ग्रीन डेभलपमेन्ट बैंक लिमिटेड
GREEN DEVELOPMENT BANK LTD
PARTNERING FOR PROSPERITY

(नेपाल राष्ट्र बैंकबाट ख वर्ग (५ जिल्लास्तर) को इजाजतपत्र प्राप्त वित्तीय संस्था)

Central Office:
Newroad, Pokhara-08, Kaski
Contact No.: 061-583590/583634
Email: info@greenbank.com.np,
Website: www.greenbank.com.np

बाह्रौं बार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरु,

यस डेभलपमेन्ट बैंकको सञ्चालक समितिको मिति २०८१/१२/०५ गते अपरान्ह ४:०० बजे बसेको २२६ औं बैठकको निर्णय बमोजिम यस बैंकको बाह्रौं वार्षिक साधारण सभा निम्न उल्लेखित मिति, समय र स्थानमा देहायका प्रस्तावहरु उपर छलफल गरि निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ दफा ६७ अनुसार सम्पूर्ण शेयरधनी महानुभावहरुलाई सभामा सहभागी हुनका लागि हार्दिक अनुरोध सहित यो सुचना प्रकाशित गरिएको छ।

सभा बस्ने मिति, समय र स्थान

मिति : २०८१ साल चैत २७ गते, बुधबार (तदनुसार ०९ अप्रील, २०२५)
समय : बिहान ११:०० बजे।
स्थान : होटल पिस प्यालेस, हरि शंकर रोड, बाग्लुङ्ग नगरपालिका-०२

छलफलका विषयहरु :

क. सामान्य प्रस्ताव

१) आ.व. २०८०/८१ को सञ्चालक समितिको प्रतिवेदन छलफल गरी पारित गर्ने।
२) लेखापरीक्षकको प्रतिवेदन सहितको २०८१ आषाढ मसान्तको वासलात तथा आ.व २०८०/८१ को नाफा नोक्सान हिसाब र सोही अवधिको नगद प्रवाह विवरण लगायतका वित्तीय विवरण तथा अनुसूचीहरु माथि छलफल गरी पारित गर्ने।
३) सञ्चालक समितिले प्रस्ताव गरे वमोजिम आ.व.२०८०/८१ को मुनाफा तथा संचित मुनाफा रकम समेतवाट यस डेभपलपमेन्ट वैंकको हाल कायम चुक्तापूँजी रु.५३,८७,२२,०००।- (अक्षरेपी त्रिपन्न करोड सतासी लाख वाईस हजार रुपैयाँ मात्र) को ०.३०२७ प्रतिशतले हुन आउने रु.१६,३०,७११.०० (अक्षरेपी सोह्र लाख तीस हजार सात सय एघार रुपैया मात्र) लाभाशंमा लाग्ने कर प्रयोजनार्थ वितरण गर्ने प्रस्ताव उपर छलफल गरि स्वीकृत गर्ने।
४) लेखापरिक्षण समितिको सिफारिश बमोजिम आ.व. २०८१/८२ को लागि बाह्य लेखापरिक्षक नियुक्त गर्ने र निजको पारिश्रमिक तोक्ने।
५) सर्वसाधारण शेयरधनीहरुको तर्फबाट सञ्चालक समितिमा प्रतिनिधित्व गर्ने २ (दुई) जना सञ्चालकज्यूहरुको निर्वाचन गर्ने।
६) सञ्चालकहरुको मासिक पत्रपत्रिका तथा टेलिफोन सुविधा रकम वृद्धी सम्वन्धमा।

