of the bank is digitally stored and transaction are carried out digitally/electronically in today's scenario, we have considered information technology status of the bank as our key audit areas.</p>	<p>We verified the interest income and expense booking regarding loan and deposit on test basis with the CBS of the bank.</p> <p>We relied on the IT audit conducted by the bank.</p> <p>We verified the provisioning of the loan and advances based on ageing on the test check basis as on 15.07.2021.</p>



**Other Matter**

We did not audit the Financial Statement and other Financial Statement of Subsidiary namely Sunrise Capital Limited. The Financial Statements and other Financial Information have been audited by other auditor whose report has been furnished to us by the management. Our opinion on the Financial Statement so far as it relates to the accounts and disclosures included in respect of the subsidiary is based solely on the report of other auditor.

The auditor's report is intended solely for the intended users, and should not be distributed to or used by other parties.

**Other Information**

Management is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the consolidated Financial Statements and our auditor's report thereon.

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

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 course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

**Auditor's Responsibilities for the Audit of Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and



obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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, international 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 the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to related disclosures in the financial statements or, if such disclosure are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidences obtained up to date of our auditor's report. However, future events or conditions may cause the Group to cease as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group's Activities to express an opinion on Financial Statements.

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.

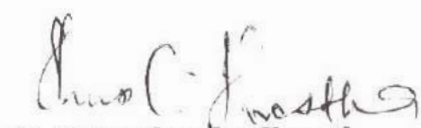
### Report on Other Legal and Regulatory Requirements

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

- We have obtained all the information and the explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- Based on our audit, proper books of accounts as required by law have been kept by the Bank.
- The Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Cash Flow Statement, and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts maintained by the Bank.
- Returns received from the branch offices of the Bank were adequate for the purpose of our audit though the statements are independently not audited.
- The capital fund, risk bearing fund and the provisions for possible impairment of assets of the bank are adequate considering the Directives issued by Nepal Rastra Bank.



- In our opinion and to the best of our information and according to the explanations and from our examination of the books of accounts of the Bank, we have not come across any case where the Board of Directors or any office bearer of the Bank have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Bank and violated Directives issued by Nepal Rastra Bank or acted in a manner, as would jeopardize the interest and security of the Bank, its shareholders and its depositors.
- The business of the Bank has been conducted satisfactorily and operated within its jurisdiction and has been functioning as per NRB Directives.



**CA. Shiva Chandra Shrestha**

Senior Partner

**G. P. Rajbahak & Co.**

Chartered Accountants

UDIN: 211109CA001299M00s

Place: Kathmandu

Date: November 9, 2021

## Consolidated Statement of Financial Position

### As on 31 Ashad 2078

PARTICULAR	NOTE	GROUP		BANK	
		31 ASHAD 2078	31 ASHAD 2077	31 ASHAD 2078	31 ASHAD 2077
Assets					
Cash and Cash Equivalents	4.1	4,269,679,618	8,142,119,186	4,145,728,838	8,011,838,788
Due from Nepal Rastra Bank	4.2	2,980,810,427	7,806,295,521	2,980,810,427	7,806,295,521
Placement with Bank and Financial Institutions	4.3	4,886,440,360	1,376,000,705	4,646,440,360	1,206,000,705
Derivative Financial Instruments	4.4	-	68,022,424	-	68,022,424
Other Trading Assets	4.5	31,119,342	68,239,062	-	-
Loans and Advances to BFIs	4.6	1,906,576,647	2,395,067,484	1,906,576,647	2,395,067,484
Loans and Advances to Customers	4.7	100,490,657,077	81,018,597,584	100,490,657,077	81,018,597,584
Investment Securities	4.8	20,860,092,464	13,112,819,500	20,860,092,464	13,112,819,500
Current Tax Assets	4.9	269,235,502	207,694,752	262,555,672	206,804,369
Investment in Subsidiaries	4.10	-	-	261,308,369	157,142,000
Investment in Associates	4.11	-	-	-	-
Investment Property	4.12	404,139,643	433,358,795	404,139,643	433,358,795
Property and Equipment	4.13	1,029,036,716	1,067,174,230	1,026,706,658	1,064,584,513
Goodwill and Intangible Assets	4.14	26,547,107	48,956,310	25,927,867	48,070,390
Deferred Tax Assets	4.15	-	-	-	-
Other Assets	4.16	775,736,113	784,875,812	752,473,936	769,922,877
Total Assets		137,930,071,016	116,529,221,365	137,763,417,957	116,298,524,950

Motilal Dugar  
Chairman

Er. Bachhraj Tater  
Director

Malchand Dugar  
Director

Er. Shailendra Guragain  
Director

Sharada Pudasaini Sharma  
Director

Deepak Nepal  
Director

Navin Upadhyay  
Head-Finance

Sarbendra Mishra  
Chief Financial Officer

Suman Sharma  
Chief Executive Officer

As per our attached report of even date

Date: November 08, 2021  
Place: Kathmandu

CA. Shiva Chandra Shrestha  
Senior Partner  
G.P. Rajbapak & Co.,  
Chartered Accountants

Contd... Consolidated Statement of Financial Position

PARTICULAR	NOTE	GROUP		BANK	
		31 ASHAD 2078	31 ASHAD 2077	31 ASHAD 2078	31 ASHAD 2077
Liabilities					
Due to Bank and Financial Institutions	4.17	6,286,477,186	5,191,810,353	6,286,477,186	5,191,810,353
Due to Nepal Rastra Bank	4.18	2,995,977,786	743,466,092	2,995,977,786	743,466,092
Derivative Financial Instruments	4.19	10,469,725	-	10,469,725	-
Deposits from Customers	4.20	105,556,182,829	89,840,475,952	106,432,370,620	90,223,271,629
Borrowings	4.21	1,192,500,000	1,202,500,000	1,192,500,000	1,202,500,000
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	-	-	-	-
Deferred Tax Liabilities	4.15	216,248,646	89,594,347	220,378,814	94,346,860
Other Liabilities	4.23	2,873,153,038	1,982,281,320	1,867,166,091	1,462,840,265
Debt Securities Issued	4.24	3,988,366,688	3,986,501,177	3,988,366,688	3,986,501,177
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		123,119,375,897	103,036,629,241	122,993,706,910	102,904,736,376
Equity					
Share Capital	4.26	9,487,944,499	8,967,811,436	9,487,944,499	8,967,811,436
Share Premium					
Retained Earnings		759,849,902	776,918,328	668,862,240	743,606,222
Reserves	4.27	4,562,900,717	3,693,015,788	4,612,904,307	3,682,370,916
Total Equity Attributable to Equity Holders		14,810,695,119	13,437,745,552	14,769,711,046	13,393,788,574
Non Controlling Interest		-	54,846,572	-	-
Total Equity		14,810,695,119	13,492,592,124	14,769,711,046	13,393,788,574
Total Liabilities and Equity		137,930,071,016	116,529,221,365	137,763,417,957	116,298,524,950
Contingent Liabilities and Commitments	4.28	54,822,569,054	58,124,404,771	55,020,002,340	58,124,404,771
Net Assets Value per share		156.10	149.84	155.67	149.35

Motilal Dugar  
Chairman

Er. Bachhraj Tater  
Director

Malchand Dugar  
Director

Er. Shailendra Guragain  
Director

Sharada Pudasaini Sharma  
Director

Deepak Nepal  
Director

Navin Upadhyay  
Head-Finance

Sarbendra Mishra  
Chief Financial Officer

Suman Sharma  
Chief Executive Officer

As per our attached report of even date

Date: November 08, 2021  
Place: Kathmandu

CA. Shiva Chandra Shrestha  
Senior Partner  
G.P. Rajbhak & Co.,  
Chartered Accountants



## Consolidated Statement of Profit or Loss

For the year ended 31 Ashad 2078

PARTICULAR	NOTE	GROUP		BANK	
		FY 2077/78	FY 2076/77	FY 2077/78	FY 2076/77
Interest Income	4.29	8,983,770,496	10,040,665,235	8,960,715,881	10,020,934,993
Interest Expense	4.30	5,431,287,852	6,149,426,934	5,436,640,796	6,161,725,270
<b>Net Interest Income</b>		<b>3,552,482,644</b>	<b>3,891,238,301</b>	<b>3,524,075,085</b>	<b>3,859,209,723</b>
Fee and Commission Income	4.31	1,240,390,486	1,021,236,767	1,143,793,774	990,016,442
Fee and Commission Expense	4.32	187,287,694	131,223,692	178,623,996	129,652,845
<b>Net Fee and Commission Income</b>		<b>1,053,102,791</b>	<b>890,013,075</b>	<b>965,169,777</b>	<b>860,363,597</b>
<b>Net Interest, Fee and Commission Income</b>		<b>4,605,585,435</b>	<b>4,781,251,375</b>	<b>4,489,244,862</b>	<b>4,719,573,320</b>
Net Trading Income	4.33	279,308,095	225,052,216	242,208,278	222,768,179
Other Operating Income	4.34	163,811,689	41,576,318	194,476,488	73,665,790
<b>Total Operating Income</b>		<b>5,048,705,219</b>	<b>5,047,879,909</b>	<b>4,925,929,627</b>	<b>5,016,007,289</b>
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	254,683,215	849,825,709	254,683,215	849,825,709
<b>Net Operating Income</b>		<b>4,794,022,004</b>	<b>4,198,054,199</b>	<b>4,671,246,412</b>	<b>4,166,181,580</b>
<b>Operating Expense</b>					
Personnel Expenses	4.36	1,550,004,120	1,382,674,545	1,518,135,875	1,359,171,533
Other Operating Expenses	4.37	693,738,536	689,430,833	689,329,096	684,948,321
Depreciation & Amortisation	4.38	187,435,654	180,713,886	186,064,895	179,152,481
<b>Operating Profit</b>		<b>2,362,843,693</b>	<b>1,945,234,936</b>	<b>2,277,716,546</b>	<b>1,942,909,244</b>
Non Operating Income	4.39	45,828,244	4,033,265	45,828,244	4,033,265
Non Operating Expense	4.40	65,760,866	-	65,760,866	-
<b>Profit Before Income Tax</b>		<b>2,342,911,073</b>	<b>1,949,268,201</b>	<b>2,257,783,925</b>	<b>1,946,942,509</b>
<b>Income Tax Expense</b>	<b>4.41</b>	<b>848,413,916</b>	<b>592,416,905</b>	<b>811,233,661</b>	<b>587,467,155</b>
Current Tax		786,805,588	604,040,020	750,247,678	591,853,548
Deferred Tax		61,608,328	(11,623,115)	60,985,983	(4,386,393)
<b>Profit for the Period</b>		<b>1,494,497,156</b>	<b>1,356,851,296</b>	<b>1,446,550,264</b>	<b>1,359,475,354</b>
<b>Profit Attributable to:</b>					
Equity-holders of the Bank		1,494,497,156	1,351,015,553	1,446,550,264	1,359,475,354
Non-Controlling Interest		-	5,835,743	-	-
<b>Profit for the Period</b>		<b>1,494,497,156</b>	<b>1,356,851,296</b>	<b>1,446,550,264</b>	<b>1,359,475,354</b>
<b>Earnings per Share</b>					
Basic Earnings per Share		15.75	15.13	15.25	15.16
Diluted Earnings per Share		15.75	15.13	15.25	15.16

Motilal Dugar  
Chairman

Er. Shailendra Guragain  
Director

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Head-Finance

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Director

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Director

Sarbendra Mishra  
Chief Financial Officer

Malchand Dugar  
Director

Deepak Nepal  
Director

Suman Sharma  
Chief Executive Officer

As per our attached report of even date

Date: November 08, 2021  
Place: Kathmandu

CA. Shiva Chandra Shrestha  
Senior Partner  
G.P. Rajbapak & Co.,  
Chartered Accountants

## Statement of Other Comprehensive Income

For the year ended 31 Ashad 2078

PARTICULAR	NOTE	GROUP		BANK	
		FY 2077/78	FY 2076/77	FY 2077/78	FY 2076/77
<b>Net Profit for the year</b>		<b>1,494,497,156</b>	<b>1,356,851,296</b>	<b>1,446,550,264</b>	<b>1,359,475,354</b>
<b>Other Comprehensive Income, Net of Income Tax</b>					
<b>a) Items that will not be reclassified to profit or loss</b>					
- Gains/(losses) from investments in equity instruments measured at fair value		231,933,052	366,705,018	231,933,052	366,705,018
- Gains/(losses) on revaluation		-	-	-	-
- Actuarial gains/(loss) on defined benefit plans		(15,113,149)	(28,117,838)	(15,113,149)	(28,117,838)
- Income tax relating to above items		(65,045,971)	(101,576,154)	(65,045,971)	(101,576,154)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>151,773,932</b>	<b>237,011,027</b>	<b>151,773,932</b>	<b>237,011,026</b>
<b>b) Items that are or may be reclassified to profit or loss</b>					
- Gains/(losses) on cash flow hedge		-	-	-	-
- Exchange gains/(losses) (arising from translating financial assets of foreign operation)		-	-	-	-
- Income tax relating to above items		-	-	-	-
- Reclassify to profit or loss		-	-	-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Share of other comprehensive income of associate accounted as per equited method</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive Income for the Period, Net of Income Tax</b>		<b>151,773,932</b>	<b>237,011,027</b>	<b>151,773,932</b>	<b>237,011,026</b>
<b>Total Comprehensive Income for the Period</b>		<b>1,646,271,088</b>	<b>1,593,862,322</b>	<b>1,598,324,196</b>	<b>1,596,486,380</b>
Total Comprehensive Income attributable to:					
Equity-Holders of the Bank		1,646,271,088	1,588,026,580	1,598,324,196	1,596,486,380
Non-Controlling Interest		-	5,835,743	-	-
<b>Total Comprehensive Income for the Period</b>		<b>1,646,271,088</b>	<b>1,593,862,322</b>	<b>1,598,324,196</b>	<b>1,596,486,380</b>

Motilal Dugar  
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Director

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Director

Navin Upadhyay  
Head-Finance

Sarbendra Mishra  
Chief Financial Officer

Suman Sharma  
Chief Executive Officer

As per our attached report of even date

Date: November 08, 2021  
Place: Kathmandu

CA. Shiva Chandra Shrestha  
Senior Partner  
G.P. Rajbhak & Co.,  
Chartered Accountants

## Statement of Changes in Equity For the year ended 31 Ashad 2078

PARTICULAR	GROUP				
	ATTRIBUTABLE TO EQUITY-HOLDERS OF THE BANK				
	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVE	EXCHANGE EQUALISATION	REGULATORY RESERVE
Balance at Shrawan 01, 2076	8,152,555,851	127,161,065	1,794,140,666	27,833,755	649,163,921
Adjustment/Restatement	-	-	-	-	-
Adjustment/Restated Balance as at Shrawan 01, 2076	8,152,555,851	127,161,065	1,794,140,666	27,833,755	649,163,921
Comprehensive Income for the year					
Profit for the year					
Other Comprehensive Income, Net of Tax	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-
Actuarial gains/(losse) on defined benefit plans	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-
Transfer to Reserves during the year	-	-	274,618,364	5,360,415	106,700,693
Transfer from Reserves during the year	-	-	-	-	-
Transactions with Owners, directly recognized in Equity					
Share Issued	-	-	-	-	-
Share Based Payments	-	-	-	-	-
Dividend to Equity-Holders					
Bonus Shares Issued	815,255,585	(127,161,065)	-	-	-
Cash Dividend Paid	-	-	-	-	-
Other	-	-	-	-	-
Total Contributions by and Distributions	815,255,585	(127,161,065)	274,618,364	5,360,415	106,700,693
Balance at Ashad 31, 2077	8,967,811,436	-	2,068,759,029	33,194,170	755,864,614
Balance at Shrawan 01, 2077	8,967,811,436	-	2,068,759,029	33,194,170	755,864,614
Adjustment/Restatement	-	-	-	-	-
Adjustment/Restated Balance as at Shrawan 01, 2077	8,967,811,436	-	2,068,759,029	33,194,170	755,864,614
Comprehensive Income for the year					
Profit for the year					
Other Comprehensive Income, Net of Tax	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-
Actuarial gains/(losse) on defined benefit plans	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-
Transfer to Reserves during the year	-	-	296,954,742	4,580,428	(146,664,729)
Transfer from Reserves during the year	-	-	-	-	
Transactions with Owners, directly recognized in Equity					
Share Issued	-	-	-	-	-
Share Based Payments	-	-	-	-	-
Dividend to Equity-Holders					
Bonus Shares Issued	520,133,063	-	-	-	-
Cash Dividend Paid	-	-	-	-	-
Other	-	-	-	-	-
Total Contributions by and Distributions	520,133,063	-	296,954,742	4,580,428	(146,664,729)
Balance at Ashad End, 2078	9,487,944,499	-	2,365,713,770	37,774,598	609,199,885

	GROUP						
	ATTRIBUTABLE TO EQUITY-HOLDERS OF THE BANK					NON- CONTROLLING INTEREST	TOTAL EQUITY
	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNING	OTHER RESERVE	TOTAL		
	296,981,790	-	1,221,587,977	54,713,607	12,324,138,632	57,582,429	12,381,721,062
	-	-				-	-
	296,981,790	-	1,221,587,977	54,713,607	12,324,138,632	57,582,429	12,381,721,062
			1,351,015,553		1,351,015,553	5,835,743	1,356,851,296
	256,693,513	-	-	(19,682,487)	237,011,026	-	237,011,026
	256,693,513	-	-	-	256,693,513	-	256,693,513
	-	-	-	-	-	-	-
	-	-	-	(19,682,487)	(19,682,487)	-	(19,682,487)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	256,693,513	-	1,351,015,553	(19,682,487)	1,588,026,580	5,835,743	1,593,862,322
	-	-	(635,912,978)	249,233,506	-	-	-
	-	-	2,741,955	(2,741,955)	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	(688,094,521)	-	-	-	-
	-	-	(474,419,659)	-	(474,419,659)	(8,571,600)	(482,991,259)
	-						-
	256,693,513	-	(444,669,652)	226,809,064	1,113,606,919	(2,735,857)	1,110,871,063
	553,675,303	-	776,918,327	281,522,671	13,437,745,551	54,846,572	13,492,592,124
	553,675,303	-	776,918,327	281,522,671	13,437,745,551	54,846,572	13,492,592,124
	-	-	-	-	-	-	-
	553,675,303	-	776,918,327	281,522,671	13,437,745,551	54,846,572	13,492,592,124
			1,494,497,156		1,494,497,156		1,494,497,156
	162,353,136	-	-	(10,579,204)	151,773,932	-	151,773,932
	162,353,136	-	-		162,353,136	-	162,353,136
	-	-	-	-	-	-	-
	-	-	-	(10,579,204)	(10,579,204)	-	(10,579,204)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	162,353,136	-	1,494,497,156	(10,579,204)	1,646,271,088	-	1,646,271,088
	-	-	(880,671,193)	725,800,752	-	-	-
	(93,602,577)	-	93,602,577	-	-	-	-
							-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
							-
	-	-	(520,133,063)	-	-	-	-
	-	-	(223,901,724)	-	(223,901,724)	-	(223,901,724)
	-	-	19,537,820	(68,957,618)	(49,419,798)	(54,846,572)	(104,266,370)
	68,750,560	-	(17,068,426)	646,263,929	1,372,949,566	(54,846,572)	1,318,102,995
	622,425,863	-	759,849,902	927,786,600	14,810,695,117	-	14,810,695,119



PARTICULAR	BANK				
	ATTRIBUTABLE TO EQUITY-HOLDERS OF THE BANK				
	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVE	EXCHANGE EQUALISATION	REGULATORY RESERVE
Balance at Shrawan 01, 2076	8,152,555,851	127,161,065	1,794,140,665	27,833,755	649,163,922
Adjustment/Restatement	-	-	-	-	-
Adjustment/Restated Balance as at Shrawan 01, 2076	8,967,811,436	127,161,065	1,794,140,665	27,833,755	649,163,922
Comprehensive Income for the year					
Profit for the year	-	-	-	-	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-
Actuarial gains/(losse) on defined benefit plans	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-
Transfer to Reserves during the year	-	-	271,895,071	5,360,415	106,700,693
Transfer from Reserves during the year	-	-	-	-	-
Transactions with Owners, directly recognized in Equity					
Share Issued	-	-	-	-	-
Share Based Payments	-	-	-	-	-
Dividend to Equity-Holders					
Bonus Shares Issued	815,255,585	(127,161,065)	-	-	-
Cash Dividend Paid	-	-	-	-	-
Other	-	-	-	-	-
Total Contributions by and Distributions	815,255,585	(127,161,065)	271,895,071	5,360,415	106,700,693
Balance at Ashad 31, 2077	8,967,811,436	-	2,066,035,736	33,194,169	755,864,615
Balance at Shrawan 01, 2077	8,967,811,436	-	2,066,035,736	33,194,169	755,864,615
Adjustment/Restatement	-	-	-	-	-
Adjustment/Restated Balance as at Shrawan 01, 2077	8,967,811,436	-	2,066,035,736	33,194,169	755,864,615
Comprehensive Income for the year					
Profit for the year	-	-	-	-	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-
Actuarial gains/(losse) on defined benefit plans	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-
Transfer to Reserves during the year	-	-	289,310,053	4,580,428	(146,664,729)
Transfer from Reserves during the year	-	-	-	-	-
Transactions with Owners, directly recognized in Equity					
Share Issued	-	-	-	-	-
Share Based Payments	-	-	-	-	-
Dividend to Equity-Holders					
Bonus Shares Issued	520,133,063		-	-	-
Cash Dividend Paid	-		-	-	-
Other	-	-	-	-	-
Total Contributions by and Distributions	520,133,063	-	289,310,053	4,580,428	(146,664,729)
Balance at Ashad End, 2078	9,487,944,499	-	2,355,345,789	37,774,598	609,199,886

Motilal Dugar  
Chairman

Er. Bachhraj Tater  
Director

Malchand Dugar  
Director

Er. Shailendra Guragain  
Director

Sharada Pudasaini Sharma  
Director

Deepak Nepal  
Director

Date: November 08, 2021  
Place: Kathmandu

	BANK						
	ATTRIBUTABLE TO EQUITY-HOLDERS OF THE BANK					NON-CONTROLLING INTEREST	TOTAL EQUITY
	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNING	OTHER RESERVE	TOTAL		
	296,981,790	-	1,175,249,028	47,064,357	12,270,150,433	-	12,270,150,433
	-	-	-	-	-	-	-
	296,981,790	-	1,175,249,028	47,064,357	12,270,150,433	-	12,270,150,433
	-	-	1,359,475,354	-	1,359,475,354	-	1,359,475,354
	256,693,513	-	-	(19,682,487)	237,011,026	-	237,011,026
	256,693,513	-	-	-	256,693,513	-	256,693,513
	-	-	-	-	-	-	-
	-	-	-	(19,682,487)	(19,682,487)	-	(19,682,487)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	256,693,513	-	1,359,475,354	(19,682,487)	1,596,486,380	-	1,596,486,380
	-	-	(632,917,356)	248,961,177	-	-	-
	-	-	2,741,955	(2,741,955)	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	(688,094,521)	-	-	-	-
	-	-	(472,848,239)	-	(472,848,239)	-	(472,848,239)
	-	-	-	-	-	-	-
	256,693,513	-	(431,642,808)	226,536,735	1,123,638,141	-	1,123,638,141
	553,675,303	-	743,606,222	273,601,093	13,393,788,574	-	13,393,788,574
	553,675,303	-	743,606,222	273,601,093	13,393,788,574	-	13,393,788,574
	-	-	-	-	-	-	-
	553,675,303	-	743,606,222	273,601,093	13,393,788,574	-	13,393,788,574
	-	-	1,446,550,264	-	1,446,550,264	-	1,446,550,264
	162,353,136	-	-	(10,579,204)	151,773,932	-	151,773,932
	162,353,136	-	-	-	162,353,136	-	162,353,136
	-	-	-	-	-	-	-
	-	-	-	(10,579,204)	(10,579,204)	-	(10,579,204)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	162,353,136	-	1,446,550,264	(10,579,204)	1,598,324,196	-	1,598,324,196
	-	-	(872,362,035)	725,136,283	-	-	-
	(93,602,577)	-	93,602,577	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	(520,133,063)	-	-	-	-
	-	-	(222,401,724)	-	(222,401,724)	-	(222,401,724)
	-	-	-	-	-	-	-
	68,750,560	-	(74,743,982)	714,557,079	1,375,922,472	-	1,375,922,472
	622,425,862	-	668,862,240	988,158,171	14,769,711,046	-	14,769,711,046

Navin Upadhayay  
Head-Finance

Sarbendra Mishra  
Chief Financial Officer

As per our attached report of even date

Suman Sharma  
Chief Executive Officer

CA. Shiva Chandra Shrestha  
Senior Partner  
G.P. Rajbahak & Co.,  
Chartered Accountants

## Consolidated Statement of Cash Flows

For the year ended 31 Ashad 2078

PARTICULAR	GROUP		BANK	
	FY 2077/78	FY 2076/77	FY 2077/78	FY 2076/77
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Interest Received	8,825,036,718	8,648,956,443	8,830,389,662	8,661,254,779
Fee and Other Income Received	1,565,526,824	1,250,322,247	1,431,830,296	1,216,817,886
Dividend Received	-	-	-	-
Receipts from Other Operating Activities	1,497,001	12,155,358	3,661,800	14,387,850
Interest Paid	(5,432,017,921)	(6,160,160,683)	(5,437,370,865)	(6,172,459,019)
Commissions and Fees Paid	(187,287,694)	(131,223,692)	(178,623,996)	(129,652,845)
Cash Payment to Employees	(1,324,292,710)	(1,314,983,015)	(1,292,424,465)	(1,291,480,003)
Other Expenses Paid	(693,738,536)	(689,430,833)	(689,329,096)	(684,948,321)
<b>Operating Cash Flows before Changes in Operating Assets and Liabilities</b>	<b>2,754,723,683</b>	<b>1,615,635,826</b>	<b>2,668,133,336</b>	<b>1,613,920,327</b>
<b>(Increase) Decrease in Operating Assets</b>	<b>(18,512,452,956)</b>	<b>(18,558,897,471)</b>	<b>(18,446,263,432)</b>	<b>(18,550,750,504)</b>
Due from Nepal Rastra Bank	4,825,485,094	(4,565,250,799)	4,825,485,094	(4,565,250,799)
Placement with Banks and Financial Institutions	(3,535,439,655)	(80,648,333)	(3,440,439,655)	(40,648,333)
Other Trading Assets	37,119,720	18,620,541	-	-
Loans and Advances to BFIs	488,490,837	(1,245,288,143)	488,490,837	(1,245,288,143)
Loans and Advances to Customers	(20,405,271,074)	(12,339,022,728)	(20,405,271,074)	(12,339,022,728)
Other Assets	77,162,122	(347,308,009)	85,471,366	(360,540,501)
<b>Increase (Decrease) in Operating Liabilities</b>	<b>19,813,630,578</b>	<b>17,444,527,910</b>	<b>19,795,476,801</b>	<b>17,445,866,869</b>
Due to Banks and Financial Institutions	1,094,666,833	1,382,475,142	1,094,666,833	1,382,475,142
Due to Nepal Rastra Bank	2,252,511,694	(96,342,546)	2,252,511,694	(96,342,546)
Deposit from Customers	15,740,706,876	14,598,091,793	16,209,098,991	14,791,120,759
Borrowings	(10,000,000)	1,202,500,000	(10,000,000)	1,202,500,000
Other Liabilities	735,745,175	357,803,521	249,199,282	166,113,514
<b>Net Cash Flow from Operating Activities before Tax Paid</b>	<b>4,055,901,305</b>	<b>501,266,264</b>	<b>4,017,346,705</b>	<b>509,036,692</b>
Income Tax Paid	(848,346,338)	(724,525,025)	(805,998,981)	(713,715,034)
<b>Net Cash Flow from Operating Activities</b>	<b>3,207,554,968</b>	<b>(223,258,761)</b>	<b>3,211,347,723</b>	<b>(204,678,341)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investment Securities	(7,535,792,451)	(1,052,196,299)	(7,535,792,451)	(1,052,196,299)
Receipts from Sale of Investment Securities	120,179,148	28,622,261	120,179,148	28,622,261
Purchase of Property and Equipment	(153,027,381)	(319,652,071)	(152,182,959)	(318,894,031)
Receipts from Sale of Property and Equipment	22,911,074	13,644,460	22,911,074	13,644,460
Purchase of Intangible Assets	(5,285,850)	(6,095,219)	(5,285,850)	(5,213,819)
Purchase of Investment Properties	(11,278,211)	(61,315,072)	(11,278,211)	(61,315,072)
Receipts from Sale of Investment Properties	44,113,049	34,110,000	44,113,049	34,110,000
Interest Received	615,154,738	681,110,908	586,747,178	649,082,330
Dividend Received	28,711,359	4,410,217	57,211,359	34,267,197
<b>Net Cash Used in Investing Activities</b>	<b>(6,874,314,525)</b>	<b>(677,360,815)</b>	<b>(6,873,377,663)</b>	<b>(677,892,973)</b>

**Contd... Consolidated Statement of Cash Flows**

PARTICULAR	GROUP		BANK	
	FY 2077/78	FY 2076/77	FY 2077/78	FY 2076/77
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts from Issue of Debt Securities	-	3,000,000,000	-	3,000,000,000
Repayments of Debt Securities	-	-	-	-
Receipts from Issue of Subordinated Liabilities	-	-	-	-
Repayments of Subordinated Liabilities	-	-	-	-
Receipt from Issue of Shares	-	-	-	-
Dividends Paid	(223,901,724)	(482,991,259)	(222,401,724)	(472,848,239)
Interest Paid	-	-	-	-
Other Receipts/Payments	(100,000)	(10,916,765)	-	(10,916,765)
<b>Net Cash from Financing Activities</b>	<b>(224,001,724)</b>	<b>2,506,091,975</b>	<b>(222,401,724)</b>	<b>2,516,234,995</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(3,890,761,281)</b>	<b>1,605,472,400</b>	<b>(3,884,431,663)</b>	<b>1,633,663,681</b>
Cash and Cash Equivalents at Shrawan 01, 2077	8,142,119,186	6,515,205,127	8,011,838,788	6,356,733,447
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	18,321,713	21,441,660	18,321,713	21,441,660
<b>Closing Cash and Cash Equivalents</b>	<b>4,269,679,618</b>	<b>8,142,119,186</b>	<b>4,145,728,838</b>	<b>8,011,838,788</b>

Motilal Dugar  
Chairman

Er. Bachhraj Tater  
Director

Malchand Dugar  
Director

Er. Shailendra Guragain  
Director

Sharada Pudasaini Sharma  
Director

Deepak Nepal  
Director

Navin Upadhyay  
Head-Finance

Sarbendra Mishra  
Chief Financial Officer

Suman Sharma  
Chief Executive Officer

As per our attached report of even date

Date: November 08, 2021  
Place: Kathmandu

.....  
**CA. Shiva Chandra Shrestha**  
Senior Partner  
G.P. Rajbahak & Co.,  
Chartered Accountants



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 Ashad 2078

## 1. Sunrise Bank Limited

### 1.1 General

Sunrise Bank Limited (hereinafter referred to as "the Bank") is a public limited liability company domiciled in Nepal with its registered office at Gairidhara, Kathmandu. The Bank's shares are listed and traded in Nepal Stock Exchange Limited. The Bank carries out commercial banking activities and other financial services in Nepal under the license from Nepal Rastra Bank (NRB), the Central Bank of Nepal, as Class "A" licensed financial institution under the Bank and Financial Institution Act, 2017.

### 1.2 Consolidated Financial Statements

The Consolidated Financial Statements for the year ended 15 July 2021 comprises Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements, Significant Accounting Policies of the Company.

The Consolidated Financial Statements comprises Parent "Sunrise Bank" and its subsidiary "Sunrise Capital Limited" which together is referred to as the Group.

### 1.3 Principal Activities of the Bank

The principal activities of the Bank are to provide commercial banking services including agency services, trade finance services, investment and treasury operations, card services, e-banking products, remittances, foreign currency operations and other financial services to wide range of customers through its branches, extension counters, strategic business units, ATMs and network of agents.

### 1.4 Subsidiary Company, Ownership held by the Bank in Subsidiary & Principal Activities of the Subsidiary

Sunrise Capital Limited (hereinafter referred to as "the Subsidiary") is a public company domiciled in Nepal.

Ownership of Subsidiary as at 15th July 2021 is given below:

NAME	LOCATION	FY 2020/21	FY 2019/20
Sunrise Capital Limited	Kamalpokhari, Kathmandu	100% shareholding	78.571% shareholding

The principal activities of the Subsidiary are to provide merchant/investment banking services that include management of public offerings, portfolio management, underwriting of securities, and fund management of mutual

fund schemes, depository participant's service under Central Depository Service (CDS) and administration and record keeping of securities of its clients.

## 2. BASIS OF PREPARATION

### 2.1. Statement of Compliance

The Financial Statements of the Group have been prepared in accordance with Nepal Financial Reporting Standards 2013 (NFRS) developed by the Accounting Standards Board, Nepal (ASBN) and pronounced for application by the Institute of Chartered Accountants of Nepal (ICAN) on September 13, 2013. These financial statements comply with the regulations of Nepal Rastra Bank, requirements of the Companies Act and also provide appropriate disclosures required under regulations of the Securities Board of Nepal (SEBON).

Bank has also applied carve-outs issued by the Institute of Chartered Accountants of Nepal which allowed alternative treatments in case of followings:

#### a) NFRS 10 – "Consolidated Financial Statements"

Carve out from the requirement for a parent company to consolidate a subsidiary in its consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances as specified in para 19 of NFRS 10 unless it is impracticable to do so. As a result of this alternative treatment, subsidiaries are allowed to be presented in the consolidated financial statements without adjustments to the subsidiary's financial statements which are otherwise required to achieve consistency in accounting policies between the Group entities. The Group has adopted this alternative treatment only selectively. The Bank and the Subsidiary both have adopted uniform accounting policy based on NFRS for like transactions and other events in similar circumstances except that the Subsidiary has not recognized its defined benefit obligations as per actuarial valuation method required under NAS 19 – "Employee Benefits".

#### b) NAS 39 – "Financial Instruments: Recognition and Measurements"

Carve out from the requirement to determine impairment loss on financial assets – loans and advances by adopting the 'Incurred Loss Model' as specified in para 63 of NAS 39 unless the reporting entity is a bank or a financial institution registered as per Bank and Financial Institutions Act 2073. Such entities shall measure impairment loss on loans and advances at 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 NAS 39 adopting Incurred Loss Model The Group has adopted this mandatory treatment. As a result of this treatment, the Group has recognized impairment loss on loans and advances at the higher of the amount derived as per prudential norms specified in NRB directive no. 2/75 and the amount derived from incurred loss model as specified in para 63 of NAS 39. The Group has recognized impairment loss on other financial assets measured at amortized cost in accordance with para 63 of NAS 39.

#### c) NAS 39 – “Financial Instruments: Recognition and Measurements”

Carve out from the requirement to incorporate all fees and points paid or received under contractual terms of a financial instrument in the calculation of ‘Effective Interest Rate’ for the financial instrument as specified in para 9 of NAS 39 unless it is immaterial or impracticable to determine such fees and points reliably. The Group has adopted this alternative treatment. As a result of this alternative treatment, the Group has excluded the full amount of upfront loan management fees or commission received on loans and advances in the calculation of effective interest rate for the loan. The upfront fees and commission are recognized as income in the same period the loan is approved. The Group has assessed that this election is justifiable in line with the principal of cost and benefit of adopting certain provisions in NFRS.

#### d) NAS 39 – “Financial Instruments: Recognition and Measurements”

Carve out from the requirement to recognize interest income on a financial asset or a group of similar financial assets, which has been written down as a result of an impairment loss, by applying the rate of interest used to discount the asset’s future cash flows for the purpose of measuring its impairment loss as specified in para AG 93 of NAS 39. As a result of this alternative treatment, interest income on such impaired financial asset are allowed to be calculated by applying the original effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully. The Group has adopted this alternative treatment. As a result of this alternative treatment, the Group has recognized interest income on impaired financial asset by applying the original effective interest rate to the gross carrying amount of a financial asset unless the financial asset is a credit impaired financial asset. The Group has adopted this alternative treatment considering the practical difficulty in the application of para AG 93 of NAS 39.

## 2.2. Reporting period and approval of Financial Statements

### 2.2.1 Reporting Period

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

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

RELEVANT FINANCIAL STATEMENT	NEPALESE CALENDAR DATE / PERIOD	ENGLISH CALENDAR DATE / PERIOD
Comparative SFP* Date	31 Ashad 2077	15 July 2020
Comparative reporting period	1 Shrawan 2076 - 31 Ashad 2077	16 July 2019 - 15 July 2020
SFP* Date	31 Ashad 2078	15 July 2021
Reporting period	1 Shrawan 2077 - 31 Ashad 2078	16 July 2020 - 15 July 2021

\*SFP = Statement of financial position

### 2.2.2 Responsibility for Financial Statements

The board of directors of the Bank is responsible for the preparation of financial statements of the Group and the Bank which reflects a true and fair view of the financial position and performance of the Group and that of the Bank. The board is of the view that the financial statements in its entirety have been prepared in conformity with the prevailing financial reporting standards, regulations of the Nepal Rastra Bank and the requirements of the Companies Act.

The board of directors acknowledges their responsibility for financial statements as set out in the ‘Statement of Director’s Responsibility’ and in the certification on the statement of financial position.

These financial statements include the following components:

- Statement of Financial Position [SoFP] providing the information on the financial position of the Group and the Bank as at the end of the reporting period;
- Statement of Profit or Loss [SoPL] and Statement of Other Comprehensive Income [SoCI] providing the information on the financial performance of the Group and the Bank for the reporting period;
- Statement of Changes in Equity [SoCE] reporting all changes in the shareholders’ funds during the reporting period of the Group and the Bank;
- Statement of Cash Flows [SoCF] providing the information to the users, on the ability of the Group and the Bank to generate cash and cash equivalents and utilization of those cash flows; and
- Notes to the financial statements comprising significant accounting policies, other disclosures and other explanatory information relevant to the study of financial statements.

### 2.2.3 Approval of Financial Statements by Directors

The accompanied Financial Statements have been authorized by the Board of Directors vide its resolution dated 2078/07/22 (2021/11/08) and recommended

for its approval by the Annual General Meeting of the shareholders.

### 2.3. Functional and Presentation Currency

The Financial Statements of the Group are presented in Nepalese Rupees (Rs), a functional and presentation currency, which is the currency of the primary economic environment in which the Bank operates. Financial information is presented in Nepalese Rupees. There was no change in group's presentation and functional currency during the year under review.

### 2.4. Use of estimates, assumptions and judgments

The preparation of Financial Statements in conformity with Nepal Financial Reporting Standards (NFRS) requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect in the Financial Statements are as follows:

#### 2.4.1 Going Concern

The Board of Directors has made an assessment of the Bank's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon Bank's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

#### 2.4.2 Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position can be derived from active markets, they are derived from observable market data. However, if this is not available, judgment is required to establish fair values. The valuation of financial instruments is described in more details in Note 5.1 under "Fair Value of financial assets and liabilities".

#### 2.4.3 Classification of financial assets and liabilities

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

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

Presentation or measurement of the amounts recognized in financial statements could be different for a particular financial asset or financial liability under any two different accounting classifications. The Group's management exercise judgment in the application of appropriate accounting policy to achieve correct accounting classifications for its financial assets and financial liabilities. Accounting policy relating to classification of financial assets and financial liabilities is presented in Note 3.4.3 and the related explanatory information is presented in Note 5.3.

#### 2.4.4 Impairment losses on financial assets

Impairment loss on financial assets – loans and advances are determined at the higher of:

- Loan loss provision amount derived as prescribed in directive no. 02/75 of Nepal Rastra Bank; and
- Impairment loss amount determined as per Incurred Loss Model specified in para 63 of NAS 39.

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

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

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

The Group's policy in accounting for impairment of financial assets is explained in Note 3.4.8.

