



एक्सेल डेभलपमेन्ट बैंक लि.

Excel Development Bank Ltd.

तपाईंको स्थानीय साझेदार (Your Local Partner)

वार्षिक प्रतिवेदन २०७६/०७७



संचालक समिति



श्री महेन्द्र कुमार गोयल
अध्यक्ष



श्री हेमराज ठकाल
सञ्चालक



श्री राजन शर्मा
सञ्चालक



श्री पशु्रराम दाहाल
सञ्चालक (सर्वसाधारण)



श्री पुरुषोत्तम लम्साल
सञ्चालक (सर्वसाधारण)



श्री पेशल राज पोखरेल
सञ्चालक (सर्वसाधारण)



श्री सुषमा शर्मा
सञ्चालक (स्वतन्त्र)

व्यवस्थापन समूह



लेखराज कार्की
का.मु. प्रमुख कार्यकारी अधिकृत



अशोक क्षेत्री
सहायक महाप्रबन्धक



चन्द्र प्रसाद आचार्य
प्रमुख-व्यापार (१)



महेश मान प्रधान
प्रमुख-वित्त विभाग



श्याम बहादुर बोहोरा
कम्पनी सचिव तथा
प्रमुख-मानव संसाधन विभाग



केशव अधिकारी
प्रमुख-आन्तरिक लेखा
परीक्षण विभाग



शिव कुमार गिरी
प्रमुख- व्यापार (२)



पंकज घिमिरे
प्रमुख-कर्जा असूली विभाग



समिर न्यौपाने
प्रमुख-सूचना प्रविधि
विभाग



सुमन लामिछाने
संचालन विभाग इन्चार्ज



केदार लम्शाल
कर्जा प्रशासन
विभाग इन्चार्ज

अब एक्सेलबाट साना तथा मझौला
उद्यम कर्जा लिई आत्मनिर्भर बनों



एक्सेल
SME LOAN

साना तथा मझौला उद्योग देखी ढेडिङ्ग
व्यवसाय सम्म कर्जा प्रवाह गर्न सकिने

सरल ब्याजदर

१० लाख देखी १ करोड सम्म कर्जा प्रवाह

सहज र सजिलो र छिटो कर्जा सुविधा

अब बैकमा जाने होइन,
बैंकिङ्ग घरैबाट गर्न सकिने ।

मिडमाइबाट भन्दा एक्सेल
स्मार्टमा नै गर पर्ने हो ।

एक्सेल
Smart
मोबाईल बैकिङ्ग



सकसम्म
घरमै बसी
डिजिटल कारोबार गरौं
सुरक्षित रहौं

विशेषताहरू

- > सजिलो र सुरक्षित
- > आफै रजिष्टर गर्न सकिने
- > २४ घण्टा चातै दिन सेवा
- > Fingerprint बाट Login हुने
- > इन्टरनेटबाट चलाउने SMS चार्ज नलाग्ने

सुविधाहरू

- विजुली र एकलगाथिने मिला सुचवाली
- डिजिटल लम्बगत टि.मि.के सुचवाली
- इन्टरनेटको मिला सुचवाली
- मोबाइल टेलिभिजन रिचार्ज
- अन्य बैकहरूसँग एकल ट्रांसफर
- QR Merchant Payment
- E-sewa मा लीड गर्न
- म्युचुअल, एटि.एन.ए. रीट



बाप जानकारीको लागि :-
नजिकको सान्ना वा
९८०९३१९३५३

एक्सेल
Smart
सुचारु गर्न ४ सरल प्रक्रिया

- 1 Excel Smart डाउनलोड गर्नुहोस
Activate Service बिचबुझ्ने ।
- 2 मोबाईल नं. अनि एक्सेलमा रहेको
स्याता नं. सुरुनुहोस
- 3 SMS बाट आएको Activation Code
सुरुनुहोस
- 4 Login Password अनि
Transaction Pin हाल्नुहोस



एक्सेल डेभलपमेन्ट बैंक लिमिटेड
नेपाल राष्ट्र बैंकबाट 'ख' वर्गको इजाजतपत्रप्राप्त संस्था (पाँच जिल्ला कार्य क्षेत्र भएको)
केन्द्रीय कार्यालय
वितर्तामोड न.पा., वार्ड नं. ४, भुपा

प्रवेश-पत्र

शेयरधनीको नाम : शेयरधनी नं./हितग्राही खाता नं. :
शेयर प्रमाण पत्र नं. : शेयर संख्या :
शेयरधनीको सही :

एक्सेल डेभलपमेन्ट बैंक लि. को मिति २०७८।०६।१६ का दिन हुने पन्ध्रौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरीएको प्रवेशपत्र ।

द्रष्टव्य :

१. शेयरधनी आफैले खाली कोष्ठहरु भर्नुहुन ।
२. सभा-कक्षमा प्रवेश गर्न प्रवेशपत्र प्रस्तुत गर्नुहुन ।

श्री संचालक समिति,
एक्सेल डेभलपमेन्ट बैंक लिमिटेड
केन्द्रीय कार्यालय
वितर्तामोड न.पा., वार्ड नं. ४, भुपा ।

विषय :- प्रतिनिधि नियुक्ती गरेको बारे ।

महाशय,
..... जिल्ला..... न.पा./गा.वि.स. वडा नं..... बस्ने
म..... ले त्यस कम्पनीको शेयरधनीको हैसियतले मिति २०७८ साल आश्विन १६ गते
शनिवारको दिन हुने पन्ध्रौं वार्षिक साधारण सभामा म/हामी स्वयं उपस्थित भई छलफल गर्न तथा निर्णयमा
सहभागि हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि
जिल्ला..... न.पा./वार्ड नं..... बस्ने त्यस वित्तीय संस्थाको शेयर धनी
श्री..... लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु/छौं ।

प्रोक्सी लिनेको दस्तखत :-
नाम थर :-
शेयरधनी नं./हितग्राही खाता नं. :-
शेयर संख्या :-
मिति :-

निवेदक :-
दस्तखत :-
नाम थर :-
ठेगाना :-
शेयरधनी नं./हितग्राही खाता नं. :-
मिति :-

द्रष्टव्य :- यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै एक्सेल डेभलपमेन्ट बैंक लि. को केन्द्रीय कार्यालय, वितर्तामोड न.पा., वार्ड नं. ४, भुपामा पेश गरिसक्नु पर्नेछ ।



एक्सेल डेभलपमेन्ट बैंक लिमिटेड
..... तपाईंको स्थानीय साझेदार



विषयसूची

क्र.सं.	विषय	पेज नं.
१.	पन्ध्रौं वार्षिक साधारण सभाको सूचना	१
२.	संचालक समितिको प्रतिवेदन	३
३.	लेखापरीक्षकको प्रतिवेदन	११
५.	बासलात	१७
६.	नाफा नोक्सान हिसाब	१८
७.	अन्य विस्तृत आम्दानीको विवरण	१९
८.	नगद प्रवाह विवरण	२०
९.	इक्विटीमा भएको परिवर्तन सम्बन्धी विवरण	२१
१०.	प्रमुख लेखा नीतिहरू तथा लेखा सम्बन्धी टिप्पणीहरू	२२
११.	अनुसूचीहरू	४५
१२.	खुलासा (Disclosures) तथा अतिरिक्त जानकारीहरू	७३
१३.	प्रमुख वित्तीय सूचक	८८
१४.	नेपाल राष्ट्र बैंकको स्वीकृत पत्र	९०
१५.	नेपाल राष्ट्र बैंकको निर्देशन उपर बैंकको जवाफ	९२
१६.	नियमावलीमा गरिने संशोधन (तीनमहले) विवरण	९३
१७.	वार्षिक प्रतिवेदनमा समावेश गर्नुपर्ने विवरण	९४



एक्सेल डेभलपमेन्ट बैंक लिमिटेड

केन्द्रीय कार्यालय, विर्तामोड (भापा)

पन्ध्रौं वार्षिक साधारण सभाको सूचना

(प्रथम पटक प्रकाशित मिति : २०७८/०५/२४)

यस बैंकको मिति २०७८।०५।२२ मा बसेको संचालक समितिको २६० औं बैठकको निर्णयानुसार निम्न मिति, समय र स्थानमा तपसिल बमोजिमका प्रस्तावहरु उपर छलफल तथा निर्णय गर्न यस बैंकको पन्ध्रौं वार्षिक साधारण सभा हुने निर्णय भएको हुदा कम्पनी ऐन २०६३ को दफा ६७ (२) को प्रावधान बमोजिम सम्पूर्ण शेयरधनी महानुभावहरुको उपस्थितिका लागि यो सूचना प्रकाशित गरिएको छ। कुनै कारणवश पत्र प्राप्त हुन नसकेमा यसै सूचनालाई आधार मानी उपस्थित भइदिनु हुन हार्दिक अनुरोध गर्दछु।

साधारण सभा हुने मिति समय र स्थान :

मिति : २०७८ साल असोज १६ गते शनिवार (तदनुसार अक्टोबर २, २०२१)

समय : विहान ११:०० बजे

स्थान : सिद्धार्थ होटल, विर्तामोड, भापा।

सभाको निर्धारित विषयसूची :

(क) सामान्य प्रस्ताव :