ख. विशेष प्रस्ताव

१) सञ्चालक समितिले प्रस्ताव गरे वमोजिम रु.५३,८७,२२,०००।- (अक्षरेपी त्रिपन्न करोड सतासी लाख वाईस हजार रुपैयाँ मात्र) को ५.७५ प्रतिशतले हुन आउने रकम रु.३,०९,७६,५००।०० (अक्षरेपी तीन करोड नौ लाख छयत्तर हजार पाँच सय रुपैया मात्र) वोनस शेयर वितरण गर्न स्वीकृत गर्ने र सोहि बमोजिम अधिकृत, जारी तथा चुक्ता पूँजी वृद्धी गरी सम्बन्धित दफा संशोधन गर्ने।
२) यस ग्रीन डेभलपमेन्ट बैक लि. र अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरु एक आपसमा गाभ्ने/गाभिने वा प्राप्ति (Merger/Acquisition) को लागि उपयुक्त संस्थाको पहिचान गर्ने, उपयुक्त देखिएमा सो सम्बन्धी सम्झौतापत्र (MOU) मा हस्ताक्षर गरी अन्य आवश्यक सम्पूर्ण कार्यहरु गर्न/गराउन सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने।
३) सञ्चालक समितिले प्रस्ताव गरे वमोजिम बोनस शेयर वितरण पश्चात रु.५६,९६,९८,५००।- (अक्षरेपी छपन्न करोड छ्यानब्बे लाख अनठानब्बे हजार पाँच सय रुपैयाँ मात्र) को १ : १.१०७१ ले हुन आउने रकम रु.६३०,७१३,२००।०० (अक्षरेपी त्रिसठ्ठी करोड सात लाख तेह्र हजार दुई सय रुपैयाँ मात्र) हकप्रद शेयर जारी गर्ने।
४) बोनश तथा हकप्रद शेयर निष्कासन पश्चात् डेभलपमेन्ट बैंकको प्रबन्धपत्र र नियमावलीमा आवश्यक संसोधन गरी अभिलेख गराउँदा आवश्यक थपघट, संशोधन वा परिमार्जन गर्नु परेमा सो सम्बन्धि सम्पूर्ण अख्तियारी सञ्चालक समितिलाई प्रदान गर्ने।

शेयर दाखिला खारेज किताब (बुक क्लोज) बारे

बाह्रौं वार्षिक साधारण सभा प्रयोजनका लागि मिति २०८१/१२/१५ गते (१) एक दिन बैंकको शेयरधनी दर्ता किताब बन्द गर्ने निर्णय गरिएको छ। मिति २०८१/१२/१४ गतेसम्म नेपाल स्टक एक्सचेञ्ज लिमिटेडमा कारोबार भई सि.डि.एस.एण्ड क्लियरिङ्ग लिमिटेडबाट राफसाफ समेत भई प्रचलित नियमानुसार यस बैंकको शेयर रजिष्ट्रार श्री मुक्तिनाथ क्यापिटल लिमिटेड, नारायणचौर, नक्साल, काठमाण्डौंमा रहेका शेयरधनी दर्ता किताबमा अद्यावधिक भई कायम हुन आएका शेयरधनीहरु मात्र वार्षिक साधारण सभामा भाग लिन तथा मतदान गर्न पाउने छन्।