#### 2.4.5 Impairment of Financial Instruments designated at fair value through other comprehensive income

The Group reviews its financial instruments designated at fair value through other comprehensive income, at

each reporting date to assess whether they are impaired. The Group also records impairment charges on equity investments designated at fair value through other comprehensive income where there is significant or prolonged decline in fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. The Group generally treats 'significant' as 20% and 'prolonged' as greater than six months. In addition, Group evaluates, among other factors, historical share price movements, duration and extent up to which the fair value of an investment is less than its cost.

#### 2.4.6 Impairment losses on non-financial assets

At each reporting date, or more frequently if events or changes in circumstances necessitates, the Group assesses whether there are indicators of impairment for a non-financial asset. Where any indication of impairment exists, the Group makes an estimation of the asset's recoverable amount.

The 'recoverable amount' of an asset is the greater of its 'Value in Use' and its 'Fair Value' less costs to sell. In determining the 'Value in use', future cash flow estimates are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining 'Fair Value' less cost to sell, an appropriate valuation model is used.

The whole impairment assessment exercise requires the management to make estimates of expected future cash flows, appropriate discount rates and also select appropriate valuation model.

#### 2.4.7 Taxation

The Group is subject to income tax and judgment is required to determine the total provision for current, deferred and other taxes due to the uncertainties that exist with respect to the interpretation of the applicable tax laws, at the time of preparation of these Financial Statements.

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

#### 2.4.8 Defined Benefit Plans

The cost of the defined benefit obligations and the present value of their obligations are determined using actuarial valuations.

The actuarial valuation involves making assumptions about discount rates, future salary increments, mortality rates and possible future pension increments if any. Due to the long-term nature of these plans, such estimates are subject to

uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Nepal government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increment and pension increment are based on expected future salary increment rates of the Bank.

#### 2.4.9 Fair Value of Property, Plant and Equipment

The freehold land and buildings of the bank are not reflected at fair value and no revaluation has been carried at the reporting date. Under NFRS 1, a first-time adopter may elect to use a previous GAAP revaluation of an item of property, plant and equipment at, or before, the date of transition to NFRSs as deemed cost at the date of the revaluation, if the revaluation was, at the date of the revaluation, broadly comparable to:

- Fair value; or
- Cost or depreciated cost in accordance with NFRSs, adjusted to reflect, for example, changes in a general or specific price index

#### 2.4.10 Useful Life-time of the Property, Plant and Equipment

The Bank is following the cost model for recognition of Property, Plant and Equipment. The Bank reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting date.

Land is not depreciated. Depreciation of other assets is calculated using the written down value method to amortize their cost over their estimated useful lives, as follows:

S. N.	ASSETS TYPES	LIFE OF AN ASSET (IN YEARS)
1.	Building	50
2.	Furniture & Fixtures	10
3.	Office Equipments	10
4.	Plant & Machinery	10
5.	Vehicles	7
6.	Computers and Accessories	7
7.	Intangible Assets	5
8.	Leasehold Assets	10
9.	Deferred Furnishing	3

Costs of refurbishment and renovation of leasehold premises are depreciated over the remaining period of that lease or 10 years, whichever is less.

For additions during the year, depreciation is charged from the month the assets is put to use and for disposed assets,

depreciation is charged up to the month immediately preceding the month of disposal.

License fees for the software paid by the Bank are amortized over the period of the license. Profit or loss on disposal of fixed assets is recognized in the profit and loss of the year.

#### 2.4.11 Provisions for liabilities, Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote.

Provision for expenses of NRs. 1,723,536 created for FY 2075/76 and FY 2076/77 has been written back and booked as income in FY 2077/78.

#### 2.4.12 Classification of Investment Properties

Management requires using its judgment to determine whether a property qualifies as an investment property. The Bank has developed criteria so it can exercise its judgment consistently. A property that is held to earn rentals or for capital appreciation or both and which generates cash flows largely independently of the other assets held by the Bank is accounted for as investment properties. On the other hand, a property that is used for operations or in the process of providing services or for administrative purposes and which do not directly generate cash flows as a standalone assets are accounted for as property, plant and equipment. The Bank assesses on an annual basis the accounting classification of its properties taking into consideration the current use of such properties.

#### 2.5. Changes in Accounting policies

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

#### 2.6. New Standards in issue but not yet effective

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments.

A number of new standards and amendments to the existing standards and interpretations have been issued

by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

#### 2.7. New Standards and interpretation not adopted

There have been, and are expected to be, a number of significant changes to the Bank's financial reporting as a result of amended or new accounting standards, specifically IFRSs, that have been or will be issued by the IASB. These standards will be applicable when adopted in Nepal. The most significant of these are as follows:

IFRS 9 'Financial Instruments'- Impairment IFRS 9 'Financial Instruments' was issued by the IASB in July 2014 and effective internationally for the financials beginning on or after 1 January 2018. ASB endorsed NFRS 9 Financial Instruments with some exceptions, mainly in the impairment. Currently, Incurred Loss Model as specified in NAS 39 is used. The requirement of IFRS 9 is Expected Credit Loss Model.

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

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

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

Stage 2: Lifetime ECL – Significantly increased credit risk in the event of a significant increase in credit risk since initial recognition, a provision is required for the lifetime ECL representing losses over the life of the financial instrument (life time ECL). Interest income will continue to be recognized on a gross basis.

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

The management is still assessing the potential impact on its financial statements, if Expected Credit Loss (ECL) model is introduced.



IFRS 15 – Revenue from Contracts with Customers: In 2014, the IASB issued IFRS15 Revenue from Contracts with Customers, which will replace IAS18 Revenue and IAS11 Construction Contracts. It applies to all contracts with customers except leases, financial instruments and insurance contracts. This standard will establish a more systematic approach for revenue measurement and recognition.

IFRS 16 – Leases: In January 2016, the IASB issued IFRS 16 Leases, which will replace IAS 17 Leases. Under the new requirements, lessees would be required to recognize assets and liabilities arising from both operating and finance leases on the balance sheet. The expected effective date as announced by IASB is 1 January 2019.

## 2.8. Discounting

When the realization of assets and settlement of obligation is for more than one year, the Group considers the discounting of such assets and liabilities where the impact is material. Various internal and external factors have been considered for determining the discount rate to be applied to the cash flows of company.

## 2.9. Materiality

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

## 2.10. Offsetting

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

## 2.11. Rounding

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

## 2.12. Comparative information

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

## 2.13. Events after the reporting date

Events after the reporting date are those events, favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue. All material and important events that occurred after the reporting date have been considered and appropriate disclosures have been made in line with NAS 10 – “Events After the Reporting Period”. Explanatory information on events after the reporting date is presented in Note 5.10.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 Basis of Measurement

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

- Investment designated at fair value through other comprehensive income (quoted) is measured at fair value.
- Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
- Financial assets and financial liabilities held at amortized cost are measured using a rate that is a close approximation of effective interest rate. However, the bank has opted to apply carve-out and measure the financial assets and liabilities at carrying amount i.e. amount disbursed to borrower and amount received from the lender by the bank.

### 3.2 Basis of consolidation

#### 3.2.1 Business Combinations and Goodwill

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

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

### 3.2.2 Non-Controlling Interest (NCI)

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

The group also attributes total comprehensive income to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### 3.2.3 Subsidiaries

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

The Financial Statements of subsidiary 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 subsidiary are prepared for the same reporting year as per the Bank, using consistent accounting policies.

The acquired identifiable assets, liabilities are measured at their cost at the date of acquisition. After the initial measurement, the Bank continues to recognize the investments in subsidiaries at cost.

The subsidiary of the Bank is incorporated in Nepal.

### 3.2.4 Loss of Control

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

### 3.2.5 Special Purpose Entity (SPE)

An entity may be created to accomplish a narrow and well-defined objective (e.g. to affect a lease, research and development activities or a securitization of financial

assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity.

The Bank does not have any special purpose entity.

### 3.2.6 Transaction elimination on consolidation

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

### 3.3 Cash and cash equivalents

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

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

### 3.4 Financial assets and Financial Liabilities

#### 3.4.1 Initial Recognition

##### A) Date of 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 required delivery of assets within the time frame generally established by regulation or convention in the market place.

##### B) Recognition and Initial Measurement of Financial Instruments

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

#### 3.4.2 Classification and Subsequent Measurement of Financial Instruments

Classification and Subsequent Measurement of Financial Assets

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

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

The subsequent measurement of financial assets depends on their classification.

#### **(a) Financial Assets at Fair Value through Profit or Loss**

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

##### **i) Financial Assets Held for Trading**

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

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

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

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

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

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the assets.
- The assets are part of a group of Financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

- The assets contain one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

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

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

##### **(b) Held to Maturity Financial Assets**

Held to Maturity Financial Assets are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Bank has the intention and ability to hold to maturity. After the initial measurement, held to maturity financial investments are subsequently measured at amortized cost using the effective interest rate, less impairment. The amortization is included in 'Interest income' in the Statement of Profit or Loss. The losses arising from impairment of such investments are recognized in the Statement of Profit or Loss.

##### **(c) Loans and Receivables from Customers**

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

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

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate, less allowance for impairment. The amortization is included in 'Interest Income' in the Statement of Profit or Loss. The losses arising from impairment are recognized in 'Impairment charge / reversal for loans and other losses' in the Statement of Profit or Loss.

However, the bank has opted to apply carve-out provided by the Institute of Chartered Accountants of Nepal and recognize interest income at the coupon rate and continually measured the carrying amount of loans and receivable at cost/fair value less repayment and allowance for impairment.

#### (d) Financial Assets designated at fair value through Other Comprehensive Income

Financial Assets designated at fair value through Other Comprehensive Income include equity and debt securities. Equity Investments classified here are those which are neither classified as 'Held for Trading' nor 'Designated at fair value through profit or loss'. Debt securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, financial investments designated at fair value through other comprehensive income are subsequently measured at fair value. Unrealized gains and losses are recognized directly in equity through 'Other comprehensive income / expense' in the 'Fair Value reserve'. When the investment is disposed of the cumulative gain or loss previously recognized in equity is recognized in the Statement of Profit or Loss under 'Other operating income'. Interest earned whilst holding 'financial investments designated at fair value through other comprehensive income' is reported as 'Interest income' using the effective interest rate. Dividend earned whilst holding 'financial investments designated at fair value through other comprehensive income' are recognized in the Statement of Profit or Loss as 'other operating income' when the right to receive the payment has been established. The losses arising from impairment of such investments are recognized in the Statement of Profit or Loss under 'Impairment charge for loans and other losses' and removed from the 'fair value reserve'.

Financial assets designated at fair value through other comprehensive income that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortized cost of the security are recognized in income statement and other changes in the carrying amount are recognized in other comprehensive income.

In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield, option volatilities and currency rates. When such evidence exists, the Bank recognizes a trading gain or loss on inception of the financial instrument, being the difference between the transaction price and fair value.

When unobservable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value from the transaction price as indicated by the valuation model is not recognized immediately in the income statement. Instead, it is recognized over the life of the transaction on an appropriate

basis, when the inputs become observable, the transaction matures or is closed out, or when the Bank enters into an offsetting transaction.

#### Classification and Subsequent Measurement of Financial Liabilities

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

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

#### e) Financial Liabilities at Fair Value through Profit or Loss

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

##### i) Financial Liabilities Held for Trading

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

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

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

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

#### f) Financial Liabilities at Amortized Cost

Financial instruments issued by Bank that are not classified as fair value through profit or loss are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in Bank having

an obligation either to deliver cash or another financial asset to another Bank, or to exchange financial assets or financial liabilities with another Bank under conditions that are potentially unfavorable to the Bank or settling the obligation by delivering variable number of Bank's own equity instruments.

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

However, the bank has opted to apply carve-out provided by the Institute of Chartered Accountants of Nepal and recognize interest expense at the coupon rate and continually measured the carrying amount of loans and receivable at cost/fair value less repayment.

### 3.4.3 Reclassification of Financial Instruments

#### a) Reclassification of Financial Instruments 'At fair value through profit or loss':

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

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

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

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

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

#### b) Reclassification of Financial Instruments designated at fair value through other comprehensive income

Bank may reclassify financial assets out of financial assets designated at fair value through other comprehensive income category as a result of change in intention or ability or in rare circumstances that a reliable measure of fair value is no longer available.

A financial asset designated at fair value through other comprehensive income that would have met the definition of loans and receivables at the initial recognition may be reclassified out of financial assets designated at fair value through other comprehensive income to the loans and receivables category if Bank has the intention and ability to hold such asset for the foreseeable future or until maturity.

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

##### i) Financial assets with fixed maturity :

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

##### ii) Financial assets without fixed maturity :

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

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



### c) Reclassification of 'Held to Maturity' Financial Instruments

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

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

### 3.4.4 De-recognition of Financial Assets and Liabilities

#### a) De-recognition of Financial Assets

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

- The rights to receive cash flows from the asset have expired; or
- Bank has transferred its rights to receive cash flows from the asset or
- Bank has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either Bank has transferred substantially all the risks and rewards of the asset or it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

When Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset.

In that case, Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Bank has retained.

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

When securities classified as financial instruments designated at fair value through other comprehensive income are sold, the accumulated fair value adjustments recognized in other comprehensive income are reclassified to income statement as gains and losses from investment securities.

#### b) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

#### c) Repurchase and Reverse Repurchase Agreements

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

Conversely, securities purchased under agreements to resell at future date are not recognized in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, under "Reverse repurchase agreements" reflecting

the transaction's economic substance to the Bank. The difference between the purchase and resale prices is recorded as 'Interest income' and is accrued over the life of the agreement using the effective interest rate. If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Financial liabilities held for trading' and measured at fair value with any gains or losses included in 'Net trading income'.

### 3.4.5 Fair Value Measurement

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

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

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

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

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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

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

### 3.4.6 Impairment of Financial Assets

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

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganization; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### a) Impairment of Financial Assets carried at Amortized Cost

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

If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and

the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

#### i) Individually Assessed Financial Assets

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

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

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured by discounting the expected future cash flows of a financial asset at its original effective interest rate and comparing the resultant present value with the financial asset's current carrying amount. The impairment allowances on individually significant accounts are reviewed more regularly when circumstances require. This normally encompasses re-assessment of the enforceability of any collateral held and the timing and amount of actual and anticipated receipts. Individually assessed impairment allowances are only released when there is reasonable and objective evidence of reduction in the established loss estimate. Interest on impaired assets continues to be recognized through the unwinding of the discount.

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

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

- Bank's aggregate exposure to the customer;

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

#### ii) Collectively Assessed Financial Assets

Impairment is assessed on a collective basis in two circumstances:

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

The bank has opted to apply carve-out on impairment of loans and receivables. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB directive no.2, higher of the amount derived from these measures is taken as impairment loss for loans and receivables.

Impairment losses under both options are presented hereunder;

AS PER NFRS	2077/78
Individual	207,364,038
Collective	126,546,231
Total	333,910,269
Charge to P/L	(393,902,070)
AS PER NRB	2077/78
Loan Loss Provision	2,320,882,364
Charged to P&L	254,683,215

#### iii) Loan to employees at below-market interest rate:

The Group has a policy of providing loans to its employees at below-market interest rate. This asset is bifurcated and recognized as two different elements viz. a prepaid employee benefit and a loan asset. Initially fair value of employee loan is determined by discounting the future loan repayments using a market rate of interest. This fair value is recognized as loan asset and any excess of the principal loan amount over the fair value is recognized as deferred employee expenditure. Deferred employee expenditure is amortized over the loan tenor with the amortization amount recognized as interest income and a corresponding finance expense within the personnel expense.

#### iv) Reversal of Impairment

If the amount of an impairment loss decreases in a subsequent period and the decrease can be related

objectively to an event occurring after the impairment was recognized, the excess is written back by reducing the financial asset Impairment allowance account accordingly. The write-back is recognized in the Statement of Profit or Loss.

**v) Write-off of Financial Assets Carried At Amortized Cost**  
Financial assets (and the related impairment allowance accounts) are normally written off either partially or in full, when there is no realistic prospect of recovery. Where there is no realistic prospect of recovery. Where financial assets are secured, this is generally after receipt of any proceeds from the realization of security.

**vi) Impairment of Rescheduled Loans and Advances**  
Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to a criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate (EIR).

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

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

**b) Impairment of Financial Assets designated at fair value through other comprehensive income**

For financial investments designated at fair value through other comprehensive income, Bank assesses at each reporting date whether there is objective evidence that an investment is impaired.

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

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

Bank writes-off certain financial investments designated at fair value through other comprehensive income when they are determined to be uncollectible.

#### **3.4.7 Offsetting of Financial Instruments**

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

#### **3.4.8 Amortized Cost Measurement**

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

### 3.5 Trading Assets

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

### 3.6 Derivatives assets and derivative liabilities

A derivative is a financial instrument whose value changes in response to the change in an underlying variable such as an interest rate, commodity or security price, or index; that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and that is settled at a future date.

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

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

### 3.7 Property, Plant and Equipment

#### 3.7.1 Recognition

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

#### 3.7.2 Measurement

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

of computer equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### 3.7.3 Cost Model

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

#### 3.7.4 Revaluation Model

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

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

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

#### 3.7.5 Subsequent Cost

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

#### 3.7.6 Depreciation

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



Rate of Depreciation per annum (%)

PARTICULARS	FOR THE FY ENDED ON MID JULY 2020 & 2021	REMARKS
Building	5	
Office Equipments/ Furniture	15	
Vehicle	15	
Computer Hardware	20	
Computer Software	20	Depreciated in 5 years using Straight Line Method
Leasehold	-	Lease period
Deferred Furnishing	33.33	Depreciated in 3 years using Straight Line Method

### 3.7.7 Changes in Estimates

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

### 3.7.8 Capital Work in Progress

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

### 3.7.9 Borrowing Costs

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

### 3.7.10 De-recognition

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

## 3.8 Goodwill and Intangible Assets

### 3.8.1 Recognition

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

### 3.8.2 Computer Software & Licenses

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

### 3.8.3 Subsequent Expenditure

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

Goodwill is measured at cost less accumulated impairment losses. Bank doesn't have any goodwill in its books of accounts.

### 3.8.4 Amortization of Intangible Assets

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

ASSET CATEGORY	FOR THE YEAR ENDED 15 JULY 2021	FOR THE YEAR ENDED 16 JULY 2020
Computer Software	5 years	5 years
Licenses	5 years or the period of license, whichever is less	5 years or the period of license, whichever is less

### 3.8.5 De-recognition of Intangible Assets

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

included in the Statement of Profit or Loss when the item is derecognized.

### 3.9 Investment Property

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

The Bank has recognized as investment property all land or land and building acquired by the Bank as non banking assets in course of recovery of loans and advances to borrowers that have turned into chronic defaulters.

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

### 3.10 Income Tax

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

#### 3.10.1 Current Tax

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

#### 3.10.2 Deferred Tax

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

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

be controlled and is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

### 3.11 Deposits, debt securities issued and subordinated liabilities

#### 3.11.1 Deposits from customers and BFIs:

The Group presents deposit accounts held by customers and those held by BFIs in the Bank under respective line items in the face of the consolidated statement of financial position. These are classified as financial liabilities measured at amortized cost.

#### 3.11.2 Debt securities issued:

The Group presents debenture issued by the Bank under this line item. These are classified as financial liabilities measured at amortized cost.

#### 3.11.3 Subordinated liabilities:

These comprise of liabilities subordinated to the claims of depositors, debt securities issued and other creditors at the event of winding up. Items eligible for presentation under this line item include redeemable preference share, subordinated notes issued, borrowings etc. These are subject to the same accounting policies applied to financial liabilities measured at amortized cost. The Group does not have any subordinated liabilities at the reporting date.

### 3.12 Provisions

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

#### 3.12.1 Provision for restructuring

Provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. The Group does not have any provision for restructuring at the reporting date.

#### 3.12.2 Provisions for onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. The Group does not have any onerous contracts at the reporting date.

#### 3.12.3 Other provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount of Provisions are determined by discounting the expected future cash outflows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense in profit or loss. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract. The expense relating to any provision is presented in profit or loss net of any reimbursement.

### 3.13 Revenue Recognition

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

#### 3.13.1 Interest Income

For all financial assets measured at amortized cost, interest bearing financial assets designated at fair value through other comprehensive income and financial assets designated at fair value through profit or loss, EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial

instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The bank has opted to apply carve-out and recognize interest income on accrual basis applying the coupon rate, which is variable rate of interest.

Nepal Rastra Bank have issued Interest Recognition Guidelines through circular ref Number 001/76/77 dated 10th Shrawan 2076. In relation to interest income, which is accrued but not collected, probability of collection of interest is to be determined as per NAS 18. There are three methods prescribed by the guidelines as follows:

- If the principal and interest is not overdue and overdue for less than 3 months, then the interest income is to be recognized on accrual basis.
- If the principal and interest is due for 3 months and up to 12 months and collateral is sufficient to cover the due amount, then the interest income is to be recognized on accrual basis. Contrary, if the collateral is not sufficient then the interest income should be suspended to recognize in the statement of profit or loss.
- If the principal and interest is due for more than 12 months and collateral is sufficient to cover the due amount, and then the interest income should be suspended to recognize. Contrary, if the collateral is not sufficient then the interest income should be ceased to accrue.

The Group has the practice of ceasing the interest income if the principal and interest are due for more than 12 months. And in case of loan due from 3 months to 12 months, collateral sufficiency was tested to obtain the amount of interest which is to be derecognized in the statement of profit or loss.

The interest income which is to be derecognized in the statement of profit or loss of FY 2020-21 amounts to Rs. 44,797,002.

#### 3.13.2 Fee and Commission Income

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

#### 3.13.3 Dividend Income

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

#### 3.13.4 Net Trading Income

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

### 3.13.5 Other Operating Income

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

#### 3.13.5.1 Foreign exchange revaluation gain / (loss)

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

#### 3.13.5.2 Gain / (loss) on disposal of property and equipment

Gain or loss on the disposal of property and equipment is determined on the difference between the asset's carrying amount on disposal date and the disposal proceeds, net of any disposal costs. This is recognized as an item of Other Operating Income in the year in which significant risks and rewards incidental to the asset's ownership is transferred to the buyer.

#### 3.13.5.3 Gain / (loss) on disposal of investment property

Gain or loss on the disposal of investment property is determined on the difference between the asset's carrying amount on disposal date and the disposal proceeds, net of any disposal costs. This is recognized as an item of Other Operating Income in the year in which significant risks and rewards incidental to the asset's ownership is transferred to the buyer.

#### 3.13.5.4 Gain/loss on sale of investment securities

Gain or loss on the disposal of investment securities is determined on the difference between the asset's carrying amount on disposal date and the disposal proceeds, net of any disposal costs. This is recognized as an item of Other Operating Income in the year in which significant risks and rewards incidental to the asset's ownership is transferred to the buyer or investment securities are redeemed.

### 3.14 Interest Expense

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

### 3.15 Employee Benefits

Employee benefits include:

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

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

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

Post employments benefits are as follows:

#### 3.15.1 Defined Contribution Plans

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

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

Bank contributed 10% on the salary of each employee to the Employees' Provident Fund. The above expenses are identified as contributions to 'Defined Contribution

Plans' as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

Further, bonus to staffs as per prevailing law has been calculated at 10% bonus profit before tax.

### 3.15.2 Defined Benefit Plans

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

#### a) Gratuity

In compliance with Labor Act, 2017, provision is made in the account year of service, for gratuity payable to employees who joined bank on a permanent basis. An actuarial valuation is carried out every year to ascertain the full liability under gratuity.

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

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

The increase in gratuity liabilities attributable to the services provided by employees during the year ended 15th July, 2020 (current service cost) has been recognized in the Statement of Profit or Loss under 'Personnel Expenses' together with the net interest expense. Bank recognizes the total actuarial gain and loss that arises in calculating Bank's obligation in respect of gratuity in other comprehensive income during the period in which it occurs.

The demographic assumptions underlying the valuation are retirement age (60 years), early withdrawal from service and retirement on medical grounds.

#### b) Unutilized Accumulated Leave

Bank's liability towards the accumulated leave which is expected to be utilized beyond one year from the end

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

### 3.16 Leases

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

#### 3.16.1 Finance Lease

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

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

The bank does not have finance lease transactions at the reporting dates.

#### 3.16.2 Operating Lease

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



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

In current FY, the bank has applied straight line basis of accounting to account for rentals payable under operating leases and additionally Rs. 12,328,301 has been charged as operating lease expenses which was Rs. 14,521,750 in FY 2076-77 & Rs. 12,672,141 in FY 2075-76.

### 3.17 Foreign Currency Translation, Transactions and Balances

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

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

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

Foreign exchange differences arising on the settlement or reporting of monetary items at rates different from those which were initially recorded are dealt with in the Statement of Profit or Loss.

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

### 3.18 Financial guarantee and loan commitment

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

### 3.19 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.

There are a number of statutory and non- statutory reserve headings maintained by the Group in order to comply with regulatory framework and other operational requirements. The various reserve headings are explained hereinafter:

#### 3.19.1 General reserve

This is a statutory reserve under domestic banking regulations specified in NRB directive no. 4/75. The Bank is required to appropriate a minimum 20% of current year's net profit into this reserve heading each year until it becomes double of paid up capital and thereafter a minimum 10% of profit each year. This reserve is not available for distribution to shareholders in any form and requires specific approval of the central bank for any transfers from this heading. There is no such statutory requirement for the Subsidiary.

#### 3.19.2 Exchange equalization reserve

This is a statutory reserve under domestic banking regulations specified in NRB directive no. 4/75. The Bank is required to appropriate 25% of current year's total foreign exchange revaluation gain (except gain from revaluation of Indian Currency) into this heading. There is no such statutory requirement for the Subsidiary.

#### 3.19.3 Fair value reserve

This is a non-statutory reserve and is a requirement in the application of accounting policy for financial assets. NFRS 9 requires that cumulative net change in the fair value of financial assets measured at FVTOCI is recognized under fair value reserve heading until the fair valued asset is de-recognized. Any realized fair value changes upon disposal of the re-valued asset is reclassified from this reserve heading to retained earnings. The Group has complied with this accounting policy application.

#### 3.19.4 Asset revaluation reserve

This is a non-statutory reserve and is a requirement in the application of accounting policy for non-financial assets such as property, equipment, investment property and intangible assets that are measured following a re-valuation model. Revaluation reserve often serves as a cushion against unexpected losses but may not be fully available to absorb unexpected losses due to the subsequent deterioration in market values and tax consequences of revaluation. The Group does not have any amount to present under asset revaluation reserve.

#### 3.19.5 Capital reserve

This is a non-statutory reserve and represents the amount of all capital nature reserves such as the amounts arising from share forfeiture, capital grants and capital reserve arising out of business combinations. Funds in this reserve are not available for distribution of cash dividend but can be capitalized by issuing bonus shares upon obtaining approval from the central bank. The Group has reclassified the balance in debenture redemption reserve into capital reserve after full repayment of the corresponding debenture liability at maturity. Capital reserve on acquisition of subsidiary is shown under this heading.

### 3.19.6 Special reserve

This is a statutory reserve under domestic banking regulations specified in NRB circular 12/072/73. The Bank is required to appropriate an amount equivalent to 100% of capitalized portion of interest income on borrowing accounts where credit facility was rescheduled or restructured, resultant of the great earthquake that struck the nation in April 2015. Fund in this account can be reclassified to retained earnings upon full and final repayment of the credit facility. There is no such statutory requirement for the Subsidiary.

### 3.19.7 Capital redemption reserve

This is a non-statutory reserve created for making payment towards redeemable non-convertible preference shares. The Group does not have any amount to present under capital redemption reserve. However, debenture redemption reserve is shown under this heading.

### Debenture Redemption Reserve

This is a statutory reserve under domestic banking regulations specified in NRB directive no.16/075. The Bank is required to maintain a redemption reserve in respect of borrowing raised through debenture issuance. After full repayment of the corresponding debenture liability at maturity, the Group has reclassified the balance in debenture redemption reserve into capital reserve.

### 3.19.8 Dividend equalization fund

This is a non-statutory reserve created for supporting the dividend payout policy by appropriating amounts from current year's profit to fund for future period's payout. Fund in this heading is available for distribution to shareholders upon approval of the board of directors and endorsement of the share holders' general meeting. The Group does not have any amount to present under dividend equalization fund.

### 3.19.9 Capital adjustment / equalization fund

This is a non-statutory reserve created by appropriating amounts from current year's profit and by crediting amounts for calls in advance towards raising capital. The Group does not have any amount to present under capital adjustment / equalization fund.

### 3.19.10 Corporate social responsibility fund

This is a statutory reserve under domestic banking regulations specified in NRB circular 11/073/74. The Bank is required to appropriate an amount equivalent to 1% of net profit into this fund annually. The fund is created towards funding the Bank's corporate social responsibility expenditure during the subsequent year. There is no such statutory requirement for the Subsidiary.

**Bank has expensed NPR 21,631,010 in the FY 2077-78. The province wise expense amount is as outlined below:**

FY	2076/77	2077/78
Province 1	1,182,191	1,330,678
Province 2	398,448	1,286,364
Bagmati	11,147,625	14,308,629
Gandaki	839,578	1,652,910
Lumbini	221,165	1,186,319
Karnali	417,490	392,311
Sudurpashchim	427,080	1,473,798
<b>Total</b>	<b>14,633,577</b>	<b>21,631,010</b>

**The sector-wise detail of CSR expenses is as below:**

FY	2076/77	2077/78
a) Social Projects		
I. Education	1,620,367	1,663,235
II. Health	1,146,991	283,784
III. Disaster management	1,849,115	
IV. Environmental protection	623,447	797,538
V. Income Generation	914,023	
VI. Infrastructure	962,028	676,535
VII. Financial Literacy	700,294	
VIII. Customer protection	1,075,617	
b) Direct grants to Deprived sector		
I. Education	752,391	180,000
II. Health	257,038	330,000
c) SDG goals	1,698,845	1,951,940
d) Employees' Quality of Work Life	1,116,440	7,160,066
e) Grants to non-profit orphanage home and adult care	557,535	262,378
f) Open your bank account	1,238,300	245,100
g) Miscellaneous	121,145	8,080,434
<b>Total</b>	<b>14,633,577</b>	<b>21,631,010</b>

### 3.19.11 Investment adjustment reserve

This is a statutory reserve under domestic banking regulations specified in NRB directive no. 4/075 and 8/075. The Bank is required to maintain balance in this reserve heading which is calculated at fixed percentages of the cost of equity investments that are not held for trading. Changes in this reserve requirement are reclassified to

retained earnings. There is no such statutory requirement for the Subsidiary.

### 3.19.12 Actuarial gain / loss reserve

This is a non-statutory reserve and is a requirement in the application of accounting policy for employee benefits. NAS 19 requires that actuarial gain or loss resultant of the change in actuarial assumptions used to value defined benefit obligations be presented under this reserve heading. Any change in this reserve heading is recognized through other comprehensive income and is not an appropriation of net profit. The Group has complied with this accounting policy application.

### 3.19.13 Regulatory reserve

This is a statutory reserve under domestic banking regulations specified in NRB directive no. 4/075. In the transition to NFRS from previous GAAP the Bank is required to reclassify all amounts that are resultant of re-measurement adjustments and that are recognized in retained earnings into this reserve heading. The amount reclassified to this reserve includes re-measurement adjustments such as interest income recognized against interest receivables; amount of deferred tax assets, actuarial loss recognized in other comprehensive income, amount of goodwill recognized under NFRS, etc. Balance in this reserve is not regarded as free for distribution of dividend. The Bank has complied with this regulatory requirement. There is no such statutory requirement for the Subsidiary.

Regulatory Reserve against the uncollected interest income from loan customers has been created after netting off income tax provision for the purpose. The recovered amount (Gross Rs. 159,575,874) of interest suspense (net of tax) outstanding at Ashad End 2078 and recovered till 15th Bhadra End 2078 has been shown under retained earnings.

The detail composition of regulatory reserve is as follows:

PARTICULARS	ASHAD 75	ASHAD 76	ASHAD 77	ASHAD 78
Accrual Interest Receivable	346,008,422	248,140,978	306,767,693	178,742,912
Non-Banking Assets Reserve	172,401,042	398,180,042	433,358,795	404,139,643
Actuary Loss on gratuity	8,072,420	-	15,738,127	26,317,331
Deferred tax assets	-	2,842,902	-	-
<b>Total</b>	<b>526,481,884</b>	<b>649,163,922</b>	<b>755,864,615</b>	<b>609,199,886</b>

### 3.19.14 Other reserve fund

#### Contingent reserve

This is a non-statutory reserve and is created by the Bank towards meeting operational requirements. A fixed amount is annually appropriated from net profit into this fund. Balance in this fund is utilized towards providing financial support to

employees for treatment of severe cases of life threatening ailments that are not adequately covered under medical insurance policy. Amount paid to staff from this fund is re-classified to retained earnings and is recognized as personnel expense in profit or loss. No such reserve is maintained by the Subsidiary.

### Employees training and capacity development fund

This is a statutory reserve under domestic banking regulations specified in NRB circular 6/075. The Bank is required to incur expenses towards employee training and development for an amount that is equivalent to at least 3% of the preceding year's total personnel expenses. Any shortfall amount in meeting this mandatory expense requirement in the current year will have to be transferred to this reserve fund through appropriation of net profit and the amount shall accumulate in the fund available for related expenses in the subsequent year. Balance in this fund is directly reclassified to retained earnings in the subsequent year to the extent of expenses made for employees training related activities.

### 3.20 Other Disclosures

Table No. 1

PARTICULARS	AS OF ASADH END 2078	
	NO. OF CUSTOMERS	AMOUNT (NRS.)
Accrued Interest Received after Asadh end 2078 till 15 Bhadra 2078	22315	159,575,874
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	25907	276,811,453
Extension of moratorium period of loan provided to Industry or Project under construction	NA	NA
Restructured/Rescheduled Loan with 5% Loan Loss Provision	414	1,811,527,519.37
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	237	477,187,792.16
Enhancement of Term Loan by 10% to COVID affected borrowers	NA	NA
Expiry Date of Additional 20% Working Capital Loan (COVID Loan) extended for upto 1 year with 5% provisioning	NA	NA
Expiry Date of Additional 10% Term Loan (COVID Loan) extended for upto 1 year with 5% provisioning	NA	NA
Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directives	NA	NA

**Table No. 2**

PARTICULARS	NO. OF CUSTOMERS	AMOUNT (NRS.)
Refinance Loan	964	2,973,711,677
Business Continuity Loan	NA	NA

**Table No. 3**

PARTICULARS	DURING FY 2077/78	
	NO. OF CUSTOMERS	AMOUNT (NRS.)
Subsidized Loan	3086	5,271,364,702.43

### 3.21 Earnings per share

Bank presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

Earnings per share is calculated and presented in consolidated statement of profit or loss.

### 3.22 Segment reporting

An operating segment is a component of an entity:

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

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

The bank has identified the key segments of business on the basis of nature of operations that assists the Executive Committee of the bank in decision making process and to allocate the resources. It will help the management to assess the performance of the business segments. All operations between the segments are conducted on pre-determined transfer price. Treasury department acts as the fund manager of the Bank.

### 3.23 Dividend on Ordinary Shares

Dividend on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Dividend for the year that is approved after the reporting date is disclosed as an event after the reporting date. Interim Dividend is deducted from equity when they are declared and is no longer at the discretion of the Bank.

### 3.24 Cash Flow Statement

The Group has reported its cash flow statement applying the 'Direct Method' in accordance with NAS 07 – "Statement of Cash Flows". Application of the direct method in presenting cash flow statement discloses major classes of gross cash receipts and gross cash payments, thereby provides information which may be useful in estimating future cash flows of an entity.

'Cash and Cash Equivalents', as referred to in the statement of cash flows are the same as presented on the face of the consolidated statement of financial position. 'Cash Flows' are inflows and outflows of cash and cash equivalents.

The statement of cash flows reports cash flows during the period classified by operating, investing and financing activities as defined hereunder:

- Operating Activities: are the principal revenue generating activities of the reporting entity and other activities that are not classified as investing or financing activities.
- Investing Activities: are the acquisition and disposal of long-term assets and other long term investments.
- Financing Activities: are activities that result in changes in the size and composition of the contributed equity and borrowed capital of the Group

## 4. NOTES TO SOFP

### Cash and Cash Equivalent

4.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Cash in Hand	2,319,023,073	2,184,581,871	2,319,023,073	2,184,581,871
Balances with BFIs	681,049,738	553,921,382	557,098,958	423,640,984
Money at Call and Short Notice	-	-	-	-
Other	-	-	-	-
Placement less than 3 months	1,269,606,806	5,403,615,934	1,269,606,806	5,403,615,934
<b>Total</b>	<b>4,269,679,618</b>	<b>8,142,119,186</b>	<b>4,145,728,838</b>	<b>8,011,838,788</b>

Cash and cash equivalents include cash at vault and agency Bank account balances, 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.

Cash at vault is adequately insured for physical and financial risks. The amount of cash at vault is maintained on the basis of the regulatory, liquidity and business requirements. To that extent there are regulatory and liquidity restrictions placed on the cash at vault. Cash held in FCY is subject to risk of changes in the foreign exchange rates. These are closely monitored, and risks, are promptly managed.

Risks associated with these assets are regularly assessed.

### Due from Nepal Rastra Bank

4.2

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Statutory Balances with NRB	2,917,685,545	7,788,662,162	2,917,685,545	7,788,662,162
Securities purchased under Resale Agreement	-	-	-	-
Other Deposit and Receivable from NRB	63,124,882	17,633,360	63,124,882	17,633,360
<b>Total</b>	<b>2,980,810,427</b>	<b>7,806,295,521</b>	<b>2,980,810,427</b>	<b>7,806,295,521</b>

Statutory balances with NRB includes the CRR balance maintained with NRB.

The fair value of balance with the Nepal Rastra Bank is the carrying amount. Balance with central bank is categorized as loans and receivables to be subsequently measured at amortised cost.

Balance with the central bank is principally maintained as a part of the regulatory cash reserve ratio required by the central bank. There are regulatory and liquidity restrictions placed on the level of balance with central bank.

### Placement with Bank and Financial Institutions

4.3

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Placement with Domestic BFIs	240,000,000	170,000,000	-	-
Placement with Foreign BFIs	4,646,440,360	1,206,000,705	4,646,440,360	1,206,000,705
Less: Allowances for Impairment	-	-	-	-
<b>Total</b>	<b>4,886,440,360</b>	<b>1,376,000,705</b>	<b>4,646,440,360</b>	<b>1,206,000,705</b>

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.



## Derivative Financial Instruments

4.4

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Held for Trading</b>				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
<b>Held for Risk Management</b>				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	68,022,424	-	68,022,424
Others	-	-	-	-
<b>Total</b>	-	<b>68,022,424</b>	-	<b>68,022,424</b>

Derivatives Financial Instruments is the net of forward debit and forward credit transacted for the purpose of risk management. It is revalued everyday on the basis of average forex rate.