१. संचालक समितिको तर्फबाट अध्यक्षज्यूबाट प्रस्तुत हुने आ.व. २०७६/०७७ को वार्षिक प्रतिवेदन पारित गर्ने।
२. लेखापरीक्षकको प्रतिवेदन सहितको लेखापरीक्षण गरिएको २०७७ आषाढ मसान्तको वासलात, आ.व. २०७६।०७७ को नाफा नोक्सान हिसाब तथा सोही अवधीको नगद प्रवाह विवरण र सो संग सम्बन्धित वित्तीय विवरणहरु उपर छलफल एवं स्वीकृत गर्ने।
३. बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ६३ तथा कम्पनी ऐन, २०६३ को दफा १११ अनुसार आ.व. २०७७/७८ को लागि लेखापरीक्षकको नियुक्ती गर्ने र निजको पारीश्रमिक निर्धारण गर्ने (वर्तमान लेखापरीक्षक श्री एन. वि. एस. एम. एण्ड एशोसिएट्स, चार्टर्ड एकाउण्टेन्टस् निल बहादुर सारु मगर पुनः नियुक्तिको लागि योग्य हुनुहुन्न।)
४. आ.व २०७६/०७७ सम्मको वितरणयोग्य संचित मुनाफा र शेयर प्रिमियमबाट संचालक समितिले सिफारिस गरे बमोजिम १२.०० प्रतिशत बोनस शेयर बापतको कर प्रयोजनको लागि रु. ५१,२२,८७०।८९ नगद लाभांश को रुपमा वितरण गर्ने प्रस्ताव स्वीकृत गर्ने।
५. सर्वसाधारण समूहका शेयरधनीहरुको तर्फबाट सञ्चालक समितिमा प्रतिनिधित्व गर्ने ३ (तीन) जना सञ्चालकहरुको निर्वाचन गर्ने।

(ख) विशेष प्रस्ताव :

१. संचालक समितिबाट सिफारिस भए बमोजिम चुक्ता शेयर पूजीको १२.०० प्रतिशतका दरले बोनस शेयर रु.९,७३,३४,५४६।९७ (अक्षरेपि नौ करोड त्रिहत्तर लाख चौतिस हजार पाँच सय छयालिस पैसा सन्तानव्हे मात्र) वितरण गर्ने।
२. उल्लेखित बोनस शेयर निष्काशनको लागि आवश्यक हदसम्म जारी तथा चुक्ता पूजी वृद्धि गर्न स्वीकृति प्रदान गर्ने।
३. एक्सेल डेभलपमेन्ट बैंक लि. र अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरु एक आपसमा गाभ्ने/गाभिने (Merger) वा प्राप्ती Acquisition प्रयोजनको लागि चौधौं वार्षिक साधारण सभाले दिईएको अख्तियारीलाई निरन्तरता दिदै अन्य उपयुक्त बैंक तथा वित्तीय संस्थासंग गाभ्ने/गाभिने (Merger) तथा प्राप्ती (Acquisition) गर्ने सम्बन्धी आवश्यक कार्य गर्न, उक्त कार्यका लागि सहमतीपत्र (Memorandum Of Understanding) मा हस्ताक्षर गर्न Merger तथा Acquisition समिति गठन गर्ने, चल अचल सम्पत्तिको मूल्याङ्कन (Due Diligence Audit) गर्न मूल्यांकनकर्ताको नियुक्ती गर्ने, निजको पारिश्रमिक निर्धारण गर्ने, सम्बन्धीत नियमनकारी निकायहरूसंग सहमति लिन लगायतका Merger तथा Acquisition सम्बन्धमा आवश्यक सम्पूर्ण कार्य प्रकृया अघि बढाउने अख्तियारी संचालक समितिलाई प्रदान गर्ने।
४. बैंकको प्रबन्धपत्रमा संशोधन गर्ने सम्बन्धी प्रस्ताव पारित गर्ने र गाभ्ने/गाभिने तथा प्राप्ती गर्ने प्रक्रिया लगायत अन्य आवश्यक विषयका लागि समेत प्रबन्धपत्र तथा नियमावलीमा संशोधन गर्नुपर्ने भएमा प्रबन्धपत्र तथा नियमावलीमा आवश्यक संशोधन गर्न संचालक समितिलाई अख्तियारी प्रदान गर्ने।

(ग) विविध।

संचालकसमितिको आज्ञाले
कम्पनी सचिव



साधारण सभा सम्बन्धि थप जानकारी :

१. साधारण सभालाई ध्यानमा राखी मिति २०७८।०६।०१ देखि २०७८।०६।१६ सम्म बैंकको शेयर दाखिल/खारेजको काम बन्द गरिएको । नेपाल स्टक एक्सचेञ्ज लिमिटेडमा २०७८।०५।३१ गतेसम्म कारोवार भई म्यादभित्र यस बैंकको शेयर रजिष्ट्रार एनआईविएल एस क्यापिटल लिमिटेड, लाजिम्पाट काठमाण्डौमा प्राप्त शेयर नामसारीको लिखतको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले मात्र सो सभामा भाग लिन, मतदान गर्न तथा सो सभाबाट पारित लाभांश पाउने छन् ।
२. शेयरधनी महानुभावहरूले हितग्राही (DMAT) खाता खोलिएको/ शेयर प्रमाण पत्र वा प्रवेश पत्रका साथमा आफ्नो परिचय खुल्ने कुनै परिचय पत्र अनिवार्य रूपमा लिई आउनुहुन अनुरोध छ ।
३. सभामा भाग लिन र मतदान गर्नका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले सभा सुरु हुने समय भन्दा कम्तीमा ४८ घण्टा अगावै बैंकको केन्द्रीय कार्यालयमा प्रोक्सी फारम दर्ता गरी सक्नुपर्नेछ । सभामा भाग लिन मतदान गर्नका लागि प्रतिनिधि नियुक्त गरिसकेपछि उक्त प्रतिनिधि बदर गरी अर्को मुकरर गर्ने भएमा सो को लिखित सूचना सोही अवधि भित्र बैंकको केन्द्रीय कार्यालयमा दर्ता गरी सक्नुपर्नेछ । प्रतिनिधि नियुक्त गरेको शेयरधनीले कुनै कारणवश त्यस्तो प्रतिनिधि बदर गरी आफैँ सभामा उपस्थित भई मतदान गर्न चाहेमा सो को लिखित सूचना सभा सुरु हुने भन्दा कम्तीमा २४ घण्टा अगावै बैंकमा दर्ता गर्नुपर्नेछ ।
४. प्रतिनिधि भएको व्यक्ति यस कम्पनीको शेयरधनी हुनुपर्ने छ । अन्य व्यक्ति प्रतिनिधिको लागि अमान्य हुनेछन् । बैंक कर्मचारीलाई कर्मचारी वाहेकका शेयरधनीले प्रोक्सी दिन पाउने छैनन् ।
५. नाबालक वा विक्षिप्त शेयरधनीको तर्फबाट बैंकको शेयर लागत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा प्रतिनिधि तोक्न सक्नुहुनेछ ।
६. संयुक्त रूपमा शेयर खरीद गरेको भएमा शेयर लागत किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतबाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भाग लिन पाउनेछन् ।
७. छलफलका विषय मध्ये विविध शिर्षक अन्तर्गत विशेष प्रस्ताव भएमा छलफल गर्न ईच्छुक शेयरधनी महानुभावहरूले सभा हुनु भन्दा सात दिन अगावै छलफलको विषय कम्पनी सचिवालय मार्फत संचालक समितिका अध्यक्षलाई लिखित रूपमा दिनुपर्नेछ ।
८. शेयरधनी महानुभावहरूले व्यक्त गरेको मन्तव्य वा प्रश्नहरूका सम्बन्धमा संचालक समितिका तर्फबाट अध्यक्ष वा अध्यक्षद्वारा आदेश पाएका व्यक्तिले उत्तर दिनेछन् ।
९. सभामा स्वयं उपस्थित भई भाग लिने प्रत्येक शेयरधनी महानुभावले सभा हुने स्थानमा उपस्थित भई त्यहा रहेको हाजिरी पुस्तिकामा दस्तखत गर्नु पर्नेछ । शेयरधनी महानुभावहरूको सुविधाको लागि उपस्थिति पुस्तिका सभास्थलमा सभा हुने दिन बिहान ९ बजे देखि नै खुल्ला गरिनेछ । विश्वव्यापी रूपमा फैलिएको कोरोना भाईरस (Covid-19) का कारण सभामा उपस्थित हुदा सामाजिक दुरी कायम हुनेगरी हाजिरी तथा सभा स्थलमा बस्ने व्यवस्था कायम गरिने हुदा भाईरसबाट सुरक्षाको लागि आवश्यक पर्ने मास्क, पञ्जा लगायतको न्युनतम सुरक्षाको उपकरणहरु प्रयोग गर्न सम्पूर्ण शेयरधनी महानुभावहरूलाई अनुरोध छ ।
१०. सुरक्षाको दृष्टिकोणले शेयरधनी महानुभावहरु सभा स्थलमा आउंदा भोला, व्याग जस्ता बस्तुहरु नलिई आउनु हुन अनुरोध छ ।
११. साधारण सभामा भाग लिन आउंदा जाँदा लागेको भ्रमण खर्च लगायत कुनै किसिमको खर्च रकम बैंकले प्रदान गर्ने छैन ।
१२. इमेल, स्क्यान, फोटो वा अन्य विद्युतीय माध्यमबाट पठाएका प्रतिनिधिपत्र (प्रोक्सी) लाई पनि मान्यता दिईनेछ ।
१३. कुनै शेयरधनीहरूले वार्षिक साधारण सभामा भिडियो कन्फरेन्स मार्फत आफ्नो मन्तव्य राख्न चाहेमा साधारण सभा हुने समय भन्दा २४ घण्टा अगाडि मोवाइल नं ९८०२३१२३५० वा ९८४२०२६९६४ मा सम्पर्क गरी सहभागिता जनाउन सक्नेछन् । भिडियो कन्फरेन्सका माध्यमबाट सहभागी हुन चाहने शेयरधनीहरूलाई Meeting ID/Password उपलब्ध गराई सभामा यथासक्य सहभागी हुन सक्ने व्यवस्था गरिनेछ ।
१४. अन्य जानकारीका लागि बैंकको केन्द्रीय कार्यालय बित्तोमोडमा कार्यालय समय भित्र सम्पर्क राख्न हुन अनुरोध छ । कार्यालयको फोन नं. ०२३-५४३५६४, ५४४०१०, ई-मेल:info@edb.com.np रहेको छ ।
१५. निर्वाचन कार्यक्रमको सूचना कम्पनीको कार्यालयको सूचना पाटीमा टासिने छ ।