सञ्चालक समितिको आज्ञाले,
कम्पनी सचिव

बाह्रौं बार्षिक साधारण सभा सम्बन्धी सामान्य जानकारी

१. वार्षिक साधारण सभामा भाग लिन आउनुहुने शेयरधनीहरु महानुभावहरुले आफ्नो शेयर प्रमाणपत्रमा उल्लेखीत परिचयपत्र नं/ हितग्राही खाता नं. (BOID) को विवरण सहित आफ्नो परिचय खुल्ने प्रमाण (जस्तैः नागरिकता प्रमाणपत्र वा अन्य कुनै परिचयपत्र) साथमा लिई आउनु हुन अनुरोध छ।
२. साधारण सभामा भाग लिने प्रत्येक शेयरधनी महानुभावहरुले सभा हुने स्थानमा रहेको हाजिरी पुस्तिकामा दस्तखत गर्नुपर्नेछ। शेयरधनी हाजिरी पुस्तिका बिहान ८:३० बजे देखि खुल्ला रहने छ।
३. कुनै शेयरधनी साधारण सभामा स्वयं उपस्थित हुन नसक्ने भए साधारण सभामा भाग लिन तथा मतदान गर्न प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले प्रचलित कम्पनी कानुनले तोकेको ढाँचामा प्रतिनिधि पत्र (प्रोक्सी फारम) भरी सभा शुरू हुनुभन्दा कम्तीमा ४८ घण्टा अगावै बैंकको केन्द्रीय कार्यालय, पोखरा ०८, न्युरोड कास्कीमा दर्ता गराई सक्नुपर्नेछ। बैंकको शेयरधनी बाहेक अरूलाई प्रतिनिधि (प्रोक्सी) दिन पाइने छैन। सभामा भाग लिनका लागि प्रतिनिधि नियुक्त गरीसकेपछि उक्त प्रतिनिधि बदर गरी अर्को प्रतिनिधि नियुक्त गर्ने भएमा सोको लिखित सूचना सभा सुरु हुनु भन्दा ४८ घन्टा अगावै केन्द्रीय कार्यालयमा दर्ता गरी सक्नु पर्नेछ।
४. प्रतिनिधि नियुक्त गरीसकेको शेयरधनी आफै सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गरेमा निजले दिएको प्रतिनिधि (प्रोक्सी) स्वतः बदर हुनेछ। यसरी प्रतिनिधि मुकरर गर्दा आफ्नो नाममा रहेको सम्पूर्ण शेयरको प्रतिनिधि एकै व्यक्तिलाई गर्नु पर्दछ एक भन्दा बढी व्यक्तिलाई आधा आधा वा अरु कुनै किसिमबाट छुट्टाएर दिएमा बदर हुनेछ।
५. सर्बसम्मतबाट प्रतिनिधि चयन भएको अवस्थामा बाहेक एक भन्दा बढी व्यक्तिहरुको संयूक्त नाममा (साझा गरी) शेयर लिएको रहेछ भने शेयरधनीको दर्ता किताबमा दर्ता क्रमानुसार पहिलो नाम उल्लेख भएको व्यक्ति एक जनाले मात्र साधारण सभामा भाग लिन पाउनेछ।
६. नाबालक वा अशक्त/विक्षिप्त व्यक्ति शेयरधनीको तर्फबाट यस बैंकको शेयरधनी दर्ता किताबमा संरक्षकको रुपमा नाम दर्ता भैरहेको व्यक्तिले मात्र सभामा भाग लिन वा प्रतिनिधि (प्रोक्सी) तोक्न सक्नु हुनेछ।
७. कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिले शेयरवालाको हैसियतले सभामा भाग लिन तथा मतदान गर्न पाउने छ।
८. छलफलका विषयसूची मध्ये विविध शिर्षक अन्तर्गत छलफल गर्न ईच्छुक शेयरधनीले आफुले छलफल गर्न चाहेको विषयबारे सभा हुनु भन्दा ७ (सात) दिन अगावै कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रुपमा दिनु पर्नेछ। तर यसलाई छलफल र पारित हुने प्रस्तावको रुपमा समावेश गरिने छैन।
९. सञ्चालक निर्वाचन सम्बन्धी विस्तृत जानकारीको लागि बैंकको केन्द्रीय कार्यालय पोखरा महानगरपालिका-०८, न्युरोड, कास्की स्थित निर्वाचन अधिकृतको कार्यालयमा सम्पर्क राख्नुहुन अनुरोध गरिन्छ।
१०. अन्य विस्तृत जानकारी तथा वार्षिक प्रतिवेदनका लागि बैंकको केन्द्रीय कार्यालयमा सम्र्पक गर्नहुन वा बैंकको वेबसाईट www.greenbank.com.np मा हेर्नहुन अथवा फोन नं. ०६१-५८३५९०/५८३६३४ (कार्यालय समय भित्र) मा सम्पर्क गर्नुहुन अनुरोध गरिन्छ।

कम्पनी ऐन, २०६३ को दफा ८४ को उप-दफा ४ को प्रयोजनको प्रकाशित संक्षिप्त वार्षिक आर्थिक विवरण (प्रस्तुत विवरण कम्पनीको वार्षिक आर्थिक विवरण तथा सञ्चालक समितिको संक्षिप्त विवरण मात्र हो)

श्री शेयरधनी महानुभावहरु,

यस ग्रीन डेभलपमेन्ट बैंकको बाह्रौं वार्षिक साधारण सभाको प्रयोजनार्थ बैंकको आर्थिक वर्ष २०८०/८१ को वासलात, नाफा नोक्सान हिसाब लगायत बैंकको समग्र कारोबारको सिंहावलोकन निम्नानुसार रहेको व्यहोरा यस संक्षिप्त वार्षिक आर्थिक विवरण मार्फत जानकारी गराउदछौं।