## Other Trading Assets

4.5

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Treasury Bills		-	-	-
Government Bonds		-	-	-
NRB Bonds		-	-	-
Domestic Corporate Bonds		-	-	-
Equities	31,119,342	68,239,062	-	-
Other			-	-
<b>Total</b>	<b>31,119,342</b>	<b>68,239,062</b>	-	-

## Loans and Advances to BFIs

4.6

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Loans to Micro-Finance Institutions	1,931,682,693	2,419,259,334	1,931,682,693	2,419,259,334
Other	-	-	-	-
Less: Allowances for Impairment	(25,106,046)	(24,191,849)	(25,106,046)	(24,191,849)
<b>Total</b>	<b>1,906,576,647</b>	<b>2,395,067,484</b>	<b>1,906,576,647</b>	<b>2,395,067,484</b>

## Allowances for Impairment

4.6.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Balance at Shrawan 01	24,191,849	11,611,046	24,191,849	11,611,046
Impairment Losss for the year:				
Charge for the year	914,197	12,580,804	914,197	12,580,804
Recoveries/Reversal	-	-	-	-
Amount Written Off	-	-	-	-
<b>Balance at Ashad End</b>	<b>25,106,046</b>	<b>24,191,849</b>	<b>25,106,046</b>	<b>24,191,849</b>

## Loans and Advances to Customers

4.7

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Loans and Advances measured at Amortized Cost	102,786,433,394	83,060,604,884	102,786,433,394	83,060,604,884
Less: Impairment Allowances				
Collective Impairment	(1,438,653,610)	(1,027,133,100)	(1,438,653,610)	(1,027,133,100)
Individual Impairment	(857,122,707)	(1,014,874,199)	(857,122,707)	(1,014,874,199)
<b>Net Amount</b>	<b>100,490,657,077</b>	<b>81,018,597,584</b>	<b>100,490,657,077</b>	<b>81,018,597,584</b>
Loans and Advances measured at FVTPL	-	-	-	-
<b>Total</b>	<b>100,490,657,077</b>	<b>81,018,597,584</b>	<b>100,490,657,077</b>	<b>81,018,597,584</b>

### Following process has been adopted by the Bank to calculate loss as per incurred loss model.

The Bank has categorized total loan into 5 products namely Term Loan, Personal Loan, Home Loan, Hire Purchase, Short Term Loan. The loan has been classified into various period on the basis of due days as follows:

Ageing

CURRENT

01-30 DAYS

31-60 DAYS

61-90 DAYS

91-120 DAYS

121-150 DAYS

151-180 DAYS

180 DAYS AND ABOVE

The Loss rate on each period has been calculated by multiplying Probability of Default (PD) with Loss Given Default (LGD).

Probability of Default has been calculated on the basis of probability matrix by taking 72 months loan data as the basis.

For the purpose of calculation of Loss Given Default (LGD), the loan which has been categorized as loss as per NRB directive has been taken and the recovery history of the same has been analyzed upon to reach the LGD.

The individually impaired loan has been subtracted from the

total loan and the same has been multiplied by loss rate to calculate collective impairment.

Total impairment is the sum of the collective and individual impairment.

"Loans and advances of 36.64 Billion are considered for incurred loss model impairment which approximately come at 32.54% of total portfolio."

Accrued Interest Receivable on loans have been considered under Loans and Advances measured at Amortized Cost.

## Analysis of Loans and Advances - By Product

4.7.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Product</b>				
Term Loans	12,510,778,573	12,439,730,673	12,510,778,573	12,439,730,673
Overdraft	16,391,733,734	14,046,582,271	16,391,733,734	14,046,582,271
Trust Receipt/Import Loans	4,738,150,275	1,651,437,198	4,738,150,275	1,651,437,198
Demand and other Working Capital Loans	16,821,202,375	16,164,576,398	16,821,202,375	16,164,576,398
Personal Residential Loans	14,135,091,973	10,626,049,277	14,135,091,973	10,626,049,277
Real Estate Loans	4,006,712,547	4,210,353,774	4,006,712,547	4,210,353,774
Margin Lending Loans	2,646,174,662	1,774,304,791	2,646,174,662	1,774,304,791
Hire Purchase Loans	4,049,888,729	4,283,440,057	4,049,888,729	4,283,440,057
Deprived Sector Loans	6,604,493,815	2,737,055,843	6,604,493,815	2,737,055,843
Bills Purchased	1,503,648,890	535,402,025	1,503,648,890	535,402,025
Staffs Loans	900,013,021	643,297,039	900,013,021	643,297,039
Other	18,035,698,370	12,941,982,370	18,035,698,370	12,941,982,370
<b>Sub-Total</b>	<b>102,343,586,965</b>	<b>82,054,211,715</b>	<b>102,343,586,965</b>	<b>82,054,211,715</b>
Interest Receivable	442,846,429	1,006,393,169	442,846,429	1,006,393,169
<b>Grand Total</b>	<b>102,786,433,394</b>	<b>83,060,604,884</b>	<b>102,786,433,394</b>	<b>83,060,604,884</b>

Gross Loans and Advances excluding impairment has been considered above for analysis.

## Analysis of Loans and Advances - By Currency

4.7.2

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Nepalese Rupee	99,996,517,659	82,470,464,747	99,996,517,659	82,470,464,747
Indian Rupee	-	-	-	-
United States Dollar	2,789,915,736	590,140,136	2,789,915,736	590,140,136
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
<b>Grand Total</b>	<b>102,786,433,394</b>	<b>83,060,604,884</b>	<b>102,786,433,394</b>	<b>83,060,604,884</b>

## Analysis of Loans and Advances - By Collateral

Loans and advances to customers are backed by collateral securities to mitigate default risk. The type of the collaterals corresponding to the loans and advances to customers are given in the table below:

4.7.3

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Secured</b>				
Moveable/Immoveable Assets	96,750,206,290	79,661,238,032	96,750,206,290	79,661,238,032
Gold and Silver	-	-	-	-
Guarantee of Domestic BFIs	-	-	-	-
Government Guarantee	-	-	-	-
Guarantee of International Rated Bank	-	-	-	-
Collateral of Export Document	-	-	-	-
Collateral of Fixed Deposit Receipt	664,518,976	579,498,816	664,518,976	579,498,816
Collateral of Government Securities	-	-	-	-
Counter Guarantee	-	-	-	-
Personal Guarantee	57,856,893	36,463,077	57,856,893	36,463,077
Other Collateral	5,040,895,735	2,737,558,385	5,040,895,735	2,737,558,385
<b>Subtotal</b>	<b>102,513,477,893</b>	<b>83,014,758,310</b>	<b>102,513,477,893</b>	<b>83,014,758,310</b>
Unsecured	272,955,500	45,846,573	272,955,500	45,846,573
<b>Grand Total</b>	<b>102,786,433,394</b>	<b>83,060,604,884</b>	<b>102,786,433,394</b>	<b>83,060,604,884</b>

## Allowance for Impairment

4.7.4

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Specific Allowance for Impairment</b>				
<b>Balance at Shrawan 01</b>	<b>1,014,943,843</b>	<b>458,314,365</b>	<b>1,014,943,843</b>	<b>458,314,365</b>
Impairment Loss for the year				
Charge for the year	479,703,338	741,727,857	479,703,338	741,727,857
Recoveries/Reversals during the year	(637,524,474)	(185,098,379)	(637,524,474)	(185,098,379)
Write-Offs	-	-	-	-
Exchange Rate Variance on Foreign Currency	-	-	-	-
Other Movement	-	-	-	-
<b>Balance at Ashad End</b>	<b>857,122,707</b>	<b>1,014,943,843</b>	<b>857,122,707</b>	<b>1,014,943,843</b>
<b>Collective Allowances for Impairment</b>				
<b>Balance at Sharawan 01</b>	<b>1,027,063,456</b>	<b>746,448,029</b>	<b>1,027,063,456</b>	<b>746,448,029</b>
Impairment Loss for the year				
Charge/(Reversal) for the year	411,590,154	280,615,427	411,590,154	280,615,427
Exchange Rate Variance on Foreign Currency	-	-	-	-
Other Movement	-	-	-	-
<b>Balance at Ashad End</b>	<b>1,438,653,610</b>	<b>1,027,063,456</b>	<b>1,438,653,610</b>	<b>1,027,063,456</b>
<b>Total Allowances for Impairment</b>	<b>2,295,776,318</b>	<b>2,042,007,299</b>	<b>2,295,776,318</b>	<b>2,042,007,299</b>

## Investment Securities

4.8

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Investment Securities measured at Amortized Cost	19,224,568,675	11,915,046,865	19,224,568,675	11,915,046,865
Investment in Equity measured at FVTOCI	1,635,523,789	1,197,772,635	1,635,523,789	1,197,772,635
<b>Total</b>	<b>20,860,092,464</b>	<b>13,112,819,500</b>	<b>20,860,092,464</b>	<b>13,112,819,500</b>

## Investment Securities measured at Amortized Cost

4.8.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Debt Securities	316,122,000	-	316,122,000	-
Government Bonds	11,244,000,000	8,344,000,000	11,244,000,000	8,344,000,000
Government Treasury Bills	7,480,048,480	3,436,402,500	7,480,048,480	3,436,402,500
Nepal Rastra Bank Bonds	-	-	-	-
Nepal Rastra Bank Deposit Instruments	360,000	34,320,000	360,000	34,320,000
Other				
Foreign Currency Bond	-	-	-	-
Interest Receivables	184,038,195	100,324,365	184,038,195	100,324,365
Less: Specific Allowances for Impairment	-	-	-	-
<b>Total</b>	<b>19,224,568,675</b>	<b>11,915,046,865</b>	<b>19,224,568,675</b>	<b>11,915,046,865</b>

Government bonds have been classified as held to maturity instrument as the Bank has intention and capacity to hold these instruments until their maturity. These instruments are carried at amortised costs.

These instruments are issued by the government. Bank considers that the fixed return on these bonds adequately compensate for associated risks.

Interest receivable includes interest accrued on above classified investment securities.

## Investment in Equity measured at FVTOCI

4.8.2

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Equity Instruments				
Quoted Equity Securities	1,615,497,929	1,177,746,775	1,615,497,929	1,177,746,775
Unquoted Equity Securities	20,025,860	20,025,860	20,025,860	20,025,860
<b>Total</b>	<b>1,635,523,789</b>	<b>1,197,772,635</b>	<b>1,635,523,789</b>	<b>1,197,772,635</b>

These include equity instruments in different companies. None of these investments result in control or significant influence over the invested entities. These instruments have been classified as available for sale assets. The movement in fair value of these instruments have been adjusted through other comprehensive income.



## Information relating to Investment in Equities

4.8.3

PARTICULAR	GROUP				BANK			
	2077-78		2076-77		2077-78		2076-77	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
<b>Investment in Quoted Equity</b>								
<b>Gurans Life Insurance</b>								
782,101 Promotor Shares of Rs. 100 Each	-	-	71,338,500	406,692,520	-	-	71,338,500	406,692,520
823,161 Promotor Shares of Rs. 100 Each	71,338,500	406,641,534	-	-	71,338,500	406,641,534	-	-
<b>Hydro Investment development Company Limited</b>								
127,969 Ordinary Shares of Rs. 100 Each	-	-	11,633,600	17,019,877	-	-	11,633,600	17,019,877
<b>NLG Insurance Limited</b>								
594 Promotor Shares of Rs. 100 Each	-	-	81,232	390,258	-	-	81,232	390,258
417 Promotor Shares of Rs. 100 Each	41,700	73,392	-	-	41,700	73,392	-	-
9,738 Promotor Shares of Rs. 100 Each	-	-	551,700	1,713,888	-	-	551,700	1,713,888
<b>Nepal Insurance Limited</b>								
2,691 Shares of Rs. 100 Each	-	-	182,518	1,181,349	-	-	182,518	1,181,349
<b>Prabhu Insurance Co. Limited</b>								
12,365 Shares of Rs. 100 Each	-	-	832,675	5,873,375	-	-	832,675	5,873,375
<b>Sagarmatha Insurance Limited</b>								
500,512 Promotor Shares of Rs. 100 Each	5,543,100	318,325,632	5,543,100	318,325,632	5,543,100	318,325,632	5,543,100	318,325,632
88,325 Shares of Rs. 100 Each	-	-	204,194	61,827,500	-	-	204,194	61,827,500
<b>Lumbini Insurance Limited</b>								
116,463 Promotor Shares of Rs. 100 Each	-	-	1,795,200	26,437,101	-	-	1,795,200	26,437,101
116,464 Promotor Shares of Rs. 100 Each	1,795,200	38,549,584	-	-	1,795,200	38,549,584	-	-
7,651 Shares of Rs. 100 Each	-	-	2,526,767	3,465,903	-	-	2,526,767	3,465,903
<b>Bottler's Nepal Terai Ltd.</b>								
409 Shares of Rs. 100 Each	-	-	64,590	2,535,800	-	-	64,590	2,535,800

Contd... Information relating to Investment in Equities

PARTICULAR	GROUP						BANK			
	2077-78			2076-77			2077-78		2076-77	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
<b>Neco Insurance Co. Ltd.</b>										
4,278 Shares of Rs. 100 Each	-	-	165,663	2,596,746	-	-	-	-	165,663	2,596,746
<b>Nepal Life Insurance Company (NLIC)</b>										
3,862 Shares of Rs. 100 Each	-	-	2,480,925	4,866,120	-	-	-	-	2,480,925	4,866,120
1,197 Shares of Rs. 100 Each	-	2,297,043	-	-	-	2,297,043	-	-	-	-
<b>Rural Microfinance Development Centre Ltd</b>										
16 Shares of Rs. 100 Each	-	-	1,642	11,216	-	-	-	-	1,642	11,216
<b>Taragoan Hotel Ltd.</b>										
570 Shares of Rs. 100 Each	-	-	58,768	106,590	-	-	-	-	58,768	106,590
<b>United Insurane Co. Ltd.</b>										
6,855 Promotor Shares of Rs. 100 Each	-	-	642,500	1,624,635	-	-	-	-	642,500	1,624,635
5,827 Promotor Shares of Rs. 100 Each	547,086	1,380,999	-	-	547,086	1,380,999	-	-	-	-
<b>Soaltee Hotel Limited</b>										
1,812 Shares of Rs. 10 Each	-	-	-	279,048	-	-	-	-	-	279,048
<b>Premier Insurance Company</b>										
501 Shares of Rs. 100 Each	-	-	1,144	308,616	-	-	-	-	1,144	308,616
<b>Siddhartha Equity Fund</b>										
967,748 Units of Rs. 10 Each	9,677,480	13,596,859	9,677,480	9,677,480	9,677,480	13,596,859	9,677,480	9,677,480	9,677,480	9,677,480
<b>NIBL Samridhi Fund</b>										
173,890 Units of Rs. 10 Each	1,738,900	2,497,060	1,738,900	1,721,511	1,738,900	2,497,060	1,738,900	1,738,900	1,738,900	1,721,511
<b>Global IME Samutti Fund 1</b>										
4,271,928 Units of Rs. 10 Each	42,719,280	86,634,700	42,719,280	36,653,142	42,719,280	86,634,700	42,719,280	86,634,700	42,719,280	36,653,142

Contd... Information relating to Investment in Equities

PARTICULAR	GROUP				BANK			
	2077-78		2076-77		2077-78		2076-77	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
<b>NMB Hybrid Fund</b>								
1,261,921 Units of Rs. 10 Each	12,619,210	17,225,222	12,619,210	11,988,250	12,619,210	17,225,222	12,619,210	11,988,250
<b>NABIL Equity Fund</b>								
563,251 Units of Rs. 10 Each	5,632,510	8,223,465	5,632,510	5,255,132	5,632,510	8,223,465	5,632,510	5,255,132
<b>NIBL Pragati Fund</b>								
1,027,407 Units of Rs. 10 Each	10,274,070	15,256,994	10,274,070	8,373,367	10,274,070	15,256,994	10,274,070	8,373,367
<b>NABIL Balance Fund-2</b>								
3,000,000 Units Nabil Balance Fund - 2 Mutual Fund	30,000,000	42,300,000	30,000,000	29,700,000	30,000,000	42,300,000	30,000,000	29,700,000
<b>Laxmi Equity Fund</b>								
5,849,587 Units of Rs. 10 Each	58,495,870	80,724,301	58,495,870	51,300,878	58,495,870	80,724,301	58,495,870	51,300,878
<b>Himalayan General Insurance</b>								
539 Shares of Rs. 100 Each	-	-	-	225,841	-	-	-	225,841
<b>Citizen Mutual Fund -2</b>								
500,000 Units of Rs. 10 Each	5,000,000	7,075,000	5,000,000	5,000,000	5,000,000	7,075,000	5,000,000	5,000,000
<b>NIC Asia Balanced Fund</b>								
250,000 Units of Rs. 10 Each	2,500,000	3,432,500	2,500,000	2,595,000	2,500,000	3,432,500	2,500,000	2,595,000
<b>Sunrise First Mutual Fund</b>								
15,000,000 Units of Rs. 10 Each	150,000,000	240,000,000	150,000,000	150,000,000	150,000,000	240,000,000	150,000,000	150,000,000
<b>Siddhartha Investment Growth Scheme -2- Mutual Fund</b>								
500,000 Units of Rs. 10 Each	5,000,000	7,100,000	5,000,000	5,000,000	5,000,000	7,100,000	5,000,000	5,000,000

Contd... Information relating to Investment in Equities

PARTICULAR	GROUP				BANK			
	2077-78		2076-77		2077-78		2076-77	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
<b>NMB 50 - Mutual Fund</b>								
500,000 Units of Rs. 10 Each	5,000,000	7,475,000	5,000,000	5,000,000	5,000,000	7,475,000	5,000,000	5,000,000
<b>Laxmi Unnati Kosh</b>								
519,050 Units of Rs. 10 Each	5,186,940	6,550,411	-	-	5,186,940	6,550,411	-	-
<b>Sanima Large Cap Fund</b>								
1,000,000 Units of Rs. 10 Each	10,000,000	10,500,000	-	-	10,000,000	10,500,000	-	-
<b>Sunrise Bluechip Fund</b>								
18,750,000 Units of Rs. 10 Each	187,500,000	190,500,000	-	-	187,500,000	190,500,000	-	-
<b>Kumari Equity Fund</b>								
500,000 Units of Rs. 10 Each	5,000,000	5,250,000	-	-	5,000,000	5,250,000	-	-
<b>NIBL Samriddhi Fund -2</b>								
3,672,123 Units of Rs. 10 Each	36,721,230	39,695,650	-	-	36,721,230	39,695,650	-	-
<b>Prabhu Select Fund</b>								
1,468,100 Units of Rs. 10 Each	14,681,000	14,886,534	-	-	14,681,000	14,886,534	-	-
<b>NIC Asia Select 30 Index Fund</b>								
4,930,605 Units of Rs. 10 Each	49,306,050	49,306,050	-	-	49,306,050	49,306,050	-	-
<b>Investment in Unquoted Equity</b>								
<b>Nepal Clearing House Limited</b>								
58,653 Ordinary Shares of Rs. 100 Each	-	-	2,951,500	2,951,500	-	-	2,951,500	2,951,500
80,941 Ordinary Shares of Rs. 100 Each	2,951,500	2,951,500	-	-	2,951,500	2,951,500	-	-
<b>National Banking Institute</b>								
18,349 Ordinary Shares of Rs. 100 Each	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860

## Contd... Information relating to Investment in Equities

PARTICULAR	GROUP				BANK			
	2077-78		2076-77		2077-78		2076-77	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
<b>Nepal Electronic Payment System</b>								
15,000 Ordinary Shares of Rs. 100 Each	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
<b>Gorakhali Tyres Pvt. Limited.</b>								
1,062 Ordinary Shares of Rs. 100 Each	106,234	-	106,234	-	106,234	-	106,234	-
<b>Nepal Stock Exchange Limited.</b>								
1,432 Ordinary Shares of Rs. 100 Each	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>CICL</b>								
22,440 Shares of Rs. 100 Each	-	-	229,500	229,500	-	-	229,500	229,500
28,050 Shares of Rs. 100 Each	229,500	229,500	-	-	229,500	229,500	-	-
<b>Birat Shoe Ltd.</b>								
11,418 Shares of Rs. 100 Each	1,142,820	-	1,142,820	-	1,142,820	-	1,142,820	-
<b>Butwal Spinning Mill</b>								
32 Shares of Rs. 100 Each	3,200	-	3,200	-	3,200	-	3,200	-
<b>Jyoti Spinning Mill</b>								
574 Shares of Rs. 100 Each	57,409	-	57,409	-	57,409	-	57,409	-
<b>Necon Air Limited</b>								
1,798 Shares of Rs. 100 Each	179,842	-	179,842	-	179,842	-	179,842	-
<b>Subarna Pharmaceuticals Limited.</b>								
5,000 Shares of Rs. 100 Each	500,000	-	500,000	-	500,000	-	500,000	-
<b>Total Investment</b>	<b>748,333,491</b>	<b>1,635,523,789</b>	<b>458,777,404</b>	<b>1,197,772,635</b>	<b>748,333,491</b>	<b>1,635,523,789</b>	<b>458,777,404</b>	<b>1,197,772,635</b>
<b>Net Carrying Amount</b>	<b>748,333,491</b>	<b>1,635,523,789</b>	<b>458,777,404</b>	<b>1,197,772,635</b>	<b>748,333,491</b>	<b>1,635,523,789</b>	<b>458,777,404</b>	<b>1,197,772,635</b>



"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 assets 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 assets at fair value through profit or loss are dealt with the Statement of Profit or Loss. At the inception, Bank determines the classification of its financial assets. Accordingly financial assets are classified as:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as fair value through profit or loss. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss. Financial instruments issued by Bank that are not classified as fair value through profit or loss are classified as financial assets at amortized cost, where the substance of the contractual arrangement results in Bank having an obligation either to deliver cash or another financial asset to another Bank, or to exchange financial assets or financial assets with another Bank under conditions that are potentially unfavorable to the Bank or settling the obligation by delivering variable number of Bank's own equity instruments. After initial recognition, such financial assets are subsequently measured at amortized cost using the effective interest rate method. Within this category, deposits and debt instruments with fixed maturity period have been recognized at amortized cost using the method that very closely approximates effective interest rate method. The amortization is included in 'Interest Expenses' in the Statement of Profit or Loss. Gains and losses are recognized in the Statement of Profit or Loss when the assets are derecognized.

## Current Tax Assets

4.9

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Current Tax Assets	4,608,155,542	3,773,092,392	4,564,939,903	3,760,171,996
Current year Income Tax Assets	4,608,155,542	3,773,092,392	4,564,939,903	3,760,171,996
Tax Assets of Prior Periods	-	-	-	-
Current Tax Liabilities	(4,338,920,040)	3,565,397,640	(4,302,384,231)	3,553,367,628
Current year Income Tax Liabilities	(4,338,920,040)	3,565,397,640	(4,302,384,231)	3,553,367,628
Tax Liabilities of Prior Periods	-	-	-	-
<b>Total</b>	<b>269,235,502</b>	<b>207,694,752</b>	<b>262,555,672</b>	<b>206,804,369</b>

## Investment in Subsidiaries

4.10

PARTICULAR	BANK	
	2077/78	2076/77
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	261,308,369	157,142,000
Total Investment	261,308,369	157,142,000
Less: Impairment Allowances	-	-
<b>Net Carrying Amount</b>	<b>261,308,369</b>	<b>157,142,000</b>

Fair value of investment in subsidiary is taken at cost.

## Investment in Quoted Subsidiaries

4.10.1

PARTICULAR	BANK			
	2077/78		2076/77	
	COST	FAIR VALUE	COST	FAIR VALUE
	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Investment in Unquoted Subsidiaries

4.10.2

PARTICULAR	BANK			
	2077/78		2076/77	
	COST	FAIR VALUE	COST	FAIR VALUE
Sunrise Capital Limited				
1,571,420 Shares of Rs. 100 Each	-	-	157,142,000	157,142,000
2,000,000 Shares of Rs. 100 Each	261,308,369	261,308,369	-	-
<b>Total</b>	<b>261,308,369</b>	<b>261,308,369</b>	<b>157,142,000</b>	<b>157,142,000</b>

## Information relating to Subsidiaries of the Bank

4.10.3

PARTICULAR	BANK	
	PERCENTAGE OF OWNERSHIP HELD BY BANK	
	2077/78	2076/77
Sunrise Capital Limited	100.00%	78.57%

## Investment in Associates

4.11

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Investment in Quoted Associates	-	-	-	-
Investment in Unquoted Associates	-	-	-	-
<b>Total Investment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: Impairment Allowances	-	-	-	-
Net Carrying Amount	-	-	-	-

## Investment in Quoted Associates

4.11.1

PARTICULAR	GROUP				BANK			
	2077/78		2076/77		2077/78		2076/77	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Investment in Unquoted Associates

4.11.2

PARTICULAR	GROUP				BANK			
	2077/78		2076/77		2077/78		2076/77	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Information relating to Associates of the Bank

4.11.3

PARTICULAR	GROUP		BANK	
	PERCENTAGE OF OWNERSHIP HELD BY BANK		PERCENTAGE OF OWNERSHIP HELD BY BANK	
	2077/78	2076/77	2077/78	2076/77
-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Equity Value of Associates

4.11.4

PARTICULAR	GROUP	
	2077/78	2076/77
	-	-

## Investment Properties

4.12

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Investment Properties measured at Fair Value</b>				
Balance as on Shrwawan 01	-	-	-	-
Addition/(Disposal) during the year	-	-	-	-
Net Changes in fair value during the year	-	-	-	-
Adjustment/Transfer	-	-	-	-
<b>Net Amount</b>	-	-	-	-
<b>Investment Properties measured at Cost</b>				
Balance as on Shrwawan 01	433,358,795	398,180,042	433,358,795	398,180,042
Addition/(Disposal) during the year	(29,219,152)	35,178,753	(29,219,152)	35,178,753
Adjustment/Transfer	-	-	-	-
Accumulated Depreciation	-	-	-	-
Accumulated Impairment	-	-	-	-
Net Amount	404,139,643	433,358,795	404,139,643	433,358,795
<b>Total</b>	<b>404,139,643</b>	<b>433,358,795</b>	<b>404,139,643</b>	<b>433,358,795</b>

## Property and Equipment

4.13

PARTICULAR	GROUP									
	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	FURNITURE & FIXTURES	MACHINERY	EQUIPMENT & OTHERS	TOTAL ASHAD END 2078	TOTAL ASHAD END 2077
Cost										
As on Shrawan 2076	119,923,399	31,012,023	383,187,423	163,109,755	260,678,779	176,204,747	137,810,675	194,746,257		1,466,673,058
Addition during the year	-	-	75,588,114	22,204,774	123,001,549	31,476,694	14,669,750	52,711,194		319,652,074
Acquisition	-	-	75,588,114	22,204,774	123,001,549	31,476,694	14,669,750	52,711,194		319,652,074
Capitalization										
Disposal during the year	-	-	(845,295)	(1,745,897)	(30,000,000)	(925,197)	-	(2,427,530)		(35,943,919)
Adjustment/Revaluation	-	-	-	-	-	-	-	-		-
Balance as on Ashad end 2077	119,923,399	31,012,023	457,930,242	183,568,632	353,680,328	206,756,244	152,480,425	245,029,920		1,750,381,213
Addition during the Year	-	-	41,548,969	12,796,348	48,280,175	14,550,899	19,323,000	16,465,991	152,965,382	
Acquisition	-	-	41,548,969	12,796,348	48,280,175	14,550,899	19,323,000	16,465,991	152,965,382	
Capitalization	-	-	-	-	-	-	-	-		-
Disposal during the year	-	-	-	(3,596,746)	(41,620,900)	-	(16,228,188)	(1,176,083)	(62,621,917)	
Adjustment/Revaluation	-	-	82,803	144,779	-	(7,894)	-	(61,393)	158,295	
Balance as on Ashad end 2078	119,923,399	31,012,023	499,562,014	192,913,013	360,339,603	221,299,249	155,575,237	260,258,435	1,840,882,973	
Depreciation and Impairment										
As on Shrawan 01. 2076	-	3,942,753	173,370,255	61,984,061	69,656,349	78,783,258	72,035,262	84,935,712		544,707,649
Depreciation charge for the year	-	1,353,464	44,745,546	22,233,545	37,402,894	16,839,111	11,307,452	20,931,341		154,813,352
Impairment for the year	-	-	-	-	-	-	-	-		-
Disposals	-	-	(758,385)	(1,010,440)	(12,206,239)	(565,572)	-	(1,773,385)		(16,314,021)
Adjustment	-	-								
As on Ashad end 2077	-	5,296,216	217,357,415	83,207,167	94,853,004	95,056,798	83,342,714	104,093,669		683,206,983
Depreciation charge for the year	-	1,285,790	46,949,810	21,015,283	38,904,031	18,004,516	11,116,974	22,464,197	159,740,601	
Impairment for the year	-	-	-	-	-	-	-	-		-
Disposals	-	-	-	(2,028,056)	(14,649,036)	-	(14,246,697)	(273,835)	(31,197,625)	
Adjustment	-	-	63,227	27,282	3,069	-	-	2,718	96,296	
As on Ashad end 2078	-	6,582,006	264,370,452	102,221,676	119,111,068	113,061,313	80,212,991	126,286,749	811,846,256	
Capital Work in Progress	-	-	-	-	-	-	-	-		-
Net Book Value	119,923,399	24,430,016	235,191,562	90,691,337	241,228,535	108,237,935	75,362,246	133,971,686	1,029,036,717	
As on Ashad end 2076	119,923,399	27,069,271	209,885,280	88,892,193	191,467,666	103,087,674	71,594,563	110,045,364	921,965,410	
As on Ashad end 2077	119,923,399	25,715,807	240,572,827	100,361,465	258,827,324	111,699,446	69,137,711	140,936,251	1,067,174,230	
As on Ashad end 2078	119,923,399	24,430,016	235,191,562	90,691,337	241,228,535	108,237,935	75,362,246	133,971,686	1,029,036,716	

PARTICULAR	BANK											TOTAL ASHAD END 2077
	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	FURNITURE & FIXTURES	MACHINERY	EQUIPMENT & OTHERS	TOTAL ASHAD END 2078			
Cost												
As on Shrawan 2076	119,923,399	31,012,023	383,187,423	158,142,726	257,721,079	174,553,149	137,810,675	192,598,867			1,454,949,341	
Addition during the year	-	-	75,588,114	21,953,436	123,001,549	31,196,283	14,669,750	52,484,903			318,894,034	
Acquisition	-	-	75,588,114	21,953,436	123,001,549	31,196,283	14,669,750	52,484,903			318,894,034	
Capitalization	-	-	-	-	-	-	-	-			-	
Disposal during the year	-	-	(845,295)	(1,745,897)	(30,000,000)	(925,197)	-	(2,427,530)			(35,943,919)	
Adjustment/Revaluation	-	-	-	-	-	-	-	-			-	
Balance as on Ashad end 2077	119,923,399	31,012,023	457,930,242	178,350,265	350,722,627	204,824,235	152,480,426	242,656,239			1,737,899,456	
Addition during the Year	-	-	41,548,969	12,338,158	48,280,175	14,310,230	19,323,000	16,320,428	152,120,960			
Acquisition	-	-	41,548,969	12,338,158	48,280,175	14,310,230	19,323,000	16,320,428	152,120,960			
Capitalization	-	-	-	-	-	-	-	-	-			
Disposal during the year	-	-	-	(3,596,746)	(41,620,900)	-	(16,228,188)	(1,176,083)	(62,621,917)			
Adjustment/Revaluation	-	-	82,803	144,779	-	(7,894.00)	-	(61,393)	158,295			
Balance as on Ashad end 2078	119,923,399	31,012,023	499,562,014	187,236,456	357,381,902	219,126,571	155,575,237	257,739,191	1,827,556,793			
Depreciation and Impairment												
As on Shrawan 2076	-	3,942,753	173,370,255	57,905,242	67,552,142	77,981,016	72,035,262	83,323,667			536,110,337	
Depreciation charge for the year	-	1,353,464	44,745,546	21,793,272	36,950,364	16,631,163	11,307,452	20,737,366			153,518,627	
Impairment for the year	-	-	-	-	-	-	-	-			-	
Disposals	-	-	(758,385)	(1,010,440)	(12,206,239)	(565,572)	-	(1,773,385)			(16,314,021)	
Adjustment	-	-	-	-	-	-	-	-			-	
Balance as on Ashad end 2077	-	5,296,216	217,357,415	78,688,075	92,296,266	94,046,614	83,342,715	102,287,648			673,314,943	
Depreciation charge for the year	-	1,285,790	46,949,810	20,645,329	38,589,041	17,790,972	11,116,974	22,258,606	158,636,522			
Impairment for the year	-	-	-	-	-	-	-	-	-			
Disposals	-	-	-	(2,028,056)	(14,649,036)	-	(14,246,697)	(273,835)	(31,197,625)			
Adjustment	-	-	63,227	27,282	3,069	-	-	2,718	96,296			
Balance as on Ashad end 2078	-	6,582,006	264,370,452	97,332,630	116,239,340	111,837,586	80,212,992	124,275,137	800,850,136			
Capital Work in Progress	-	-	-	-	-	-	-	-				
Net Book Value	119,923,399	24,430,016	235,191,562	89,903,826	241,142,562	107,288,985	75,362,246	133,464,054	1,026,706,658			
As on Ashad end 2076	119,923,399	27,069,271	209,817,168	100,237,485	190,168,938	96,572,134	65,775,414	109,275,200	918,839,007			
As on Ashad end 2077	119,923,399	25,715,807	240,572,827	99,662,191	258,426,360	110,777,621	69,137,711	140,368,591	1,064,584,513			
As on Ashad end 2078	119,923,399	24,430,016	235,191,562	89,903,826	241,142,562	107,288,985	75,362,246	133,464,054	1,026,706,658			



## Goodwill and Intangible Assets

4.14

PARTICULAR	GROUP				
	GOODWILL	SOFTWARE		OTHER	TOTAL ASHAD END
		PURCHASED	DEVELOPED		
<b>Cost</b>					
<b>As on Shrawan 01 2076</b>	-	<b>110,487,204</b>	-	-	<b>110,487,204</b>
<b>Addition during the year</b>	-	<b>6,095,219</b>	-	-	<b>6,095,219</b>
Acquisition	-	6,095,219	-	-	6,095,219
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
<b>Balance as on Ashad end 2077</b>	-	<b>116,582,423</b>	-	-	<b>116,582,423</b>
<b>Addition during the Year</b>	-	<b>5,285,850</b>	-	-	<b>5,285,850</b>
Acquisition	-	5,285,850	-	-	5,285,850
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
<b>Balance as on Ashad end 2078</b>	-	<b>121,868,273</b>	-	-	<b>121,868,273</b>
<b>Amortisation and Impairment</b>					
<b>As on Shrawan 01 2076</b>	-	<b>41,725,578</b>	-	-	<b>41,725,578</b>
Amortisation charge for the year	-	25,900,534	-	-	25,900,534
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance as on Ashad end 2077</b>	-	<b>67,626,112</b>	-	-	<b>67,626,112</b>
Impairment for the year	-	-	-	-	-
Amortisation charge for the year	-	27,695,053	-	-	27,695,053
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance as on Ashad end 2078</b>	-	<b>95,321,166</b>	-	-	<b>95,321,166</b>
<b>Capital Work in Progress</b>					
<b>Net Book Value</b>	-	<b>26,547,107</b>	-	-	<b>26,547,107</b>
<b>As on Ashad end 2076</b>	-	<b>68,761,626</b>	-	-	<b>68,761,626</b>
<b>As on Ashad end 2077</b>	-	<b>48,956,310</b>	-	-	<b>48,956,310</b>
<b>As on Ashad end 2078</b>	-	<b>26,547,107</b>	-	-	<b>26,547,107</b>

PARTICULAR	BANK				
	GOODWILL	SOFTWARE		OTHER	TOTAL ASHAD END
		PURCHASED	DEVELOPED		
<b>Cost</b>					
<b>As on Shrawan 01 2076</b>	-	<b>109,910,904</b>	-	-	<b>109,910,904</b>
<b>Addition during the year</b>	-	<b>5,213,819</b>	-	-	<b>5,213,819</b>
Acquisition	-	5,213,819	-	-	5,213,819
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
<b>Balance as on Ashad end 2077</b>	-	<b>115,124,723</b>	-	-	<b>115,124,723</b>
<b>Addition during the Year</b>	-	<b>5,285,850</b>	-	-	<b>5,285,850</b>
Acquisition	-	5,285,850	-	-	5,285,850
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
<b>Balance as on Ashad end 2078</b>	-	<b>120,410,573</b>	-	-	<b>120,410,573</b>
<b>Amortisation and Impairment</b>					
As on Shrawan 01 2076	-	41,420,478	-	-	41,420,478
Amortisation charge for the year	-	25,633,854	-	-	25,633,854
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance as on Ashad end 2077</b>	-	<b>67,054,333</b>	-	-	<b>67,054,333</b>
Amortisation charge for the year	-	27,428,373	-	-	27,428,373
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance as on Ashad end 2078</b>	-	<b>94,482,706</b>	-	-	<b>94,482,706</b>
<b>Capital Work in Progress</b>	-	-	-	-	-
<b>Net Book Value</b>	-	<b>25,927,867</b>	-	-	<b>25,927,867</b>
<b>As on Ashad end 2076</b>	-	<b>68,490,426</b>	-	-	<b>68,490,426</b>
<b>As on Ashad end 2077</b>	-	<b>48,070,390</b>	-	-	<b>48,070,390</b>
<b>As on Ashad end 2078</b>	-	<b>25,927,867</b>	-	-	<b>25,927,867</b>

## Deferred Tax

4.15

PARTICULAR	GROUP 2077-78			BANK 2077-78		
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX ASSETS / (LIABILITIES)	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX ASSETS / (LIABILITIES)
<b>Deferred tax on temporary differences on following items</b>						
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Investment Securities	199,847	(266,753,941)	(266,554,094)	-	(266,753,941)	(266,753,941)
Property and Equipment	997,695	(119,129,723)	(118,132,028)	-	(119,129,723)	(119,129,723)
Employees' Defined Benefit Plan	150,808,101	-	150,808,101	147,875,475	-	147,875,475
Lease Liabilities	11,856,658	-	11,856,658	11,856,658	-	11,856,658
Provisions	-	-	-	-	-	-
Other Temporary Differences	4,474,587	-	4,474,587	4,474,587	-	4,474,587
<b>Deferred tax on temporary differences</b>	<b>168,336,887</b>	<b>(385,883,664)</b>	<b>(217,546,777)</b>	<b>164,206,720</b>	<b>(385,883,664)</b>	<b>(221,676,944)</b>
Deferred tax on carry forward of unused tax losses	1,298,131	-	1,298,131	1,298,131	-	1,298,131
Deferred tax due to changes in tax rate	-	-	-	-	-	-
<b>Net Deferred Tax Asset (Liabilities) as on year end of 2077/78</b>			<b>(216,248,646)</b>			<b>(220,378,814)</b>
Deferred Tax Asset/ (Liabilities) as on Shrawan 01, 2077			(89,594,347)			(94,346,860)
Origination/(Reversal) during the year			126,654,299			126,031,954
Deferred Tax expense/(income) recognized in profit or loss			61,608,328			60,985,983
Deferred Tax expense/(income) recognized in OCI			65,045,971			65,045,971
Deferred Tax expense/(income) recognized directly in equity			-			-

PARTICULAR	GROUP 2076-77			BANK 2076-77		
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX ASSETS / (LIABILITIES)	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX ASSETS / (LIABILITIES)
<b>Deferred tax on temporary differences on following items</b>						
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Investment Securities	1,332,836	(110,011,505)	(108,678,670)	-	(110,011,505)	(110,011,505)
Property and Equipment	991,516	(114,997,156)	(114,005,640)	-	(114,997,156)	(114,997,156)
Employees' Defined Benefit Plan	118,575,330	-	118,575,330	116,147,169	-	116,147,169
Lease Liabilities	8,092,850	-	8,092,850	8,092,850	-	8,092,850
Provisions	-	-	-	-	-	-
Other Temporary Differences	4,474,587	-	4,474,587	4,474,587	-	4,474,587
<b>Deferred tax on temporary differences</b>	<b>133,467,118</b>	<b>(225,008,662)</b>	<b>(91,541,543)</b>	<b>128,714,606</b>	<b>(225,008,662)</b>	<b>(96,294,056)</b>
Deferred tax on carry forward of unused tax losses	-	-	1,947,196	1,947,196	-	1,947,196
Deferred tax due to changes in tax rate	-	-	-	-	-	-
<b>Net Deferred Tax Asset (Liabilities) as on year end of 2076/77</b>			<b>(89,594,347)</b>			<b>(94,346,860)</b>
Deferred Tax Asset/ (Liabilities) as on Shrawan 01, 2076			358,692			2,842,902
Origination/(Reversal) during the year			89,953,039			97,189,761
Deferred Tax expense/(income) recognized in profit or loss			(11,623,115)			(4,386,393)
Deferred Tax expense/(income) recognized in OCI			101,576,154			101,576,154
Deferred Tax expense/(income) recognized directly in equity			-			-