एक्सेल डेभलपमेन्ट बैंक लिमिटेड

केन्द्रीय कार्यालय, विर्तामोड (झापा), नेपाल ।

पन्ध्रौं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा पेश

आ.व. २०७६/७७ को वार्षिक प्रतिवेदन ।

आदरणीय शेयरधनी महानुभावहरु,

सर्वप्रथम यस बैंकको पन्ध्रौं वार्षिक साधारण सभामा भागलिन उपस्थित शेयरधनी मित्रहरु, आमन्त्रित अतिथी महानुभावहरु लगायत उपस्थित अन्य महानुभावहरुमा संचालक समितिको तर्फबाट हार्दिक अभिवादन गर्दछु । गत वर्ष यस बैंकले प्राप्त गरेका उपलब्धीहरुको समिक्षा तथा चालु तथा आगामी वर्ष यस बैंकले गर्ने कार्यहरुको वार्षिक प्रतिवेदन यहाँहरु समक्ष पेश गर्दछु । कम्पनी ऐन २०६३ को दफा १०९ (४) ले निर्देशित गरे अनुरूप संचालक समितिबाट स्वीकृत भै लेखा परीक्षण भएको २०७७ आषाढ मसान्तका दिनको वासलात, २०७६/०४/०१ देखि २०७७/०३/३१ सम्मको नाफा नोक्सान हिसाब, नगद प्रवाह विवरण लगायत नेपाल राष्ट्र बैंकको निर्देशन अनुरूपका वित्तीय विवरणहरु सहितको वार्षिक प्रतिवेदन तयार पारि यहाँहरु समक्ष पेश गरेका छौं । यहाँहरुको छलफल तथा सकारात्मक सुझाव एवम् मार्गदर्शन सहित उक्त प्रतिवेदन स्वीकृत हुने विश्वासका साथ यहाँहरु समक्ष पेश गर्दछु ।

१. विगत वर्षको कारोबारको सिंहावलोकन :

गत वर्ष २०७६/०७७ मा यस बैंकले व्यवसायिक कारोबारको हिसाबबाट अपेक्षित रुपमा सफलता प्राप्त गरेको छ । बैंकिङ्ग तरतलताको समस्या, पूँजी वृद्धिसँगै कारोबार विस्तारमा संकुचनता, बढ्दो वित्तीय प्रतिस्पर्धा, विश्वव्यापी रुपमा फैलिएको कोरोना महामारी जस्ता चुनौतीपूर्ण अवस्था विद्यमान भएको भएपनि यस बैंकको समग्र व्यवसायिक कारोबारबाट यस बैंकले लक्षित सफलता प्राप्त गरेको कुरा व्यक्त गर्न पाउँदा म गौरवान्तीत भएको छु । देशमा देखिएका समग्र चुनौतीहरुको बावजुद यस बैंकले आफ्नो क्षेत्रहरुमा स्थापना गरेको प्रतिष्ठापूर्ण उपस्थिती एवं तत्क्षेत्रका यस बैंकका आदरणीय ग्राहक महानुभावहरुबाट प्राप्त गरेको सकारात्मक सहयोग तथा विश्वासलाई उत्साह पूर्वक उपयोग गरी यस बैंकले आफ्नो कारोबार विस्तार गरेको छ । हाम्रो भरपर्दो, विश्वशनीय सेवा तथा बैंकबाट अत्यन्त न्यानो तथा आत्मीय व्यवहारको कारणले सेवाग्राहीहरु आकर्षित भई यस बैंकको कारोबार वृद्धिदर उत्साहपूर्ण भएको तथ्यगत विवरण निम्नानुसार उल्लेख गर्न चाहन्छु ।

(रु. हजारमा)

क्र.सं.	विवरण	०७६ अषाढ	०७७ अषाढ	गत आ.व.को तुलनामा फरक	
				रकम	प्रतिशत
१	चुक्ता पुँजी	६,९२,६७३	८,११,१२१	११८,४४८	१७.१०
२	जगेडा तथा कोष	३,३७,१३०	३,३४,९८६	(२,१४४)	(०.६३)
३	निक्षेप	७४,३७,५१३	१,०१,४१,१७४	२७,०३,६६१	३६.३५
४	कर्जा सापट	६४,०१,५८१	७९,००,१२२	१४,९८,५४१	२३.४१
५	कुल आम्दानी	८,७८,९५४	११,५७,८२७	२,७८,८७३	३१.७२
६	ब्याज आम्दानी	८,१०,२९४	१०,६५,६९६	२,५५,४०२	३१.५१
७	अन्य आम्दानी	६८,६६०	९२,१३१	२३,४७१	३४.१८
८	कुल खर्च	६,३६,९१९	१०,०८,४२७	३,७१,५०८	५८.३२
९	ब्याज खर्च	४,१३,०२८	५,९४,८५९	१,८१,८३१	४४.०२
१०	संचालन तथा अन्य खर्च	२,२३,८९१	४,१३,५६८	१,८९,६७७	८४.७१
११	संचालन नाफा	२,४२,०३६	१,४९,४००	(९२,६३६)	(३८.२७)
१२	खुद नाफा	१,६८,४७७	१,०३,६६२	(६४,८१५)	(३८.४७)

उपरोक्त तथ्याङ्क विवरण अनुसार यस बैंकको निक्षेप तथा कर्जामा अधिल्लो वर्ष भन्दा समिक्षा वर्षमा क्रमशः ३६.३५ % र २३.४१ % ले वृद्धि भएको तथा खुद मुनाफा तर्फ ३८.४७% ले कमी भएको छ ।



बैंक तथा वित्तीय संस्थाहरुबिच बढ्दो प्रतिस्पर्धा, तरलताको समस्या, देशको अस्थिर औद्योगिक तथा रोजगारीको परिस्थिति, कोरोना भाइरस (Covid-19) आदिको चुनौतीपूर्ण अवस्था एवं कठिनाईहरुको बाबजुद समेत यस बैंकले उपरोक्त बमोजिम प्रगती हासिल गर्न सकेकोमा यो सफलता हाम्रा ग्राहकवर्गको विश्वास, आदरणीय शेरधनी मित्रहरुको सहयोग, शुभेच्छा एवं व्यवस्थापनमा रहेका पदाधीकारी एवं कर्मचारी साथीहरुको अनुभव, अथक प्रयास, मेहनत एवं लगनसिलताबाट नै उपलब्ध हुन सकेको हो भन्ने विश्वासका साथ यस सम्बन्धमा सम्बन्धित सबैप्रति हार्दिक आभार प्रकट गर्दछु।

२. राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितीबाट यस बैंकको कारोबारमा परेको असर :

हाल लामो समयदेखि विश्वमा देखा परेको कोरोना भाइरस (Covid-19), आर्थिक संकटको स्थिति एकातिर देखा परेको छ भने, बढ्दो व्यापार घाटा, देशमा उद्योग धन्दा फस्टाउन नसकेको अवस्था, पूँजीवृद्धिसँगै कारोबार विस्तार गर्न कठिनाई, बैंकहरुमा तरलताको अभाव, कोरोना भाइरस (Covid-19) का कारण ऋण असुलीमा परेको प्रभावले कर्जा नोक्सानीमा बृद्धि तथा कर्जा विस्तारमा संकुचनताजस्ता चुनौतीपूर्ण अवस्थाले यस बैंकको व्यवसाय विस्तार एवं मुनाफा बृद्धिमा प्रतिकूल असरपर्न जाने स्थिति देखिएकोले सो स्थितिबाट यस बैंकलाई सफलतापूर्वक संचालन गर्न बैंक प्रतिबद्ध रहेकोछ।

३. कर्जा असुली :

यस बैंकको व्यवसायिक कारोबारमा आम्दानीको प्रमुख अंश कर्जा लगानीको व्याज आम्दानी भएकोले कर्जा लगानी तर्फ सचेतपूर्ण नीति लिइएको कारणले विश्वव्यापी रुपमा फैलिएको कोरोना महामारीको प्रभावको बाबजुत व्याज असुलीमा सन्तोषजनक अवस्था देखिएको छ। गत आर्थिक वर्षमा यस बैंकले उठाउनु पर्ने व्याजको ९४.०९ % व्याज असुली गर्न सफल भई कूल बाँकी कर्जाको २.७६% मात्र निष्कृत्य कर्जा बाँकी रही ९७.२४ % कर्जा सक्रिय रहेको सन्तोषजनक अवस्था अवगत गराउन चाहन्छु।