१. समिक्षा अवधिमा बैंकले हासिल गरेको कार्य सम्पादनको झलक तल उल्लेख गरिए अनुसार छ :

बैंकको आ.व.०७९/०८० र २०८०/०८१ मा रहेका वित्तिय विवरणहरको तुलनात्मक स्थिति निम्न अनुसार रहेको छ।

शिर्षक	आ.व. २०७९/०८०	आ.व. २०८०/०८१	वृद्धि प्रतिशत
चुक्ता पूँजी	५१,९०,००,०००/००	५३,८७,२२,०००/००	३.८० %
कूल सम्पत्ति	४,७७,२२,०१,६५६/००	५,८१,१८,०८,०६९/००	२१.७८ %
कूल निक्षेप संकलन	३,९०,३८,८१,१७०/००	४,९७,१७,३४,२५६/००	२७.३५ %
कूल कर्जा सापटी तथा लगानी	३,२९,७१,०६,७५०/००	३,९४,५८,६१,०४७/००	१९.६८ %
सञ्चालन खर्च	९,३१,५०,६१६/००	१०,८७,७३,८३७/००	१६.७७ %
खुद मुनाफा	१,६४,९५,६७१/००	४,०७,४१,५८४/००	१४६.९८ %
प्रतिशेयर आम्दानी	३.१८	७.५६	१३७.७४ %

२. प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराका सम्बन्धमा सञ्चालक समितिको धारणा:

चालु आ.व.२०८१/८२ को पौष मसान्त सम्मको आर्थिक कारोवारको विवरण निम्न अनुसार रहेको छ।

क्र.सं.	शिर्षक	आ.व. २०८१/८२ (६ महिनाको अवधिमा)
१.	निक्षेप संकलन	५ अर्व ८३ करोड ७७ लाख
२.	कर्जा सापट तथा लगानी	४ अर्व ३८ करोड ४१ लाख
३.	कुल सम्पत्ति	६ अर्व ५८ करोड ५३ लाख
४.	शाखा कार्यालय	१५

बैंकलाई दिगो, भरपर्दो र कम जोखिम हुने तवरले संचालन गरि प्रतिफलको स्तरमा सुधार गर्दै लैजानु पर्ने आवश्यकता महसुस भएको छ। यसका लागि हाम्रो प्रयास ब्यवसाय विस्तारमा केन्द्रित गरिनेछ। बैंकले उच्च क्षमता भएका कर्मचारी भर्ना गर्ने र भएका कर्मचारीको मनोवल उकासी उत्पादकत्व बढाउने कार्य गरिनेछ। सम्भाब्य क्षेत्रहरुमा शाखा संजाल बृद्धि गर्दै ब्यवशाय विस्तारको आधार तयार गर्दै लगिनेछ। ग्राहकहरुको संतुष्टिलाई प्राथमिकतामा राखि काम गर्ने संस्कार र कार्यप्रणालिको विकास गर्दै लगिनेछ। प्रविधिमा भएको विकासले बैंकिङ्ग ब्यवसाय लगायत ग्राहकहरुको जीवन शैलीमा ठूलो बदलाव आईरहेको परिप्रेक्ष्यमा बैंकले प्रविधिको प्रयोगमा जोड दिदै आफ्ना बस्तु र सेवा प्रदान गर्नेछ। नेपालको बैकिङ्ग क्षेत्रमा हुने परिवर्तनहरुको कारण सिर्जना हुने अवसरको सदुपयोग र चुनौतिको सामना गर्न उच्च स्तरको सजगता अपनाई अगाडि बढिनेछ।