## Other Assets

4.16

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Assets held for Sale	-	-	-	-
Other Non-Banking Assets	-	-	-	-
Bills Receivable	-	-	-	-
Accounts Receivable	333,100,805	445,971,463	310,330,202	431,545,531
Accrued Income	-	-	-	-
Prepayments and Deposits	60,289,354	51,022,012	59,797,780	50,495,009
Income Tax Deposit	15,004,270	15,004,270	15,004,270	15,004,270
Deferred Employee Expenditure	154,629,095	156,317,890	154,629,095	156,317,890
Other Assets	212,712,589	116,560,177	212,712,589	116,560,178
<b>Total</b>	<b>775,736,113</b>	<b>784,875,812</b>	<b>752,473,936</b>	<b>769,922,877</b>

## Due to Bank and Financial Institutions

4.17

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Money Market Deposits	-	-	-	-
Interbank Borrowing	2,537,475,000	697,450,000	2,537,475,000	697,450,000
Other Deposits from BFIs	3,749,002,186	4,494,360,353	3,749,002,186	4,494,360,353
Settlement and Clearing Accounts	-	-	-	-
Other Deposits from BFIs.	-	-	-	-
<b>Total</b>	<b>6,286,477,186</b>	<b>5,191,810,353</b>	<b>6,286,477,186</b>	<b>5,191,810,353</b>

## Due to Nepal Rastra Bank

4.18

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Refinance from NRB	2,973,711,677	732,964,272	2,973,711,677	732,964,272
Standing Liquidity Facility	-	-	-	-
Lender of Last Resort facility from NRB	-	-	-	-
Securities Sold Under Repurchase Agreements	-	-	-	-
Other Payable to NRB	22,266,109	10,501,820	22,266,109	10,501,820
<b>Total</b>	<b>2,995,977,786</b>	<b>743,466,092</b>	<b>2,995,977,786</b>	<b>743,466,092</b>

## Derivative Financial Instruments

4.19

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Held for Trading</b>				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
<b>Held for Risk Management</b>				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	10,469,725	-	10,469,725	-
Others	-	-	-	-
<b>Total</b>	<b>10,469,725</b>	<b>-</b>	<b>10,469,725</b>	<b>-</b>



## Deposits from Customers

4.20

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Institutional Customers:</b>				
Term Deposits.	22,202,999,093	24,061,937,969	22,247,999,093	24,081,937,969
Call Deposits	7,127,635,730	6,394,551,860	7,958,823,521	6,757,347,536
Current Deposits.	7,415,862,002	5,393,825,281	7,415,862,002	5,393,825,281
Others.	1,307,414,780	833,139,152	1,307,414,780	833,139,152
<b>Individual Customers:</b>				
Term Deposits	27,027,680,948	23,864,417,504	27,027,680,948	23,864,417,504
Saving Deposits	39,078,596,410	28,504,730,866	39,078,596,410	28,504,730,866
Current Deposits	1,173,095,562	463,415,156	1,173,095,562	463,415,156
Others	222,898,304	324,458,166	222,898,304	324,458,166
<b>Total</b>	<b>105,556,182,829</b>	<b>89,840,475,952</b>	<b>106,432,370,620</b>	<b>90,223,271,629</b>

## Currency Wise Analysis of deposit from customers

4.20.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Nepalese Rupee	104,692,392,777	88,119,496,991	105,568,580,568	88,502,292,668
Indian Rupee	-	-	-	-
United States Dollar	820,940,289	1,682,647,168	820,940,289	1,682,647,168
Great Britain Pound	37,323,154	33,579,804	37,323,154	33,579,804
Euro	5,504,056	4,705,623	5,504,056	4,705,623
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	12,091	-
Other	22,553	46,366	10,461	46,366
<b>Total</b>	<b>105,556,182,829</b>	<b>89,840,475,952</b>	<b>106,432,370,620</b>	<b>90,223,271,629</b>

## Borrowings

4.21

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Domestic Borrowings</b>				
Nepal Government	-	-	-	-
Other Institutions.	-	-	-	-
Other	-	-	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Foreign Borrowings</b>				
Foreign Banks and Financial Institutions	1,192,500,000	1,202,500,000	1,192,500,000	1,202,500,000
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
<b>Sub Total</b>	<b>1,192,500,000</b>	<b>1,202,500,000</b>	<b>1,192,500,000</b>	<b>1,202,500,000</b>
<b>Total</b>	<b>1,192,500,000</b>	<b>1,202,500,000</b>	<b>1,192,500,000</b>	<b>1,202,500,000</b>

## Provisions

4.22

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Provisions for Redundancy				
Provisions for Restructuring	-	-	-	-
Pending Legal Issues and Tax Litigation	-	-	-	-
Onerous Contracts	-	-	-	-
Other	-	-	-	-
<b>Total</b>	-	-	-	-

## Movement in Provision

4.22.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Balance at Shrawan 01				
Provisions made during the year	-	-	-	-
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	-	-	-
Unwind of Discount	-	-	-	-
<b>Balance at Ashad end</b>	-	-	-	-

## Other Liabilities

4.23

Non-financial liabilities are recorded and reported at cost based on legal and constructive obligation to the bank. Provisions are recognised when the bank has a present legal or constructive obligation as a result of past events, it is more likely not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Liabilities for Employees Defined Benefit Obligations	354,047,994	276,543,038	346,806,505	270,866,953
Liabilities for long service leave	148,645,675	118,708,061	146,111,745	116,290,278
Short term employee benefits	-	-	-	-
Bills payable	61,159,871	56,610,188	61,159,871	56,610,188
Creditors and accruals	16,015,869	95,371,983	1,534,742	81,986,438
Interest payable on deposits	519,821	3,031,649	519,821	3,031,649
Interest payable on borrowing	3,471,991	3,555,743	3,471,991	3,555,743
Liabilities on deferred grant income	-	-	-	-
Unpaid Dividend	485,625,173	469,943,669	49,386,069	49,606,591
Liabilities under Finance Lease	-	-	-	-
Employee bonus payable	273,890,405	219,902,798	261,265,167	216,326,945
Other Liabilities	1,529,776,239	738,614,189	996,910,182	664,565,479
<b>Total</b>	<b>2,873,153,038</b>	<b>1,982,281,320</b>	<b>1,867,166,091</b>	<b>1,462,840,265</b>

## Defined Benefit Obligation

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

4.23.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Present value of unfunded obligations	354,047,994	276,543,038	346,806,505	270,866,953
Present value of funded obligations	-	-	-	-
Total present value of obligations	354,047,994	276,543,038	346,806,505	270,866,953
Fair value of plan assets	-	-	-	-
Present value of net obligations	354,047,994	276,543,038	346,806,505	270,866,953
Recognised liability for defined benefit obligations	354,047,994	276,543,038	346,806,505	270,866,953

## Plan Assets

4.23.2

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Equity Securities	-	-	-	-
Government Bonds	-	-	-	-
Bank Deposit	-	-	-	-
Other	-	-	-	-
<b>Total</b>	-	-	-	-

## Movement in the present value of defined benefit obligations

4.23.3

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Defined benefit obligations at Shrawan 1	276,543,038	199,624,571	270,866,953	196,893,541
Actuarial losses	15,113,149	28,117,839	15,113,149	28,117,839
Benefits paid by the plan	(15,901,870)	(10,625,134)	(15,901,870)	(10,625,134)
Current service costs and interest	78,293,677	59,425,762	76,728,273	56,480,707
<b>Defined benefit obligations at Ashad end</b>	<b>354,047,994</b>	<b>276,543,038</b>	<b>346,806,505</b>	<b>270,866,953</b>

## Movement in the fair value of plan assets

4.23.4

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Fair value of plan assets at Sawan 1	-	-	-	-
Contributions paid into the plan	-	-	-	-
Benefits paid during the year	-	-	-	-
Actuarial (losses) gains	-	-	-	-
Expected return on plan assets	-	-	-	-
<b>Fair value of plan assets at Ashad end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Amount recognised in profit or loss

4.23.5

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Current service costs	55,128,016	42,776,278	53,562,612	39,831,223
Interest on obligation	23,165,661	16,649,484	23,165,661	16,649,484
Expected return on plan assets	-	-	-	-
<b>Total</b>	<b>78,293,677</b>	<b>59,425,762</b>	<b>76,728,273</b>	<b>56,480,707</b>

## Amount recognised in other comprehensive income

4.23.6

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Actuarial (gain)/loss	15,113,149	28,117,838	15,113,149	28,117,838
<b>Total</b>	<b>15,113,149</b>	<b>28,117,838</b>	<b>15,113,149</b>	<b>28,117,838</b>

## Actuarial Assumptions

4.23.7

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Discount rate	9%	9%	9%	9%
Expected return on plan asset	-	-	-	-
Future salary increase	10%	10%	10%	10%
Withdrawal rate	13%	13%	13%	13%

## Debt Securities Issued

4.24

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	3,988,366,688	3,986,501,177	3,988,366,688	3,986,501,177
<b>Total</b>	<b>3,988,366,688</b>	<b>3,986,501,177</b>	<b>3,988,366,688</b>	<b>3,986,501,177</b>

The Bank has one outstanding debt issued '10% Sunrise Debenture 2080' of total face value of NPR 1 Billion with maturity period of 5 years and '10.25% Sunrise Debenture 2083' NPR 3 Billion with maturity period of 7 years.

## Subordinated Liabilities

4.25

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Redeemable preference shares	-	-	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Share Capital

4.26

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Ordinary shares	9,487,944,499	8,967,811,436	9,487,944,499	8,967,811,436
Convertible preference shares (equity component only)	-	-	-	-
Irredeemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
<b>Total</b>	<b>9,487,944,499</b>	<b>8,967,811,436</b>	<b>9,487,944,499</b>	<b>8,967,811,436</b>

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue available number of own number of instruments Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

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

## Ordinary Shares

4.26.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Authorized Capital</b>				
"100,000,000 Ordinary share of Rs. 100 each"	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
<b>Issued capital</b>				
94,879,445 Ordinary share of Rs. 100 each	9,487,944,499	-	9,487,944,499	-
89,678,114 Ordinary share of Rs. 100 each	-	8,967,811,436	-	8,967,811,436
<b>Subscribed and Paid up Capital</b>				
94,879,445 Ordinary share of Rs. 100 each	9,487,944,499	-	9,487,944,499	-
89,678,114 Ordinary share of Rs. 100 each	-	8,967,811,436	-	8,967,811,436
<b>Total</b>	<b>9,487,944,499</b>	<b>8,967,811,436</b>	<b>9,487,944,499</b>	<b>8,967,811,436</b>

## Ordinary Share Ownership

4.26.2

PARTICULAR	2077/78		2076/77	
	PERCENT	AMOUNT	PERCENT	AMOUNT
<b>Domestic ownership</b>				
Nepal Government				
"A" class licensed institutions				
Other licensed intitutions				
Other Institutions				
Public	48.90%	4,639,604,860	48.90%	4,385,259,792
Other	51.10%	4,848,339,639	51.10%	4,582,551,644
<b>Foreign ownership</b>				
<b>Total</b>	<b>100%</b>	<b>9,487,944,499</b>	<b>100%</b>	<b>8,967,811,436</b>



## Shareholders Holding = >0.5% of shares

PARTICULAR	2077/78		2076/77	
	PERCENT	AMOUNT	PERCENT	AMOUNT
1. Motilal Dugar	5.94	563,273,600	5.94	532,394,700
2. Malchand Dugar	4.77	452,517,700	4.77	427,710,600
3. Shrawan Kumar Goyal	3.99	378,468,400	4.12	369,059,600
4. Kailash Chandra Goyal	4.11	390,000,800	4.11	368,620,700
5. Vivek Dugar	2.95	280,350,700	3.32	297,539,700
6. Surendra Dugar	2.85	270,055,100	2.85	255,250,500
7. Bachharaj Tater	2.46	233,723,200	2.46	220,910,300
8. Nidhi Dugar	1.79	169,827,700	1.79	160,517,500
9. Pooja Dugar	1.69	160,600,500	1.69	151,796,300
10. Shradha Dugar	1.66	157,876,200	1.66	149,221,300
11. Saurav Tater	1.64	155,815,300	1.64	147,273,400
12. Vivek Tater	1.65	156,515,300	1.64	147,273,400
13. Srinivas Sarda	1.64	155,815,200	1.64	147,273,300
14. Vishal Tater	1.64	155,815,200	1.64	147,273,300
15. Jamuna Poudyal	1.18	112,406,900	1.39	124,287,900
16. Saroj Dugar	1.29	122,151,400	1.29	115,455,000
17. Pawan Kumar Sarda	1.17	111,158,700	1.17	105,065,000
18. Radheshyam Sarda	1.17	111,158,700	1.17	105,065,000
19. Shiva Ratan Sharda	1.17	111,158,800	1.17	105,064,900
20. Bhogendra Kumar Guragain	1.12	106,374,000	1.12	100,542,500
21. Chanda Kumari Begani	0.90	84,998,200	0.90	81,000,100
22. Salt Trading Corporation Limited	0.90	85,638,800	0.90	80,944,100
23. Sushila Ghimire	0.77	73,027,200	0.77	69,023,900
24. Bhushan Guragain	0.75	71,254,000	0.75	67,318,300
25. Jyoti Kumar Begani	0.63	59,741,000	0.72	64,732,900
26. Ram Krishna Manandhar	-	-	0.72	64,706,600
27. Employees Provident Fund	0.70	66,010,100	0.70	62,391,400
28. Uma Sharma Bhattarai	0.64	60,727,900	0.65	58,334,900
29. Nirmala Devi Goyal	0.60	56,491,600	0.60	53,394,700
30. Rastriya Beema Sansthan	0.57	54,309,600	0.57	51,332,300
31. Navin Khetan	0.60	56,811,000	0.54	48,819,300
32. Manisha Dugar	0.52	49,613,600	0.52	46,893,700
33. Lobsang Tenzing Nepali	-	-	0.50	44,968,500
<b>Total</b>	<b>53.48</b>	<b>5,073,686,400</b>	<b>55.44</b>	<b>4,971,455,600</b>

## Reserves

4.27

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Statutory General Reserve	2,365,713,770	2,068,759,029	2,355,345,789	2,066,035,736
Exchange Equilisation Reserve	37,774,598	33,194,169	37,774,598	33,194,169
Corporate Social Responsibility Reserve	15,402,301	21,811,560	14,465,503	21,539,230
Capital Redemption Reserve	1,000,000,000	250,000,000	1,000,000,000	250,000,000
Regulatory Reserve	609,199,886	755,864,615	609,199,886	755,864,615
Investment Adjustment reserve	10,000	10,000	10,000	10,000
Capital Reserve	(61,308,369)	7,649,249	-	-
Assets Revaluation reserve	-	-	-	-
Fair value Reserve	622,425,862	553,675,303	622,425,862	553,675,303
Dividend Equalisation Reserve	-	-	-	-
Actuarial Gain	(26,317,331)	(15,738,127)	(26,317,331)	(15,738,127)
Special Reserve	-	-	-	-
Other Reserve	-	17,789,989	-	17,789,989
<b>Total</b>	<b>4,562,900,717</b>	<b>3,693,015,788</b>	<b>4,612,904,307</b>	<b>3,682,370,916</b>

There is a regulatory requirement to set aside 20% of the net profit to the general reserve until the reserve is twice the paid of share capital and thereafter minimum 10% of the net profit. The reserve is the accumulation of setting aside of the profits over the period.

There is a regulatory requirement to set aside 25% of the foreign exchange revaluation gain on the translation to the foreign currency to the reporting currency. The reserve is the accumulation of setting aside of the profits over the period.

Movement in the reserves are given in detail in the Statement of Changes in Equity.

## Contingent liabilities and commitments

4.28

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Contingent liabilities	49,001,556,628	37,134,638,809	49,001,556,628	37,134,638,809
Undrawn and undisbursed facilities	5,808,142,858	20,977,247,666	6,005,576,144	20,977,247,666
Capital commitment	351,272	-	351,272	-
Lease Commitment	-	-	-	-
Litigation	12,518,295	12,518,295	12,518,295	12,518,295
<b>Total</b>	<b>54,822,569,054</b>	<b>58,124,404,771</b>	<b>55,020,002,340</b>	<b>58,124,404,771</b>

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

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

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

## Contingent liabilities and commitments

4.28.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Acceptance and documentary credit	8,306,669,130	6,337,910,349	8,306,669,130	6,337,910,349
Bills for collection	1,503,648,890	1,193,333,039	1,503,648,890	1,193,333,039
Forward exchange contracts	3,876,883,575	3,216,687,500	3,876,883,575	3,216,687,500
Guarantees	35,314,355,034	26,386,707,921	35,314,355,034	26,386,707,921
Underwriting commitment	-	-	-	-
Other commitments	-	-	-	-
<b>Total</b>	<b>49,001,556,628</b>	<b>37,134,638,809</b>	<b>49,001,556,628</b>	<b>37,134,638,809</b>

## Undrawn and undisbursed facilities

4.28.2

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Undisbursed amount of loans	-	-	-	-
Undrawn limits of overdrafts	5,541,284,190	20,977,247,666	5,541,284,190	20,977,247,666
Undrawn limits of credit cards	266,858,668		464,291,954	
Undrawn limits of letter of credit	-	-	-	-
Undrawn limits of guarantee	-	-	-	-
<b>Total</b>	<b>5,808,142,858</b>	<b>20,977,247,666</b>	<b>6,005,576,144</b>	<b>20,977,247,666</b>

## Capital Commitments

4.28.3

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Capital commitments in relation to Property and Equipment	-	-	-	-
Approved and contracted for	351,272		351,272	
Approved but not contracted for	-	-	-	-
<b>Sub total</b>	<b>351,272</b>	<b>-</b>	<b>351,272</b>	<b>-</b>
Capital commitments in relation to Intangible assets				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>351,272</b>	<b>-</b>	<b>351,272</b>	<b>-</b>

## Lease Commitments

4.28.4

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Operating lease commitments</b>				
"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	-	-	-	-
<b>Sub total</b>	-	-	-	-
<b>Finance lease commitments</b>				
"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	-	-	-	-
<b>Sub total</b>	-	-	-	-
<b>Grand total</b>	-	-	-	-

## Litigation

4.28.5

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Contingent Tax Liabilities	12,518,295	12,518,295	12,518,295	12,518,295

## Interest Income

4.29

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Cash and cash equivalent	-	-	-	-
Due from Nepal Rastra Bank	-	-	-	-
Placement with bank and financial institutions	89,806,085	140,290,760	66,751,470	120,560,518
Loan and advances to bank and financial institutions	-	-	-	-
Loans and advances to customers	8,166,951,270	9,291,633,632	8,166,951,270	9,291,633,632
Investment securities	603,709,539	525,299,880	603,709,539	525,299,880
Loan and advances to staff	123,303,602	83,440,963	123,303,602	83,440,963
Other Interest Income	-	-	-	-
<b>Total interest income</b>	<b>8,983,770,496</b>	<b>10,040,665,235</b>	<b>8,960,715,881</b>	<b>10,020,934,993</b>

Interest income is recognized in accrual basis using the rate that closely approximates the EIR because the bank considers that the cost of exact calculation of effective interest rate (EIR) method exceeds the benefit that would be derived from such compliance.

## Interest Expenses

4.30

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Due to bank and financial institutions	24,068,825	14,103,691.8	24,068,825	14,103,692
Due to Nepal Rastra Bank	53,531,519	27,300,626	53,531,519	27,300,626
Deposits from customers	4,893,217,048	5,805,855,328	4,898,569,993	5,818,153,664
Borrowing	51,104,948	18,884,518	51,104,948	18,884,518
Debt securities issued	409,365,512	283,282,770.0	409,365,512	283,282,770
Subordinated liabilities	-	-	-	-
Other Charges	-	-	-	-
<b>Total Interest expense</b>	<b>5,431,287,852</b>	<b>6,149,426,934</b>	<b>5,436,640,796</b>	<b>6,161,725,270</b>

## Fees and Commission Income

4.31

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Loan administration fees	334,072,262	370,937,977	334,072,262	370,937,977
Service fees	-	-	-	-
Consortium fees	-	-	-	-
Commitment fees	12,579,419	12,927,562	12,579,419	12,927,562
DD/TT/Swift fees	25,907,115	17,505,982	25,907,115	17,505,982
Credit card/ATM issuance and renewal fees	102,423,790	77,782,377	102,423,790	77,782,377
Prepayment and swap fees	13,534,353	22,963,797	13,534,353	22,963,797
Investment banking fees	51,438,429	22,743,890	-	-
Asset management fees	15,489,626	1,817,154	-	-
Brokerage fees	-	-	-	-
Remittance fees	18,508,869	17,411,810	18,508,869	17,411,810
Commission on letter of credit	84,289,941	53,974,715	84,289,941	53,974,715
Commission on guarantee contracts issued	270,592,424	226,925,265	270,592,424	226,925,265
Commission on share underwriting/issue	5,621,665	3,570,510	-	-
Locker rental	9,730,029	8,144,130	9,730,029	8,144,130
Other fees and commission income	296,202,566	184,531,598	272,155,573	181,442,827
<b>Total Fees and Commission Income</b>	<b>1,240,390,486</b>	<b>1,021,236,767</b>	<b>1,143,793,774</b>	<b>990,016,442</b>

"Fees and commissions are generally recognized on an accrual basis when the service has been provided or significant act is performed.

Service processing fees on loan is recognized as fees and commission income by the bank and the same is recognized by the bank upfront and is not deferred with the tenure of loan. Locker rental income is recognized as fees and commission income and have been recognized by the bank upfront."



## Fees and Commission Expense

4.32

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
ATM management fees	10,936,961	11,812,179	10,936,961	11,812,179
VISA/Master card fees	73,149,726	68,031,684	73,149,726	68,031,684
Guarantee commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift fees.	6,579,382	4,601,345	6,579,382	4,601,345
Remittance fees and commission	1,835,604	-	1,835,604	-
Other fees and commission expense	94,786,022	46,778,484	86,122,324	45,207,637
<b>Total Fees and Commission Expense</b>	<b>187,287,694</b>	<b>131,223,692</b>	<b>178,623,996</b>	<b>129,652,845</b>

Fees and commission expense relates mainly to the transaction and service fees, which are expenses as the services are received.

## Net Trading Income

4.33

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Changes in fair value of trading assets	(666,157)	(4,448,312)	-	-
Gain/loss on disposal of trading assets	37,652,350	4,015,265	-	-
Interest income on trading assets	-	-	-	-
Dividend income on trading assets	113,624	2,717,084	-	-
Gain/loss foreign exchange transaction	242,208,278	222,768,179	242,208,278	222,768,179
Other	-	-	-	-
<b>Net trading income</b>	<b>279,308,095</b>	<b>225,052,216</b>	<b>242,208,278</b>	<b>222,768,179</b>

“Gains and losses arising from changes in fair value of financial instruments held at fair value through profit and losses are included in the statement of profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available for sale financial assets are recognised directly in equity, until the financial assets are derecognised. Dividends on equity instruments are recognised in the statement of profit or loss within other income when the Bank has right to receive payment is established.”

## Other Operating Income

4.34

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Foreign exchange revaluation gain	18,321,713	21,441,660	18,321,713	21,441,660
Gain/loss on sale of investment securities	120,179,148	1,580,841	120,179,148	1,580,841
Fair value gain/loss on investment properties	-	-	-	-
Dividend on equity instruments	28,711,359	4,410,217	57,211,359	34,267,197
Gain/loss on sale of property and equipment	(8,513,218)	(5,985,439)	(8,513,218)	(5,985,439)
Gain/loss on sale of investment property	3,615,686	7,973,681	3,615,686	7,973,681
Operating lease income	1,497,001	1,681,800	3,661,800	3,620,550
Gain/loss on sale of gold and silver	-	-	-	-
Other Operating Income	-	10,473,558	-	10,767,300
<b>Total</b>	<b>163,811,689</b>	<b>41,576,318</b>	<b>194,476,488</b>	<b>73,665,790</b>

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

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

4.35

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Impairment charge/(reversal) on loan and advances to BFIs	914,197	12,580,804	914,197	12,580,804
Impairment charge/(reversal) on loan and advances to customers	253,769,018	837,244,905	253,769,018	837,244,905
Impairment charge/(reversal) on financial Investment	-	-	-	-
Impairment charge/(reversal) on placement with BFIs	-	-	-	-
Impairment charge/(reversal) on property and equipment	-	-	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-	-	-
Impairment charge/(reversal) on investment properties	-	-	-	-
<b>Total</b>	<b>254,683,215</b>	<b>849,825,709</b>	<b>254,683,215</b>	<b>849,825,709</b>

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

Loans and advances considered for incurred loss model impairment which approximately come at 32.54% of total portfolio."

## Personnel Expenses

4.36

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Salary	536,192,536	493,557,500	527,580,571	484,988,124
Allowances	463,032,247	421,780,633	456,554,659	416,212,776
Gratuity Expense	78,293,677	59,425,763	76,728,273	56,480,707
Provident Fund	50,042,570	44,821,128	49,181,373	44,001,380
Uniform	168,000	11,102,784	-	10,906,784
Training & development expense	14,044,630	18,237,144	14,044,630	18,159,841
Leave encashment	33,247,617	41,598,803	31,688,764	39,846,983
Medical	-	-	-	-
Insurance	11,500,379	8,892,884	11,500,379	8,892,884
Employees incentive	-	-	-	-
Cash-settled share-based payments	-	-	-	-
Pension expense	-	-	-	-
Finance expense under NFRS	72,632,710	50,229,450	72,632,710	50,229,450
Other expenses related to staff	16,959,349	13,125,658	16,959,349	13,125,658
<b>Subtotal</b>	<b>1,276,113,715</b>	<b>1,162,771,747</b>	<b>1,256,870,708</b>	<b>1,142,844,588</b>
Employees Bonus	273,890,405	219,902,798	261,265,167	216,326,945
<b>Grand total</b>	<b>1,550,004,120</b>	<b>1,382,674,545</b>	<b>1,518,135,875</b>	<b>1,359,171,533</b>

"Short term employee benefits are measured in an undiscounted basis and are expenses as the related service is provided. The contribution payable by the employer to a defined contribution plan in proportion to the services rendered to Bank by the employees and is recorded as an expense under 'Personnel expense' as and when they become due. Unpaid contribution are recorded as a liability under 'Other Liabilities'.

In compliance with Labor Act, 2017, provision is made in the account year of service, for gratuity payable to employees who joined bank on a permanent basis.

An actuarial valuation is carried out every year to ascertain the full liability under gratuity and leave encashment. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under 'Personnel Expenses' in the period in which they arise.

Employee bonus has been considered at 10% net of profit before tax."

## Other Operating Expenses

4.37

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Directors' fee	3,327,000	4,980,000	3,044,000	4,752,000
Directors' expense	632,892	1,003,691	632,892	1,003,691
Auditors' remuneration	1,322,100	1,339,050	1,130,000	1,130,000
Other audit related expense	873,405	158,955	873,405	158,955
Professional and legal expense	11,222,832	10,130,290	10,766,008	9,610,922
Office administration expense	470,298,311	482,313,348	466,820,795	479,728,927
Operating lease expense	182,072,899	161,550,125	182,072,899	161,550,125
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	21,631,010	14,633,577	21,631,010	14,633,577
Onerous lease provisions	-	-	-	-
Other Expenses	2,358,087	13,321,798	2,358,087	12,380,124
<b>Total</b>	<b>693,738,536</b>	<b>689,430,833</b>	<b>689,329,096</b>	<b>684,948,321</b>

## Office Administration Expense

4.37.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Water and Electricity	31,287,615	28,563,624	31,089,066	28,471,776
Repair and Maintenance				
(a) Building	131,448	-	131,448	-
(b) Vehicle	2,732,391	2,567,846	2,732,391	2,567,846
(c) Computer and accessories	1,663,061	114,710	1,663,061	114,710
(d) Office equipment and furniture	9,311,443	13,800,970	8,909,907	13,377,269
(e) Other	41,001,466	33,657,627	41,001,466	33,657,627
Insurance	33,024,727	32,785,143	32,544,380	32,287,780
Postage, telex, telephone, fax	54,273,242	53,907,867	53,989,245	53,641,757
Printing and stationery	30,413,005	30,908,423	29,791,764	30,680,359
Newspaper, books and journals	69,924	110,470	46,424	96,470
Advertisement	12,074,389	10,953,293	12,026,763	10,898,158
Donation	-	10,000	-	-
Security expenses	122,438,908	131,729,917	122,077,601	131,375,540
Deposit and loan guarantee premium	32,739,171	26,097,792	32,739,171	26,097,792
Travel allowance and expenses	2,580,928	10,268,538	2,501,558	9,925,358
Entertainment	471,105	770,384	200,487	770,384
Annual/special general meeting	474,088	1,293,867	444,125	1,096,856
<b>Others</b>				
(a) Business promotion expenses	16,459,483	14,940,005	16,393,190	14,836,372
(b) Cleaning & Janitorial	26,290,502	23,159,436	26,290,502	23,159,436
(c) Fuel & Lubricants	17,575,512	17,606,720	17,440,490	17,606,720
(d) Renewal & Taxes	11,496,849	11,393,644	11,496,849	11,393,644
(e) Subscription Fees	9,138,313	11,353,674	9,138,313	11,353,674
(f) others	14,650,742	26,319,397	14,172,595	26,319,397
<b>Total</b>	<b>470,298,311</b>	<b>482,313,348</b>	<b>466,820,795</b>	<b>479,728,927</b>

## Depreciation and Amortisation

4.38

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Depreciation on property and equipment	159,740,601	110,067,806	158,636,522	108,773,081
Depreciation on investment property	-	-	-	-
Amortisation of intangible assets	27,695,053	70,646,080	27,428,373	70,379,400
<b>Total</b>	<b>187,435,654</b>	<b>180,713,886</b>	<b>186,064,895</b>	<b>179,152,481</b>

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

## Non Operating Income

4.39

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Recovery of loan written off	-	3,809,161	-	3,809,161
Other income	45,828,244	224,104	45,828,244	224,104
<b>Total</b>	<b>45,828,244</b>	<b>4,033,265</b>	<b>45,828,244</b>	<b>4,033,265</b>

## Non Operating Expenses

4.40

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Loan written off	65,760,866	-	65,760,866	-
Redundancy provision	-	-	-	-
Expense of restructuring	-	-	-	-
Other expense	-	-	-	-
<b>Total</b>	<b>65,760,866</b>	<b>-</b>	<b>65,760,866</b>	<b>-</b>

## Income Tax Expenses

4.41

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
<b>Current tax expense</b>	<b>786,805,588</b>	<b>604,040,020</b>	<b>750,247,678</b>	<b>591,853,548</b>
Current year	785,552,413	603,356,276	749,016,603	591,326,263
Adjustments for prior years	1,253,175	683,744	1,231,075	527,285
<b>Deferred tax expense</b>	<b>61,608,328</b>	<b>(11,623,115)</b>	<b>60,985,983</b>	<b>(4,386,393)</b>
Origination and reversal of temporary differences	61,608,328	(11,623,115)	60,985,983	(4,386,393)
Changes in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
<b>Total income tax expense</b>	<b>848,413,916</b>	<b>592,416,905</b>	<b>811,233,661</b>	<b>587,467,155</b>

Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income.

## Reconciliation of tax expense and accounting profit

4.41.1

PARTICULAR	GROUP		BANK	
	2077/78	2076/77	2077/78	2076/77
Profit before tax	2,342,911,073	1,949,268,201	2,257,783,925	1,946,942,509
Tax amount at tax rate of 30%	702,873,322	584,780,460	677,335,177	584,082,753
Add: Tax effect of expenses that are not deductible for tax purpose	366,741,310	444,889,147	366,741,310	444,889,147
Less: Tax effect on exempt income	(9,131,041)	(10,280,159)	(9,131,041)	(10,280,159)
Add/less: Tax effect on other items	(212,069,674)	(426,972,542)	(223,711,786)	(431,224,586)
<b>Total income tax expense</b>	<b>848,413,916</b>	<b>592,416,905</b>	<b>811,233,660</b>	<b>587,467,155</b>
<b>Effective tax rate</b>	<b>36.21%</b>	<b>30.39%</b>	<b>35.93%</b>	<b>30.17%</b>



## Statement of Distributable Profit or Loss

For the year ended 31 Ashad 2078

(As per NRB Regulation)

PARTICULAR	BANK	
	31 ASHADH 2078	32 ASHADH 2077
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>1,446,550,264</b>	<b>1,359,475,354</b>
<b>Appropriations:</b>		
a. General reserve	(289,310,053)	(271,895,071)
b. Foreign exchange fluctuation fund	(4,580,428)	(5,360,415)
c. Capital redemption reserve	(750,000,000)	(250,000,000)
d. Corporate social responsibility fund	7,073,728	1,038,823
e. Employees' training fund	-	2,741,955
f. Other		
Fair Value Reserve	93,602,577	-
Other Free Reserve	17,789,989	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>521,126,076</b>	<b>836,000,647</b>
<b>Regulatory adjustment :</b>		
a. Interest receivable (-)/previous accrued interest received (+)	128,024,781	(58,626,715)
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 (+)	29,219,152	(35,178,753)
e. Deferred tax assets recognised (-)/ reversal (+)	-	2,842,902
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	(10,579,204)	(15,738,127)
i. Other (+/-)	-	-
<b>Distributable profit or (loss)</b>	<b>667,790,805</b>	<b>729,299,954</b>

## 5. Disclosures and Additional Information

### 5.1 Risk Management

Sunrise Bank has specific internal review mechanism to assess its position regarding each separate risk area including Credit Risk, Market Risk and Operational Risk.

#### 5.1.1 Credit Risk

The Bank has its own Credit Policy Guidelines to handle the Credit Risk Management philosophy that involves a continual measurement of probability of default/loss; identification of possible risks and mitigations. The provisions of Capital Adequacy Framework -2015 are compiled in line to line basis to overcome the Credit Risk. In order to manage and eliminate the credit risk, the Bank has a practice of maintaining the best quality assets in its book. The Bank's Credit Policy elaborates detailed procedures for proper risk management. The Bank has delegated credit approval limits to various officials to approve and sanction various amount of credit request based on their individual expertise and risk judgment capability.

Regular monitoring of the credit portfolio ensures that the Bank does not run the risk of concentration of portfolio in a particular business sector or a single borrower. Similarly the Bank also exercises controlled investment policy with adequately equipped resource looking after the investment decisions.

To cap these all, the Bank has a strong Credit Committee in place comprising of various Directors from the Board of the Bank which reviews all credit proposals beyond a specified amount

#### 5.1.2 Operational Risk

As a part of monitoring operational risks, the Bank has devised operational manuals for various Banking functions, which are reviewed and modified time to time as per the changing business context.

The Bank has adopted dual control mechanism in its all operational activities where each and every financial and non-financial transaction is subject to approval from an authority higher than the transaction initiator. Regular review meetings are conducted to assess the adequacy of risk monitoring mechanism and required changes are made as and when felt necessary. Independent reconciliation unit is established to conduct daily reconciliation of all Nostro/ agency accounts, Inter-Branch and Inter-Department account under direct supervision of Chief Financial Officer. The Bank has independent internal audit, which reports to the Audit Committee of the Bank. The Audit Committee meets frequently and reviews the business process and financial position of the Bank. In order to have better focus on managing operational risks across branches and to monitor them from Head Office level, the Bank has separate Branch Operation and Control & Compliance Department at Head Office. The Bank has strong MIS in place to monitor the regular operational activities.

#### 5.1.3 Market Risk

Bank risk management committee has approved the market risk policy of the Bank. As for the monitoring of market and liquidity risk, the Bank has an active Assets and Liability Management Committee (ALCO) in place which meets regularly and takes stock of the Bank's assets and liability position and profile of assets & liabilities, monitors risks arising from changes in exchange rates in foreign currencies. All foreign exchange positions are managed by treasury consisting of front office dealers with specific dealing limits and an independent back office. The back office executes the deals made by the dealers and also monitors the liquidity position of the Bank. For the purpose of proper check and control, the front dealing room of treasury and the back office has different reporting line.

#### 5.1.4 Liquidity Risk

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses. Liquidity is the ability of an institution to transform its assets into cash or its equivalent in a timely manner at a reasonable price to meet its commitments as they fall due. Liquidity risk is considered a major risk for banks. It arises when the cushion provided by the liquid assets are not sufficient enough to meet its obligation. In such a situation banks often meet their liquidity requirements from market. Funding through market depends upon liquidity in the market and borrowing bank's liquidity.

The board has ensured that the bank has necessary liquidity risk management framework and bank is capable of confronting uneven liquidity scenarios. The bank has formulated liquidity policies, contingency funding planning which are recommended by senior management/ALCO and approved by the Board of Directors. The bank utilizes flow measures to determine its cash position. A maturity ladder analysis estimates a bank's inflows and outflows and thus net deficit or surplus (GAP) over a time horizon. A maturity ladder is a useful device to compare cash inflows and outflows both on a day-to-day basis and over a series of specified time periods as presented in the NRB Ni.Fa.No.5.1 under NRB Directives No. 5.

#### 5.1.5 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 input**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Held for trading and financial instruments designated at fair value through other comprehensive income investments have been recorded using Level 1 inputs.

#### **Level 2 inputs**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

#### **Level 3 inputs**

Level 3 inputs are unobservable inputs for the asset or liability.

## **5.2 Capital management**

### **5.2.1. Qualitative Disclosures**

#### **i. Board and senior management oversight**

Bank management is responsible for understanding the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels. It is also responsible for ensuring that the form and sophistication of the risk management processes is commensurate with the complexity of its operations. A sound risk management process, thus, is the foundation for an effective assessment of the adequacy of a bank's capital position. The decisions made by the management are regularly reviewed by the BOD.

#### **ii. Sound capital assessment**

Crucial component of an effective ICAAP is the assessment of capital. In order to be able to make a sound capital assessment, the bank has the following:

- Policies and procedures designed to ensure that the bank identifies, measures, and reports all material risks;
- A process that relates capital to the level of risk;
- A process that states capital adequacy goals with respect to risk, taking account of the bank's strategic focus and business plan; and
- A process of internal control reviews and audits to ensure the integrity of the overall management process.

#### **iii. Comprehensive assessment of risks**

Chief Risk Officer (CRO), along with his team, is responsible for overall risk management of the Bank which includes managing, assessing, identifying, monitoring and reducing pertinent global, macro and micro-economic level business risks that could interfere with Banks objective and goals and whether the Bank is in substantial compliance with its internal operating policies and other applicable regulations and procedures, external, legal, regulatory or contractual

requirements on a continuous basis. Further, CRO ensures integration of all major risk in capital assessment process.

#### **iv. Risk Management Committee (RMC)**

Board level risk management committee has been set up under NRB Directive for ensuring/reviewing bank's risk appetite is in line with the policies.

#### **v. Monitoring**

Monitoring and reporting of all risks, including credit, operational and market risks are identified, escalated, monitored and mitigated to the satisfaction of the risk type owner. The risk type owner is responsible for ensuring that all the risks are adequately identified, escalated, monitored and mitigated. The Bank has an adequate system in place for monitoring and reporting risk exposures and assessing how the changing risk profile affects the need for capital. The senior management and board of directors on a regular basis receive the report regarding the risk profile of the bank and its capital needs. All the material risks are identified, measured, monitored and reported by the respective risk type owner.

#### **vi. Internal Control Review**

The internal control structure of the Bank is essential for sound capital assessment process. Effective control of the capital assessment process includes an independent review and involvement of both internal as well as external audits wherever appropriate. The Bank is committed to conduct the regular review of its risk management process to ensure its integrity, accuracy, and reasonableness. The effectiveness of the Bank's internal control system is reviewed regularly by the Board, its committees, Management and Internal Audit.

The Internal Audit monitors compliance with policies and standards and the effectiveness of internal control structures across the Bank through its program of business/unit audits. The Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. Internal Audit reports regularly to the Audit Committee. The findings of all adverse audits are reported to the Chief Executive Officer and Business Heads for immediate corrective actions.