४. बैंकको कृयाकलाप :

देशको पूर्वी भाग भापा, इलाम, मोरङ, सुनसरी तथा पाँचथर जिल्ला कार्यक्षेत्र निर्धारित यस बैंकको उक्त क्षेत्रमा प्रतिष्ठापूर्ण उपस्थिती रही आएको छ। यस बैंकले लक्षित गरेका अधिकांश ग्राहकहरु साना व्यवसायी, कृषक, सर्वसाधारण, निम्नवर्गीय जनताहरु छन्। यस अर्थमा यस बैंकका अधिकांश ग्राहकहरु साना वचतकर्ताहरु, साना उद्योगी, व्यवसायी, सर्वसाधारण, कृषकहरु रहेको कारणले विगत वर्ष देखि देखा परेको कर्जा लगानीको दायरा संकुचनको अवस्थामा समेत बैंकले आफ्नो स्थिती सुदृढ बनाई राख्न सफल भएको छ।

५. प्रतिवेदन तयार भएको मिति सम्मको चालु वर्षको प्रगती :

चालु वर्षको पहिलो १ महिना सम्मको प्रगती तथा गत आ.व.को सोहि अवधिको प्रगतीसंगको तुलनात्मक प्रगती विवरण निम्नानुसार रहेको छ।

(रकम रु. हजारमा)

विवरण	२०७८ श्रावण मसान्त	२०७७ श्रावण मसान्त	फरक
कुल निक्षेप	११,०९१,८४१।४९	९,६२५,२७४।९२	१,४६६,५६६।५७
कुल कर्जा साँवा	९,६५०,८७३।१०	७,७५३,७९९।५९	१,८९७,०७३।५१
व्याज आम्दानी	८३,८५४।८२	६६,४७४।२१	१७,३८०।६१
अन्य आम्दानी	६,५८५।८८	५,५२०।८७	१,०६५।०१
कुल आम्दानी	९०,४४०।७०	७१,९९५।०८	१८,४४५।६२
व्याज खर्च	४६,७०३।६७	४१,३४४।८९	५,३५८।७८
कर्मचारी खर्च	९,३५७।५९	८,६०२।६०	७५५।९९
कार्यालय संचालनको खर्च	७,५८२।४४	४,०१२।६३	३,५६९।८१
कर्जाको लागी व्यवस्था	-	-	-
कुल खर्च	६३,६४३।७०	५३,९६०।१२	९,६८३।५७
संचालन नाफा	२६,७९७।००	१८,०३४।९५	८,७६२।०५
खुद मुनाफा	१६,८८२।११	११,४७६।७९	५,४०५।३२



चालु आ.व. को एक महिनासम्ममा बैंकले रु.११,०९१,८४१.४९ हजार निक्षेप संकलन गरी रु.९,६५०,८७३.१० हजार कर्जा लगानी गरेको छ, जुन गत आ.व.को सोहि अवधि भन्दा क्रमशः १५.२३ र २४.४६ प्रतिशतले अधिक हो । साथै बैंकले चालु आ.व.को एक महिना सम्ममा संचालन तथा खुद मुनाफा क्रमशः रु.२६,७९७ हजार र रु.१६,८८२.११ हजार हासिल गरेको छ ।

६. बैंकको पूँजी वृद्धि योजना :

यस बैंकको चुक्ता पूँजी हाल रु.८१ करोड ११ लाख २१ हजार २ सय २४ रुपैया ७२ पैसा रहेको छ । साथै नेपाल राष्ट्र बैंकको मिति २०७५/०९/१३ को निर्देशन बमोजिम प्रादेशिक स्तरको विकास बैंक बन्नका लागि हामीले कायम गर्नुपर्ने न्यूनतम चुक्ता पूँजी रकम रु.१२० करोड रहेको सन्दर्भमा बैंकिङ व्यवसाय तथा कार्यक्षेत्र विस्तारलाई मध्यनजर गर्दा प्रदेश नं. १ कै पहिलो प्रादेशिक बैंक बन्नका लागि यो नै उपयुक्त समय हुनेछ, भन्ने महत्वाकांक्षाका साथ चौधौँ वार्षिक साधारण सभाबाट कम्पनीको चुक्ता पूँजी रु.८१,११,२१,२२४.७२ को ३० प्रतिशतका दरले रु.२४,३३,३६,३६७.४२ को हकप्रद शेयर जारी गर्ने प्रस्ताव पारित भएकोमा उक्त हकप्रद शेयर निष्काशनको अन्तिम प्रकृत्यामा रहेको जानकारी गराउन चाहन्छु ।

७. निक्षेप, कर्जा कारोबार तथा अन्य व्यवसायीक योजना :

- (क) हाल यस बैंकले १५० हजार भन्दा बढी ग्राहकहरूसँग निक्षेप कारोबार गर्दै आईरहेको तथा बैंकको निक्षेप वृद्धिका लागि विभिन्न खालका नविनतम योजनाहरु प्रतिस्पर्धात्मक ब्याजदरमा प्रदान गर्दै आईरहेको छ ।
- (ख) विगतमा गर्दै आएको तर हाल कोरोना भाइरस (Covid-19) का कारण गर्न नसकेको ३६५ दिने बैंकिङ सुविधा तथा बैंकको मुख्य शाखा कार्यालयमा सन्ध्याकालिन निक्षेप काउण्टर सेवालाई भविष्यमा निरन्तरता दिईनेछ ।
- (ग) यस बैंकका ग्राहकहरुमा सर्वसाधारण जनता, किसान, लघुउद्यमी, गृहिणी, शिक्षक, विद्यार्थी जस्ता सामान्य वचतकर्ताहरुको समेत बाहुल्यता रहेकोले यस क्षेत्रका जनताहरुको सहज पहुँचका लागि शाखा कार्यालयहरु, शाखारहित बैंकिङ सेवाहरु, ATM मेसिनको निरन्तर विस्तार गर्दै लगिनेछ ।
- (घ) साथै नेपाल राष्ट्र बैंकको निर्देशन बमोजिम यस बैंकले आफ्नो कुल कर्जा तथा सापट रकमको न्यूनतम १५ प्रतिशत रकम प्राथमिकताप्राप्त क्षेत्रमा लगानी गर्नु पर्ने हुन आउँछ । सोही बमोजिम यस बैंकले समेत विपन्न वर्ग कर्जा, व्याज अनुदान कर्जा, युवा तथा साना व्यवसायी स्वरोजगार कर्जा, जलविद्युत/उर्जा, पर्यटन, निर्यात, साना तथा मझौला उद्योग, औषधी उत्पादन, गार्मेन्ट उद्योग जस्ता प्राथमिकता प्राप्त क्षेत्रहरुमा सहज रुपले कर्जाहरु प्रवाह गरी कर्जा सुविधा प्राप्तिमा समग्र क्षेत्रको पहुँच वृद्धि गर्दै लगिनेछ ।
- (ङ) आगामी दिनहरुमा बैंकको व्याज आम्दानीमा प्रमुख भूमिका रहेको साना तथा मझौला उद्योग (Small & Medium Enterprises, SME) कर्जा लगानीमा थप सहजिकरण गरी ग्राहकहरुलाई कर्जा तथा विद्यमान कर प्रणालीका बारेमा अभिमुखिकरण/अन्तरक्रिया कार्यक्रमहरु (Financial Literacy Program) संचालन गरिनेछ ।
- (च) यस बैंकको शाखाको बढोत्तरी, नेटवर्क विस्तार तथा ग्राहकवर्गमा सघन बैंकिङ सेवासुविधाहरु प्रदान गर्ने उद्देश्यले सनराईज बैंक लि., सेन्चुरी कमर्सियल बैंक लि. तथा अन्य वाणिज्य बैंकहरूसँग सम्झौता तथा सहकार्य गरी प्रतितपत्र सुविधा, बैंक जमानत सुविधा, Credit Line Certificate जस्ता गैर कोषमा आधारित कर्जा सुविधाहरु प्रदान गर्ने गरी आवश्यक व्यवस्था गरिएको छ । सो सम्बन्धमा हाम्रा कर्मचारीहरुलाई आधारभूत प्रशिक्षण तालिम समेत प्रदान गरी सकिएको छ भने आवश्यकता हेरी थप प्रशिक्षणहरु समेत प्रदान गरिनेछ ।
- (छ) बजारमा देखिएको तरलता समस्याको समाधान तथा लक्ष्य प्रीप्तका लागि समय सापेक्ष रुपले अल्पकालिन तथा दीर्घकालिन निक्षेप योजनाहरुको तर्जुमा गरी लागु गरिएकोछ ।
- (ज) बैंकको पूँजी वृद्धि तथा कार्य क्षेत्र विस्तार भए संगै आउन सक्ने विभिन्न किसिमका अवसरहरुको सदुपयोग तथा संभाव्य जोखिमहरु न्यूनिकरण गर्नका लागि बैंकमा आवश्यक Marketing,



General Service, Risk, Compliance, Recovery जस्ता छुट्टा छुट्टै विभागहरु थप गरी आन्तरिक व्यवस्थापनलाई अझ सुध्दिद बनाईएको छ ।