३. लांभास बाँडफाँड गर्न सिफारिस गरिएको रकमः

यस बैंकको आ.व. २०८०/०८१ को बाँडफाँड योग्य रकम रु. ३,७९,०१,७३४ (जगेडाकोष तथा अन्य कोष कट्टा गरी गत आर्थिक वर्ष सम्मको संचित मुनाफा सहित) रहेको छ। सोही अवधीमा बैंकले ५.७५ प्रतिशत बोनस सेयर तथा कर प्रयोजनको लागि ०.३०२७ प्रतिशत नगद लाभांश गरी जम्मा रु ३,२६,०७,२२६/- वितरण गरिने व्यहोरा सम्मानित सभा समक्ष जानकारी गराउँदछु।

SUJAN KAFLE & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm No.: 200 (ICAN), PAN: 605263363, House No.: 173/44
Bhimsenmarg, Bishalnagar, Kathmandu, Nepal
Tel.: 4540283, 4542603, Post Box: 20357
Email: support@skaca.com.np
www.skkaca.com.np

Independent Auditor's Report
To the Shareholders of Green Development Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have Audited the accompanying financial statements of the Green Development Bank Limited ("Bank") which comprise the statement of financial position as at Ashadh 31st, 2081 (July 15, 2024), and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, and summary of significant accounting Policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Bank as at Ashadh 31st, 2081 (July 15, 2024), and of the financial performance and of its cash flow 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 Bank in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the Bank under provision of Company Act, 2063 and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the 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 communicate in this report.