#### **vii. Assets and Liability Committee (ALCO)**

The ALCO, chaired by Chief Executive Officer, ensures functioning of the banking business in line with the set procedures and processes and recommends for necessary steps to address the risk associated with liquidity, movement in interest rate, exchange rate and equity price and other risks.

#### **viii. Stress Testing**

Stress Testing is a risk management technique used to evaluate the potential effects on an institution's financial condition, of a set of specified changes in risk factors, corresponding to exceptional but plausible events. The Bank conducts the stress test on quarterly basis and reports to senior management as well as to Nepal Rastra Bank.

#### ix. Maker-Checker Policy

The Bank has adopted Maker-Checker Policy in all of the transactions. Each and every transaction is entered and authorized in CBS by two different individuals for better control and any deviations are closely monitored. The activities of any personnel can be monitored centrally through an integrated system which helps in minimizing the risk of misconduct.

### 5.2.2. Quantitative Disclosures

#### 1. Capital Structure and Capital Adequacy

##### i. Tier 1 Capital and breakdown of its Components

S.N.	PARTICULARS	AMOUNT (NPR MILLIONS)
a	Paid up Capital	9,488
b	Statutory General Reserve	2,355
c	Debenture Redemption Reserve	1,000
d	Retained Earnings	669
e	Less: Investment in equity of institutions with financial interests	(340)
f	Less: Purchase of land & building in excess of limit and unutilized	(33)
<b>Core (Tier-1) Capital</b>		<b>13,140</b>

##### ii. Tier 2 Capital and breakdown of its Components

S.N.	PARTICULARS	AMOUNT (NPR MILLIONS)
A	Subordinated Term Debt	3,600
B	General Loan Loss Provision	1,464
C	Exchange Equalization Reserve	38
D	Investment Adjustment Reserve	0.01
<b>Supplementary (Tier-2) Capital</b>		<b>5,102</b>

##### iii. Details of Subordinated Term Debts

Bank has subordinated term debts amounting NPR 1 billion & 3 billion which has been allotted on 14 May 2019 and 13 December 2019. The major feature of the debt is as follows:

NOMENCLATURE	SUNRISE DEBENTURE 2080	SUNRISE DEBENTURE 2083
Duration	5 Years	7 Years
Amount	1,000,000,000	3,000,000,000
Face Value	Rs. 1,000 per unit	Rs. 1,000 per unit
No. of Units	1,000,000	3,000,000
Coupon rate (%)	10.00	10.25
Interest Payable	Semi-annually	Semi-annually
Redeemable/ Irredeemable	Redeemable	Redeemable
Secured/Unsecured	Unsecured	Unsecured
Convertible/ Non- Convertible	Non-Convertible	Non-Convertible

#### iv. Deductions from Capital

- Investment made in Gurans Life Insurance Company Limited of NPR 78.21 million and investment in Sunrise Capital Limited NPR 261.31 million (Investments in equity of institutions with Financial Interest)
- Rs 32.61 million for land and building not in use by bank that includes land purchased at Bharatpur, Chitwan (Rs 25.75 Million) not brought into use and proportionate WDV of buildings not used by bank and rented out to other parties (Rs 6.86 million)

#### v. Total Qualifying Capital

S.N.	PARTICULARS	AMOUNT (NPR MILLIONS)
A	Common Equity Tier 1 Capital	13,140
B	Core Capital	13,140
C	Supplementary Capital	5,102
<b>Total Capital</b>		<b>18,242</b>

#### vi. Capital Adequacy of the Bank

The capital adequacy of the bank (After Bank's adjustments of Pillar II) has been detailed below:

S. N.	PARTICULARS	%
A	Common Equity Tier 1 Capital to Total Risk Weighted Exposures	9.66
B	Tier 1 Capital to Total Risk Weighted Exposures	9.66
C	Total Capital to Total Risk Weighted Exposures	13.41

#### vii. Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable:

Bank's current paid up capital amounts to Rs 8.96 Billion. The Bank complies with the Capital Increment plan of NRB which has also helped the Bank to be in steady and strong capital position. The overall strategy of the bank has been formulated with the special consideration to the capital adequacy requirement according to BASEL-III.

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

Bank has subordinated term debts amounting NPR 4 billion. The major feature of the debt is as follows:

NOMENCLATURE	SUNRISE DEBENTURE 2080	SUNRISE DEBENTURE 2083
Duration	5 Years	7 Years
Amount	1,000,000,000	3,000,000,000
Face Value	Rs. 1,000 per unit	Rs. 1,000 per unit
No. of Units	1,000,000	3,000,000
Coupon rate (%)	10.00	10.25
Interest Payable	Semi-annually	Semi-annually
Redeemable/ Irredeemable	Redeemable	Redeemable
Secured/Unsecured	Unsecured	Unsecured
Convertible/ Non- Convertible	Non-Convertible	Non-Convertible

## 2. RISK EXPOSURES

### a. Risk Weighted Exposures

All material risks faced by the bank have been addressed in the capital assessment process. However, bank has developed a process to estimate risks with reasonable certainties. All the three risks that have direct impact on the capital adequacy level have been managed in a structured manner with clear roles and responsibilities. In order to make a comprehensive assessment of risks, the process has, at minimum addressed the forms of risks covered below:

S.N.	PARTICULARS	AMOUNT (NPR MILLIONS)
A	Risk Weighted Exposure for Credit Risk	121,834
B	Risk Weighted Exposure for Operational Risk	6,797
C	Risk Weighted Exposure for Market Risk	1,630
	RWA Before Pillar 2 adjustment	130,262

All risks, including credit, operational and market risks are identified, escalated, monitored and mitigated to the satisfaction of the risk type owner. The risk type owner is responsible for ensuring that all the risks are adequately identified, escalated, monitored and mitigated. The Bank has an adequate system in place for monitoring and reporting risk exposures and assessing how the changing risk profile affects the need for capital. The senior management and board of directors on a regular basis receive the report regarding the risk profile of the bank and its capital needs. All the material risks are identified, measured, monitored and reported by the respective risk type owner.

### b. Credit Risk under 11 Categories

The Credit Risks under the 11 categories as per the Capital Adequacy Framework, 2015 and Basel -III has been detailed below:

SN	RISK CLASSIFICATION	NET BOOK VALUE (NPR MILLION)	RWE
a	Claims on Govt. and Central Bank	21,984	-
b	Claims on other Financial Entities	-	-
c	Claims on Banks	8,359	2,411
d	Claims on Corporate and Securities Firm	46,737	46,737
e	Claims on Regulatory Retail Portfolio	31,025	23,269
F	Claims secured by Residential Properties	15,263	9,262
G	Claims secured by Commercial Real State	1,074	1,074
H	Past due Claims	1,010	1,515
I	High Risk Claims	4,719	5,755
J	Other Assets	6,586	3,827
K	Off balance sheet items	63,101	27,984
	<b>TOTAL</b>	<b>199,858</b>	<b>121,834</b>

### c. Total Risk Weighted Exposure Calculation Table

S.N.	RISK WEIGHTED EXPOSURE	AMOUNT (NPR MILLIONS)
A	Risk Weighted Exposure for Credit Risk	121,834
B	Risk Weighted Exposure for Operational Risk	6,797
C	Risk Weighted Exposure for Market Risk	1,630
	<b>Adjustments under Pillar II</b>	
	Add: 1% of the NII to RWA for ALM Policy and Practice	35
	Add: 4% additional risk weight for Operational Risk	1,856
	Add: 3% adjustment on Total RWE for Overall Risk	3,908
	<b>Total Risk Weighted Exposure</b>	<b>136,061</b>

### d. Detail of Non-Performing Loans

PARTICULARS	GROSS VALUE (NPR MILLION)	NET VALUE
Restructured Loans	11.45	10.02
Sub-Standard Loans	616.26	463.38
Doubtful Loans	209.64	106.49
Loss Loans	600.53	0.87
<b>Total NPA</b>	<b>1,438</b>	<b>581</b>

### e. Ratio of Non-Performing Loans

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Gross NPA	1.39%	1.86%
Net NPA	0.56%	0.65%

## 5.3 Classification of financial assets and financial liabilities

NAS 39 requires financial assets to be classified in one of the following categories:

- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through other comprehensive income
- Loans and receivables
- Held to maturity investments

Financial assets at fair value through profit or loss have two sub-categories:

- Financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.
- Held for trading

NAS 39 recognizes two classes of financial liabilities:

- Financial liabilities at fair value through profit or loss
- Other financial liabilities measured at amortized cost using the effective interest rate method



The category of financial liability at fair value through profit or loss has two sub-categories:

- Financial liability that is designated by the entity as a liability at fair value through profit or loss upon initial recognition
- Held for trading

The classification of financial assets or liabilities is given in detail in Note 3.4.

## 5.4 Operating Segment Information

### 1. General Information

An operating segment is a component of an entity:

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

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

### 2. Information about profit or loss, assets and liabilities

Rs. In Million

PARTICULAR	PROV 1	PROV 2	BAGMATI	GANDAKI	LUMBINI	KARNALI	SUDURPASCHIM	TOTAL
Revenues from external customers	1,443	960	6,662	360	612	75	475	10,587
Intersegment Revenues	(446)	(364)	1,284	(87)	(226)	(16)	(145)	-
Net Revenue	997	596	7,945	273	386	59	331	10,587
Interest Revenue	1,357	871	5,333	331	565	69	435	8,961
Interest Expenses	326	166	4,631	94	108	14	98	5,437
Net Interest Revenue (b)	1,032	705	701	237	457	55	337	3,524
Depreciation and Amortization	22	11	118	9	13	3	10	186
Segment Profit (Loss) before tax	530	242	1,228	66	114	10	69	2,258
Impairment of Assets	(166)	29	301	3	31	6	51	255
Segment Liabilities	10,476	16,215	96,090	11,330	6,306	(93)	(2,560)	137,763
Segment Assets	9,883	15,910	82,579	11,233	6,093	(106)	(2,668)	122,924

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

The bank has identified the key segments of business on the basis of nature of operations that assists the Executive Committee of the bank in decision making process and to allocate the resources. It will help the management to assess the performance of the business segments. The Segment has been identified on the basis of geographic location of the branches. Investment balances, NRB balance, income from investment, FOREX income are reported in Head Office under Province 3. Intra segment revenue and costs are accounted as per the policy of the bank and eliminated in the Head Office

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

(a) Revenue		(b) Profit or Loss	
Total revenues for reportable segments	10,587,022,664	Total profit or loss for reportable segments	2,257,783,925
Other revenues	-	Other profit or loss	-
Elimination of intersegment revenues	-	Elimination of intersegment profits	-
Entity's Revenue	10,587,022,664	Unallocated amounts:	-
		Other Operating expense	-
		Profit before income tax	2,257,783,925

**(c) Assets**

Total assets for reportable segments	137,763,417,957
Other assets	-
Unallocated amounts	-
Entity's Assets	137,763,417,957

**(d) Liabilities**

Total liabilities for reportable segments	122,924,126,995
Other liabilities	-
Unallocated liabilities	-
Entity's Liabilities	122,924,126,995

**5. Information about product and services**

S.N	REVENUE	10,587,022,664
A	Loans related Services	8,650,440,905
B	Treasury related services	1,108,381,507
C	Transaction Banking related services	501,722,138
D	Other services	326,478,114

**6. Information about geographical areas**

Revenue from following geographical areas

(a)	Domestic	10,587,022,664
	Province 1	1,442,788,058
	Province 2	960,136,629
	Bagmati Province	6,661,589,441
	Gandaki Province	359,997,435
	Lumbini Province	612,144,934
	Karnali Province	75,048,834
	Sudurpaschim Province	475,317,333
(b)	Foreign	-
	<b>Total</b>	<b>10,587,022,664</b>

**7. Information about Major Customer**

Revenue from single customer doesn't exceed 10% of total revenue.

**5.5 Share options and share based payment**

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

**5.6 Contingent liabilities and commitment****5.6.1 Contingent Liabilities:**

Where the Bank undertakes to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the Bank's transaction banking business for which an obligation to

make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.

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

**5.6.2 Commitments:**

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

Please refer Note No. 4.28.1 to 4.28.5 for the detail of contingent liabilities and commitments as at 15 July 2020.

**5.6.3 Litigations:**

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

The details of litigations are presented in 4.28.5

**5.7 Related parties disclosures**

In the ordinary course of its business operation the Bank has conducted commercial transactions with parties who are defined as related parties in NAS 24 - 'Related Party Disclosures'. All those transaction were conducted on an arm's length basis. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

**a) List of Related Party**

NAME OF RELATED PARTY	RELATIONSHIP
Mr. Motilal Dugar	Chairman
Er. Bachh Raj Tater	Director
Mr. Malchand Dugar	Director
Er. Shailendra Guragain	Public Director
Ms. Sharada Pudasaini Sharma	Public Director
Mr. Deepak Nepal	Public Director
Mr. Suman Sharma	Chief Executive Officer
Sunrise Capital Limited	Subsidiary Company

**b) Key Managerial Personnel (KMP)**

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

**c) Transaction with Subsidiary Company**

PARTICULARS	ASHAD END 2078
Deposit Maintained by Sunrise Capital	876,187,791
Interest Paid to Sunrise Capital	5,352,944
RTS Fee paid to Sunrise Capital	700,000
Dividend Processing Fee to Sunrise Capital	704,670
Electricity Expenses paid by Sunrise Capital	116,519
Water Expenses paid by Sunrise Capital	68,280
House Rent paid by Sunrise Capital	1,980,000
Demat Account Opening Commission by Sunrise Capital	2,160,959

**d) Transactions with Board of Directors**

All members of the Board are non-executive directors and no executive compensation is paid to the directors. Specific non-executive allowances paid to directors are as under:

Board Meeting fees	Rs. 3,044,000
Other benefits	Rs. 888,892

**e) Transactions with Chief Executive Officer**

PARTICULARS	MR. JANAK SHARMA POU DYAL	MR. SUMAN SHARMA	TOTAL
Salary & Allowances	6,210,000	4,590,000	10,800,000
Provident Fund	372,600	275,400	648,000
Gratuity Fund	6,233,671	-	6,233,671
Dashain Allowances	900,000	-	900,000
Leave Allowances	960,000	-	960,000
Bonus Amount	3,379,742	-	3,379,742
Telephone Facility	27,190	7,186	34,375
<b>Total</b>	<b>18,083,203</b>	<b>4,872,586</b>	<b>22,955,788</b>

In addition to above, bank has provided office vehicle, mobile & fuel on reimbursement basis. Bank has provided vehicle at 50% of book value and mobile at book value to CEO Mr. Janak Sharma Poudyal during his retirement/resignation from the bank.

**f) Transactions and agreements involving KMP and their Close Family Members (CFM)**

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

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

**5.8 Merger and acquisition**

There is not any merger or acquisition affecting the changes in the composition of the entity during the period ended on Ashad end 2078.

**5.9 Investment in Associates and Joint Ventures**

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

**5.10 Additional disclosures of non-consolidated entities**

The Group does not have any non-consolidated entities to report for the reporting period and in the comparative previous period.

**5.11 Events after reporting period**  
**Proposed Dividend**

The Board has decided to propose 6.65% cash dividend (including tax on cash dividend and bonus shares) and 0.35% bonus share for the approval by the 14th Annual General Meeting of the Bank.

## CAPITAL ADEQUACY TABLE (Summary)

As on 31st Ashad 2078 (15th July 2021)

schedule 4.30 (A)

1.1	PARTICULARS	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
a	Common Equity Tier 1 Capital	13,140,023,960	11,777,281,183
b	Tier 1 Capital	13,140,023,960	11,777,281,183
c	Tier 2 Capital	5,101,544,255	4,803,828,608
d	Total Capital	18,241,568,214	16,581,109,792
e	Risk Weighted Exposures	136,060,654,795	115,306,536,886
<b>Regulatory Ratios</b>			
a	Leverage Ratio (Regulatory Requirement $\geq 4\%$ )	6.53%	6.29%
b	Common Equity Tier 1 to Risk Weighted Exposure Ratios	9.66%	10.21%
c	Tier 1 to Risk Weighted Exposure Ratios	9.66%	10.21%
d	Total Capital to Risk Weighted Exposure Ratio	13.41%	14.38%

## CAPITAL ADEQUACY TABLE

As on 31st Ashad 2078 (15th July 2021)

1.1	RISK WEIGHTED EXPOSURE	CURRENT YEAR (NPR)	PREVIOUS YEAR (NPR)
a	Risk Weighted Exposure for Credit Risk	121,834,118,092	103,855,128,586
b	Risk Weighted Exposure for Operational Risk	6,797,443,233	6,163,325,151
c	Risk Weighted Exposure for Market Risk	1,629,990,466	75,704,285
<b>Adjustments under Pillar II</b>			
	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	35,240,751	38,592,097
	4% Additional Risk weight for Operational Risk	1,856,015,698	1,870,962,025
	3% adjustment on Total RWE	3,907,846,554	3,302,824,741
	<b>Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)</b>	<b>136,060,654,795</b>	<b>115,306,536,886</b>

1.2	CAPITAL	CURRENT YEAR NPR	PREVIOUS YEAR NPR
	<b>Tier 1 Capital (Core Capital) (CET 1 + AT1)</b>	<b>13,140,023,960</b>	<b>11,777,281,183</b>
	<b>Common Equity Tier 1 (CET 1)</b>	<b>13,140,023,960</b>	<b>11,777,281,183</b>
a	Paid up Equity Share Capital	9,487,944,499	8,967,811,436
b	Equity Share Premium	-	-
c	Proposed Bonus Equity Shares	-	-
d	Statutory General Reserves	2,355,345,789	2,066,035,736
e	Retained Earnings	668,862,240	743,606,222
f	Un-audited current year cumulative profit	-	-
g	Capital Redemption Reserve	1,000,000,000	250,000,000
h	Capital Adjustment Reserve	-	-
i	Dividend Equalization Reserves	-	-
j	Bargain Purchase Gain	-	-
k	Other Free Reserve	-	17,789,989
l	Less: Goodwill	-	-
m	Less: Intangible Assets	-	-
n	Less: Deferred Tax Assets	-	-
o	Less: Fictitious Assets	-	-
p	Less: Investment in equity in licensed Financial Institutions	-	-

1.2	CAPITAL	CURRENT YEAR NPR	PREVIOUS YEAR NPR
q	Less: Investment in equity of institutions with financial interests	(339,518,569)	(235,352,200)
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	(32,610,000)	(32,610,000)
v	Less: Cash Flow Hedge	-	-
w	Less: Defined Benefit Pension Assets	-	-
x	Less: Unrecognized Defined Benefit Pension Laibilities	-	-
y	Less: Negative Balance of Reserve Accounts	-	-
z	Less: Other Deductions	-	-
	<b>Adjustments under Pillar II</b>	-	-
a	Less: Shortfall in Provision (6.4 a 1)	-	-
b	Less: Loans & Facilities extended to Related Parties & Restricted lending (6.4 a 2)	-	-
	<b>Additional Tier 1 (AT1)</b>	-	-
a	Perpetual Non Cumulative Preference Share Capital	-	-
b	Perpetual Debt Instruments	-	-
c	Stock Premium	-	-
	<b>Supplementary Capital (Tier 2)</b>	<b>5,101,544,255</b>	<b>4,803,828,608</b>
a	Cumulative and/or Redeemable Preference Share		
b	Subordinated Term Debt	3,600,000,000	3,800,000,000
c	Hybrid Capital Instruments	-	-
d	Stock Premium	-	-
e	General loan loss provision	1,463,759,657	970,624,439
f	Exchange Equalization Reserve	37,774,598	33,194,169
g	Investment Adjustment Reserve	10,000	10,000
h	Assets Revaluation Reserve	-	-
i	Other Reserves	-	-
	<b>TOTAL CAPITAL FUND (Tier 1 &amp; Tier 2)</b>	<b>18,241,568,214</b>	<b>16,581,109,792</b>

1.3	CAPITAL ADEQUACY RATIOS	CURRENT YEAR	PREVIOUS YEAR
	Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	9.66%	10.21%
	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	13.41%	14.38%



**RISK WEIGHTED EXPOSURE FOR CREDIT RISK****As on 31st Ashad 2078 (15th July 2021)**

A. BALANCE SHEET EXPOSURE	CURRENT YEAR				
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION & VALUATION ADJUSTMENTS (B)	ELIGIBLE CRM (C)	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)
Cash Balance	2,319,023,073	-	-	2,319,023,073	0%
Balance With Nepal Rastra Bank	2,917,685,545	-	-	2,917,685,545	0%
Gold	232,187,224	-	-	232,187,224	0%
Investment in Nepalese Government Securities	18,724,408,480	-	-	18,724,408,480	0%
All Claims on Government of Nepal	94,525,051	-	-	94,525,051	0%
Investment in Nepal Rastra Bank securities	-	-	-	-	0%
All claims on Nepal Rastra Bank	63,158,482	-	-	63,158,482	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	2,405,269,340	-	-	2,405,269,340	20%
Claims on domestic banks that do not meet capital adequacy requirements	1,337,573	-	-	1,337,573	100%
Claims on foreign bank (ECA Rating 0-1)	1,949,137,292	-	-	1,949,137,292	20%
Claims on foreign bank (ECA Rating 2)	2,461,845,006	-	-	2,461,845,006	50%
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	1,541,187,185	-	-	1,541,187,185	20%
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	80%

A. BALANCE SHEET EXPOSURE	CURRENT YEAR					
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION & VALUATION ADJUSTMENTS (B)	ELIGIBLE CRM ( C )	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D *E)
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	85%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	90%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	3,303,381,979	-	-	3,303,381,979	100%	3,303,381,979
Claims on Domestic Corporates (Unrated)	43,433,195,591	-	-	43,433,195,591	100%	43,433,195,591
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	31,025,475,305	-	-	31,025,475,305	75%	23,269,106,479
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	15,004,220,106	-	-	15,004,220,106	60%	9,002,532,064
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	317,498,123	58,236,120	-	259,262,003	100%	259,262,003
Claims secured by Commercial real estate	1,073,872,984	-	-	1,073,872,984	100%	1,073,872,984
Past due claims (except for claims secured by residential properties)	1,808,462,041	798,483,579	-	1,009,978,462	150%	1,514,967,694
High Risk claims	2,737,768,103	-	664,253,486	2,073,514,617	150%	3,110,271,926
Lending against securities (bonds & shares)	2,645,174,662	-	-	2,645,174,662	100%	2,645,174,662
Investments in equity and other capital instruments of institutions listed in stock exchange	927,566,307	-	-	927,566,307	100%	927,566,307
Investments in equity and other capital instruments of institutions not listed in the stock exchange	385,453,910	-	-	385,453,910	150%	578,180,865
Staff loan secured by residential property	802,377,624	-	-	802,377,624	50%	401,188,812
Interest Receivable/claim on government securities	183,934,265	-	-	183,934,265	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	4,217,756,747	2,298,083,327	-	1,919,673,420	100%	1,919,673,420
TOTAL (A)	140,575,901,997	3,154,803,026	664,253,486	136,756,845,486		93,849,753,625

B. OFF BALANCE SHEET EXPOSURE	CURRENT YEAR					RISK WEIGHT EXPOSURE (D * E)
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	ELIGIBLE CRM (C)	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	2,049,161,812	-	-	2,049,161,812	0%	-
Forward Exchange Contract Liabilities	3,386,700,000	-	-	3,386,700,000	10%	338,670,000
LC Commitments With Original Maturity Upto 6 months domestic counterparty	4,714,735,482	-	356,885,713	4,357,849,768	20%	871,569,954
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	1,494,937,972	-	10,440,000	1,484,497,972	50%	742,248,986
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	21,677,781,773	-	517,481,758	21,160,300,015	40%	8,464,120,006
Foreign counterparty (ECA Rating 0-1)	107,567,677	-	-	107,567,677	20%	21,513,535
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	7,639,806,756	-	87,766,880	7,552,039,876	100%	7,552,039,876
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	2,096,995,676	-	-	2,096,995,676	100%	2,096,995,676
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	8,816,641,165	-	-	8,816,641,165	20%	1,763,328,233
Irrevocable Credit commitments (long term)	12,035,437,877	-	14,376,100	12,021,061,777	50%	6,010,530,888
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement"	-	-	-	-	20%	-
Other Contingent Liabilities	12,518,000	-	-	12,518,000	100%	12,518,000
Unpaid Guarantee Claims	55,414,656	-	-	55,414,656	200%	110,829,313
<b>TOTAL (B)</b>	<b>64,087,698,845</b>	<b>-</b>	<b>986,950,451</b>	<b>63,100,748,394</b>		<b>27,984,364,467</b>

B. OFF BALANCE SHEET EXPOSURE	CURRENT YEAR					
	GROSS BOOK VALUE (A)	SPECIFIC PROVISION (B)	ELIGIBLE CRM (C)	NET VALUE (D) (A-B-C)	RISK WEIGHT (E)	RISK WEIGHT EXPOSURE (D * E)
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>204,663,600,842</b>	<b>3,154,803,026</b>	<b>1,651,203,937</b>	<b>199,857,593,880</b>		<b>121,834,118,092</b>
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						
<b>Total RWE for credit Risk (After Bank's adjustments of Pillar II)</b>	<b>204,663,600,842</b>	<b>3,154,803,026</b>	<b>1,651,203,937</b>	<b>199,857,593,880</b>		<b>121,834,118,092</b>

## RISK WEIGHTED EXPOSURE FOR OPERATION RISK

As on 31st Ashad 2078 (15th July 2021)

PARTICULARS	FY 2075/76	FY 2076/77	FY 2077/78
Net Interest Income	3,584,995,304	3,868,385,353	3,524,075,085
Commission and Discount Income	782,283,148	990,016,442	1,143,793,774
Other Operating Income	64,608,075	52,224,130	176,154,775
Exchange Fluctuation Income	264,594,779	244,209,839	260,529,991
Additional/Deduction in Interest Suspense during the period	-	-	-
<b>Gross income (a)</b>	<b>4,696,481,306</b>	<b>5,154,835,764</b>	<b>5,104,553,624</b>
<b>Alfa (b)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Fixed Percentage of Gross Income [c=(a×b)]</b>	<b>704,472,196</b>	<b>773,225,365</b>	<b>765,683,044</b>
<b>Capital Requirement for operational risk (d) (average of c)</b>			<b>747,793,535</b>
<b>Risk Weight (reciprocal of capital requirement of 10%) in times (e)</b>			<b>9.09</b>
<b>Equivalent Risk Weight Exposure [f=(d×e)]</b>			<b>6,797,443,233</b>
<b>PILLAR-II ADJUSTMENTS</b>			
<b>If Gross Income for all the last three years is negative(6.4 a 8)</b>	-	-	-
<b>Total Credit and Investment (net of Specific Provision)</b>	-	-	-
<b>Capital Requirement for operational risk (5%)</b>	-	-	-
<b>Risk Weight (reciprocal of capital requirement of 10%) in times</b>	-	-	-
<b>Equivalent Risk Weight Exposure [g]</b>	-	-	-
<b>Equivalent Risk Weight Exposure [h=f+g]</b>	-	-	<b>6,797,443,233</b>

## RISK WEIGHTED EXPOSURE FOR MARKET RISK

As on 31st Ashad 2078 (15th July 2021)

CURRENCY	ASHAD END 2078			
	OPEN POSITION (FCY)	RATE	OPEN POSITION (LCY)	RELEVANT OPEN POSITION
INR	2,199,031,913.75	1.60	3,520,100,336	3,520,100,336
USD	293,440.59	119.25	34,992,790	34,992,790
GBP	(17,073.89)	165.36	(2,823,410)	2,823,410
EUR	19,321.89	141.78	2,739,547	2,739,547
THB	-	3.65	-	-
CHF	450.01	130.63	58,784	58,784
AUD	22,993.57	89.33	2,053,996	2,053,996
CAD	6,000.21	95.35	572,100	572,100
SGD	12.00	88.18	1,058	1,058
JPY	(4,045,943.38)	1.09	(4,396,162)	4,396,162
HKD	-	15.35	-	-
DKK	-	18.99	-	-
SEK	-	13.83	-	-
SAR	58,235.00	31.79	1,851,577	1,851,577
QAR	5.00	32.75	164	164
AED	18,020.88	32.47	585,109	585,109
MYR	6,917.09	28.40	196,443	196,443
KRW	828,194.42	0.11	89,925	89,925
CNY	858,843.63	18.46	15,853,795	15,853,795



CURRENCY	ASHAD END 2078			
	OPEN POSITION (FCY)	RATE	OPEN POSITION (LCY)	RELEVANT OPEN POSITION
KWD	56.50	397.25	22,445	22,445
BHD	-	316.69	-	-
<b>Total Open position (a)</b>				<b>3,586,337,641</b>
<b>Fixed Percentage (b)</b>				<b>5%</b>
<b>Capital Charge for Market Risk [c=(axb)]</b>				<b>179,316,883</b>
<b>Risk weight (reciprocal of capital requirement of 10%) in times (d)</b>				<b>9</b>
<b>Equivalent Risk Weight Exposure[e=(cxd)]</b>				<b>1,629,990,466</b>

## Other Assets

As on 31st Ashad 2078 (15th July 2021)

S NO.	ASSETS	CURRENT YEAR (NPR)		
		GROSS AMOUNT	SPECIFIC PROVISION & VALUATION ADJUSTMENTS	NET BALANCE
1	Fixed Assets	1,915,357,370	895,332,846	1,020,024,524
2	Interest Receivable on Other Investment	41,574,840	-	41,574,840
3	Interest Receivable on Loan	557,367,818	557,367,818	-
4	Non Banking Assets	404,263,743	404,263,743	-
5	Reconciliation Account	-	-	-
6	Draft Paid Without Notice	-	-	-
7	Sundry Debtors	343,176	-	343,176
8	Advance payment and Deposits	383,014,997	-	383,014,997
9	Staff Loan and Advance	310,411,925	-	310,411,925
10	Stationery	38,609,352	-	38,609,352
11	Other	566,813,528	441,118,921	125,694,607
<b>TOTAL</b>		<b>4,217,756,747</b>	<b>2,298,083,327</b>	<b>1,919,673,420</b>

## Major Indicators

Major Financial Indicators of Last 5 Years

SN	INDICATORS	UNIT	FY 2073/74 (2016/17)	FY 2074/75 (2017/18)	FY 2075/76 (2018/19)	FY 2076/77 (2019/20)	FY 2077/78 (2020/21)
1	Net Profit/ Gross Income	Percent	19.68	17.39	16.53	12.02	13.66
2	Earnings Per Share	NPR	16.76	18.13	20.94	15.16	15.25
3	Market Value Per Share	NPR	396.00	230.00	248.00	234.00	363.00
4	Average Price	NPR	562.00	242.29	231.93	231.00	298.50
5	Price Earning Ratio	Ratio	23.63	12.69	11.84	15.44	23.81
6	Dividend (including bonus) on Share Capital (%)	Percent	15.00	11.50	15.80	8.28	7
7	Cash Dividend on Share Capital (%)	Percent	-	11.50	5.80	2.48	0.35
8	Interest Income/ Loans and Advances (%)	Percent	10.26	12.55	13.15	12.01	8.75
9	Staff Expenses/ Total Operating Expenses (%)	Percent	45.25	55.99	59.84	61.13	63.43
10	Interest Expenses/ Total Deposits & Borrowings (%)	Percent	5.10	6.87	7.01	6.46	4.87
11	Exchange Gain/ Total Income (%)	Percent	2.18	2.52	5.78	4.44	4.92
12	Staff Bonus/ Total Staff Expenses (%)	Percent	36.48	21.48	31.94	15.92	17.21
13	Net Profit/Total Loans & Advances (%)	Percent	2.27	2.45	2.40	1.59	1.38
14	Net Profit/ Total Assets (%)	Percent	1.65	1.78	1.80	1.17	1.05
15	Total Loans & Advances/ Total Deposits (%)	Percent	87.28	86.65	93.81	88.51	93.82
16	Total Operating Expenses/ Total Assets (%)	Percent	1.40	1.96	2.70	1.67	1.65
17	Capital Adequacy (On Risk Weighted Assets)						
	a. Core Capital	Percent	13.39	12.58	11.37	10.21	9.66
	b. Supplementary Capital	Percent	1.08	0.80	1.86	4.17	3.75
	c. Total Capital Fund	Percent	14.47	13.38	13.22	14.38	13.41
18	Liquidity (%)	Percent	30.62	25.99	25.74	29.47	24.74
19	Non-Performing Loan/ Total Loans & Advances (%)	Percent	1.37	1.24	1.03	1.86	1.39
20	Weighted Average Interest Rate Spread	Percent	4.49	4.15	4.44	4.37	4.03
21	Book Net Worth (Per Share)	NPR	117.15	141.73	150.51	149.35	155.67
22	Number of Shares	Nos.	70,181,047	81,525,559	81,525,559	89,678,114	94,879,445
23	Number of Staff	Nos.	956	1,159	1,353	1,484	1,517
24	Number of Branches	Nos.	70	91	112	134	139

## Comparison Audited and Unaudited Financial Statements as of FY 2020/21

STATEMENT OF FINANCIAL POSITION	AS PER UNAUDITED FINANCIAL STATEMENT	AS PER AUDITED FINANCIAL STATEMENT	VARIANCE		REASON FOR VARIANCE
			IN AMOUNT	IN %	
<b>ASSETS</b>	<b>BANK</b>	<b>BANK</b>			
Cash and Cash Equivalents	4,145,728,838	4,145,728,838	-	0.00%	
Due from Nepal Rastra Bank	2,980,810,427	2,980,810,427	-	0.00%	
Placement with Bank and Financial Institutions	4,642,307,202	4,646,440,360	4,133,158	0.09%	Adjustment of interest on placement.
Derivative Financial Instruments	-	-	-	0.00%	
Other Trading Assets	-	-	-	-	
Loans and Advances to BFIs	1,906,576,647	1,906,576,647	-	0.00%	
Loans and Advances to Customers	100,493,435,413	100,490,657,077	(2,778,337)	0.00%	
Investment Securities	20,860,092,464	20,860,092,464	-	0.00%	
Current Tax Assets	266,314,885	262,555,672	(3,759,213)	-1.41%	Change in tax amount.
Investment in Subsidiaries	261,308,369	261,308,369	-	0.00%	
Investment in Associates	-	-	-	-	
Investment Property	404,263,743	404,139,643	(124,100)	-0.03%	
Property and Equipment	1,026,706,658	1,026,706,658	0.15	0.00%	
Goodwill and Intangible Assets	25,927,867	25,927,867	0.09	0.00%	
Deferred Tax Assets	-	-	-	0.00%	
Other Assets	730,387,657	752,473,936	22,086,279	3.02%	Receivable book in case of dividend income, sharing income of demat opening from subsidiary company and other income.
<b>Total Assets</b>	<b>137,743,860,170</b>	<b>137,763,417,957</b>	<b>19,557,787</b>	<b>0.01%</b>	<b>All of the above</b>
<b>Liabilities</b>					
Due to Bank and Financial Institutions	6,286,477,186	6,286,477,186	-	0.00%	
Due to Nepal Rastra Bank	2,994,873,386	2,995,977,786	1,104,400	0.04%	Adjustment of interest on refinance.
Derivative Financial Instruments	10,469,725	10,469,725	-	0.00%	
Deposits from Customers	106,432,370,620	106,432,370,620	0.09	0.00%	
Borrowings	1,192,500,000	1,192,500,000	-	0.00%	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred Tax Liabilities	154,562,706	220,378,814	65,816,108	42.58%	Adjusted of Deferred Tax asset.
Other Liabilities	1,858,088,728	1,867,166,091	9,077,363	0.49%	Settlement of Provision for expenses and Adjustment of Staff Bonus & expense payable.
Debt Securities Issued	3,988,366,688	3,988,366,688	0.04	0.00%	
Subordinated Liabilities	-	-	-	-	

STATEMENT OF FINANCIAL POSITION	AS PER UNAUDITED FINANCIAL STATEMENT	AS PER AUDITED FINANCIAL STATEMENT	VARIANCE		REASON FOR VARIANCE
			IN AMOUNT	IN %	
<b>ASSETS</b>	<b>BANK</b>	<b>BANK</b>			
<b>Total Liabilities</b>	<b>122,917,709,039</b>	<b>122,993,706,910</b>	<b>75,997,871</b>	<b>0.06%</b>	<b>All of the above</b>
<b>Equity</b>					
Share Capital	9,487,944,499	9,487,944,499	-	0.00%	
Share Premium	-	-	-		
Retained Earnings	1,651,314,993	668,862,240	(982,452,752)	-59.50%	Allocation to various reserve on annual basis & PL adjustments
Reserves	3,686,891,638	4,612,904,307	926,012,668	25.12%	Allocation to reserves from retained earnings
<b>Total Equity Attributable to Equity Holders</b>	<b>14,826,151,130</b>	<b>14,769,711,046</b>	<b>(56,440,084)</b>	<b>-0.38%</b>	<b>All of the above</b>
<b>Total Liabilities and Equity</b>	<b>137,743,860,170</b>	<b>137,763,417,957</b>	<b>19,557,787</b>	<b>0.01%</b>	<b>All of the above</b>

STATEMENT OF FINANCIAL POSITION	AS PER UNAUDITED FINANCIAL STATEMENT		AS PER AUDITED FINANCIAL STATEMENT		VARIANCE		REASON FOR VARIANCE
	BANK		BANK		IN AMOUNT	IN %	
<b>ASSETS</b>							
Interest Expense	5,435,536,396		5,436,640,796		1,104,400.04	0.02%	Adjustment of Interest on Refinance
<b>Net Interest Income</b>	<b>3,520,697,195</b>		<b>3,524,075,085</b>		<b>3,377,890</b>	<b>0.10%</b>	<b>All of the above reasons</b>
Fee and Commission Income	1,141,415,742		1,143,793,774		2,378,031.32	0.21%	Adjustment of Fee income of remittance, Demat Sharing Income etc.
Fee and Commission Expense	179,238,377		178,623,996		(614,380.67)	-0.34%	Adjustment of card related, swift expense etc.
<b>Net Fee and Commission Income</b>	<b>962,177,365</b>		<b>965,169,777</b>		<b>2,992,412</b>	<b>0.31%</b>	<b>All of the above reasons</b>
<b>Net Interest, Fee and Commission Income</b>	<b>4,482,874,560</b>		<b>4,489,244,862</b>		<b>6,370,302.00</b>	<b>0.14%</b>	<b>All of the above reasons</b>
Net Trading Income	362,387,426		242,208,278		(120,179,148)	-33.16%	Reclassify of gain on sale of shares
Other Operating Income	100,341,261		194,476,488		94,135,227	93.82%	Reclassify of gain on sale of shares and non operating income & adjustment of Dividend Income.
<b>Total Operating Income</b>	<b>4,945,603,246</b>		<b>4,925,929,627</b>		<b>(19,673,619)</b>	<b>-0.40%</b>	<b>All of the above reasons</b>
Impairment Charge/ (Reversal) for Loans and Other Losses	251,904,878		254,683,215		2,778,336.76	1.10%	
<b>Net Operating Income</b>	<b>4,693,698,368</b>		<b>4,671,246,412</b>		<b>(22,451,955)</b>	<b>-0.48%</b>	<b>All of the above reasons</b>
<b>Operating Expense</b>							
Personnel Expenses	1,506,276,051		1,518,135,875		11,859,824	0.79%	Provision settlement and adjustment of training expense and staff bonus.
Other Operating Expenses	690,947,867		689,329,096		(1,618,771)	-0.23%	Settlement of provision amount and adjustment of operating lease calculation
Depreciation & Amortisation	186,064,895		186,064,895		-	0.00%	
<b>Operating Profit</b>	<b>2,310,409,554</b>		<b>2,277,716,546</b>		<b>(32,693,008)</b>	<b>-1.42%</b>	<b>All of the above reasons</b>
Non Operating Income	-		45,828,244		45,828,244		Reclassify of certain items
Non Operating Expense	65,760,866		65,760,866		-	0.00%	
<b>Profit Before Income Tax</b>	<b>2,244,648,688</b>		<b>2,257,783,925</b>		<b>13,135,236</b>	<b>0.59%</b>	<b>All of the above reasons</b>
<b>Income Tax Expense</b>	<b>741,658,340</b>		<b>811,233,661</b>		<b>69,575,321</b>	<b>9.38%</b>	
Current Tax	746,488,465		750,247,678		3,759,213	0.50%	Tax calculation due to above adjustments of income and expenses.
Deferred Tax	(4,830,125)		60,985,983		65,816,108	-1362.62%	Adjustment of deferred tax assets on lease expenses payable & Investment Securities
<b>Profit for the Period</b>	<b>1,502,990,348</b>		<b>1,446,550,264</b>		<b>(56,440,084)</b>	<b>-3.76%</b>	<b>All of the above reasons</b>

## DISCLOSURE OF INFORMATION UNDER SECTION 109 (4) OF COMPANIES ACT 2063

**1. An overview of the business during the Previous Year:**  
Incorporated in the respective segments of annual report.

**2. Transaction affected by national and international circumstances:**  
Incorporated in the respective segments of annual report.