- (भ) कर्मचारीहरुको सिप एवं दक्षता अभिवृद्धि गर्ने उद्देश्यले वाह्य एवम् आन्तरिक तालिम प्रदान गर्नका लागि **वार्षिक तालिम तालिका पात्रो (Annual Training Schedule Calender)** तर्जुमा गरी लागु गरिनेछ ।

८. कार्यालय विस्तार :

आर्थिक वर्ष २०७५/०७६ मा ३४ वटा शाखा कार्यालयहरु रहेकोमा आर्थिक वर्ष २०७६/०७७ मा थप ३ वटा नयाँ शाखाहरु संचालनमा आई २०७७ असार मसान्तसम्ममा यस बैंकको ३७ वटा शाखा कार्यालयहरु संचालनमा रहेको छ । बैंकको कार्य क्षेत्र विस्तार भए संगै आगामी दिनमा समेत आवश्यकताका आधारमा थप शाखाहरु तथा शाखारहित बैंकिङ्ग सेवा (Branchless Banking) विस्तारको कार्यलाई अगाडी बढाईनेछ । साथै आजका मिति सम्ममा यस बैंकको शाखा संख्या ४१ पुगी सकेको तथा आगामी अषाढ मसान्त सम्ममा ४८ वटा शाखाहरु संचालनमा आउने जानकारी यस सभालाई गराउंदछु ।

९. सूचना प्रविधि :

बैंकलाई थप प्रतिस्पर्धी बनाई ग्राहक सेवामा थप वृद्धि गर्न Pumory4 Centralised Data System संचालनमा ल्याईएको छ तथा चेक Online Clearing को व्यवस्था (ECC), SMS तथा Smart Mobile Banking, Utility Payment, ATM Card, Interbank Payment System (IPS), Connect IPS, Online Credit Information तथा CRN सहितको C-ASBA सुविधाको व्यवस्था गरिसकिएको छ भने D-MAT Account पनि यस बैंकबाट खोल्न सकिनेछ । साथै ग्राहकको सुविधाका लागि विर्तामोड मुख्यशाखा कार्यालयमा ATM Machine संचालनमा रहेकोमा निकट भविष्यमा आवश्यकता अनुसार थप ATM Machine हरु संचालनमा ल्याईनेछ । यस बैंकको कार्ड प्रयोग गरी नेपालभरि जोडिएको ATM बाट जति पटक नगद भुक्तानी लिए पनि कुनै शुल्क लाने छैन ।

हाल बैंकले नेपाल, भारत तथा भूटानमा समेत सजिलै चल्ने EMV (Europay, Master Card, and Visa) Chips युक्त VISA Debit Card को शुरुवात गरी सकेको सहर्ष जानकारी गराउंदछौ । यस कार्ड ATM बाट नगद निकाल्न, Point Of Sale (POS) मेशिन मार्फत विभिन्न Super Market तथा Store हरुमा गई मालसामान तथा सेवाहरु खरिद गर्नका लागि सजिलै प्रयोग गर्न सकिनेछ । यी कारोबारहरु EMV Chips युक्त VISA Debit Card मार्फत हुने भएकोले हजुरहरुको कारोबार अझ भरपर्दो र सुरक्षित रहनेमा यस बैंक विश्वस्त छ ।

बैंकमा विद्यमान कम्प्यूटरहरु, अन्य विद्युतीय उपकरणहरु, Core Banking Software (CBS), इन्टरनेट तथा सम्बन्धित सूचना प्रणालीको विकाश तथा जोखिमहरुलाई न्यूनिकरण गर्नका लागि **"Information Technology (IT) Policy 2019"** तर्जुमा गरी लागु गरिएको छ । सो सम्बन्धमा मानव निर्मित सम्भावित जोखिमहरु, आगलागी तथा अन्य दैवी प्रकोपहरुबाट बच्नको लागि काठमाडौंको थापाथली स्थित Cloud Himalayan Pvt. Ltd. संग सहकार्य गरी Disaster Recovery (DR) Site & Disaster Recovery (DR) Management Plan तयार गरिएको छ । साथै बैंकको साइबर सुरक्षालाई ध्यानदिदै उच्च स्तरीय Firewall हरु जडान गरिसकिएको छ भने भविष्यमा आउने चुनौति तथा आवश्यकताहरुलाई मध्यनजर गरी थप उपकरणहरु प्रयोगमा ल्याइनेछ ।

हालकायम मोबाईल बैंकिङ्ग सेवालाई SMART Banking सेवामा रुपान्तरण गरिसकिएको छ भने बैंकमा ग्राहकले चेक बिना नै भुक्तानी लिन सक्ने QR Counter पनि शुरु भइसकेको छ । व्यावसायीहरुलाई Digital Payment को लागि QR Merchant Enrollment गरी नगद रहित कारोबारको प्रवर्धन गरिरहिएको छ । बैंकमा एक अलग्गै AML/CFT Unit खडा गरी आवश्यक कर्मचारीको समेत व्यवस्था गरिएको छ । निकट भविष्यमा नै RTGS, Corporate Pay तथा ग्राहकले आफै अनुरोध गरेर तुरुन्तै उपभोग्य कर्जा लिन सक्ने EDBL Insta-Loan पनि सञ्चालनमा ल्याइनेछ ।



१०. बैंकको औद्योगिक एवम् व्यावसायिक सम्बन्ध :

यस बैंकको विकास तथा विस्तारमा सहयोगी एवम् सहभागी सबै औद्योगिक एवम् व्यावसायिक संघसंस्था, सहकारी संस्था, शैक्षिक संस्थाका साथै विभिन्न बैंक तथा वित्तीय संस्थाहरु, नियमनकारी निकायहरु, नेपाल राष्ट्र बैंक, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लि., कम्पनी रजिष्ट्रारको कार्यालयहरूसँग सदाभैँ सुमधुर सम्बन्ध रहि आएको छ । यस्ता संस्थाहरु लगायत अन्य ग्राहकहरूसँग हार्दिक एवम् सुमधुर व्यावसायिक सम्बन्ध सुदृढ गर्न व्यवस्थापकीय पदाधिकारी एवम् कर्मचारीहरु सक्षम एवम् सजग रहेका छन् ।

११. संचालक समिति :

संचालक समितिमा हाल समुह 'क' संस्थापक तथा समुह 'ख' सर्वसाधारण बाट निम्न बमोजिमको सदस्यहरु रहेको व्यहोरा जानकारी गराउँदछु ।

१.	महेन्द्र कुमार गोयल	-	अध्यक्ष	(समुह 'क')
२.	हेमराज ढकाल	-	संचालक	(समुह 'क')
३.	राजन शर्मा	-	संचालक	(समुह 'क')
४.	पर्शुराम दाहाल	-	संचालक	(समुह 'ख')
५.	पुरुषोत्तम लम्साल	-	संचालक	(समुह 'ख')
६.	पेशल राज पोखरेल	-	संचालक	(समुह 'ख')
७.	सुषमा शर्मा	-	स्वतन्त्र संचालक	

१२. कारोबारमा असर पर्ने कुराहरु :

देशमा औद्योगिकरणको अनुकूल वातावरण नभएकोले औद्योगिक क्षेत्रमा थप लगानीको वातावरण नहुनु, बैंक तथा वित्तीय संस्थाहरुको संख्या अधिक भई वित्तीय कारोबारमा अस्वस्थ प्रतिस्पर्धा हुने संभावना रहनु, कर्जा लगानीमा थप जोखिम हुनु, बैकिङ्ग क्षेत्रमा देखा पर्ने न्यून एवम् अधिक तरलताको स्थिति, विश्वव्यापी रुपमा फैलिएको कोरोना भाईरसको असरहरुको कारणले बैंकलाई हुन सक्ने जोखिम कम गर्न वा आउन नदिन विशेष सतर्कतापूर्वक कारोबार संचालन गर्न व्यवस्थापनलाई सजग गराइएको छ ।

१३. लेखा परीक्षण प्रतिवेदन उपर संचालक समितिको प्रतिक्रिया :

समीक्षा अवधीको समग्र कारोबारको वाह्य एवं आन्तरीक लेखा परीक्षकबाट देखाइएका प्रतिवेदनमा कारोबारका शिलशिलामा देखिएका सामान्य टिप्पणी एवं सुझावहरुलाई कार्यान्वयन गर्न व्यवस्थापनलाई निर्देशन दिई सोही अनुसार सुधार भै सकेको देखी वाहेक अन्य टिप्पणी लेखा परीक्षण प्रतिवेदनमा नभएकोले संचालक समितिको खास प्रतिक्रिया नभएको ।

१४. लाभांश बाँड फाँड

गत वर्षसम्मको कारोबारबाट देखिएको खुद मुनाफाको बाँडफाँडमा यसै साधारण सभाको प्रयोजनका लागी शेयर लगत पुस्तीका बन्द भएको मितिको अघिल्लो दिन सम्म कायम रहेका शेयर धनीहरुलाई चुक्ता शेयर पूँजी रु ८१,११,२१,२२४.७२ को १२.०० प्रतिशत रु. ९,७३,३४,५४६.९७ (अक्षरेपि नौ करोड तिहत्तर लाख चौतिस हजार पाँच सय छियालिस पैसा सन्तानबन्धे मात्र) बराबरको बोनस शेयर वितरण गर्ने र उक्त बोनस शेयर वितरण गर्दा कर मिलान प्रयोजनार्थ ०.६३ प्रतिशत (दशमलब पछिको दुई अंकमा) रु.५१,२२,८७०.८९ (अक्षरेपि एकाउन्न लाख बाइस हजार आठ सय सत्तरी पैसा उनानबन्धे मात्र) नगद लाभांश वितरण गर्न छुट्याइएको छ ।