S.N.	Key Audit Matters	How the matters were addressed in our Audit
	Interest Recognition (Refer Note no. 4.29 read with 3.13 of Notes to Financial statements.) Interest income of the Bank has to be recognized on an accrual basis and following the **Interest Income Recognition Guidelines 2019** issued by Nepal Rastra Bank (NRB). The guideline requires where loans and advances are overdue for more than 3 months and up to 12 months, collateral testing shall be done. If the outstanding amount is within the collateral value, then the interest income is recognized; if not, then the accrual of such interest income is suspended. However, if the loan is in past dues for more than 12 months, then the accrual of interest income is suspended irrespective of the value of collateral. The manual intervention is required for the interest recognition process. Hence, it creates a risk of improper application of guidelines and determination of the fair value of the collateral. So, this may have an effect on the recognition of interest income of the bank. Therefore, we have considered it as Key Audit Matter.	Our audit approach regarding verification of the process of interest recognition included: • Obtaining a clear understanding of the process of accrual of interest income on loans and advances in the Core Banking Software of the bank. • For fair value of collateral, we relied on the latest available valuation report of the collateral and have test-checked it as per NRB Income Recognition guidelines. • Test-checked the interest income recording with manual computation on sampled borrowers. • Test-checked the premium charged on sampled borrowers from the report provided and basis taken by the management. **Our Result**: We considered the interest recognition and their relevant controls system to be adequate.
1.	**Identification of Non-Performing Advances and provisioning of advances** (Refer Note no. 4.6 & 4.7 read with 3.4 of Notes to Financial statements.) Loans and advances constitute 71.59% of the Bank's total assets and are governed by Nepal Rastra Bank (NRB) Directives, alongside circulars, notices, and guidelines issued periodically by NRB. These guidelines provide a framework for the classification of loans and advances into performing and non-performing assets (NPAs). Given the Bank's substantial credit exposure to a wide range of borrowers and the inherent complexity and judgment required in assessing the recoverability of loans, estimating provisions, and identifying accounts for write-offs, the process is inherently complex and judgment-intensive. This necessitates significant audit effort to address risks related to loan recoverability and the determination of associated provisions and write-off. As per NRB Directive 4, Bank shall measure Impairment loss on loans and advances at the higher of the following. • Amount derived as per norms prescribed by NRB for loan loss provision. Amount determined as per NFRS adopting incurred loss model. • The Bank has opted to apply carve-out for the treatment of Impairment of loans and advances. Accordingly, higher of the above is taken as impairment loss for loans and advances. The Bank's Portfolio of loans and advances amounts to NPR 4,293,076,138.16 on which the Bank has reported following impairments following above provision: **Impairment** — **Amount** Loan & Advance to BFIs — **2,609,283.27** **Loan & Advance to Customer** Collective impairment — 62,272,237.80 Individual Impairment — 67,403,088.66 **Total** — **129,675,326.45** Identification of performing and non-performing advances relies on the Bank's Information Technology System, specifically its Core Banking System (CBS), which supports classification and provides information essential for assessing the status of advances. Considering the magnitude of the Bank's loan portfolio, regulatory complexities, and the judgment involved, the identification, classification, and provisioning of loans and advances are considered a Key Audit Matter.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification provisioning pertaining to advances. In particular: • We have evaluated and understood the Bank's internal control system in adhering to the relevant NRB Directives regarding income recognition, asset classification provisioning pertaining to advances. • We have analyzed and understood systems/applications used and key IT tested the operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation recognition, asset classification provisioning pertaining to advances. • We test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with asset classification and provisioning pertaining to advances; and • We evaluated the past trends of management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with senior management. **Our Result:** We considered the identification of Non-Performing Advances and their provisioning to be acceptable.
2.	**Investment Securities valuation** (Refer Note no. 4.8 of Notes to Financial statements.) The Bank has total investment securities of NRs. 649,461,464.65 as at 31 Ashadh 2081 classified into different categories as Investment securities measured at amortized cost and Investment in equity measured at fair value through other comprehensive income, which in aggregate represent 11.17% of the total assets of the Bank. Classification of investment into different categories as Investment securities measured at amortized cost and Investment in equity measured at fair value through other comprehensive income warrant management judgement and it impacts on valuation of investment securities and impairment allowance. Due to the percentage of volume over total assets and the requirement of management measurement judgment of impairment allowance, we have considered this as key audit matter.	We applied following procedures in respect of at Investment verification: Review of accounting policies adopted by the Bank based on Nepal Financial Reporting Standards and the Directives issued by NRB and compliance of the same. Evaluation of management's assessment to categorize investments into different categories as Investment securities measured at amortized cost and Investment in equity measured at fair value through other comprehensive income. Verification of valuation of investment on sampling basis in reference to its cost and quoted market price as the case may be. Verification of impairment allowance provided for different investments in commensurate with NFRSs and NRB Directives. **Our Result:** Accounting policies, classification, valuation, and impairment allowances for the investments are considered acceptable.
3.	**Information Technology** The Information Technology of the Bank is Complex and involves a large number of independent and interdependent IT Systems used in the operation of the Bank for processing and recording a large volume of transaction. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank. Appropriate IT General Controls and application control are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for financial reporting. We have considered this as a key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to management, stakeholders, and regulators.	We conducted an assessment and identified key IT applications, databases and operating systems that are relevant to our Audit and have identified CBS primarily as relevant for financial reporting. Our audit approach was also based on Information Technology Guidelines 2012 issued by NRB and also testing of design and operating effectiveness of the internal controls and substantive testing as follows: • Obtained understanding of the Bank's IT control environment, Its policies, and key changes during the audit period. • Reviewed the IS Audit Report and discussed with IT team on compliance to Key IS controls. • Reviewed the design, implementation, and operating effectiveness of the Bank's General IT controls over the key IT system that are critical to financial reporting on test check basis. **Our Result:** We considered the information technology system and their relevant controls to be adequate.

A member of mgiworldwide

Other Information

Management is responsible for other Information. Other Information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement, therein, we are required to request the management and those charged with governance to correct the material misstatement.

Responsibility 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 Nepal Financial Reporting Standards 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 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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the branch offices of the Bank, though the statements are independently not audited, were adequate for the purpose of the audit; the financial statements have been prepared in accordance with all material respect in accordance with the provisions of the Companies Act 2063, and they are in agreement with the books of accounts of the Bank, and the accounts and records of the Bank are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed that:

- Bank has taken adequate action for the protection of the interest of depositors and investors, the capital fund and risk bearing fund are adequately maintained;
- The provision for possible impairment of the assets of the bank are adequate as per directives issued by Nepal Rastra Bank; the business of the Bank was conducted satisfactorily, and the Bank's transaction were found to be within the scope of its authority.
- We have not come across cases where the Bank has acted against the interest of depositors and investors. Further, Bank's internal control system is reasonably adequate, and
- We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Bank has acted contrary to the provisions of law, caused loss or damage to the Bank, or committed any misappropriation of the funds or violation of directives of Nepal Rastra Bank.
- Also, the Bank has provided the required financial and other information to its shareholders and the Bank appears to be able to serve its long-term liabilities out of its assets.