**3. Achievements of the current year as of the date of preparation of the report and opinion of the Board of Directors on future actions:**  
Incorporated in the respective segments of annual report.

**4. Industrial or Professional relations of the Bank:**  
Bank has maintained a cordial and professional relation with its stakeholders, customers and regulators.

**5. Changes made in the composition of Board of Directors and reasons thereof:**  
Incorporated in the respective segments of annual report.

**6. Main factors affecting the business:**

- Fierce Competition
- Un-balance increased/decreased between sources and lending.
- Increased in inflation rate.
- COVID-19

**7. Response by Board of Directors on the remarks given in the audit report, if any:**  
Besides the normal remarks on the banking transactions, there weren't any other remarks given in the audit report on FY 2020-21. The remarks have come into notice of the Board of Directors and arrangements have been made to take corrective actions so that such mistake does not repeat in future.

**8. The amount recommended for the distribution as dividend:**  
The board has recommended paying 6.65% Bonus Share amounting NPR. 630,948,309.21 and 0.35% cash dividend including Tax amounting NPR. 33,207,805.75 to the shareholders from the profit of fiscal year 2020-21.

**9. Information on shares forfeited if any during the year:**  
No shares were forfeited during the year.

**10. Transactions between the Bank and its subsidiary company and progress made in the business:**

The progress in the Bank's transaction has been included in the Director's Report. Consolidated financial statements including consolidated balance sheet, consolidated profit and loss account and consolidated cash flow statement of its' subsidiary company, Sunrise Capital Ltd., also reflects the true and fair position of its parent and subsidiary company.

**11. Main transactions carried out by the Bank and its subsidiary company during the fiscal year and any important change in the business of the company during the period:**

**a. Sunrise Bank Limited:**

Those transactions that are allowed for a "A" class licensed institution like collection of deposits, advancing loans, international financial transactions, electronic transactions, remittance services and other banking activities has been performed by the Bank.

**b. Sunrise Capital Limited:**

Transactions related to merchant banking like public issue, investment management, security guarantee and depository participant services.

**c. Sunrise Securities Limited:**

Transaction related to securities exchange, yet not received approval from approved authorities to carry out securities related work.

**12. Information furnished to the Bank by its basic shareholders during the previous fiscal year:**

No such information has been furnished by its basic shareholders during the review period.

**13. Particulars of the ownership of shares taken up by the Directors and office bearers of the company during the previous year and information received by the Bank from them about their involvement, if any, in the transactions of the shares of the Bank:**

Directors and office bearers, except provided below have not involved in the share transaction of the Bank:



SN	DESIGNATION	NAME	SHARE CATEGORY	NUMBER OF SHARE	TOTAL
1	Chairman	Mr. Motilal Dugar	Promoter	4,103,852	5,632,736
			Public	1,528,884	
2	Director	Mr. Malchand Dugar	Promoter	3,100,045	4,525,177
			Public	1,425,132	
3	Director	Er. Bachh Raj Tater	Promoter	1,702,844	2,337,232
			Public	634,388	
4	Director	Er. Shailendra Guragain	Promoter	-	330,412
			Public	330,412	
5	Director	Mrs. Sharada Pudasaini Sharma	Promoter	-	99,899
			Public	99,899	
6	Director	Mr. Deepak Nepal	Promoter	-	5,509
			Public	5,509	

**14. Particulars of information furnished by any Director or any of his close relatives about his personal interest in any agreement connected with the company signed during the previous fiscal year:**

There is no such information furnished by the directors and any of their close relatives.

**15. Buy back of own shares:**

The Bank has not purchased its own shares in the year under review.

**16. Whether or not there is an internal control system and if there is any such system, details thereof:**

- To run smoothly and to operate day to day business bank has devised financial policy, employee bye laws, Loan write off policy, credit policy and other different policies on need basis.
- To control and monitor the activities of the Bank different committees like Risk Management Committee, Audit Committee and Human Resource Management Committee under the membership of various directors has been formulated.
- Audit Committee analyzes the financial position, internal control and risk management of the Bank on regular basis. The committee also provides recommendation and suggestions on the internal and external audit reports and comments of NRB supervision.

**17. Particulars of the total management expenses of the previous financial year:**

Total management expenses of the previous financial year have been detailed as below:

PARTICULARS	AMOUNT (NPR)
Staff Expenses	1,518,135,875
Other Operating Expenses	1,054,017,987

**18. A list of members of the Audit Committee; remunerations, allowances and facilities provided to the members; particulars of functions discharged by the committee and suggestions, if any, offered by the committee:**

Audit committee of the Bank is comprised of following members:

- Deepak Nepal
- Sharada Pudasaini Sharma
- Mr. Ishwar Kumar Pathak- Member Secretary

Excluding the employee member of the committee other members of the committee are paid NPR 16,000/- per meeting. During the previous year audit committee meeting was held 9 times. From the review of the internal audit report, necessary suggestions are provided through the Board meeting. Similarly, the external audit report and annual financial reports are presented to the Board after being reviewed.

**19. Payments due, if any, to the company from any director, managing director, executive chief or basic shareholder of the company or any of their close relatives, or from any firm, company or corporate body in which he is involved:**  
No such amount is due for payment.

**20. Remuneration, allowances and facilities to the Directors, Managing Director, Executive Chief and other office bearers:**

- The Directors were paid NPR 3,044,000 as meeting allowances after deduction of tax at source according to the Income Tax Act.
- The details of the salary, allowances and facilities paid to the Chief Executive Officer and other managerial level staffs are as follows:

POSITION	AMOUNT (NPR '000)
CEO*	22,955
Managerial Level Staffs	43,574

Chief Executive Officer of the Bank is provided vehicle facility as well. Besides, as per the prevalent Bonus Act, CEO is eligible for Bonus from the profits of the Bank.

**21. Dividends yet to be collected by the shareholders:**

As of 15th July 2021, dividends yet to be collected by the shareholders were NPR 49,386,069.

**22. Details of property purchased or sold as per clause 141:**

Not Applicable.

**23. Details of transactions between associated companies as per clause 175.**

Transaction with Subsidiary Company:

Bank has held investment of 100 % in sunrise capital hence sunrise bank is holding company of the Sunrise Capital. Details of transaction with sunrise capital till the end of Ashadh 2078 end is as follows.

PARTICULARS	AMOUNT
Deposit Maintained by Sunrise Capital	876,187,791
Interest Paid to Sunrise Capital	5,352,944
RTS Fee paid to Sunrise Capital	700,000
Dividend Processing Fee to Sunrise Capital	704,670
Electricity Expenses paid by Sunrise Capital	116,519
Water Expenses paid by Sunrise Capital	68,280
House Rent paid by Sunrise Capital	1,980,000
Demat Account Opening Commission by Sunrise Capital	2,160,959

Sunrise bank has deputed 8 staffs at Sunrise Capital, regarding salary and benefits to them salary and benefits is paid as per the decision of Sunrise Capital only. In case of "lower" emoluments than those prevailing in Sunrise Bank as per their positions, the shortfall is made good by the Bank. Similarly, as a staff member of Sunrise Bank, any facility which is not offered by Sunrise Capital e.g., vehicle loan, are provided through the parent company.

Bank has established 100% holding Subsidiaries, Sunrise Securities Limited to carry out work related to Nepal Stock Exchange.

Bank has invested NPR 71,338,500 million in the 823,161 shares of Gurans Life Insurance Ltd. Bank hasn't earned income from such investments and hasn't invested any additional amount during the year.

**24. Any other matter to be mentioned in the Board of Directors report under Companies Act 2063 and other prevalent laws:**

All such related matters have been incorporated in the respective segments of the annual report.

**25. Other details**

Incorporated in the respective segments of the annual report.



## INVESTOR'S RELATIONSHIP

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# DIRECTIVE FROM NEPAL RASTRA BANK

WHILE APPROVING THE DIVIDEND DECLARATION/DISTRIBUTION  
AND FINANCIAL STATEMENTS PUBLICATIONS

Based on the financial statements and other documents submitted by the Bank, the provision of Sub-Section 2 of Section 47 of Bank and Financial Institutions Act 2073 are seen to have been complied; therefore as per Subsection 1 of the said Section, approval has been granted for the proposed 6.65% Bonus Share amounting NPR. 630,948,309.21 and 0.35% cash dividend including Tax amounting NPR. 33,207,805.75 subject to fulfillment of others prevailing legal provisions and approval of the same by the annual general meeting of the Bank. Additionally, consent has been granted for the publication of the financial statements of F.Y. 2020-21 for tabling it for the approval at the Bank's annual general meeting along with the below directives.

1. Arrangements should be made for the full compliance of the observations/exceptions noted by the auditors in their report and for ensuring that such observations/exceptions do not repeat in future.
2. To withhold proposed cash dividend and bonus share of promoters shareholders till compliance of point no 7 of

directive number 10 of Unified Directive 2078 issued by Nepal Rastra Bank is observed regarding holding of promoters shares up to 15% of Paid Up Capital in a Bank and Financial Institutions and up to 1% of paid up capital in other Bank and Financial Institutions.

3. To withhold proposed cash dividend and bonus shares of promoters shareholders till compliance of Section 11(3) of Bank and Financial Institutions Act-2073 is observed regarding taking approval from Nepal Rastra Bank while obtaining loan and advances from other bank and financial institutions by pledging shares owned by promoters holding of promoters shares of more than 2% of Paid Up Capital in a Bank and Financial Institutions.
4. Above directive should be published as a separate page in the annual report of the Bank.

# SHAREHOLDERS ENQUIRIES AND COMMUNICATION

## COMMUNICATION

All the relevant information to shareholders, customers and general public is communicated through print media (national daily) and electronically through Bank's official website [www.sunrisebank.com.np](http://www.sunrisebank.com.np). The detailed information on AGM, including ordinary and special agendas to be discussed at the meeting is published in national daily newspapers at least 21 days before the AGM. Similarly, interim financial highlights are published within the stipulated deadline of 30 days as prescribed by the Nepal Rastra Bank. These statements along with Basel Disclosures as required by regulatory framework are posted in the Bank's official website.

## ENQUIRY

Any enquiries related to the shareholders of Sunrise Bank on the share register viz., maintenance of shareholder's record, share transfer including domestic transfer, replacement of lost share certificates, pledge of shares, dividend warrants/ bonus shares declared and ratified by the AGM, payment against dividend/lost warrant, opening of Demat Account, can be had from its subsidiary company Sunrise Capital Limited Ltd., located at Kamalpokhari, Kathmandu.

## INFORMATION ABOUT ANNUAL GENERAL MEETING

The 14<sup>th</sup> Annual General Meeting (AGM) of the Bank has been scheduled to convene on 30-Dec-2021 at 10:30 hours at Amarpalil Banquet, Balwatar, Kathmandu, Nepal to discuss and approve various agendas including the financials and 6.65% Bonus Share and 0.35% cash dividend including tax to shareholders.

## TAXATION ON DIVIDENDS AND SHARES CASH AND BONUS DIVIDENDS

The tax on dividend received by the shareholders is subject to withholding tax at the rate of 5% pursuant to Section 88(2) of the Income Tax Act 2002. The tax is final withholding tax as per Section 92(1) (a) of the Act and need not require further assessment while filing annual tax return under

Section 96. However, the dividend distributed by the Bank from the dividend earned from the resident company is not subject to tax at the time of its distribution as per Section 54(3). Capitalization of profits is deemed as distribution under Section 53(1) (b) of the Act and hence, issuance of bonus shares by the Bank from the profits earned (excluding dividend received) is subject to withholding tax at the rate of 5% under Section 88(2.)

## CAPITAL GAINS ON DISPOSAL OF SHARES

Pursuant to clause (a) of Section 95A (2) of the Income Tax Act, 2002 (amended by Finance Ordinance 2019), the gain on disposal of shares listed in the Securities Board of Nepal computed as per Section 37 of the Act is subject to withholding tax at the rate of 5%, if the beneficiary of the gain is resident natural person and at the rate of 10%, in case the beneficiary of the gain is resident entity and 25% to other than resident natural person and resident entity. Shares of Sunrise Bank are listed both in the Securities Board of Nepal and Nepal Stock Exchange Ltd. for the purpose of public trading and therefore the gain on disposal of Bank's shares is subject to withholding tax in accordance to clause (a) of Section 95A (2). Gain or loss arising from disposal of shares under Section 37 of the Act shall be the amount that is determined by reducing the amount incurred while acquiring the shares with the amount that is received at the time of its disposal. The amount of disposal in case the Sunrise Bank's shares are sold through stock exchange shall be the net amount received from the buyer less brokerage and other costs incurred during the transaction. The costs incurred for the shares by the way of an acquisition through stock exchange shall be the amount paid to the beneficiary plus all costs attributable to the acquisition. Further, the costs incurred for the shares by the way of transfer from the deceased person shall be the market value prevailing immediately before the death of the transferor. The tax being withheld on the gains arising from disposal of shares is an advance tax and the tax credit is available at the time of filing annual tax returns.

# VALUE ADDED STATEMENT

## Economic Value Added by the Bank

Economic Value Added (EVA) measures the Bank's financial performance based on the residual wealth calculated by deducting cost of capital from its operating profit. During review year, the Bank has generated economic value of NPR 117.28 million. The Bank has assumed cost of capital (Economic Costs) of 9 percent that is the Bank rate 6 percent plus 3 percent risk premium.

NPR in Million

PARTICULAR	15-JUL-21	15-JUL-20
A. Shareholder Fund	14,769.71	13,393.79
B. Net Profit	1,446.55	1,359.48
Return on Shareholder Fund	9.79%	10.15%
C. Cost of Equity	9%	10%
D. Economic Cost (A*C)	1,329.27	1,339.38
E. Economic Value Added (B-D)	117.28	20.10

## Market Value Added by the Bank

Market Value Added (MVA) measures the difference between the market value of the Bank and the capital contributed by shareholders. During review year, the Bank has generated market value of NPR 19,671 million.

PARTICULAR	15-JUL-21	15-JUL-20
A. No of Shares	94,879,445	89,678,114
B. Market Price of Share	363	234
C. Total Market Capitalization (A*B)	34,441,238,533	20,984,678,676
D. Shareholders Fund	14,769,711,046	13,393,788,574
E. Market value Added (C-D)	19,671,527,487	7,590,890,102

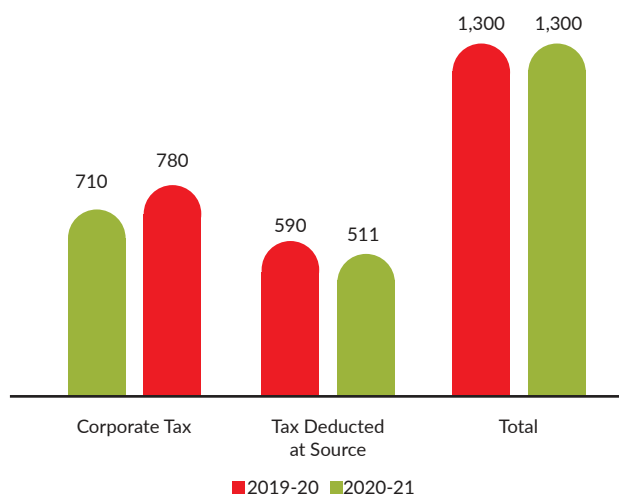


## STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

The government is considered as one of the most important stakeholders that plays a critical role in the economic development of the country. Contribution to the government in any form is extremely essential to build the nation. Being a responsible corporate citizen, the Bank has ensured its noteworthy contribution in national goals like raising living standard of deprived sector, supporting in employment creation, increasing tax/revenue collection, promoting cashless economy, and enhancing financial access. Being a legitimate and ethical corporate citizen, Sunrise Bank Limited contributes to the government exchequer when the necessary amounts fall due.

The Bank has paid NPR 1,291.46 million as various taxes to Government of Nepal, which includes NPR 780 million as corporate tax, NPR 344.17 million as interest tax on deposits, NPR 111.74 million as employee income tax, NPR 20.94 million as house rent tax and 34.60 million in others. The Bank also pays reverse VAT on procurements of goods and services from outside the nation.

### Contribution to Government Exchequer (NPR in Million)



## Disclosure related to sub rule (2) of rule 26 of Securities Registration and Issuance Regulation, 2073

### 1. Report of Board of Directors:

Included in the Annual Report under respective heading.

### 2. Auditor's Report:

Included in the Annual Report under respective heading.

### 3. Audited Financial Statements:

Included in the Annual Report under respective heading.

### 4. Details relating to Legal Actions:

#### a. Lawsuits filed by/against the Bank during the review period.

No law suits except business cases related to loans and loan recovery.

#### b. Lawsuits filed by/against the promoters/ directors involving charge of regulatory violations or criminal offenses

No such cases filed.

#### c. Cases filed against any promoters/directors for financial fraud.

No such Information has been received.

### 5. Analysis of share transaction and progress of Organized Institution:

#### a. Management view on share transactions of the Bank on Nepal Stock Exchange

As the share price determination and share transaction are carried through open market operations at Nepal Stock Exchange under the supervision of Securities Board of Nepal, the management is neutral on the matter.

b. Maximum, minimum and closing share price of organized institution including total transacted number of shares and transacted days during the year

The details in reference to the website of Nepal Stock Exchange are given in table below:

PARTICULAR	FIRST QTR	SECOND QTR	THIRD QTR	FOURTH QTR
Maximum Price (NPR)	276	290	367	406
Minimum Price (NPR)	223	235	266	291
Final Price (NPR)	241	270	326	363
No of Transactions	2,232,105	4,911,645	8,426,263	11,101,420
Total Trading Days	64	58	59	65

### 6. Problems and Challenges

Increasing competition among banks, increasing inflation rate or decreasing area of investment, lack of financial sources due to unequal growth of loans and deposit, ups and downs in valuation of property due to abnormal growth in prices of fixed assets are major challenges faced but with the help of internal control mechanism, better strategies, diversified business, better service standards, employees' ability enhancement, we are able to cope up with the controllable problems and challenges.

### 7. Corporate Governance:

The Bank has adopted strong policies for maintaining corporate governance. In regards to corporate governance, bank is fully compliant with the directions of Nepal Rastra Bank, Banks and Financial Institution Act 2073 and Securities Exchange Act 2063 and is committed to comply in the days to come.

## 8. Statement of difference between prospectus and audited financial statement by 20% or more

### Statement of Financial Position

Figure in "000"

PARTICULAR	PROJECTED 2020-21	AUDITED 2020-21	DIFF AMOUNT	DIFF %	REASON FOR DIFFERENCE IN MORE THAN 20%
<b>Assets</b>					
Cash and Cash Equivalents	7,075,000	4,145,729	(2,929,271)	-41.40%	Normal Banking Transaction
Due from Nepal Rastra Bank	5,227,500	2,980,810	(2,246,690)	-42.98%	Normal Banking Transaction
Placement with Bank and Financial Institutions	3,322,370	4,646,440	1,324,070	39.85%	Normal Banking Transaction
Derivative Financial Instruments	93,860	-	(93,860)	-100.00%	Normal Banking Transaction
Other Trading Assets	-	-	-	-	
Loans and Advances to BFIs	2,250,099	1,906,577	(343,522)	-15.27%	
Loans and Advances to Customers	99,749,901	100,490,657	740,756	0.74%	
Investment Securities	18,582,393	20,860,092	2,277,699	12.26%	
Current Tax Assets	77,349	262,556	185,207	239.44%	Normal Banking Transaction
Investment in Subsidiaries	157,142	261,308	104,166	66.29%	Normal Banking Transaction
Investment in Associates	-	-	-	-	
Investment Property	398,180	404,140	5,960	1.50%	
Property and Equipment	2,207,669	1,026,707	(1,180,962)	-53.49%	Normal Banking Transaction
Goodwill and Intangible Assets	164,554	25,928	(138,626)	-84.24%	Normal Banking Transaction
Deferred Tax Assets	3,913	-	(3,913)	-100.00%	Normal Banking Transaction
Other Assets	6,729,583	752,474	(5,977,109)	-88.82%	Normal Banking Transaction
<b>Total Assets</b>	<b>146,039,514</b>	<b>137,763,418</b>	<b>(8,276,096)</b>	<b>-5.67%</b>	
<b>Liabilities</b>					
Due to Bank and Financial Institutions	4,862,000	6,286,477	1,424,477	29.30%	Normal Banking Transaction
Due to Nepal Rastra Bank	839,809	2,995,978	2,156,169	256.75%	Normal Banking Transaction
Derivative Financial Instruments	-	10,470	10,470		
Deposits from Customers	118,138,000	106,432,371	(11,705,629)	-9.91%	
Borrowings	-	1,192,500	1,192,500		
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred Tax Liabilities	-	220,379	220,379		
Other Liabilities	1,497,833	1,867,166	369,333	24.66%	Normal Banking Transaction
Debt Securities Issued	4,000,000	3,988,367	(11,633)	-0.29%	
Subordinated Liabilities	-	-	-	-	
<b>Total Liabilities</b>	<b>129,337,642</b>	<b>122,993,707</b>	<b>(6,343,935)</b>	<b>-4.90%</b>	
<b>Equity</b>					
Share Capital	8,152,556	9,487,944	1,335,388	16.38%	
Share Premium	127,161	-	(127,161)	-100.00%	
Retained Earnings	3,461,772	668,862	(2,792,910)	-80.68%	Normal Banking Transaction
Reserves	4,960,384	4,612,904	(347,480)	-7.01%	
<b>Total Equity Attributable to Equity Holders</b>	<b>16,701,873</b>	<b>14,769,711</b>	<b>(1,932,162)</b>	<b>-11.57%</b>	
<b>Total Liabilities and Equity</b>	<b>146,039,514</b>	<b>137,763,418</b>	<b>(8,276,096)</b>	<b>-5.67%</b>	

## Statement of Profit and Loss

Figure in "000"

PARTICULAR	PROJECTED 2020-21	AUDITED 2020-21	DIFF AMOUNT	DIFF %	REASON FOR DIFFERENCE IN MORE THAN 20%
Interest Income	12,693,516	8,960,716	(3,732,800)	-29.41%	Interest Spread Decreased to 4.40% by Central Bank
Interest Expense	8,295,944	5,436,641	(2,859,303)	-34.47%	Interest Spread Decreased to 4.40% by Central Bank
<b>Net Interest Income</b>	<b>4,397,572</b>	<b>3,524,075</b>	<b>(873,497)</b>	<b>-19.86%</b>	<b>All Of The Above</b>
Fee and Commission Income	1,478,323	1,143,794	(334,529)	-22.63%	Decrease of Processing Fee
Fee and Commission Expense	187,566	178,624	(8,942)	-4.77%	Normal Banking Transaction
<b>Net Fee and Commission Income</b>	<b>1,290,757</b>	<b>965,170</b>	<b>(325,587)</b>	<b>-25.22%</b>	<b>All Of The Above</b>
<b>Net Interest, Fee and Commission Income</b>	<b>5,688,329</b>	<b>4,489,245</b>	<b>(1,199,084)</b>	<b>-21.08%</b>	<b>All Of The Above</b>
Net Trading Income	354,000	242,208	(111,792)	-31.58%	Normal Banking Transaction
Other Operating Income	96,912	194,476	97,564	100.67%	Normal Banking Transaction
<b>Total Operating Income</b>	<b>6,139,241</b>	<b>4,925,930</b>	<b>(1,213,311)</b>	<b>-19.76%</b>	<b>All Of The Above</b>
Impairment Charge/ (Reversal) for Loans and Other Losses	150,000	254,683	104,683	69.79%	Revision of LLP Rate from 1% to 1.3% on Pass Loan
<b>Net Operating Income</b>	<b>5,989,241</b>	<b>4,671,246</b>	<b>(1,317,995)</b>	<b>-22.01%</b>	<b>All Of The Above</b>
<b>Operating Expense</b>					
Personnel Expenses	1,679,503	1,518,136	(161,367)	-9.61%	
Other Operating Expenses	875,069	689,329	(185,740)	-21.23%	Normal Banking Transaction
Depreciation & Amortisation	195,575	186,065	(9,510)	-4.86%	
<b>Operating Profit</b>	<b>3,239,094</b>	<b>2,277,717</b>	<b>(961,377)</b>	<b>-29.68%</b>	<b>All Of The Above</b>
Non Operating Income	52,340	45,828	(6,512)	-12.44%	
Non Operating Expense	-	65,761	65,761		
<b>Profit Before Income Tax</b>	<b>3,291,434</b>	<b>2,257,784</b>	<b>(1,033,650)</b>	<b>-31.40%</b>	<b>All Of The Above</b>
<b>Income Tax Expense</b>	<b>987,430</b>	<b>811,234</b>	<b>(176,196)</b>	<b>-17.84%</b>	<b>All Of The Above</b>
Current Tax	987,430	750,248	(237,182)	-24.02%	Normal Banking Transaction
Deferred Tax		60,986	60,986		
<b>Profit for the Period</b>	<b>2,304,004</b>	<b>1,446,550</b>	<b>(857,454)</b>	<b>-37.22%</b>	<b>All Of The Above</b>

### 9.Details of special events or circumstances

#### a. Amendment in the bylaws of the organized institution

Necessary change has been made in line with Company Act, 2063 and Bank and Financial Act, 2073 to attain objective of the Bank and composition of the Board of Directors.

#### b. Changes in BOD/senior management of the organized institution

##### i. Resignation from the Board

NAME	DATE OF RESIGNATION
Mr. Om Krishna Joshi	06 August 2020

##### i. New appointment in the senior management of the organized institution

- Name: Mr. Suman Sharma  
Date of Appointment: 10 February 2021
- Ms. Aarti Laxmi Rana working as a Position Deputy General Manager Promoted to Deputy Chief Executive Officer.

##### ii. Resignation in the senior management of the organized institution

NAME	DATE OF RESIGNATION
Mr. Janak Sharma Poudyal	09 February 2021

#### c. Declaration of dividend and change in share composition

Board of Directors has proposed 6.65% bonus shares amounting NPR 630,948,309.21 and 0.35% cash dividend (including tax) amounting NPR 33,207,805.75 for the FY 2020-21.

# BANK'S PERFORMANCE

Horizontal and Vertical Analysis



## Horizontal Analysis

### Statement of Financial Position

NPR In Million

PARTICULARS	15/JUL/21	%	15/JUL/20	%	16/JUL/19
<b>Assets</b>					
Cash and Cash Equivalents	4,146	(48)	8,012	26	6,357
Due from Nepal Rastra Bank	2,981	(62)	7,806	141	3,241
Placement with Bank and Financial Institutions	4,646	285	1,206	3	1,165
Derivative Financial Instruments	-	(100)	68	(28)	94
Other Trading Assets	-	-	-	-	-
Loans and Advances to BFIs	1,907	(20)	2,395	108	1,150
Loans and Advances to Customers	100,491	24	81,019	18	68,866
Investment Securities	20,860	59	13,113	12	11,724
Current Tax Assets	263	27	207	143	85
Investment in Subsidiaries	261	66	157	-	157
Investment in Associates	-	-	-	-	-
Investment Property	404	(7)	433	9	398
Property and Equipment	1,027	(4)	1,065	16	919
Goodwill and Intangible Assets	26	(46)	48	(30)	68
Deferred Tax Assets	-	-	-	(100)	3
Other Assets	752	(2)	770	101	384
<b>Total Assets</b>	<b>137,763</b>	<b>18</b>	<b>116,299</b>	<b>23</b>	<b>94,611</b>

PARTICULARS	15/JUL/21	%	16/JUL/19	%	15/JUL/17
<b>Liabilities</b>					
Due to Bank and Financial Institutions	6,286	21	5,192	36	3,809
Due to Nepal Rastra Bank	2,996	303	743	(11)	840
Derivative Financial Instruments	10	-	-	-	-
Deposits from Customers	106,432	18	90,223	20	75,432
Borrowings	1,193	(1)	1,203	-	-
Current Tax Liabilities	-	-	-	-	-
Provisions	-	-	-	-	-
Deferred Tax Liabilities	220	134	94	-	-
Other Liabilities	1,867	28	1,463	16	1,263
Debt Securities Issued	3,988	0	3,987	300	996
Subordinated Liabilities	-	-	-	-	-
<b>Total Liabilities</b>	<b>122,994</b>	<b>20</b>	<b>102,905</b>	<b>25</b>	<b>82,341</b>
<b>Equity</b>					
Share Capital	9,488	6	8,968	10	8,153
Share Premium	-	-	-	(100)	127
Retained Earnings	669	(10)	744	(37)	1,175
Reserves	4,613	25	3,682	31	2,815
<b>Total Equity Attributable to Equity Holders</b>	<b>14,770</b>	<b>10</b>	<b>13,394</b>	<b>9</b>	<b>12,270</b>
<b>Total Liabilities and Equity</b>	<b>137,763</b>	<b>18</b>	<b>116,299</b>	<b>23</b>	<b>94,611</b>



## Statement of Profit and Loss

NPR In Million

PARTICULARS	FY 2020/21	%	FY 2019/20	%	FY 2018/19
Interest Income	8,961	(11)	10,021	9	9,206
Interest Expense	5,437	(12)	6,162	10	5,621
<b>Net Interest Income</b>	<b>3,524</b>	<b>(9)</b>	<b>3,859</b>	<b>8</b>	<b>3,585</b>
Fee and Commission Income	1,144	16	990	27	782
Fee and Commission Expense	179	38	130	8	120
<b>Net Fee and Commission Income</b>	<b>965</b>	<b>12</b>	<b>860</b>	<b>30</b>	<b>662</b>
<b>Net Interest, Fee and Commission Income</b>	<b>4,489</b>	<b>(5)</b>	<b>4,720</b>	<b>11</b>	<b>4,247</b>
Net Trading Income	242	9	223	(16)	265
Other Operating Income	194	164	74	14	65
Total Operating Income	4,926	(2)	5,016	10	4,576
Impairment Charge/ (Reversal) for Lossess	255	(70)	850	721	104
<b>Net Operating Income</b>	<b>4,671</b>	<b>12</b>	<b>4,166</b>	<b>(7)</b>	<b>4,473</b>
<b>Operating Expense</b>					
Personnel Expenses	1,518	12	1,359	18	1,150
Other Operating Expenses	689	1	685	9	630
Depreciation & Amortisation	186	4	179	27	141
<b>Operating Profit</b>	<b>2,278</b>	<b>17</b>	<b>1,943</b>	<b>(24)</b>	<b>2,551</b>
Non Operating Income	46	1,036	4	243	1
Non Operating Expense	66	-	-	(100)	46
<b>Profit Before Income Tax</b>	<b>2,258</b>	<b>16</b>	<b>1,947</b>	<b>(22)</b>	<b>2,506</b>
Income Tax Expense	811	38	587	(27)	800
Profit for the Period	1,447	6	1,359	(20)	1,706

## Vertical Analysis

### Statement of Financial Position

NPR In Million

PARTICULARS	15/JUL/21	%	15/JUL/20	%	16/JUL/19	%
<b>Assets</b>						
Cash and Cash Equivalents	4,146	3	8,012	7	6,357	7
Due from Nepal Rastra Bank	2,981	2	7,806	7	3,241	3
Placement with Bank and Financial Institutions	4,646	3	1,206	1	1,165	1
Derivative Financial Instruments	-	-	68	0.1	94	0.1
Other Trading Assets	-	-	-	-	-	-
Loans and Advances to BFIs	1,907	1	2,395	2	1,150	1
Loans and Advances to Customers	100,491	73	81,019	70	68,866	73
Investment Securities	20,860	15	13,113	11	11,724	12
Current Tax Assets	263	0.2	207	0.2	85	0.1
Investment in Subsidiaries	261	0.2	157	0.1	157	0.2
Investment in Associates	-	-	-	-	-	-
Investment Property	404	0.3	433	0.4	398	0.4
Property and Equipment	1,027	1	1,065	1	919	1
Goodwill and Intangible Assets	26	0.0	48	0.0	68	0.1
Deferred Tax Assets	-	-	-	-	3	0.0
Other Assets	752	0.5	770	0.7	384	0.4
<b>Total Assets</b>	<b>137,763</b>	<b>100</b>	<b>116,299</b>	<b>100</b>	<b>94,611</b>	<b>100</b>

PARTICULARS	15/JUL/21	%	15/JUL/20	%	16/JUL/19	%
<b>Liabilities</b>						
Due to Bank and Financial Institutions	6,286	5	5,192	4	3,809	4
Due to Nepal Rastra Bank	2,996	2	743	1	840	1
Derivative Financial Instruments	10	0.1	-	-	-	-
Deposits from Customers	106,432	77	90,223	78	75,432	80
Borrowings	1,193	1	1,203	1	-	-
Current Tax Liabilities	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Deferred Tax Liabilities	220	0	94	0.1	-	0.1
Other Liabilities	1,867	1	1,463	1	1,263	1
Debt Securities Issued	3,988	3	3,987	3	996	1
Subordinated Liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>122,994</b>	<b>89</b>	<b>102,905</b>	<b>88</b>	<b>82,341</b>	<b>87</b>
<b>Equity</b>						
Share Capital	9,488	7	8,968	8	8,153	9
Share Premium	-	-	-	-	127	0
Retained Earnings	669	0	744	1	1,175	1
Reserves	4,613	3	3,682	3	2,815	3
<b>Total Equity Attributable to Equity Holders</b>	<b>14,770</b>	<b>11</b>	<b>13,394</b>	<b>12</b>	<b>12,270</b>	<b>13</b>
<b>Total Liabilities and Equity</b>	<b>137,763</b>	<b>100</b>	<b>116,299</b>	<b>100</b>	<b>94,611</b>	<b>100</b>

## Statement of Profit and Loss

NPR In Million

PARTICULARS	FY 2020/21	%	FY 2019/20	%	FY 2018/19	%
Interest Income	8,961	85%	10,021	89%	9,206	89%
Interest Expense	5,437	51%	6,162	54%	5,621	54%
<b>Net Interest Income</b>	<b>3,524</b>	<b>33%</b>	<b>3,859</b>	<b>34%</b>	<b>3,585</b>	<b>35%</b>
Fee and Commission Income	1,144	11%	990	9%	782	8%
Fee and Commission Expense	179	2%	130	1%	120	1%
<b>Net Fee and Commission Income</b>	<b>965</b>	<b>9%</b>	<b>860</b>	<b>8%</b>	<b>662</b>	<b>6%</b>
<b>Net Interest, Fee and Commission Income</b>	<b>4,489</b>	<b>42%</b>	<b>4,720</b>	<b>42%</b>	<b>4,247</b>	<b>41%</b>
Net Trading Income	242	2%	223	2%	265	3%
Other Operating Income	194	2%	74	1%	65	1%
Total Operating Income	4,926	47%	5,016	44%	4,576	44%
Impairment Charge/ (Reversal) for Losses	255	2%	850	8%	104	1%
<b>Net Operating Income</b>	<b>4,671</b>	<b>44%</b>	<b>4,166</b>	<b>37%</b>	<b>4,473</b>	<b>43%</b>
<b>Operating Expense</b>						
Personnel Expenses	1,518	14%	1,359	12%	1,150	11%
Other Operating Expenses	689	7%	685	6%	630	6%
Depreciation & Amortisation	186	2%	179	2%	141	1%
<b>Operating Profit</b>	<b>2,278</b>	<b>22%</b>	<b>1,943</b>	<b>17%</b>	<b>2,551</b>	<b>25%</b>
Non Operating Income	46	0%	4	0%	1	0%
Non Operating Expense	66	1%	-	0%	46	0%
<b>Profit Before Income Tax</b>	<b>2,258</b>	<b>21%</b>	<b>1,947</b>	<b>17%</b>	<b>2,506</b>	<b>24%</b>
Income Tax Expense	811	8%	587	5%	800	8%
<b>Profit for the Period</b>	<b>1,447</b>	<b>14%</b>	<b>1,359</b>	<b>12%</b>	<b>1,706</b>	<b>17%</b>

## SUBSIDIARY OF



सन्राइज बैंक लिमिटेड  
**SUNRISE BANK LIMITED**  
— RISING TO SERVE —

हामी  
संग-संगै

**SUNRISE BANK LIMITED**

**100%**



सन्राइज क्यापिटल लिमिटेड  
**SUNRISE CAPITAL LTD.**  
Subsidiary of SUNRISE BANK LIMITED

**SUNRISE CAPITAL LIMITED**



**Independent Auditors Report to the stakeholders of “Sunrise Capital Limited” on the Audit of the Financial Statements.**

**Opinion**

We have audited the financial statements of Sunrise Capital Limited, which comprise the statement of financial position as at 31st Ashad, 2078, and the statement of Profit or Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st Ashad, 2078 and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that, there are no other key audit matters to communicate in our report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to






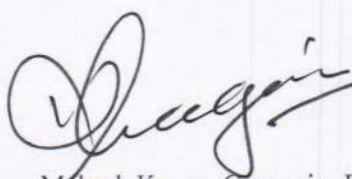
liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process. Auditor's Responsibilities for the Audit of the Financial Statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Further report on Other Legal and Regulatory Requirements

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

The Statement of Financial Position, the Statement of Profit or Loss and other Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and attached notes to account dealt with by this report are prepared in accordance with Nepal Financial Reporting Standard (NFRS), Securities Act 2063 & other related regulation and are in agreement with the books of account maintained by the Company.

- a) We have audited all information and explanations; we have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our explanations.
- b) In our opinion, proper books of account as required by the Companies Act have been kept by the Company to state the fair presentation of its transactions.
- c) Balance Sheet, Income Statement and Cash Flow Statement provided to us have been prepared in accordance with Nepal Accounting Standards and these statements are in agreement with the books of accounts maintained by the Company.
- d) In our Opinion, the business of the Company has been conducted satisfactorily and within its authority.



Mahesh Kumar Guragain, FCA.  
Senior Partner  
ICAN UDIN: 210930CA00125GPJ19

30<sup>th</sup> September 2021  
Kathmandu, Nepal



## Sunrise Capital Limited

### STATEMENT OF FINANCIAL POSITION

As at 31 Ashad 2078

PARTICULARS	NOTE	AS AT 31 ASHAD 2078	AS AT 31 ASHAD 2077
<b>Non- Current Assets</b>			
Property, Plant and Equipment	9	2,330,058	2,589,716
Intangible Assets	10	619,240	885,920
Investments- Held for Trading	12.1	31,119,342	68,239,062
Investments- Held to Maturity	12.2	285,000,000	190,000,000
Staff Loan			
<b>Total Non-Current Assets</b>		<b>319,068,640</b>	<b>261,714,698</b>
<b>Current Assets</b>			
Trade Receivables, Advances and Deposits	13.1	23,262,179	14,925,335
Current Tax Assets	5.2	6,679,830	917,983
Deferred Tax Assets	5.3	4,130,168	4,752,513
Cash and cash equivalents	13.2	955,138,571	493,076,075
<b>Total Current Assets</b>		<b>989,210,748</b>	<b>513,671,905</b>
<b>Total Assets</b>		<b>1,308,279,388</b>	<b>775,386,605</b>
<b>Shareholder's Equity</b>			
Paid in Capital	6	200,000,000	200,000,000
Retained Earnings	7	102,292,442	55,945,550
<b>Total Shareholder's equity</b>		<b>302,292,442</b>	<b>255,945,550</b>
<b>Non-current Liabilities</b>			
Deferred tax liability	5.3		
Employee benefits	14	9,775,420	8,093,868
<b>Total Non-current Liabilities</b>		<b>9,775,420</b>	<b>8,093,868</b>
<b>Current Liabilities</b>			
Trade and Other Payables	8.1	983,160,990	507,187,263
Other Current Liabilities	8.2	13,050,537	4,159,923
Provisions			
<b>Total Current Liabilities</b>		<b>996,211,527</b>	<b>511,347,186</b>
<b>Total shareholder's equity and liabilities</b>		<b>1,308,279,388</b>	<b>775,386,605</b>

The accounting policies, notes and reconciliation / restatement of financial statement form an integral part of the Financial Statements.