१५. जफत गरीएको शेयरको विवरण :

यस बैंकले हाल सम्म कुनै शेयर जफत गरेको छैन ।

१६. सहायक कम्पनी :

यस बैंकको कुनै सहायक कम्पनी छैन ।



१७. आधारभूत शेयरधनीहरुबाट कम्पनीलाई उपलब्ध गराइएको जानकारी :

आधारभूत शेयरधनीहरुबाट बैंकको कारोबार विकास, विस्तार एवं बैंकको प्रगतीको लागी समय समयमा सुझाव सहयोग उपलब्ध गराए देखि बाहेक कुनै खास विषयको जानकारी उपलब्ध गराइएको छैन ।

१८. विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरुले लिएको शेयर स्वामित्वको विवरण :

यस बैंकका संचालक समितिका सदस्यहरु तथा प्रमुख कार्यकारी अधिकृतको नाममा विगत आर्थिक वर्षसम्म निम्न अनुसारको शेयर रहेको छ ।

क्र.सं.	नाम, थर	पद	शेयर संख्या	शेयर रकम
१.	महेन्द्र कुमार गोयल	अध्यक्ष	७,३०,२५३.१३	७,३०,२५,३१३
२.	हेमराज ढकाल	संचालक	४,३१,९२३.०२	४,३१,९२,३०२
३.	राजन शर्मा	संचालक	६,४८,८९८.१६	६,४८,८९,८१६
४.	पर्शुराम दाहाल	संचालक	१६,२४३.९२	१६,२४,३९२
५.	पुरुषोत्तम लम्साल	संचालक	४६४.०३	४६,४०३
६.	पेशल राज पोखरेल	संचालक	४,२१८.४१	४,२१,८४१
७.	सुषमा शर्मा	स्वतन्त्र संचालक	०	०

१९. बैंकसँग सम्बन्धित सम्झौताहरुमा कुनै संचालक तथा निजका आफन्तका व्यक्तिगत स्वार्थका बारेमा उपलब्ध गराइएका विवरण :

यस्तो विवरण बैंकलाई जानकारी प्राप्त नभएको ।

२०. बैंकले आफ्नो शेयर आफैँ खरिद गरेको भए त्यसको विवरण :

बैंकले आफ्नो शेयर आफैँले खरिद नगरेको ।

२१. आन्तरीक नियन्त्रण प्रणाली :

यस बैंकको आन्तरिक नियन्त्रण प्रणाली सुदृढ बनाउन आन्तरिक लेखा परीक्षण नियमित एवम् व्यवस्थित रूपले गराउने गरिएको छ । साथै आन्तरिक नियन्त्रण प्रणालीलाई सशक्त बनाउन विभिन्न समिति, उप-समितिहरु क्रियाशिल रहेका छन् ।

२२. आन्तरीक लेखा परीक्षण समिति :

गैर कार्यकारी संचालक श्री पर्शुराम दाहालको संयोजकत्वमा ने.रा.बैंकको निर्देशन बमोजिम हुने गरी आन्तरीक लेखा परीक्षण समितिको गठन गरिएको छ । उक्त समितिले आन्तरिक नियन्त्रण, बैंकको वित्तीय स्थिति लगायतका विषयमा नियमित अनुगमन गरी आवश्यक निर्णय लिन व्यवस्थापनलाई सुझाव दिने र आन्तरिक लेखा परीक्षणका क्रममा देखिएका कैंफियतहरुलाई निराकरण तथा सुधार गर्न व्यवस्थापनलाई आवश्यक निर्देशन दिने गर्दछ । यस समितिको बैठक प्रति ३ महिनामा न्युनतम एक पटक बस्ने गरेको छ र प्रति बैठक समितिका संचालक सदस्यहरुलाई रु ५,०००/- भत्ता प्रदान गर्ने गरिएको छ ।

२३. जोखिम व्यवस्थापन समिति :

गैर कार्यकारी संचालक श्री हेमराज ढकाल को संयोजकत्वमा ने.रा.बैंकको निर्देशन बमोजिम हुने गरी जोखिम व्यवस्थापन समितिको गठन गरिएको छ । उक्त समितिले आन्तरिक नियन्त्रण तथा जोखिम व्यवस्थापनका विषयमा नियमित अनुगमन गरी आवश्यक निर्णय लिन व्यवस्थापनलाई सुझाव तथा निर्देशन दिने गर्दछ र प्रति बैठक समितिका संचालक सदस्यहरुलाई रु ५,०००/- भत्ता प्रदान गर्ने गरिएको छ ।



२४. कर्मचारी सेवा सुविधा समिति :

गैर कार्यकारी संचालक श्री पुरुषोत्तम लम्सालको संयोजकत्वमा ने.रा.बैंकको निर्देशन बमोजिम हुने गरी कर्मचारी सेवा सुविधा समितिको गठन गरिएको छ । उक्त समितिको नियमित बैठक वसी व्यवस्थापनलाई उचित सुझाव तथा निर्देशन दिने गर्दछ र प्रति बैठक समितिका संचालक सदस्यहरूलाई रु ५,०००।- भत्ता प्रदान गर्ने गरिएको छ ।

२५. सम्पत्ति शुद्धिकरण निवारण सम्बन्धी समिति :

गैर कार्यकारी संचालक श्री राजन शर्माको संयोजकत्वमा ने.रा.बैंकको निर्देशन बमोजिम हुने गरी सम्पत्ति शुद्धिकरण निवारण सम्बन्धी समितिको गठन गरिएको छ । उक्त समितिको नियमित बैठक वसी व्यवस्थापनलाई उचित सुझाव तथा निर्देशन दिने गर्दछ र प्रति बैठक समितिका संचालक सदस्यहरूलाई रु ५,०००।- भत्ता प्रदान गर्ने गरिएको छ ।

२६. पदपूर्ति समिति :

यस बैंकको कर्मचारी सेवा विनियमावली बमोजिम पदपूर्ति सम्बन्धी गर्नुपर्ने कार्य सम्पादनकालागी नायब प्रमुख कार्यकारी अधिकृत/नेपाल राष्ट्र बैंकको निर्देशन बमोजिम तोकिएको पदाधिकारीको संयोजकत्वमा तीन सदस्य पदपूर्ति समिति गठन गरि बैंकको नियमानुसार कार्य भई रहेको छ ।

२७. कुल व्यवस्थापन खर्चको विवरण :

यस बैंकको आर्थिक वर्ष २०७६/०७७ मा कूल व्यवस्थापन खर्च रु. २५,६५,१५,१०९.७९ रहेको छ ।

२८. बैंकका संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भूक्तानी गरिएको पारिश्रमीक भत्ता तथा सुविधाको विवरण :

आर्थिक वर्ष २०७६/०७७ मा संचालक समितिको बैठक भत्ता वापत अध्यक्षलाई प्रति बैठक रु.६,०००।- तथा संचालकहरूलाई प्रति बैठक भत्ता रु.५,०००।- का दरले बैठक भत्ता वापत जम्मा रु.५,३९,८००।- र अन्य खर्च रु.७,१९,०८८।०३ भूक्तानी गरिएको छ । प्रमुख कार्यकारी अधिकृतलाई तलब भत्ता रु.३९,९१,६८०।-, दशै खर्च रु.३,०२,४००।- तथा अन्य सुविधा कर्मचारी विनियमावली अनुसार प्रदान गरिएको छ ।

२९. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख कम्पनीको आधारभूत शेयरधनी वा निजको नजिकको नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले बैंकलाई कुनै रकम बुझाउन बाँकी भए सो कुरा :

यस्तो रकम बाँकी नभएको ।

३०. मानव संसाधन :

बैंकको कारोबार, सुसंचालन, विकास तथा विस्तारका लागी अति आवश्यक साधन बैंकका जनशक्ती नै हो भन्ने कुरामा दुई मत हुन सक्दैन । यस बैंकले पनि बैंकको सम्पत्तिको रुपमा कार्यरत जनशक्तीहरूको उचित व्यवस्थापन गरी उनिहरूको दक्षता वृद्धि गर्दै लैजाने नीति लिइएको छ । भैरहेका कर्मचारीहरूमा विषय सम्बन्धित तालीम दिई दक्ष तथा क्षमतावान बनाउनुको साथै आवश्यकता अनुसार नयाँ प्रतीभावान जनशक्तीलाई बैंक प्रवेश गराउनु पर्ने कुरालाई हृदयंगम गरी सोही अनुसार जनशक्ति योजना तयार गरी कार्यान्वयन गर्न व्यवस्थापनलाई निर्देशन दिइएको छ ।

३१. शेयरधनिले बुझिलिन बाँकी रहेको रकम :

आ.व. २०७४।०७५ को नगद लाभार्श बापत २०७८ असार मसान्तसम्ममा शेयरधनिले बुझिलिन बाँकी रहेको रकम रु ३५,७२,७५५।०२ रहेको छ ।

३२. मर्जर तथा प्राप्ती सम्बन्धमा :