CA. Prabin Subedi
Partner
Sujan Kafle & Associates,
Chartered Accountants

Date: December 17, 2024
Place: Kathmandu
UDIN: 241217CA01940m6GpK

Statement of Financial Position As on 31 Asar 2081

NPR

Particulars	31.03.2081	31.03.2080
Assets		
Cash and Cash Equivalents	626,721,937	618,140,730
Due from Nepal Rastra Bank	230,572,773	161,981,395
Placement with Bank and Financial Institutions	-	50,000,000
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	214,930,482	3,131,566
Loans and Advances to Customers	3,945,861,047	3,297,106,750
Investment Securities	649,461,464	498,988,217
Current Tax Assets	-	3,930,483
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	5,135,217	-
Property and Equipment	70,835,210	80,826,526
Goodwill and Intangible Assets	463,300	1,135,424
Deferred Tax Assets	-	-
Other Assets	67,826,639	56,960,566
Total Assets	**5,811,808,069**	**4,772,201,656**
Particulars	**31.03.2081**	**31.03.2080**
Liabilities		
Due to Bank and Financial Institutions	93,382,448	172,259,892
Due to Nepal Rastra Bank	-	-
Derivative Financial Instruments	-	-
Deposits from Customers	4,971,734,256	3,903,881,170
Borrowings	33,750,000	25,000,000
Current Tax Liabilities	2,147,230	-
Provisions	885,465	361,548
Deferred Tax Liabilities	843,716	1,816,355
Other Liabilities	80,811,387	79,634,743
Debt Securities Issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	**5,183,554,502**	**4,182,953,708**
Equity		
Share Capital	538,722,000	519,000,000
Share Premium	1,809	1,809
Retained Earnings	37,901,733	27,759,961
Reserves	51,628,024	42,486,178
Total Equity Attributable to Equity Holders	**628,253,566**	**589,247,948**
Non Controlling Interest		
Total Equity	**628,253,566**	**589,247,948**
Total Liabilities and Equity	**5,811,808,069**	**4,772,201,656**
Contingent Liabilities and Commitments	57,563,557	41,644,059
Net Assets Value per share	116.62	113.54

Statement of Profit or Loss For the year ended 31 Asar 2081

NPR

Particulars	31.03.2081	31.03.2080
Interest Income	566,085,184	523,470,910
Interest Expense	393,078,943	364,719,256
Net Interest Income	**173,006,240**	**158,751,654**
Fee and Commission Income	20,001,282	16,089,615
Fee and Commission Expense	696,233	319,069
Net Fee and Commission Income	**19,305,049**	**15,770,546**
Net Interest, Fee and Commisson Income	**192,311,289**	**174,522,200**
Net Trading Income	-	-
Other Operating Income	4,507,079	(1,042,546)
Total Operating Income	**196,818,368**	**173,479,654**
Impairment Charge/ (Reversal) for Loans and Other Losses	27,631,075	54,502,370
Net Operating Income	**169,187,293**	**118,977,284**
Operating Expense		
Personnel Expenses	63,359,316	49,884,116
Other Operating Expenses	30,856,429	29,723,038
Depreciation & Amortisation	14,558,092	13,543,462
Operating Profit	**60,413,456**	**25,826,668**
Non Operating Income	-	-
Non Operating Expense	1,113,039	864,735
Profit Before Income Tax	**59,300,417**	**24,961,933**
Income Tax Expense	18,558,833	8,466,262
Current Tax	19,348,122	9,343,694
Deferred Tax	(789,289)	(877,432)
Profit for the Period	40,741,584	16,495,671
Profit Attributable to:		
Equity-holders of the Bank	40,741,584	16,495,671
Non-Controlling Interest		
Profit for the Period	40,741,584	16,495,671
Earnings per Share		
Basic Earnings per Share	7.56	3.18
Diluted Earnings per Share	7.56	3.18