As per our report on even date

Chief Operating Officer  
Bijendra N. Pradhan

Chief Executive Officer  
Bijaya Lal Shrestha

CA Mahesh K. Guragain  
MGS & Associates

Director  
Satish Kumar Karn

Director  
Prof. Dr. Puspa Raj Sharma

Director  
Ishwar Kumar Pathak

Director  
Sarbendra Mishra

Chairman  
Apachh Kumar Yadav

## Sunrise Capital Limited

### STATEMENT OF PROFIT OR LOSS

For the Period From First of Shrawan 2077 to 31 Ashad 2078

PARTICULARS	NOTES	FISCAL YEAR 2077/78	FISCAL YEAR 2076/77
<b>Revenue</b>			
Revenue from operation	3.1	100,162,341	32,498,787
Other Income	3.2	28,521,183	34,745,662
Net changes in gain / (losses) on financial assets and liabilities at FVTPL	12.3	36,986,193	(433,047)
<b>Total Revenue</b>		<b>165,669,717</b>	<b>66,811,402</b>
<b>Expenses</b>			
Personnel Expenses	14	(31,700,245)	(23,307,012)
General and Administrative Expenses	4	(18,971,566)	(9,760,314)
Depreciation and Amortization	9,10	(1,370,759)	(1,561,405)
<b>Total Expenses</b>		<b>(52,042,570)</b>	<b>(34,628,731)</b>
<b>Profit Before Tax From Continuing Operation</b>		<b>113,627,147</b>	<b>32,182,671</b>
<b>Income Tax Expenses</b>			
Current Tax	5.1	(36,535,810)	(12,030,013)
Tax of previous year	5.1	(22,100)	(156,459)
Deferred Tax	5.3	(622,345)	7,236,722
<b>Profit For the Year</b>		<b>76,446,892</b>	<b>27,232,922</b>
<b>Earning Per Share</b>			
Basic Earning Per Share	15	38.22	13.62
Dilluted Earning Per Share	15	38.22	13.62

The accounting policies, notes and reconciliation / restatement of financial statement form an integral part of the Financial Statements.

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Chairman  
Apachh Kumar Yadav

## Sunrise Capital Limited

### STATEMENT OF PROFIT OR LOSS

For the Period From First of Shrawan 2077 to 31 Ashad 2078

PARTICULARS	FISCAL YEAR 2077/78	FISCAL YEAR 2076/77
<b>Profit for the year</b>	<b>76,446,892</b>	<b>27,232,922</b>
Gains /(losses) on re-measuring available for sale financial assets		
Gain/(loss) on Actuarial valuation of defined benefit liability		
Total other comprehensive income /(loss)	-	-
Income tax income /(expense) relating to components of other comprehensive income	-	-
<b>Other comprehensive income for the year, net of tax</b>		-
<b>Total comprehensive income for the year, net of tax</b>	<b>76,446,892</b>	<b>27,232,922</b>

The accounting policies, notes and reconciliation / restatement of financial statement form an integral part of the Financial Statements.

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## Sunrise Capital Limited

### STATEMENT OF CHANGES IN EQUITY

For the Period From First of Shrawan 2077 to 31 Ashad 2078

PARTICULAR	SHARE CAPITAL	RETAINED EARNINGS	GENERAL RESERVE	AVAILABLE FOR SALE	OTHER RESERVES (SHARE PREMIUM)	CSR RESERVE	TOTAL SHAREHOLDERS' FUNDS
Balance as at 15 July 2020	200,000,000	52,949,928	2,723,292	-	-	172,329	255,945,550
<b>Adjustments</b>							
Issue of Share Capital				-	-		-
Dividend Declared & Paid		(30,000,000)		-	-		(30,000,000)
<b>Net profit for the year</b>		<b>76,446,892</b>		-	-		<b>76,446,892</b>
<b>Transfer to General Reserve</b>		<b>(7,644,689)</b>	<b>7,644,689</b>				-
<b>CSR Fund Allocation</b>		<b>(764,469)</b>				<b>764,469</b>	
<b>Balance as at 15 July 2021</b>	<b>200,000,000</b>	<b>90,987,663</b>	<b>10,367,981</b>	<b>-</b>	<b>-</b>	<b>936,798</b>	<b>302,392,442</b>

The accounting policies, notes and reconciliation / restatement of financial statement form an integral part of the Financial Statements.

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Director  
Sarabendra Mishra

Chairman  
Apachh Kumar Yadav

## Sunrise Capital Limited

### STATEMENT OF CASH FLOWS

For the Period From First of Shrawan 2077 to 31 Ashad 2078

PARTICULARS	FISCAL YEAR 2077/78	FISCAL YEAR 2076/77
<b>Operating Activities</b>		
<b>(a) Cash Flow from Operating Activities</b>		
<b>1. Cash Received from Income</b>	<b>103,568,170</b>	<b>49,240,769</b>
1.1 Income from Merchant Banking Operation	71,115,340	20,025,354
1.2 Income from Mutual Fund Operation	28,201,113	12,382,876
1.3 Other Income	4,251,716	16,832,538
<b>2. Cash Payment</b>	<b>(82,260,630)</b>	<b>(44,814,198)</b>
2.1 Personnel Expenses	(20,969,308)	(24,216,292)
2.2 General and Administrative Expenses	(18,971,566)	(9,760,314)
2.3 Interest Expenses	-	-
2.4 Income Tax Paid	(42,319,757)	(10,837,591)
<b>Cash Flow before changes in Working Capital</b>	<b>21,307,540</b>	<b>4,426,571</b>
<b>(Increase)/Decrease in Current Assets</b>	<b>(8,336,844)</b>	<b>13,260,092</b>
2. (Increase)/Decrease in Other Financial Assets	(8,372,271)	13,231,927
3. (Increase)/Decrease in Other Assets	35,427	28,165
<b>(Increase)/Decrease in Current Liabilities</b>	<b>475,714,955</b>	<b>192,599,288</b>
1. (Increase)/Decrease in Trade and Other Payable	474,878,145	201,004,140
2. (Increase)/Decrease in Other Current Liabilities	836,810	(8,404,852)
<b>(b) Cash Flow from Investment Activities</b>	<b>3,376,846</b>	<b>(25,448,266)</b>
1. (Increase)/Decrease in HTM Investment	(95,000,000)	(60,000,000)
2. (Increase)/Decrease in HFT Investment	36,453,563	14,172,229
3. Realized gain/(loss) on financial investment	37,652,350	4,015,265
3. Interest on investments	25,115,354	18,003,681
4. Addition of Fixed Assets	(844,422)	(1,639,440)
<b>(c) Cash Flow from Financing Activities</b>	<b>(30,000,000)</b>	<b>(40,000,000)</b>
1. Increase/(Decrease) in Share Capital		
2. Share Premium		
3. Payment of Dividend	(30,000,000)	(40,000,000)
<b>(d) Net increase/(decrease) in cash and cash equivalents</b>	<b>462,062,496</b>	<b>144,837,684</b>
<b>(e) Cash and cash equivalents at the beginning of the year</b>	<b>493,076,075</b>	<b>348,238,391</b>
<b>(f) Cash and cash equivalents at the end of the year</b>	<b>955,138,571</b>	<b>493,076,075</b>

The accounting policies, notes and reconciliation / restatement of financial statement form an integral part of the Financial Statements.

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Chairman  
Apachh Kumar Yadav

# REMITTANCE NETWORK (INTERNATIONAL)

Sunrise Bank has extended remittance business throughout Middle East and other Nepalese workers destinations. Remittance department has been continuously seeking and soliciting new avenues for remittance business. Detailed international remittance network is mentioned below :

COUNTRY	PARTNER BANK / REMITTANCE COMPANY
Oman	Al Jadeed Exchange
	Modern Exchange
	Lulu Exchange
Qatar	Habib Qatar International Exchange
	Al Zaman Exchange
	Al Jazeera Exchange
UAE	Al Ahalia Exchange
	Progoti Exchange
	GCC Exchange
	Al Ansari Exchange
	Federal Exchange
Kuwait	Bahrain Exchange Company
Bahrain	Bex Money Bahrain Express Exchange
Israel	WIC Worldcom Finance
Italy / Europe	National Exchange
	Netfox LTD
	NEC Money Transfer
UK / Europe	Small World Financial Services
	IDBI Bank
	Industrial Bank of Korea
South Korea	KB Kookmin Bank
	Hanpass Remittance
	Staremit
USA	Trans Fast Remittance
Japan	Easylink Remittance
Hong Kong /Australia	DollarSmart Global
Malaysia	Max Money
Singapore	INTL FC Stone
Australia	Legal Remit – Lumbini Group
	Royal Remit
	Kantipur Remit

Services offered by Remittance Department in International Corridor:

## Online Remittance which includes:

- Remittance Payment against Identification
- SrBL Account Credit Remittances
- Other Bank Account Credit Remittances

## Partial Banking Facility from Abroad:

- Opening Sunrise Remit Account
- Providing Mobile Banking / Internet Banking Facility
- Solicitation of Fixed Deposits
- SrBL Visa Cards distribution country wise
- Issuance of Account Mandate & Debit Authority
- Solicitation of Loan customers and obtaining required legal documents

## Sunrise Capital Service from Abroad:

- Opening of DMAT Account from Abroad
- Providing DMAT Cheque Book and ASBA Forms (if share issuer is Sunrise Capital).

## Other Functions Abroad:

- Promoting Sunrise Bank and its products in International market targeting Nepalese workers community
- Marketing campaign in various countries for various products of the bank
- Banking awareness programs to educate Nepalese workers to remit funds through banking channel



# REMITTANCE NETWORK (DOMESTIC)

Arrangement with Remittance Companies within Nepal for payment of both International and Domestic Remittances

- IME
- Prabhu Money Transfer
- Himal Remit
- City Express
- Samsara Money Transfer
- Ipay Reliable Remit
- CG Money Transfer
- SDBL Trust Remit
- Sanima Remit
- Garima Remit
- Muktinath Remit
- Kumari Remit

Remittance Department has launched remittance helpdesk counter at Dhangadi bus park targeting to promote Indo Nepal Remittance.



# CORRESPONDENT NETWORK

## Correspondent Network and Correspondent Banking Service

The Bank maintains a full-fledge Correspondent Banking Department under its Treasury and Correspondent Banking Department located in Head Office, Gairidhara, Kathmandu, Nepal. The department is dedicated to provide prompt service to all the units of the bank relating to international payments, inward remittance, letter of credit advising, settlements and all other correspondent banking related issues for smooth functioning of the bank's department and branches. For reliable transfer of funds and prompt service to its customers, we have maintained nostro accounts with 18 banks for different currencies. We also have Relationship Management Application (RMA) arrangement with more than 134 banks that enables communication between

various financial institutions via SWIFT thus helping in free flow of information as and when required.

The Correspondent Banking Department is in constant communication with all our international correspondent banks, SWIFT department, Trade Finance departments, and all the branches. Maintaining such good relationship is the key to providing seamless service as it allows for better responsiveness and flexibility in meeting the needs of clients.

We have a comprehensive network of Correspondent Banks. Our customers can benefit from our international reach, relationship-based approach with high level of expertise, and our wide range of global correspondent banking service. Further, they can remit funds from their account to any of our Correspondent Banks mentioned below.

## STANDARD SETTLEMENT INSTRUCTIONS (SSI) OF SUNRISE BANK LIMITED (SWIFT: SRBLNPKA)

S.NO.	CCY	CORRESPONDENT BANK	COUNTRY	CITY	SWIFT/BIC	ACCOUNT DETAIL
1	AUD	State Bank of India	Australia	Sydney	SBINAU2S	Account Number: 30113024220001
2	CNY	Bank of China	China	Shanghai	BKCHCNBJ500	Account Number: 778410055236
3	CNY	Standard Chartered Bank	China	Shanghai	SCBLCNSX	Account Number: 501511309826
4	EUR	Standard Chartered Bank	Germany	Frankfurt am Main	SCBLDEFF	Account Number: 0500 0064 02, IBAN: DE54 5123 0500 0050 0064 02
5	EUR	ODDO BHF Bank	Germany	Frankfurt am Main	BHFBDEFF	Account Number: 722751, IBAN: DE03 5002 0200 0000 7227 51
6	GBP	Standard Chartered Bank	Great Britain	London	SCBLGB2L	Account Number: 00-01-2525585-01, Sort Code: 609104
7	INR	Axis Bank Ltd	India	Mumbai	AXISINBB004	Account Number: 004010203098811, IFSC Code: UTIB00000004
8	INR	HDFC Bank Ltd	India	Mumbai	HDFCINBB	Account Number: 600390000458, IFSC Code : HDFC0000060
9	INR	Mashreq Bank PSC	India	Mumbai	MSHQINBB	Account Number: 61049045, IFSC Code: MSHQ0000001
10	INR	Standard Chartered Bank	India	Mumbai	SCBLINBB	Account Number: 22205358523, IFSC Code: SCBL0036001
11	INR	Kotak Mahindra Bank	India	Mumbai	KKBKINBB	Account Number: 5812873873 IFSC Code: KKBK0000958
12	INR	IDBI Bank Limited	India	Mumbai	IBKLINBB	Account Number: 0126120000000028 IFSC Code: IBKL0000691
11	INR	IDFC Bank Limited	India	Mumbai	IDFBINBB	Account Number: 10030387511, IFSC : IDFB0040101
13	JPY	Standard Chartered Bank	Japan	Tokyo	SCBLJPJT	Account Number: 02211431110
14	USD	K B Kookmin Bank	South Korea	Seoul	CZNBKRSE	Account Number : 834-8-USD-01-4
15	USD	Habib American Bank	United States	New York	HANYUS33	Account Number: 20729334
16	USD	Industrial Bank of Korea	South Korea	Seoul	IBKOKRSE	Account Number: 719-000101-57-00016
17	USD	MashreqBank PSC	United States	New York	MSHQUS33	Account Number: 70008424
18	USD	Standard Chartered Bank	United States	New York	SCBLUS33	Account Number: 3582-021242-001, FEDWIRE : 026002561

Further, for smooth functioning of our trade finance services such as LC advising and easy exchange of information with the international banks, we have RMA arrangement with various banks mentioned below:

S. NO.	CORRESPONDENT	CORRESPONDENT NAME
1	ADBLNPKA	AGRICULTURAL DEVELOPMENT BANK LTD
2	AGBKBDDH	AGRANI BANK LIMITED
3	ALARBDDH	AL-ARAFAH ISLAMI BANK LTD.
4	ASDBPHMM	ASIAN DEVELOPMENT BANK
5	AXISAEAD	AXIS BANK LIMITED, DIFC BRANCH (REGULATED BY DFSA)
6	AXISINAA	AXIS BANK LIMITED
7	AXISINBB	AXIS BANK LIMITED
8	AXISSGSG	AXIS BANK LIMITED
9	BHFBDEFF	ODDO BHF AKTIENGESELLSCHAFT
10	BHUBBTBT	BANK OF BHUTAN LIMITED
11	BJAZSAJE	BANK AL-JAZIRA
12	BKCHCNBJ	BANK OF CHINA
13	BKIDINBB	BANK OF INDIA
14	BNBTBTBT	BHUTAN NATIONAL BANK LTD
15	BOJSCNBN	BANK OF JIANGSU CO LTD
16	BOKLNPKA	BANK OF KATHMANDU LIMITED
17	BOMLAEAD	MASHREQBANK PSC.
18	BOMLBHBM	MASHREQBANK PSC.
19	BRAKBDDH	BRAC BANK LIMITED
20	BSABESBB	BANCO DE SABADELL, S.A.
21	BSFRSARI	BANQUE SAUDI FRANSI
22	BSONBDDH	SONALI BANK LIMITED
23	CCBNNPKA	CENTURY COMMERCIAL BANK LIMITED
24	CCEYBDDH	COMMERCIAL BANK OF CEYLON PLC
25	CHASGB2L	JPMORGAN CHASE BANK, N.A.
26	CIVLNPKA	CIVIL BANK LIMITED
27	CLBIAEAD	COMMERCIAL BANK INTERNATIONAL
28	COBAAEAD	COMMERZBANK AG DUBAI BRANCH
29	COBACNBJ	COMMERZBANK AG BEIJING BRANCH
30	COBACNSX	COMMERZBANK AG
31	COBADEFF	COMMERZBANK AG
32	COBADEHH	COMMERZBANK AG
33	COBAGB2X	COMMERZBANK AG
34	COBAHKHX	COMMERZBANK AG
35	COBASGSX	COMMERZBANK AG, SINGAPORE BRANCH
36	CTZNNPKA	CITIZENS BANK INTERNATIONAL LIMITED
37	CZNBKRSE	KOOKMIN BANK
38	DABADKKK	DANSKE BANK A/S
39	DABAFIHH	DANSKE BANK A/S, FINLAND BRANCH
40	DBSSAU2S	DBS BANK LTD., AUSTRALIA BRANCH
41	DBSSCNSH	DBS BANK (CHINA) LIMITED
42	DBSSHKHH	DBS BANK LTD, HONG KONG BRANCH (INCORPORATED IN SINGAPORE WITH LIMITED LIABILITY)
43	DBSSSGSG	DBS BANK LTD
44	DBSSTWTP	DBS BANK (TAIWAN) LTD

S. NO.	CORRESPONDENT	CORRESPONDENT NAME
45	DHBKHKHH	DBS BANK (HONG KONG) LIMITED
46	DOHBINBB	DOHA BANK Q.S.C MUMBAI BRANCH
47	DOHBQAQA	DOHA BANK
48	ESSESGSG	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
49	EVBLNPKA	EVEREST BANK LTD.
50	GLBBNPKA	GLOBAL IME BANK LIMITED
51	HABGB2L	HBL BANK UK LIMITED
52	HANYUS33	HABIB AMERICAN BANK
53	HBZUAEAD	HABIB BANK AG ZURICH
54	HBZUCHZZ	HABIB BANK AG ZURICH
55	HDFCHKHH	HDFC BANK LTD
56	HDFCINBB	HDFC BANK LIMITED
57	HIMANPKA	HIMALAYAN BANK LTD.
58	HNBCCNBJ	ZHEJIANG HAINING RURAL COMMERCIAL BANK COMPANY LIMITED
59	IBKLINBB	IDBI BANK LIMITED
60	IBKOKRSE	INDUSTRIAL BANK OF KOREA
61	ICICCAT	ICICI BANK CANADA
62	ICICHKHH	ICICI BANK LTD
63	ICICINBB	ICICI BANK LIMITED
64	ICRAITRR	ICCREA BANCA - ISTITUTO CENTRALE DEL CREDITO COOPERATIVO
65	IDFBINBB	IDFC FIRST BANK LIMITED
66	IGLUGB2L	STONEX FINANCIAL LTD (FORMERLY INTL FCSTONE LTD)
67	INDBINBB	INDUSIND BANK LIMITED
68	INGBTRIS	ING BANK A.S. (FORMERLY OYAK BANK A.S.)
69	JYOBNPKA	JYOTI BIKASH BANK LTD
70	KKBKINBB	KOTAK MAHINDRA BANK LIMITED
71	KMBLNPKA	KUMARI BANK LTD
72	LXBLNPKA	LAXMI BANK LIMITED
73	MAHBINBB	BANK OF MAHARASHTRA
74	MBLNNPKA	MACHHAPUCHCHHRE BANK LIMITED
75	MBNLNPKA	MEGA BANK NEPAL LIMITED
76	MSHQEGCA	MASHREQ BANK
77	MSHQGB2L	MASHREQ BANK PSC
78	MSHQHKHH	MASHREQBANK PSC., HONG KONG BRANCH
79	MSHQINBB	MASHREQ BANK
80	MSHQKWKW	MASHREQBANK PSC.
81	MSHQQAQA	MASHREQ BANK
82	MSHQUS33	MASHREQBANK PSC., NEW YORK BRANCH
83	NARBNPKA	NABIL BANK LIMITED
84	NATAAU33	NATIONAL AUSTRALIA BANK LIMITED
85	NBLBDDH	NATIONAL BANK LIMITED
86	NBOCNPKA	NEPAL CREDIT AND COMMERCE BANK LTD.
87	NCBKSAJE	SAUDI NATIONAL BANK
88	NEBLNPKA	NEPAL BANK LIMITED
89	NIBLNPKT	NEPAL INVESTMENT BANK LTD.
90	NICENPKA	NIC ASIA BANK LIMITED

S. NO.	CORRESPONDENT	CORRESPONDENT NAME
91	NMBBNPKA	NMB BANK LTD
92	NPBBNPKA	NEPAL BANGLADESH BANK LIMITED
93	NRBLNPKA	NEPAL RASTRA BANK
94	NSBINPKA	NEPAL SBI BANK LTD
95	NXBKCNBH	NANXUN BANK
96	PCBLNPKA	PRIME COMMERCIAL BANK LTD
97	PNBPHKHH	WELLS FARGO BANK, N.A., HONG KONG BRANCH
98	PRVUNPKA	PRABHU BANK LTD
99	QNBAQAQA	QATAR NATIONAL BANK
100	RBBANPKA	RASTRIYA BANIJYA BANK LTD.
101	SABBSARI	SAUDI BRITISH BANK, THE
102	SBINAU2S	STATE BANK OF INDIA
103	SBINGB2L	STATE BANK OF INDIA
104	SCBLAEAD	STANDARD CHARTERED BANK
105	SCBLBDDX	STANDARD CHARTERED BANK
106	SCBLBHBH	STANDARD CHARTERED BANK
107	SCBLCNSX	STANDARD CHARTERED BANK (CHINA) LIMITED
108	SCBLDEFX	STANDARD CHARTERED BANK AG
109	SCBLGB2L	STANDARD CHARTERED BANK
110	SCBLHKHH	STANDARD CHARTERED BANK (HONG KONG) LIMITED
111	SCBLIDJX	STANDARD CHARTERED BANK
112	SCBLINBB	STANDARD CHARTERED BANK
113	SCBLJPJT	STANDARD CHARTERED BANK
114	SCBLKRSE	STANDARD CHARTERED BANK KOREA LIMITED
115	SCBLCLKX	STANDARD CHARTERED BANK
116	SCBLMYKX	STANDARD CHARTERED BANK MALAYSIA BERHAD
117	SCBLNPKA	STANDARD CHARTERED BANK NEPAL LIMITED
118	SCBLPKKX	STANDARD CHARTERED BANK (PAKISTAN) LIMITED
119	SCBLQAQX	STANDARD CHARTERED BANK
120	SCBLSG22	STANDARD CHARTERED BANK (SINGAPORE) LIMITED
121	SCBLSGSG	STANDARD CHARTERED BANK
122	SCBLTHBX	STANDARD CHARTERED BANK (THAI) PCL
123	SCBLUS33	STANDARD CHARTERED BANK
124	SCBLNVX	STANDARD CHARTERED BANK (VIETNAM) LIMITED
125	SCGRUS33	SOLEIL CAPITALE CORPORATION
126	SIDDNPKA	SIDDHARTHA BANK LIMITED
127	SMBCJPJT	SUMITOMO MITSUI BANKING CORPORATION
128	SNMANPKA	SANIMA BANK LIMITED
129	SRBLNPKA	SUNRISE BANK LIMITED
130	TBBTBTBT	T BANK LTD
131	UABMMMMY	UAB BANK LIMITED
132	UBAIITRR	BANCA UBAE SPA
133	UBININBB	UNION BANK OF INDIA
134	UCBLBDDH	UNITED COMMERCIAL BANK LTD
135	UTBLBDDH	UTTARA BANK LIMITED
136	WZCBCNSH	BANK OF WENZHOU (FORMERLY WENZHOU CITY COMMERCIAL BANK)
137	YESBINBB	YES BANK LIMITED

# ATM LOCATION

SN	PROVINCE	ATM LOCATION	ADDRESS
1	Bagmati	ATTARKHEL ATM	Gokarneshwor -8, Nmc Chowk, Attarkhel
2	Gandaki	BAGAR BRANCH POKHARA	Bagar-1, Kaski Pokhara
3	Bagmati	BALAJU CHOWK ATM	Balaju Chowk
4	Gandaki	BANDIPUR ATM	Bandipur
5	Bagmati	BANIYATAR BRANCH 2	Baniyatar 08, Jalpa Chowk
6	Gandaki	BARAHI CHOWK LAKESIDE POKHARA	Barahi Chowk, Lakeside
7	Madhesh	BARDIBAS BRANCH	Bardibas-1, Mahottari
8	Bagmati	BATTAR BRANCH	Battar Bazar
9	Bagmati	BANESHWOR BRANCH	Baneshwor
10	Gandaki	BESISAHAR BRANCH	Besisahar-8, Lamjung
11	1	BHADRAPUR BRANCH	Bhadrapur Municipality – 5, Jhapa
12	Lumbini	BHAIRAHAWA BRANCH	Siddharthanagar Municipality 5, Bank Road
13	Bagmati	BHAISIPATI BRANCH	Bhaisepati, Khokanadobato"
14	Sudurpashchim	BHAJANI BRANCH	Bhajani
15	Bagmati	BHAKT DURBAR SQUARE ATM	Bhaktapur, Sukuldhoka
16	Bagmati	BHAKTAPUR BRANCH	Bhaktapur, Sukuldhoka
17	Bagmati	BHANGAL BRANCH	Bhangal, Sundarijal
18	Bagmati	BHARATPUR - HAKIM CHOWK ATM	Bharatpur-10 Hakimchowk Chitwan
19	1	BIRATCHOWK BRANCH	Biratchowk
20	1	BIRATNAGAR AIRPORT ATM	BrT Airport
21	1	BIRATNAGAR BHATBHATANI	Dharan Road
22	1	BIRATNAGAR BRANCH	Hanumandas Road
23	Madhesh	BIRGUNJ BRANCH	Adarshanagar
24	1	BIRTAMODE BRANCH	Mukti Chowk
25	Bagmati	BUDANILKANTHA BRANCH	Narayanthan Budanilkantha, 03
26	1	BUDHABARE BRANCH	Budha Shanti
27	Gandaki	BUDHIBAZAR ATM	Budhibazar, 26
28	Lumbini	BUTWAL BRANCH	Milanchowk
29	Bagmati	CENTRAL PARK	Central Park Society, Bishalnagar
30	Bagmati	CHABAHIL BRANCH	Chabahil, Gopi Krishna Hall
31	Sudurpashchim	CHAINPUR	Chainpur
32	Madhesh	CHANDRAPUR	Chandranigahapur
33	Bagmati	CHINA TOWN LOUNGE ,THAMEL	Jyatha Thamel, Amrit Marg
34	Bagmati	CHIYARU NATIONAL HOSPITAL	Chirayu Hospital, Basundhara
35	Bagmati	CITY VIEW APARTMENT	Sanepa, Bakhundole
36	Bagmati	CMC EXTENSION COUNTER	Cmc Chitwan Premises
37	Bagmati	CMC HOSTEL	Cmc Chitwan Premises
38	Sudurpashchim	DADELDHURA BRANCH	Amargadhi , 05
39	Bagmati	DADHIKOT EXTENSION COUNTER	Harsachowk, Dadhikot



SN	PROVINCE	ATM LOCATION	ADDRESS
40	1	DAMAK BRANCH	Damak-5, Ganganagari
41	Gandaki	DAMAULI BRANCH	Vyas-03 Neemchowk Damauli, Tanahun
42	Gandaki	DANCING BOAT POKHARA	Lakeside Pokhara
43	Sudurpashchim	DARCHULA BRANCH	Mathillo Bazar
44	Sudurpashchim	DHANGADI BRANCH	Ratopool
45	1	DHANKUTA BRANCH	Hulak Tole, 07
46	Bagmati	DHAPASI EXTENSION COUNTER	Nature Club, Dhapasi
47	1	DHARAN (BPKIHS)	Dharan (Bpkihs)
48	1	DHARAN BRANCH	Mahendrapath
49	Sudurpashchim	DODHARA CHADANI	Thanabazar Kanchanpur
50	1	DRISHTI EYE CARE /HOTEL B&Y BIRTAMOD	Sainikmode /Hotel B&Y, Birtamode Buspark
51	1	DUHABI BRANCH	Duhabi Chowk, Main Bazar
52	Gandaki	DUMRE BRANCH	Dumre Bazar
53	Bagmati	GABAHAL BRANCH	Ratnagar Mahavihar, Gabahal
54	1	GAIGHAT BRANCH	Gaighat, Pipalchowk
55	Bagmati	GAIRIDHARA OUTSIDE	Gairidhara Chowk
56	Bagmati	GAIRIDHARA OUTSIDE 2	Gairidhara Chowk
57	Bagmati	GAIRIDHARA OUTSIDE 3	Gairidhara Chowk
58	Bagmati	GAIRIDHARA INSIDE	Gairidhara Chowk
59	Bagmati	GATTHAGHAR BRANCH	Chardobato, Gathaghar-3
60	Madesh	GAUR BRANCH	Bp Chowk
61	Bagmati	GAUSHALA BRANCH	Pinglasthan, Pashupati Complex
62	Bagmati	HARISIDDHI EXT COUNTER	Harisiddhi, Lalitpur
63	Bagmati	HETAUDA BRANCH	Kanti Raj Path
64	Bagmati	HOT BREADS CHOWK LOUNGE	Hotbreads Chowk Thamel, Opposite Of Kgh
65	Bagmati	HOTEL ALOFT ATM	Bhagwanbahal Road, Thamel
66	Bagmati	HOTEL GARUDA LOUNGE	Thamel, Hotel Garuda
67	1	HOTEL HARISSION ATM	Banjara Chowk, Bajrangbali Marg
68	1	ILLAM BRANCH	Ashok Complex Nikunjapath
69	1	INARUWA BRANCH	Inaruwa
70	1	ITAHARI BRANCH	Itahari , Gol Chowk, Central Plaza
71	Bagmati	JAIN BHAWAN LOUNGE	Jain Bhawan, Kamalpokhari Chowk
72	Madesh	JANAKPUR BRANCH	Bajrang Chowk,Janakpur
73	1	JHUMKA BRANCH	Ramdhuri,Near Western Bus Stand
74	KARNALI	JUMLA BRANCH	Chandan Nath-5,Jumla
75	Bagmati	JYATHA BRANCH	Jyatha Thamel, Amrit Marg
76	1	KAKARVITTA BRANCH	Kakarvitta, Mechinagar-06, Jhapa
77	Bagmati	KALANKI BRANCH	Kalanki-14 Kalanki Chowk

SN	PROVINCE	ATM LOCATION	ADDRESS
78	Bagmati	KALIKASTHAN BRANCH	Kalikasthan
79	Bagmati	KALIMATI BRANCH	Salt Trading Corporation
80	Madhesh	KALYANPUR BRANCH	Kalyanpur, 07
81	Bagmati	KAMALPOKHARI BRANCH	Kamalpokhari
82	Bagmati	KANTIPATH BRANCH	Kantipath, Jamal
83	Bagmati	KAPAN BRANCH	Kapan, Rudramati Chowk
84	Gandaki	KAWASOTI BRANCH	Thakali Chowk, Kawasoti
85	1	KHANAR BRANCH	Khanar
86	Bagmati	KHOKANA EXT COUNTER ATM	Kokhana Lalitpur
87	Bagmati	KHUSIBU BRANCH	Khusibu
88	Lumbini	KOHALPUR BRANCH	Newroad Chowk, Hospital Line, Kohalpur-11, Banke
89	Bagmati	KUMARIGAL BRANCH	Kumarigal
90	Bagmati	KUPONDOLE BRANCH	Kupondole
91	Gandaki	KUSHMA BRANCH	Shiwalaya Parbat
92	Bagmati	LAGANKHEL BRANCH	Lagankhel Bus Park
93	Madhesh	LAHAN BRANCH 2	Lahan 08 In Province Office Area, Opp. Of Army Camp.
94	Sudurpashchim	LAMKI BRANCH	Lamki Chuha Municipality-01, Lamki, Kailali
95	Bagmati	LAZIMPAT LOUNGE	Lazimpat
96	Bagmati	LUVU BRANCH	Luvu, Tallo Chautaro
97	Bagmati	MAHARAJGUNJ BRANCH	Maharajgunj, Narayan Gopal Chowk
98	Sudurpashchim	MAHENDRANAGAR BRANCH	Special Line (Main Market)-4, Mahendranagar
99	Bagmati	MANAMAIIJU BRANCH	Manamaiju, Tarkeswor,8
100	Lumbini	MANIGRAM BRANCH ATM	Manigram
101	Bagmati	MANTHALI BRANCH	Devkotachowk, Manthali
102	Madhesh	MIRCHAIYA BRANCH	Mirchaiya, Thana Chowk
103	Bagmati	MULPANI BRANCH ATM	Mulpani ,Peepalbot
104	Bagmati	NAIKAP BRANCH	Naya Naikap
105	Bagmati	NARAYANGHAT I BRANCH	Lionschowk
106	Bagmati	NARAYANGHAT II ATM	Lionschowk
107	Bagmati	NARSINGH CHOWK LOUNGE	Narsing Chowk,Thamel
108	Lumbini	NEPALGUNJ BRANCH	Surkhet Road, Near Puspa Lal Chowk
109	Bagmati	NEWROAD BRANCH	Khechapukhu Sadak, Newroad, Ktm
110	Madhesh	NIJGADH BRANCH	Nijgadh , 9
111	Bagmati	PAKO BRANCH	Pako ,Newroad-22
112	Gandaki	PAME LOUNGE POKHARA	Lakeside Pokhara,Baidam Road
113	Bagmati	PANAUTI ATM	Panauti Buspark,Kusha Devi Marg
114	Lumbini	PARASI BRANCH	Parasi , Aadalat Road
115	Bagmati	PEPSICOLA BRANCH	Pepsicola,Gothatar
116	Bagmati	PHARPING BRANCH	Dakshinkali 05 Pharping, Kathmandu
117	1	PHUNGLING BRANCH	Phungling
118	Gandaki	POKHARA BRANCH	New Road ,Pokhara

SN	PROVINCE	ATM LOCATION	ADDRESS
119	Bagmati	PUTALISADAK BRANCH	Radhakuti Arcade, Kmc-29, Putalisadak
120	Madhesh	RAJBIRAJ 2 ATM	Gajendra Chowk-4, Rajbiraj
121	Madhesh	RAJBIRAJ BRANCH	Gajendra Chowk-4, Rajbiraj
122	Lumbini	RAMMANDIR LINE,BUTWAL BRANCH	Rammandir Line
123	Bagmati	ROSE VILLAGE ATM	Balkot
124	Bagmati	SALLAGHARI COMPLEX	Nagarkot Road ,Sallaghari
125	Bagmati	SANAGAUN ATM	Sanagaun Lailtpur
126	Bagmati	SANEPa BRANCH	Sanepa
127	Bagmati	SANKHAMUL BRANCH	Sankhamul
128	Madhesh	SIMARA BRANCH	Simara Chowk
129	Bagmati	SITAPAILA BRANCH	Sitapaila Chowk-1
130	Sudurpashchim	SUKHAD BRANCH	Ghodaghodi-1
131	Bagmati	SUNCITY APARTMENT (Gothatar)	Suncity Apartment,Gothatar
132	Gandaki	SUNDARBAZAR BRANCH	Tallo Bazar
133	Gandaki	SUNWAL BRANCH	Sunwal Chauraha
134	KARNALI	SURKHET ATM	Hulakline
135	1	SURUNGA BRANCH	Bt Complex-3, Jhapa Road, Surunga
136	Lumbini	TAMGHAS BRANCH	Resunga Tamghas
137	Bagmati	TANDI BRANCH	Ratnanagar-2, Tandi, Chitwan
138	Bagmati	TAUKHEL BRANCH	Taukhel 03 Godawari 44709
139	1	TERATHUM BRANCH ATM	Myanglung ,01
140	Bagmati	THECHO BRANCH	Thecho,Lalitpur
141	Sudurpashchim	TIKAPUR	Kanchhi Bazar, 01
142	Bagmati	TINKUNE BRANCH 2	Neupane Tower, Tinkune
143	Bagmati	TINKUNE BRANCH 3	Neupane Tower, Tinkune
144	Lumbini	TULSIPUR BRANCH	Tulsipur 05 Dang Anga Line
145	1	UDAYPUR BRANCH	Udaypur Cement Factory Premises,Jaljale
146	Gandaki	WALING BRANCH	Pipalbot Chowk
147	Bagmati	DALLU BRANCH	Dallu
148	Bagmati	TAUDAHA EXT COUNTER	Taudaha
149	Bagmati	SURYABINAYAK BRANCH	Suryabinayak
150	Gandaki	BAGLUNG BRANCH	Baglung Municipality, Ward- 2, Baglung
151	Lumbini	YOGIKUTI BRANCH	Yogikuti Chowk
152	Bagmati	ATTARKHEL 2 ATM	Gokarneshwor -8, Nmc Chowk,Attarkhel
153	Bagmati	BOUDHA BRANCH ATM	Boudha
154	Bagmati	BUDHANILKANTHA 2 ATM	Budhanikanta
155	1	Mahendra Chowk BRT	Biratnagar
156	Gandaki	AMARSINGH BRANCH	Amarsingh
157	Lumbini	YOGIKUTI APF BARRACK	Yogikuti
158	3	BOUDHA LOUNGE	Boudha

# LIST OF BRANCHLESS BANKING & AGENTS

SN	BRANCH NAME	CURRENT BLB AGENT	PROVINCE	LOCATION
1	Kakarvitta Branch	KHEM KUMAR SUBBA	1	Mechinagar Municipality-02, Boudhamode, Jhapa
2	Bardibas Branch	HARIHAR SINGH	Madhesh	Gaushala Municipality-12, Kantibazar, Mahotari
3	Biratchowk Branch	RAJEN KUMAR RAI	1	Belbari Municipality-09, Dangihat Bazaar, Morang
4	Dadeldhura Branch	SHER BAHADUR BALAYAR	Sudurpashchim	Shikhar Municipality-10, Bandungresen, Doti
5	Ilam Branch	SURENDRA RAI	1	Ilam Municipality-01, Nepaltar, Ilam
6	Ilam Branch	DEVI PRASAD ADHIKARI	1	Mai Jogmai Rural Municipality-01, Nayabazar, Ilam
7	Birtamode Branch	NARENDRA KUMAR SHRESTHA	1	Arjundhara Municipality-03, Khudunabari, Jhapa
8	Bhadrapur Branch	SATYA NARAYAN MANDAL	1	Kachankawal Rural Municipality-06, Banyani Bazaar, Jhapa
9	Ilam Branch	SUMAN ADHIKARI	1	Mai Jogmai Rural Municipality-03, Sukrabare, Namsaling, Ilam
10	Rajbiraj Branch	BIDYANAND CHAUDHARY	Madhesh	Chhinamasta Rural municipality-03, chinnamasta bhagwati, Saptari
11	Pharpping Branch	DHAN BIR SYANGTAN	Bagmati	Indrasarobar Rural Municipality-04, Phakhel, Makwanpur
12	Pharpping Branch	LOV BASTAKOTI	Bagmati	Indrasarobar Rural Municipality-03, Sisneri, Makwanpur
13	Bhainsepati Branch	RAJIB KC	Bagmati	Godawari Municipality-09, Chhampi, Lalitpur
14	Bardibas Branch	AMAR SINGH KUSHWAHA	Madhesh	Ishworpur Municipality-13, Shreenagar, Sarlahi
15	Mahendranagar Branch	LAL BAHADUR OLI	Sudurpashchim	Bhimdutta Municipality-13, Badaipur, Kanchanpur
16	Besisahar Branch	SHIVARAJ CHAULAGAI	Gandaki	Rainas Municipality-07, Garambesi, Lamjung
17	Kakarvitta Branch	INDIRA DHUNGEL	1	Mechinagar Municipality-04, Bahundangi Bazar, Jhapa
18	Sunwal Branch	RAJU KARKI	Lumbini	Ramgram Municipality-18, Dharampur, Nawalparasi
19	Bhairahawa Branch	GANGULI PRASAD GUPTA	Lumbini	Mayadevi Rural Municipality-05, Parsahawa, Rupandehi
20	Bardibas Branch	BENI KUMAR BISHWAKARMA	Madhesh	Bardibas Municipality-11, Khayarmara, Mahottari
21	Lahan Branch	LALBABU SAH	Madhesh	Laxmipur Patari Rural Municipality-01, Rampur Bazar, Siraha
22	Damauli Branch	DHARMA RAJ GODAR	Gandaki	Vyash Municipality-09, Gajaude, Tanahu
23	Udayapur Branch	MAHESH KUMAR SAH	1	Triyuga Municipality-06, Jaljale Bazar, Udayapur
24	Dadeldhura Branch	GANESH BAHADUR BISTA	Sudurpashchim	Ganyapdhura Rural Municipality-03, Sakayal Bazar, Dadeldhura
25	Damauli Branch	AJIJ MIYA	Gandaki	Bhanu Municipality-13, Samjur, Tanahu
26	Kakarvitta Branch	DIL BAHADUR KARKI	1	Mechinagar Municipality-02, Bhrikuti, Jhapa
27	Bharatpur Branch	NARAYAN KUNWAR	Bagmati	Ratnanagar Municipality-14, Pithuwa, Chitwan
28	Kawasoti Branch	RUM BAHADUR K.C	Gandaki	Madhyabindu Municipality-04, Madanpur, Nawalpur