यस बैंक तथा अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरु एक आपसमा गाभ्ने/गाभिने (Merger) प्रयोजनको लागि चौधौँ वार्षिक साधारण सभाले दिइएको अख्तियारीलाई निरन्तरता दिदै अन्य उपयुक्त बैंक तथा वित्तीय संस्थासंग एक आपसमा गाभ्ने/गाभिने (Merger) वा प्राप्ती (Acquisition) गर्ने सम्बन्धी आवश्यक कार्य गर्न, उक्त कार्यका लागि सहमतीपत्र (Memorandum Of Understanding) मा हस्ताक्षर गर्न Merger तथा



Acquisition समिति गठन गर्न, चल अचल सम्पत्तीको मूल्याङ्कन (Due Diligence Audit) गर्न मूल्यांकनकर्ताको नियुक्ती गर्न, निजको पारिश्रमीक निर्धारण गर्न, सम्बन्धीत नियमनकारी निकायहरूसँग सहमति लिन लगायतका Merger तथा Acquisition सम्बन्धमा आवश्यक सम्पूर्ण कार्य प्रकृया अघि बढाउने अख्तियारी संचालक समितिलाई प्रदान गर्नेगरी विशेष प्रस्ताव सभामा पेश गरिएको छ ।

३३. संस्थागत सुशासन :

यस बैंक सर्वसाधारण जनताको पहुँच भित्रको बैंक भएको र बैंकले लक्षित गरेको ग्राहकहरु पनि यहि समूह भएकोले यस्ता ग्राहकहरुको बैंक प्रतिको विश्वासलाई कायम राख्न एवं विश्वासमा वृद्धि ल्याउन संस्थालाई सवल, नियमित र पारदर्शी ढंगले चल्नु पर्ने सत्यलाई आत्मसात गरी नियमनकारी निकायहरु नेपाल राष्ट्र बैंक लगायत अन्य सबै निकायहरुका निर्दिष्ट नियमहरु एवं अन्य प्रचलीत नियम कानूनको परिधी भित्र रही यस बैंकको कारोबार स्वच्छ रुपमा संचालीत रही आएको छ ।

३४. संस्थागत सामाजिक उत्तरदायित्व :

यस बैंकले संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च गर्ने गरि हरेक आर्थिक वर्षको मुनाफाको १ प्रतिशत रकम उक्त कोषमा छुट्याउने गरेको छ र सो कोषबाट एकल विद्यालय फाउण्डेशन अफ नेपाल द्वारा संचालन गरिएका यस बैंकका कार्यक्षेत्र भित्रका २५ वटा खुला विद्यालयहरुलाई प्रति विद्यालय रु ३०,०००/- का दरले रु ७,५०,०००/- विश्वव्यापी रुपमा फैलिएको कोरोना भाईरस संक्रमण परीक्षणकालागि भ्रूपा जिल्लामा पि.सि.आर. ल्याव स्थापनाकालागि सहारा नेपाललाई रु ५,०९,०००/- आर्थिक सहयोग उपलब्ध गराईएको छ भने अन्य विभिन्न सामाजिक कार्यहरुमा समेत सहयोग प्रदान गर्दै आईरहेको छ ।

धन्यवाद तथा कृतज्ञता ज्ञापन :

यस बैंकको पन्ध्रौं वार्षिक साधारणसभा सम्पन्न गराउन यथा समयमा लेखा परीक्षण कार्य सम्पन्न गर्ने तथा आवश्यकता अनुसार व्यवसायिक सुझाव प्रदान गर्ने वाह्य लेखा परीक्षक लगायत यस बैंकको प्रगतिमा प्रत्यक्ष वा अप्रत्यक्ष रुपमा संलग्न रहनुभएका शेयरधनी महानुभावहरु, ग्राहक महानुभावहरु, नेपाल राष्ट्र बैंक लगायत अन्य नियमनकारी निकायहरु नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लि., कम्पनी रजिष्ट्रारको कार्यालय एवम् अन्य शुभेच्छुकहरुप्रति हार्दिक कृतज्ञता तथा आभार प्रकट गर्न चाहन्छु । साथै यस बैंकलाई यस स्थितिसम्म ल्याई पुर्‍याउन सहयोग गर्ने समस्त ग्राहक महानुभावहरु यस बैंकका लगनशील कर्मचारीहरु एवम् उद्योगी, बुद्धिजीवी, व्यवसायी, पत्रकार बन्धुहरु सबैप्रति पुनः हार्दिक कृतज्ञता एवम् आभार प्रकट गर्न चाहन्छु ।

धन्यवाद ।

महेन्द्र कुमार गोयल
अध्यक्ष
बिर्तामोड, भ्रूपा

मिति : २०७८।०६।१६



INDEPENDENT AUDITOR'S REPORT
The Shareholders of M/s Excel Development Bank Limited.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of M/s Excel Development Bank Limited, Kathmandu, Nepal (the "Bank") which comprises the Statement of Financial Position as at Ashad 31, 2077 [July 15, 2020] and the Statement of Profit or Loss and Statement of Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Bank as at Ashad 31, 2077 (July 15, 2020) and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the Institute of Chartered Accountant of Nepal's code of ethics for professional accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 be communicated in our report.

S.N	Key Audit Matters	Auditor's Response
1.	<p>Interest Recognition</p> <p>The interest income of the Bank and Financial institution has to be recognized on accrual basis following the Interest Income Recognition Guidelines 2019 issued by NRB. Though accrual basis of income recognition is prescribed in general, the guidelines requires suspension of interest recognition on accrual basis for loans and advances with overdue of more than 12 months whereas for loans and advances with overdue interest/installment for 3 to 12 months, interest recognition on accrual basis is limited on the basis of result of collateral testing as specified. Given the lack of system capability to suspend recognition of income on the basis of overdue status of loan and fair value of collateral as well as review of fair valuation of collateral on regular basis, manual intervention will be required in interest recognition process</p>	<p>Our audit approach regarding verification of process of interest recognition included:</p> <ol style="list-style-type: none"> Obtaining clear understanding of the process of accrual of interest income on loans and advances in the Core Banking Software of the Bank. For fair valuation of collateral, we relied on the latest available engineer's valuation of the collateral and have test checked the hair cut in fair value of collateral as per NRB Income Recognition guidelines 2019. Test check of the interest income booking with manual computation.





	and hence create risk of improper application of the guidelines and determination of the Fair Value of the collateral. This may, in turn, have effect on recognition of interest income of the bank and financial institution. Thus, we have considered it as key audit matter.	
2.	<p>Investment Valuation, Identification, and Impairment</p> <p>Investment of the Bank comprises of investment in government bonds, development bonds and investment in quoted and unquoted equity instruments. The valuation of the aforesaid securities has been done in compliance with NAS 39 read with NFRS 9 and NRB Directive no. 8. The investment in the government and NRB bonds should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income.</p> <p>Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ol style="list-style-type: none"> Review of the investment of the bank and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal and 'NRB Directive 4 read with 8. We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidences/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis. For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 15.07.2020 and for the unquoted investment the fair value has been taken as the NPR 100.
3.	<p>Impairment of Loans and Advances</p> <p>As per NRB Directive 4, bank and financial institution shall measure impairment loss on loans and advances at the higher of:</p> <ul style="list-style-type: none"> 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. <p>As per the norms prescribed by NRB, provision at prescribed rate should be created on loans and advances based on overdue status of loans and advances as well as utilization status of the facility, status of security, borrower's whereabouts etc.</p> <p>As per NAS 39 read with NFRS 9, impairment of</p>	<p>Our audit approach regarding verification of impairment of loans and advances included:</p> <ol style="list-style-type: none"> Review of the overdue status of loans and advances by obtaining data from the system and matched the same with the NRB 2.2 report.' Sample credit files were reviewed, among other things, from the perspective of utilization of loans and advances for intended purpose by way of scrutiny of financial statements, account movement, account turnover etc. Expected future cash flows from the individually significant loans and





<p>loans and advances should be made on individual impairment basis for loans and advances that are individually significant and collective impairment basis for homogeneous groups of loans that are not considered individually significant. Collective impairment loss is determined after taking into account the Historical Loss Experience in portfolios of similar credit risk and Management's experienced judgment as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is like to be greater or less than that suggested by historical experience.</p> <p>Given the fact that impairment of loans and advances under incurred loss model require assessment of future cash flows as well as historical loss experiences of portfolios. Further, impairment of loans and advances under NRB norms for loan loss provisioning will require assessment of overdue status of loans and advances and proper utilization of loan for intended purpose. Hence, assessment of availability and accuracy of required data for impairment of loans and advances under incurred loss model as well as NRB provisioning norms is regarded as key audit matters.</p>	<p>advances with indication of impairment are assessed on the basis of realizable value of collateral securities based on management estimate.</p> <p>d. Grouping of homogeneous group of loans was assessed on the basis of nature and purpose of loans and data of historical loss experience in portfolios are assessed on the basis of past due data from the system as well as data of loan loss provisions of the defined group in the past.</p>
<p>4. Information Technology General Controls</p> <p>IT controls with respect to recording of transactions, generating various reports in compliance with NRB guidelines and other compliances to regulators is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems.</p> <p>We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders and regulators.</p>	<p>Our audit approach regarding Information technology of the Bank is based upon the Information Technology Guidelines 2012 issued by NRB and it included:</p> <p>a. Understanding the coding system adopted by the Bank for various categories of customers.</p> <p>b. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the Bank.</p> <p>c. Checking of the user requirements for any changes in the regulations/ policy of the Bank.</p> <p>d. Reviewed the reports generated by the system on sample basis. We verified the interest income and expense booking regarding loan and deposit on test basis with the CBS of the Bank.</p> <p>e. We verified the provisioning of the loan and advances based on ageing on the test check basis.</p>