Statement of Other Comprehensive Income For the year ended 31 Asar 2081

NPR

Particulars	31.03.2081	31.03.2080
Profit for the year	**40,741,584**	**16,495,671**
Other Comprehensive Income, Net of Income Tax		
a) Items that will not be reclassified to profit or loss		
Gains/(losses) from investment in equity instruments measured at fair value	(611,166)	10,562,768
Gains/(losses) on revaluation	-	-
Actuarial gains/(losses) on defined benefit plans	-	-
Income tax relating to above items	(183,349.8)	3,168,830.4
Net other comprehensive income that will not be reclassified to profit or loss	**(427,816.2)**	**7,393,937.5**
b) Items that are or may be reclassified to profit or loss		
Gains/(losses) on cash flow hedge	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-
Income tax relating to above items	-	-
Reclassify to profit or loss	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-
c) Share of other comprehensive income of associate accounted as per equity method	-	-
Other Comprehensive Income for the year, Net of Income Tax	**(427,816)**	**7,393,938**
Total Comprehensive Income for the Period	**40,313,768**	**23,889,609**
Total Comprehensive Income attributable to:		
Equity-Holders of the Bank	40,313,768	23,889,609
Non-Controlling Interest		
Total Comprehensive Income for the Period	**40,313,768**	**23,889,609**

Statement of Cash Flows For the year ended 31 Asar 2081

NPR

Particulars	31.03.2081	31.03.2080
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	566,085,184	523,470,910
Fee and Other Income Received	20,001,282	16,089,615
Dividend Received	271,962	-
Receipts from Other Operating Activities	4,235,117	(1,042,546)
Interest Paid	(393,078,943)	(364,719,256)
Commissions and Fees Paid	(696,233)	(319,069)
Cash Payment to Employees	(63,359,316)	(49,884,116)
Other Expenses Paid	(59,600,543)	(85,090,143)
Operating Cash Flows before Changes in Operating Assets and Liabilities	**73,858,510**	**38,505,395**
(Increase) Decrease in Operating Assets		
Due from Nepal Rastra Bank	(68,591,378)	(60,756,482)
Placement with Banks and Financial Institutions	50,000,000	(50,000,000)
Other Trading Assets	-	-
Loans and Advances to BFIs	(211,798,916)	21,018,704
Loans and Advances to Customers	(648,754,297)	(725,201,820)
Other Assets	(6,935,591)	(42,349,370)
Increase (Decrease) in Operating Liabilities		
Due to Banks and Financials Institutions	(78,877,444)	(36,401,210)
Due to Nepal Rastra Bank	-	-
Deposit from Customers	1,067,853,086	1,018,617,362
Borrowings	8,750,000	25,000,000
Other Liabilities	2,875,153	11,932,865
Net Cash Flow from Operating Activities before Tax Paid	**188,379,124**	**200,365,444**
Income Tax Paid	(18,558,833)	(8,466,262)
Net Cash Flow from Operating Activities	**169,820,290**	**191,899,182**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(150,473,247)	(356,702,633)
Receipts from Sale of Investment Securities	-	-
Purchase of Property and Equipment	(4,566,777)	(20,197,643)
Receipts from Sale of Property and Equipment	-	-
Purchase of Intangible Assets	672,124	283,856
Purchase of Investment Properties	(5,135,217)	-
Receipts from Sale of Investment Properties	-	-
Interest Received	-	-
Dividend Received	-	-
Net Cash Used in Investing Activities	**(159,503,117)**	**(376,616,420)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from Issue of Debt Securities	-	-
Repayments of Debt Securities	-	-
Receipts from Issue of Subordinated Liabilities	-	-
Repayments of Subordinated Liabilities	-	-
Receipt from Issue of Shares	19,722,000	-
Dividends Paid	-	-
Interest Paid	-	-
Other Receipts/Payments	(21,457,967)	4,931,401
Net Cash from Financing Activities	**(1,735,967)**	**4,931,401**
Net Increase (Decrease) in Cash and Cash Equivalents	**8,581,206**	**(179,785,837)**
Cash and Cash Equivalents at Shrawan 01, 2080	618,140,730	797,926,566
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held		
Cash and Cash Equivalents at Asar 31, 2081	**626,721,937**	**618,140,730**