SN	BRANCH NAME	CURRENT BLB AGENT	PROVINCE	LOCATION
29	Kawasoti Branch	RIM BAHADUR MAHATO	Gandaki	Kawasoti Municipality-12, Pithauli, Nawalpur
30	Molung Branch	GOPAL TAMANG	1	Molung Rural Municipality-06, Mangalbare Bazar, Okhaldhunga
31	SundarBazar Branch	BISHNU SILWAL	Gandaki	Bhanu Municipality-11, Tuhure Pasal, Tanahu
32	Biratchowk Branch	MAMATA KUMARI CHAUDHARY	1	Sundarharaicha Municipality-01, Haraicha, Morang
33	Biratchowk Branch	DEV NARAYAN THARU	1	Sundarharaicha Municipality-02, Mirgaulia, Morang
34	Tandi Branch	DHRUBA KUMAR BASNET	Bagmati	Khairahani Municipality-13, Gawai, Chitwan
35	Tamghas Branch	RIMA GIRI	Lumbini	Malika Rural Municipality 06, Fulbari Gulmi.
36	Nepalgunj Branch	SUJATA KHAREL	Lumbini	Khajura Rural Municipality-02, Sitapur, Banke
37	Manigram Branch	PRASANT NEUPANE	Lumbini	Tilottama Municipality-6, Ganeshpur, Rupandehi
38	Nepalgunj Branch	NARENDRA KUMAR CHAUDHARY	Lumbini	Baijanath Rural Municipality-7, Bankatuwa, Banke
39	Birtamode Branch	SUMAN RAI	1	Arjundhara Municipality-09, Goldhap, Jhapa
40	Chainpur Branch	BISHNU BAHADUR KHADKA	Sudurpashchim	Jayaprithvi Municipality-03, Rajkot, Bajhang
41	Bhadrapur Branch	GAURAB LUITEL	1	Bhadrapur Municipality-01, Prithvinagar, Kulechowk, Jhapa
42	Budhabare branch	SUNIL BASNET	1	Buddhashanti Rural Municipality-06, Gauda, Jhapa
43	Rajbiraj Branch	BINOD PRASAD CHAUDHARY	Madhesh	Agnisair Krishnasabaran Rural Municipality-04, Prasbani, Saptari
44	Battar Branch	MAHESHWOR BHURTEL	Bagmati	Belkotgadhi Municipality -05, Majhgau, Nuwakot
45	Damauli Branch	SUKU MAYA THAPA	Gandaki	Vyas Municipality-14, Keshavtar, Tanahu
46	Sunwal Branch	JAYASHWOR BHATTARAI	Lumbini	Sunwal Municipality -07, Asnaiya, Nawalparasi
47	Inaruwa Branch	SAGUN CHAUDHARY	1	Gadhi Rural Municipality-02, Bhamari Bazar, Sunsari
48	Tamghas Branch	KRISHNA BISTA	Lumbini	Dhurkot Rural Municipality-03, Haddade, Gulmi
49	Dhurkot Branch	KAMAL GHIMIRE	Lumbini	Dhurkot Rural Municipality-07, Dwaneta, Gulmi
50	Gaighat Branch	BIBHA KUMARI BHANDARI	1	Triyuga Municipality, Ward No-04, Bagaha, Udayapur
51	Siddhicharan Branch	SANU RAM DAHAL	1	Siddhicharan Municipality-04, Rumjatar Okhaldhunga
52	Siddhicharan Branch	MOHAN KUMAR TAMANG	1	Manebhyanjyang Rural Municipality-04, Ketuke Okhaldhunga
53	Manthali Branch	SUNDAR GHIMIRE	Bagmati	Manthali Municipality -11, Sabadada, Gelu, Ramechhap
54	Preeti Branch	ASHOK KUMAR SHRESTHA	Bagmati	Umakunda Rural Municipality-07, Bhuji, Ramechhap
55	Mirchaiya Branch	DIPENDRA SAH	Madhesh	Kalyanpur Municipality -07 Bhediya, Siraha

SN	BRANCH NAME	CURRENT BLB AGENT	PROVINCE	LOCATION
56	Kakarvitta Branch	SAROJ NIROULA	1	Mechinagar Municipality-01, Gadagalli,Jhapa
57	Waling Branch	YUBRAJ ARYAL	Gandaki	Putalibajar Municipality-11,Helu, Syangja
58	Phungling Branch	PHUPU DOMA SHERPA	1	Phaktanglung Rural Municipality-06, Lelep, Taplejung
59	Kawasoti Branch	SUJAN SAPKOTA	Gandaki	Kawasoti-4, Hasaura, Chhipchipe, School Road, Nawalpur.
60	Phungling Branch	PADAM BAHADUR BUDHATHOKI	1	Phaktanglung Rural Municipality-03, Siwa, Taplejung
61	Gotikhel Branch	MITHARAM JAMAKATEL	Bagmati	Mahankal Rural Municipality-06, Thuladurlung, Lalitpur
62	Kalyanpur Branch	DHANJAY KUMAR SAH	Madhesh	Khadak Municipality-11, Banauli, Saptari
63	Molung Branch	OM PRASAD DAHAL	1	Molung Rural Municipality 2 Rampur Bazaar , Okhaldhunga
64	Udayapur Branch	ASHIKA CHAUDHARY	1	Triyuga Municipality-07, Chuhade, Udayapur
65	Nijgadh Branch	KRISHNANDAN KUSHWAHA	Madhesh	Baragadhi Rural Municipality Bisunpurwa-2, Bara
66	Birendranagar Branch	NAVARAJ ROKAYA	Karnali	Birendranagar 14, Bayalkanda, Surkhet
67	Lamki Branch	EK RAJ KHADKA	Sudurpashchim	Janaki Rural Municipality, Ward No-9, Khairiphata, Kailali
68	Tikapur Branch	KIRTA THAKULLA	Sudurpashchim	Tikapur Municipality, Ward No-8, Dhansinghpur,Kailali
69	Battar Branch	RABINDRA GHIMIRE	Bagmati	Bidur Municipality-12, Gauribeshi, Nuwakot
70	Chure Branch	KABITA GC (BHAT)	Sudurpashchim	Chure Rural Municipality, Ward No-5, Khanidada, Kailali
71	Kohalpur Branch	RAM SINGH THARU	Lumbini	Baijanath Gaupalika, Ward No. 3, Naubasta, Banke
72	Chandranigahpur Branch	SHAIENDRA CHAUDHARY	Madhesh	Chandrapur Municipality, Ward No-9, Chetnagar Birta, Rautahat
73	Lahan Branch	SUDHIR KUMAR SAH	Madhesh	Sukhipur Municipality, Ward No-5, Ladkanha, Siraha
74	Bardibas Branch	JITENDRA KUMAR SAH	Madhesh	Ishwarpur-15, Soknaha Bazar, Sarlahi
75	Jhumka Branch	RAMITA CHAUDHARY	1	Ramdhuni Municipality Ward No 02, Titriban, Sunsari
76	Duhabi Branch	SUKHRAM MEHATA	1	Gadhi Rural Municipality -2, Chhitaha, Sunsari
77	Attariya Branch	SHYAM KUMAR K.C	Sudurpashchim	Godawari Municipality, Ward No-2, Teghari ,Kailali
78	Dhankuta Branch	BIMALA RAI	1	Sagurigadi Gaupalika, Ward No-1, Mulghat, Dhankuta
79	Nepalgunj Branch	LALITA MISHRA	Lumbini	Janaki Rural Municipality, Ward -4, Khajura Khurd, Bnake
80	Dumre Branch	PRABIN RAJ BARAL	Gandaki	Bhanu Municipality 05, Sepabagaincha, Tanahun
81	Khanar Branch	AMAN KUMAR SHAH	1	Duhabi Municipality-08, Jutemill Chowk, Sunsari
82	Bhajani Branch	JITENDRA CHAUDHARY	Sudurpashchim	Bhajani Municipality, Ward No-4, Khailad
83	Gaighat Branch	TARANATH PAUDEL	1	Chaudandigadhi Municipality, Ward No-10, Hadiya,Udayapur
84	Manthali Branch	BASANTA KUMAR LAMA	Bagmati	Manthali Municipality, Ward No-14,Phulasi, Ramechhap
85	Siddhicharan Branch	LAL PRASAD DHAKAL	1	Molung Rural Municipality Ward No -1, Kuntadevi, Okhaldhunga
86	Damak Branch	BIJAYA GAULI	1	Kamal Rural Municipality Ward No-7, Bahraghare, Jhapa



# BRANCHES

S N	BRANCH NAME	ADDRESS
1	002- MAIN BRANCH	Gairidhara, Kathmandu Metropolitan City-2, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4004560-64
2	003- DHARAN BRANCH	Mahendra Path, Dharan Sub-Metropolitan City-12, Sunsari, Province No. 1, Nepal, Tel: +977-025-532841/532842
3	004- BESISAHAR BRANCH	Jhyang Khola, Besisahar Municipality-8, Lamjung, Gandaki Province, Nepal, Tel: +977-066-520129/520329
4	005- DAMAULI BRANCH	Balmandir Marga, Neemchowk, Vyas Municipality-3, Tanahun, Gandaki Province, Nepal, Tel: +977-065-564800/801
5	006- TINKUNE BRANCH	Neupane Tower Tinkune, Kathmandu Metropolitan City-35, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4111554/4111854/4111929
6	007- GABAHAL BRANCH	Ratnakar Mahabihar, Lalitpur Metropolitan City-16, Lalitpur, Bagmati Province, Nepal, Tel: +977-01-5005014/5005015/5005212
7	008- KALIMATI BRANCH	Salt Trading Corporation Ltd Kalimati, Kathmandu Metropolitan City-13, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-5308694/709/717
8	009- DHANGADHI BRANCH	Ratopul, Dhangadhi Sub-Metropolitan City-2, Kailali, Sudurpaschim Province, Nepal, Tel: +977-091-524850/523897
9	010- NEW ROAD BRANCH	Khichhapokhari, Newroad, Kathmandu Metropolitan City-22, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4239470/4239471/4239472
10	011- BIRTAMODE BRANCH	Muktichowk, Birtamode Municipality-4, Jhapa, Province No. 1, Nepal, Tel: +977-023-546080/541069/543830
11	012- ILAM BRANCH	Nikunja Path, Ilam Municipality-7, Ilam, Province No. 1, Nepal, Tel: +977-027-524717/20
12	013- KAKARVITTA BRANCH	Shantipath, Mechinagar Municipality-6, Jhapa, Province No. 1, Nepal, Tel: +977-023-566083/502
13	014- CHABAHIL BRANCH	Chabahil, Kathmandu Metropolitan City-7, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4822466/4822766
14	015- MAHARAJGUNJ BRANCH	Narayan Gopal Chowk, Kathmandu Metropolitan City-3, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4720346/4721352
15	016-PHARPING BRANCH	Pharping, Buspark, Dakshinkali Municipality-5, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4710865/4710943
16	017- NARAYANGHAT BRANCH	Lions Chowk, Bharatpur Metropolitan City-3, Chitwan, Bagmati Province, Nepal, Tel: +977-056-595553/653/153
17	018- BHAKTAPUR BRANCH	Sukuldhoka, Bhaktapur Municipality-5, Bhaktapur, Bagmati Province, Nepal, Tel: +977-01-6619240/6619241
18	019- BIRGUNJ BRANCH	Adarshnagar Chowk, Birgunj Metropolitan City-10, Parsa, Madesh Province, Nepal, Tel: +977-051-524784/524785
19	020- SUNWAL BRANCH	Sunwal, Sunwal Municipality-1, Nawalparasi, Lumbini Province, Nepal, Tel: +977-078-570473
20	021- BARDIBAS BRANCH	Main Road, Bardibas Municipality-1, Mahottari, Madesh Province, Nepal, Tel: +977-044-550563/550564
21	022-PUTALISADAK BRANCH	Putalisadak, Radhakuti Arcade, Kathmandu Metropolitan City-29, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4010595/4421662
22	023-BUDHANILKANTHA BRANCH	Narayanthan Chowk, Budhanilkanttha Municipality-3, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4378275/4379720

S N	BRANCH NAME	ADDRESS
23	024- RAJBIRAJ BRANCH	Gajendra Chowk, Rajbiraj Municipality-3, Saptari, Madesh Province, Nepal, Tel: +977-031-530721/530727
24	025- DADEL DHURA BRANCH	Bagbazar, Amargadhi Municipality-5, Dadeldhura, Sudurpaschim Province, Nepal, Tel: +977-096-420723/420724
25	026- BIRATNAGAR BRANCH	Hanumandas Road, Biratnagar Metropolitan City-7, Morang, Province No. 1, Nepal, Tel: +977-021-450696/570817/511262
26	027- SUNDAR BAZAR BRANCH	Tallo Bazar, Sundarbazar Municipality-7, Lamjung, Gandaki Province, Nepal, Tel: +977-066-402061/62
27	028- BOUDHA BRANCH	Bouddha, Kathmandu Metropolitan City-6, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4916394/95
28	029- UDAYPUR BRANCH	Jaljala, Triyuga Municipality-6, Udayapur, Province No. 1, Nepal, Tel: +977-035-411214-215/9753003729
29	030- JHUMKA BRANCH	Jhumka Bazaar near West Bus Stop, Ramdhuni Municipality-1, Sunsari, Province No. 1, Nepal, Tel: +977-025-562353/562653
30	031- SHANKHAMUL BRANCH	Dibya Complex Shankhamul Chowk, Kathmandu Metropolitan City-10, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4793073/996/4791182
31	032- PEPSICOLA BRANCH	Pepsi Cola Town Planning, Kathmandu Metropolitan City-32, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4992706
32	033- GAUSALA BRANCH	Pingalasthan, Kathmandu Metropolitan City-8, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4113667/4113668
33	034- LAGANKHEL BRANCH	Lagankhel Bus Park, Lalitpur Metropolitan City-12, Lalitpur, Bagmati Province, Nepal, Tel: +977-01-5553480/5526178
34	035- POKHARA BRANCH	Newroad, Pokhara Metropolitan City-9, Kaski, Gandaki Province, Nepal, Tel: +977-061-537845
35	036- TAUKHEL BRANCH	Taukhel Chowk, Godawari Municipality-3, Lalitpur, Bagmati Province, Nepal, Tel: +977-01-5560574/5560635
36	037- LUVU BRANCH	Luvu Bazar, Mahalaxmi Municipality-8, Lalitpur, Bagmati Province, Nepal, Tel: +977-01-5580361/5580461
37	038- SURUNGA BRANCH	Jhapa Road, Kankai Municipality-3, Jhapa, Province No. 1, Nepal, Tel: +977-023-552880-81
38	039- BHADRAPUR BRANCH	Hulak Road, Bhadrapur Municipality-5, Jhapa, Province No. 1, Nepal, Tel: +977-023-523132/523133
39	040- DUHABI BRANCH	Duhabi, Duhabi Municipality-5, Sunsari, Province No. 1, Nepal, Tel: +977-025-541486/541488
40	041- BIRATCHOWK BRANCH	Biratchowk, Sundarharaicha Municipality-10, Morang, Province No. 1, Nepal, Tel: +977-021-546102/546430
41	042- BHAINSEPATI BRANCH	Khokana Dobato, Bhaishapati, Lalitpur Metropolitan City-25, Lalitpur, Bagmati Province, Nepal, Tel: +977-01-5592930/5592931
42	043- BANIYATAR BRANCH	Jalpa Chowk, Tokha, Tokha Municipality-8, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-5158066/5158161
43	044- JYATHA BRANCH	Jyatha, Kathmandu Metropolitan City-27, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-5359174/5360654
44	045- KALANKI BRANCH	Kalanki Chowk, Kathmandu Metropolitan City-14, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-5234795/5234796
45	046- GAUR BRANCH	B.P Chowk, Gaur Municipality-3, Rautahat, Madesh Province, Nepal, Tel: +977-055-521413/521414

S N	BRANCH NAME	ADDRESS
46	047- SUKHAD BRANCH	Sukhad Bazar, Ghodaghodi Municipality-1, Kailali, Sudurpaschim Province, Nepal, Tel: +977-091-403012/403013
47	048- MAHENDRANAGAR BRANCH	Galli No. 05 Campus Road, Bhimdatta Municipality-4, Kanchanpur, Sudurpaschim Province, Nepal, Tel: +977-099-520850/520898
48	049-BHAIRAHAWA BRANCH	Bank Road, Siddharthanagar Municipality-5, Rupandehi, Lumbini Province, Nepal, Tel: +977-071-570703/570373
49	050-NEPALGUNJ BRANCH	Karkado, Nepalgunj Sub-Metropolitan City-18, Banke, Lumbini Province, Nepal, Tel: +977-081-532484/85/86
50	051- DUMRE BRANCH	Dumre Bazar, Bandipur Rural Municipality-1, Tanahun, Gandaki Province, Nepal, Tel: +977-065-580355/580356
51	052- BUTWAL BRANCH	Milanchowk, Butwal Sub-Metropolitan City-9, Rupandehi, Lumbini Province, Nepal, Tel: +977-071-551572/551573
52	053- LAHAN BRANCH	Police Station, Thana Chowk, Lahan Municipality-8, Siraha, Madesh Province, Nepal, Tel: +977-033-562403/562423
53	054- GAIGHAT BRANCH	Pipalchowk, Triyuga Municipality-11, Udayapur, Province No. 1, Nepal, Tel: +977-035-420778/420779/420780
54	055-PAKO BRANCH	Pako, Kathmandu Metropolitan City-22, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4228380/4242302
55	056- HETAUDA BRANCH	Kantirajpath, Hetauda Sub-Metropolitan City-2, Makwanpur, Bagmati Province, Nepal, Tel: +977-057-525921/522731
56	057-BHARATPUR BRANCH	Hakim Chowk, Bharatpur Metropolitan City-10, Chitwan, Bagmati Province, Nepal, Tel: +977-056-590121/255/461
57	058- ITAHARI BRANCH	Itahari Central Plaza, Itahari Sub-Metropolitan City-6, Sunsari, Province No. 1, Nepal, Tel: +977-025-586924/587622
58	059- TANDI BRANCH	Tandi, Ratnanagar Municipality-2, Chitwan, Bagmati Province, Nepal, Tel: +977-056-562993/562953
59	060- KHUSHIBU BRANCH	Linkroad, Nayabazar, Khushibu, Kathmandu Metropolitan City-16, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4982950/52
60	061- SITAPAILA BRANCH	Triratna Tamrakar Complex Sitapaila, Nagarjun Municipality-4, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4034996/4034997
61	062- ATTARKHEL BRANCH	Nepal Medical College (NMC Chowk), Gokarneshwor Municipality-8, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4913704
62	063- DAMAK BRANCH	Ganganagari Gorkha Department Store 2nd Floor, Damak Municipality-5, Jhapa, Province No. 1, Nepal, Tel: +977-023-582360/582361
63	064- TERATHUM BRANCH	Myanglung Bazar, Myanglung Municipality-1, Terhathum, Province No. 1, Nepal, Tel: +977-026-460720/460721
64	065-BIRENDRANAGAR BRANCH	Hulak Line, Birendranagar Municipality-6, Surkhet, Karnali Province, Nepal, Tel: +977-083-523825/523490
65	066- DARCHULA BRANCH	Bhagwati Tole, Mahakali Municipality-4, Darchula, Sudurpaschim Province, Nepal, Tel: +977-093-420123/420223
66	067- PANAUTI BRANCH	Kushadevi Marga, Panauti Municipality-7, Kavre, Bagmati Province, Nepal, Tel: +977-011-440601/440602
67	068- GONGABU BRANCH	Gongabu Chowk, Kathmandu Metropolitan City-26, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4988505/506/507
68	069- KAMALPOKHARI BRANCH	Kamalpokhari, Kathmandu Metropolitan City-1, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-45216521/4523219/4525343
69	070- BUDHABARE BRANCH	Budhabare, Buddhashanti Rural Municipality-3, Jhapa, Province No. 1, Nepal, Tel: +977-023-555418/555478

S N	BRANCH NAME	ADDRESS
70	071- KALIKASTHAN BRANCH	Kalikasthan, Kathmandu Metropolitan City-29, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4422554/4422555
71	072- DEURALI BRANCH	Deurali Bazar, Rupa Rural Municipality-5, Kaski, Gandaki Province, Nepal, Tel: +977-061-620845
72	073- SANEPA BRANCH	Ringroad, Sanepa, Lalitpur Metropolitan City-2, Lalitpur, Bagmati Province, Nepal, Tel: +977-01-5442897/5442898
73	074- NARAINAPUR BRANCH	Narainapur, Narainapur Rural Municipality-4, Banke, Lumbini Province, Nepal, Tel: +977-081-695056
74	075- BINDABASINI BRANCH	Bahuarwabhatta, Bindabasini Rural Municipality-2, Parsa, Madesh Province, Nepal, Tel: +977-9755001213
75	076- MAIWAKHOLA BRANCH	Sanghu Bazar, Maiwakhola Rural Municipality-3, Taplejung, Province No. 1, Nepal, Tel: +977-021-696488
76	077- SANIBHERI BRANCH	Simli, Sanibheri Rural Municipality-9, Rukum (West), Karnali Province, Nepal, Tel: +977-9741428934
77	078- GUTHICHAUR BRANCH	Jharjwala, Guthichaur Rural Municipality-5, Jumla, Karnali Province, Nepal, Tel: +977-9758005524
78	079- DURGABHAGWATI BRANCH	Ganga Pipra, Durgabhagwati Rural Municipality-1, Rautahat, Madesh Province, Nepal, Tel: +977-055-400049
79	080- AURAHİ BRANCH	Deuri, Aurahi Rural Municipality-2, Dhanusha, Madesh Province, Nepal
80	081- BAMBIBHANDAR BRANCH	Ratnajyoti Bazar, Umakunda Rural Municipality-2, Ramechhap, Bagmati Province, Nepal, Tel: +977-9741428893
81	082- CHURE BRANCH	Sahajpur, Chure Rural Municipality-3, Kailali, Sudurpaschim Province, Nepal, Tel: +977-9749162992
82	083- MARMA BRANCH	Latinath, Marma Rural Municipality-3, Darchula, Sudurpaschim Province, Nepal, Tel: +977-9741428892
83	084- GOTIKHEL BRANCH	Gotikhel Bazar, Mahankal Rural Municipality-3, Lalitpur, Bagmati Province, Nepal, Tel: +977-9741428871
84	085- JANAKPUR BRANCH	Bajrang Chowk, Janakpur Sub-Metropolitan City-8, Dhanusha, Madesh Province, Nepal, Tel: +977-041-527245/527246
85	086- CHANDRANIGAHPUR BRANCH	Chandranigahpur, Chandrapur Municipality-4, Rautahat, Madesh Province, Nepal, Tel: +977-055-540536/540636
86	087- NISDI BRANCH	Dunganabesi, Nisdi Rural Municipality-5, Palpa, Lumbini Province, Nepal
87	088- MOLUNG BRANCH	Prapcha Deurali, Molung Rural Municipality-3, Okhaldhunga, Province No. 1, Nepal, Tel: +977-9741428889
88	089- SIDDHICHARAN BRANCH	Ramailodanda, Siddhicharan Municipality-11, Okhaldhunga, Province No. 1, Nepal, Tel: +977-037-520701/520702
89	090- DHANKUTA BRANCH	Hulak Tole, Dhankuta Municipality-7, Dhankuta, Province No. 1, Nepal, Tel: +977-026-523221/22
90	091- DHURKOT BRANCH	Barbot, Dhurkot Rural Municipality-4, Gulmi, Lumbini Province, Nepal, Tel: +977-9761468011
91	092- TULSIPUR BRANCH	Nga line, Tulsipur Sub-Metropolitan City-5, Dang, Lumbini Province, Nepal, Tel: +977-082-523455
92	093- MAHABHARAT BRANCH	Bankhu Saleeni, Mahabharat Rural Municipality-6, Kavre, Bagmati Province, Nepal, Tel: +977-9741468043
93	094- BARAHAPOKHARI BRANCH	Dhartung, Barahapokhari Rural Municipality-4, Khotang, Province No. 1, Nepal, Tel: +977-9842471910
94	095- MIRCHAIYA BRANCH	Thana Chowk, Mirchaiya Municipality-5, Siraha, Madesh Province, Nepal, Tel: +977-033-550596/684

S N	BRANCH NAME	ADDRESS
95	096- PRITI BRANCH	Chyadalu Priti, Umakunda Rural Municipality-4, Ramechhap, Bagmati Province, Nepal, Tel: +977-9748647183
96	097- CHAINPUR BRANCH	Chainpur Bazar, Jayaprithivi Municipality-10, Bajhang, Sudurpaschim Province, Nepal, Tel: +977-092-421493/421494
97	098- JUMLA BRANCH	Karkiward, Chandannath Municipality-5, Jumla, Karnali Province, Nepal, Tel: +977-087-520596/520597
98	099- LAMKI BRANCH	Lamki Bazar, Lamki Chuha Municipality-1, Kailali, Sudurpaschim Province, Nepal, Tel: +977-091-540548/540549
99	100- TIKAPUR BRANCH	Kanchhi Bazar, Tikapur Municipality-1, Kailali, Sudurpaschim Province, Nepal, Tel: +977-091-560370/561012
100	101- MANAMAIJU BRANCH	Jarankhu, Tarakeshwor Municipality-8, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4025515/4025993
101	102- KOHALPUR BRANCH	Newroad, Kohalpur Municipality-11, Banke, Lumbini Province, Nepal, Tel: +977-081-542064/542067
102	103- WALING BRANCH	Pipal Bot, Waling Municipality-8, Syangja, Gandaki Province, Nepal, Tel: +977-063-440119
103	110- BAGAR BRANCH	Bagar, Pokhara Metropolitan City-1, Kaski, Gandaki Province, Nepal, Tel: +977-061-582572/588370/582172
104	111- THECHO BRANCH	Thecho, Godawari Municipality-12, Lalitpur, Bagmati Province, Nepal, Tel: +977-01-5573667/5574669
105	112- RAM MANDIR LINE BRANCH	Rammandir Line, Butwal Sub-Metropolitan City-4, Rupandehi, Lumbini Province, Nepal, Tel: +977-071-540128/540329
106	113- KINJA BRANCH	Kinja Bazar, Likhupike Rural Municipality-5, Solukhumbu, Province No. 1, Nepal, Tel: +977-9748648057
107	114- GATTHAGHAR BRANCH	Gatthaghar, Chardobato, Madhyapur Thimi Municipality-3, Bhaktapur, Bagmati Province, Nepal, Tel: +977-01-6634237/716
108	115- MULPANI BRANCH	Mulpani, Pipalbot, Kageshwori Manahara Municipality-7, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4160117/118
109	116- SHIWALAYA BRANCH	Shiwalaya Bazar, Gokulganga Rural Municipality-1, Ramechhap, Bagmati Province, Nepal, Tel: +977-9845115301
110	117- ATTARIA BRANCH	Attariya, Godawari Municipality-1, Kailali, Sudurpaschim Province, Nepal, Tel: +977-091-551004
111	118- MANIGRAM BRANCH	Manigram, Tilottama Municipality-5, Rupandehi, Lumbini Province, Nepal, Tel: +977-071-560736/38
112	119- KAWASOTI BRANCH	Thakali Chowk, Kawasoti Municipality-3, Nawalpur, Gandaki Province, Nepal, Tel: +977-078-541172/73
113	120- KALYANPUR BRANCH	Kalyanpur, Khadak Municipality-7, Saptari, Madesh Province, Nepal, Tel: +977-031-540102/103
114	121- SIMARA BRANCH	Simara Chowk, Jeetpur Simara Sub-Metropolitan City-2, Bara, Madesh Province, Nepal, Tel: +977-053-520980/81
115	122- NIJGADH BRANCH	Nijgadh, Sahid Chowk, Nijgadh Municipality-9, Bara, Madesh Province, Nepal, Tel: +977-053-540021/321
116	123- NAIKAP BRANCH	Naikap, Chandragiri Municipality-14, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4313465-4313462
117	124- KUPONDOLE BRANCH	Kupondole, Lalitpur Metropolitan City-1, Lalitpur, Bagmati Province, Nepal, Tel: +977-01-5900063/64
118	126- TAMGHAS BRANCH	Tamghas Bazar, Resunga Municipality-1, Gulmi, Lumbini Province, Nepal, Tel: +977-079-520619/699

S N	BRANCH NAME	ADDRESS
119	127- KUSHMA BRANCH	Dhaneshwor Chowk, Kushma Municipality-6, Parbat, Gandaki Province, Nepal, Tel: +977-067-420029/420030
120	128- BUDHIBAZAR BRANCH	Budhibazar, Pokhara Metropolitan City-26, Kaski, Gandaki Province, Nepal, Tel: +977-061-411609/610
121	129- BANESHWOR BRANCH	Mid Baneshwor, Kathmandu Metropolitan City-10, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4497521/4489294
122	130- MANTHALI BRANCH	Devkota Chowk, Manthali Municipality-1, Ramechhap, Bagmati Province, Nepal, Tel: +977-048-540563
123	133- BHAJANI BRANCH	Bhajani Bazar, Bhajani Municipality-1, Kailali, Sudurpaschim Province, Nepal, Tel: +977-091-580426/580369
124	134- INARUWA BRANCH	Shanti Chowk, Inaruwa Municipality-1, Sunsari, Province No. 1, Nepal, Tel: +977-025-561681/561880
125	135- PARASI BRANCH	Adalath Road, Ramgram Municipality-5, Nawalparasi, Lumbini Province, Nepal, Tel: +977-078-520643/644
126	136- KHANAR BRANCH	Itahari Sub-Metropolitan City-12, Sunsari, Province No. 1, Nepal, Tel: +977-025-420129/420139
127	137- TIMURE BRANCH	Timure Bazar, Gosainkunda Rural Municipality-2, Rasuwa, Bagmati Province, Nepal, Tel: +9779841392682/9860876309
128	138- BATTAR BRANCH	Battar Bazar, Bidur Municipality-4, Nuwakot, Bagmati Province, Nepal, Tel: +977-010-561981/561982
129	139- PHUNGLING BRANCH	Dobato (Phungling Bazar), Phungling Municipality-4, Taplejung, Province No. 1, Nepal, Tel: +977-024-460553
130	140- DODHARA CHANDANI BRANCH	Thana Bazar, Dodhara Chandani Municipality-6, Kanchanpur, Sudurpaschim Province, Nepal, Tel: +977-099-400156
131	146- KANTIPATH BRANCH	Kantipath Jamal, Kathmandu Metropolitan City-27, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-5324772
132	147- KAPAN BRANCH	Rudramati Chowk, Budhanilkantha Municipality-10, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4813053
133	148- KUMARIGAL BRANCH	Kharibote, Kathmandu Metropolitan City-7, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4114051/4125
134	149- BHANGAL BRANCH	Sundarbasti, Bhangal, Budhanilkantha Municipality-8, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4372375
135	151- DALLU BRANCH	Dallu Awas, Shiddhartha Chowk, Kathmandu Metropolitan City-15, Kathmandu, Bagmati Province, Nepal, Tel: +977-01-4288040-41
136	153- SURYABINAYAK BRANCH	Aadarsha Chowk, Suryabinayak Municipality-8, Bhaktapur, Bagmati Province, Nepal, Tel: +977-01-6614161
137	154- AMARSINGH BRANCH	Amarsingh Chowk, Pokhara Metropolitan City-10, Kaski, Gandaki Province, Nepal, Tel: +977-061-434232/434233
138	155- YOGIKUTI BRANCH	Yogikuti, Tilottama Municipality-3, Rupandehi, Lumbini Province, Nepal, Tel: +977-071-437572/73
139	156- BAGLUNG BRANCH	Mahendrapath, Baglung Municipality-2, Baglung, Gandaki Province, Nepal, Tel: +977-068-524501/502



# PROVINCE OFFICES

S N	PROVINCE OFFICE	ADDRESS
1	Province Office No. 1	Province Office No. 1, Itahari Central Plaza, Itahari Sub-Metropolitan City- 6, Sunsari, Nepal, Tel: +977-025-581110/581210
2	Madhesh Province	Madhesh Province, Opposite of Army Camp, Lahan Municipality- 8, Siraha, Nepal, Tel: +977-033-560831/560839
3	Bagmati Province	Province Office No. 3, Kamalpokhari, Kathmandu Metropolitan -1, Kathmandu, Province No. 3, Nepal, Tel: +977-01-4421652/4423219
4	Gandaki Province	Gandaki Province, Pokhara Metropolitan City-1, Kaski, Nepal, Tel: +977-061-532172/532575/538370
5	Lumbini Province	Lumbini Province, Ram Mandir Line, Sub-Metropolitan City-4, Rupandehi, Nepal, Tel: +977-071-540806/540128/540329
6	Karnali Province	Karnali Province, Yari Chowk, Birendranagar Municipality-3, Surkhet, Nepal, Tel: +977-083-522032/33
7	Sudurpachim Province	Sudurpachim Province, Attariya, Godawari Municipality-1, Kailali, Nepal, Tel: +977-091-551002

# EXTENSION COUNTERS

S N	EXT COUNTER	ADDRESS
1	125- Sanagaun Extension Counter	Sanagaun, Mahalaxmi Municipality-06, Lalitpur, Province No. 3, Nepal, Tel: +977-01-5709277
2	131- Dadhikot Extension Counter	Harshachowk, Suryabinayak Municipality-04, Bhaktapur, Province No. 3, Nepal, Tel: +977-01-6637712
3	132- Dhapasi Extension Counter	Nature Club Dhapasi, Tokha Municipality-06, Kathamndu, Province No. 3, Nepal, Tel: +977-01-4373473
4	141- Khokana Extension Counter	Lachhi Khokana, Lalitpur Metropolitan-21, Lalitpur, Province No. 3, Nepal, Tel: +977-01-5592082
5	150- Harisiddhi Extension Counter	Gumaj-Harisiddhi, Lalitpur Metropolitan City-29, Lalitpur, Province No. 3, Nepal, Tel:+977-01-5250034
6	152- Taudaha Extension Counter	Taudaha, Kritipur Municipality-6 Kathmandu, Province No. 3, Nepal, Tel: +977-01-5124073
7	157-Kalanki Extension Counter	Kalanki, Malpot, Kirtipur Municipality-1,Kathmandu, Province No. 3, Nepal, Tel: +977-01-5219790



## नेपाल राष्ट्र बैंक बैंक सुपरिवेक्षण विभाग

प.स. बै.सु.वि. / अफसाइट / एजिएम / १८ / २०७८ / ७९

सन्त्राइज बैंक लिमिटेड  
गैह्रिधारा, काठमाडौं ।



वरिष्ठारम्भ, काठमाडौं ।

फोन नं. : ४४१९८०४,७

फ्याक्स नं. : ४४१०१५९

Site: www.nrb.org.np

Email: bsd@nrb.org.np

पोष्ट बक्स: ७३

मिति : २०७८/०८/१२

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

महाराज,

त्यस बैंकबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ४७ को उपदफा (२) का प्रावधानहरू पालना गरेको देखिएको हुँदा उक्त ऐनको उपदफा (१) बमोजिम प्रस्तावित रु.६३,०९,४८,३०९.१२९ (अक्षरेपी त्रिसष्टी करोड नौ लाख अठ्चातीस हजार तीन सय नौ र पैसा एक्काइस मात्र) बराबरको बोनस शेयर वितरण र रु.३,३२,०७,८०५.७५ (अक्षरेपी तीन करोड बत्तीस लाख सात हजार आठ सय पाँच र पैसा पचहत्तर मात्र) नगद लाभांश (कर प्रयोजनको लागि) गरी कुल रु.६६,४१,५६,९१४.९६ (अक्षरेपी छैसष्टी करोड एकचात्तीस लाख छपन्न हजार एक सय चौध र पैसा छयानब्बे मात्र) प्रदान गर्ने अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना गर्ने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्रै वितरण गर्ने स्वीकृतिका साथै आ.व.२०७७/७८ 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 सम्पूर्ण कैफियतहरू पूर्ण रूपले सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था मिलाउनु हुन ।
- यस बैंकबाट जारी गरिएको एकीकृत निर्देशन २०७८ को इ.प्रा.निर्देशन नं. १० को बुँदा नं. ७ बमोजिम इजाजतपत्रप्राप्त कुनै एक बैंक तथा वित्तीय संस्थाको संस्थापक शेयरमा लगानी गर्दा चुक्ता पुँजीको बढीमा १५ प्रतिशत र अन्य बैंक तथा वित्तीय संस्थाहरूमा चुक्ता पुँजीको बढीमा १ प्रतिशतसम्म मात्र लगानी गर्न सकिने व्यवस्था रहेकोले उल्लिखित सीमाभन्दा बढी शेयर धारण गर्ने संस्थापक शेयरधनीहरू रहेमा ती संस्थापक शेयरधनीहरूको लगानीलाई सो सीमाभित्र नल्याएसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन ।
- बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ११ को उपदफा (३) मा बैंकको चुक्ता पुँजीको २ प्रतिशत वा सो भन्दा बढी शेयर धारण गरेका संस्थापकहरूले आफूले धारण गरेको शेयर विक्री तथा धितो बन्धक राख्दा नेपाल राष्ट्र बैंकको स्वीकृति लिनु पर्ने व्यवस्था रहेकोले नेपाल राष्ट्र बैंकको स्वीकृति नलिई आफूले धारण गरेको शेयर धितो बन्धक राखी अन्य बैंक तथा वित्तीय संस्थाबाट कर्जा उपयोग गरेका संस्थापक शेयरधनीहरू रहेमा ती संस्थापक शेयरधनीहरूलाई सोको स्वीकृति नलिएसम्म वा शेयर धितो बन्धक राखी उपयोग गरेको कर्जा पूर्ण रूपमा चुक्ता गरी शेयर फुकुवा नगरेसम्म प्रस्तावित नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन ।
- उपरोक्त निर्देशनलाई त्यस बैंकको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नुहुन ।

भवदीय,

(सजन ढकाल)

सहायक निर्देशक

बोधार्थ :

- नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
- बैंक सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाई, सन्त्राइज बैंक लिमिटेड ।



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