<p>5.</p>	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and the NRB directions to Bank and financial institution to carrying out Banking operations with minimum staff engagement, audit could not be conducted by visiting the premises of certain Branches /Business. As we could not gather audit evidence in person/physically/ through discussions and personal interactions with the officials at the Branches, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Wherever physical access was not possible, necessary records / reports / documents / certificates were made available to us by the bank through digital medium, emails and remote access to CBS and other relevant application software. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> Conducted verification of necessary records/documents through CBS electronically through remote access/emails in respect of some of the Branches of the Bank wherever physical access was not possible. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails and remote access over secure network of the Bank. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.
<p>6.</p>	<p>COVID-19 impact on the Bank and NRB circular compliance thereon.</p> <p>On March 2020, the COVID-19 outbreak was declared a global pandemic and later the Government of Nepal has announced a strict nationwide lockdown which continued till July 2020. Due to restrictions and nationwide lockdowns, the revenue of the Bank was impacted.</p> <p>Further, NRB has issued various Circular to mitigate the risk posed by the pandemic. NRB has issued Circular directing the Banks to provide 10% discount on interest paid till 12th April 2020 and 2% rebate on applicable interest as at 12th April, 2020 for fourth Quarter e.t.c. Since these matters affected profitability of the Bank, we have considered this as our Key Audit matter.</p>	<p>We have modified our audit procedures as follows regarding compliance of circulars issued by NRB till the date of our review.</p> <ol style="list-style-type: none"> Making enquiries and gathering necessary details to verify the compliance made by Bank in respect of discount on interest paid till 12th April, 2020. Verification and crosschecking of the rebate provide by Bank to the customer in sample basis with analysis of details provided by the Credit Administration Department and rebate provided in Customer Statement. Verification on test basis the levy of penal charges to the customer in compliance to relaxation provide by the NRB.





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 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 misstatements, 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 misstatements, 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.

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 evidences that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank'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 evidences 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's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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





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

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 comment.

Report on Other Legal and Regulatory Requirements

We have obtained information and explanations asked for, which, to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account as required by law have been kept by the organization in so far as it appears from our examination of those books of account of the Bank. In our opinion the Statement of Financial Position, Statement of Profit or loss, Statement of Other Comprehensive income, Statement of Changes in Equity & Statement of Cash Flows for the period then ended and a summary of significant accounting policies and other explanatory notes have been prepared in accordance with the requirements of Companies Act, 2063 and are in agreement with the books of accounts maintained by the Bank. In our opinion and to the best of information and according to the explanation given to us and from the examination of the books of accounts of the Bank, we have not come across any case where the board of directors or any employee of the bank have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the Bank.

In our opinion, so far as appeared from our examination of the books, the Bank has maintained adequate capital funds and adequate provision for possible impairment of assets in accordance with the directives issued by Nepal Rastra Bank.

To the best of our knowledge and according to the explanation given to us and from the examination of the books of accounts of the Bank, we have not come across any case where the board of directors or any employee of the Bank have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the Bank or its property and violated any directives of Nepal Rastra Bank or acted in a manner to jeopardize the interest and security of the bank, its depositors and its investors.

For N. B. S. M. & Associates
Chartered Accountants

CA. Nil Bahadur Saru Magar
Partner
Date: April 09, 2021

Place: Kathmandu, Nepal
UDIN:210409CA00432VPa6q

Excel Development Bank Limited
Statement of Financial Position
As on 31 Ashad 2077 (July 15, 2020)

Particulars	Note	As on Asadh 31, 2077	As on Asadh 31, 2076
Assets			
Cash and Cash Equivalents	4.1	2,748,720,037.09	1,599,284,364.53
Due from Nepal Rastra Bank	4.2	320,938,724.18	140,599,567.12
Placement with Bank and Financial Institutions	4.3	-	-
Derivative Financial Instruments	4.4	-	-
Other Trading Assets	4.5	-	-
Loans and Advances to BFIs	4.6	-	-
Loans and Advances to Customers	4.7	7,809,149,050.16	6,369,065,351.67
Investment Securities	4.8	183,263,328.01	140,401,435.39
Current Tax Assets	4.9	21,402,104.06	-
Investment in Subsidiaries	4.10	-	-
Investment in Associates	4.11	-	-
Investment Property	4.12	-	-
Property and Equipment	4.13	235,547,655.98	230,459,910.83
Goodwill and Intangible Assets	4.14	1,365,598.39	842,953.52
Deferred Tax Assets	4.15	4,811,594.67	12,819,445.17
Other Assets	4.16	108,850,431.86	95,516,198.07
Total Assets		11,434,048,524.40	8,588,989,226.30

Particulars	Note	As on Asadh 31, 2077	As on Asadh 31, 2076
Liabilities			
Due to Bank and Financial Institutions	4.17	-	-
Due to Nepal Rastra Bank	4.18	-	-
Derivative Financial Instruments	4.19	-	-
Deposits from Customers	4.20	10,141,174,203.30	7,437,512,683.89
Borrowings	4.21	-	-
Current Tax Liabilities	4.9	-	2,213,561.73
Provisions	4.22	20,636,137.34	21,314,137.34
Deferred Tax Liabilities	4.15	-	-
Other Liabilities	4.23	126,130,792.86	98,144,785.65
Debt Securities Issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total Liabilities		10,287,941,133.51	7,559,185,168.61
Equity			
Share Capital	4.26	811,121,224.72	692,673,975.00
Share Premium		4,890,591.88	4,890,591.88
Retained Earnings		100,056,381.33	126,089,058.75
Reserves	4.27	230,039,192.96	206,150,432.05
Total Equity Attributable to Equity Holders		1,146,107,390.90	1,029,804,057.68
Non Controlling Interest		-	-
Total Equity		1,146,107,390.90	1,029,804,057.68
Total Liabilities and Equity		11,434,048,524.40	8,588,989,226.30
Contingent Liabilities and Commitments		606,585,849.78	403,081,791.39
Net Assets Value per share		141.30	148.67

As per our report of even date attached

For and on behalf of Board

For N. B. S. M. & Associates
Chartered Accountants

Hem Raj Dhakal
Director

Rajan Sharma
Director

Parshuram Dahal
Director

CA. Nil Bahadur Saru Magar,
FCA, ISA Partner

Purusotam Lamsal
Director

Peshal Raj Pokharel
Director

Sushama Sharma
Director

Date: 2077/12/27
Place: Kathmandu

Mahendra Kumar Goyal
Chairman

Dinesh Kumar Pokhrel
Chief Executive Officer

Mahesh Man Pradhan
Head-Finance



Excel Development Bank Limited
Statement of Profit or Loss

For the Year Commencing on Shrawan 1, 2076 and Ending on Ashad 31, 2077

Particulars	Note	F.Y 2076-77	F.Y 2075-76
Interest Income	4.29	1,065,696,528.93	810,294,380.58
Interest Expense	4.30	594,859,291.01	413,027,943.42
Net Interest Income		470,837,237.92	397,266,437.16
Fee and Commission Income	4.31	87,006,106.89	58,119,263.61
Fee and Commission Expense	4.32	6,227,708.63	34,701.96
Net Fee and Commission Income		80,778,398.26	58,084,561.65
Net Interest, Fee and Commission Income		551,615,636.18	455,350,998.81
Net Trading Income	4.33	-	-
Other Operating Income	4.34	5,125,144.14	10,540,835.00
Total Operating Income		556,740,780.32	465,891,833.81
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	150,825,202.50	27,096,822.47
Net Operating Income		405,915,577.82	438,795,011.34
Operating Expense			
Personnel Expenses	4.36	166,183,538.74	116,634,924.86
Other Operating Expenses	4.37	72,301,736.47	63,332,099.86
Depreciation & Amortisation	4.38	18,029,834.58	16,792,021.87
Operating Profit		149,400,468.04	242,035,964.75
Non Operating Income	4.39	-	-
Non Operating Expense	4.40	-	-
Profit Before Income Tax		149,400,468.04	242,035,964.75
Income Tax Expense	4.41		
Current Tax		45,820,031.35	75,274,182.62
Deferred Tax		(81,593.34)	(1,715,457.23)
Profit for the Period		103,662,030.03	168,477,239.36
Profit Attributable to:			
Equity-holders of the Bank		103,662,030.03	168,477,239.36
Non-Controlling Interest		-	-
Profit for the Period		103,662,030.03	168,477,239.36
Earnings per Share			
Basic Earnings per Share		12.78	24.32
Diluted Earnings per Share		12.78	24.32

As per our report of even date attached

For and on behalf of Board

For N. B. S. M. & Associates
Chartered Accountants

Hem Raj Dhakal
Director

Rajan Sharma
Director

Parshuram Dahal
Director

CA. Nil Bahadur Saru Magar,
FCA, ISA Partner

Purusotam Lamsal
Director

Peshal Raj Pokharel
Director

Sushama Sharma
Director

Date: 2077/12/27
Place: Kathmandu

Mahendra Kumar Goyal
Chairman

Dinesh Kumar Pokhrel
Chief Executive Officer

Mahesh Man Pradhan
Head-Finance

Excel Development Bank Limited
Statement of Other Comprehensive Income
For the Year Commencing on Shrawan 1, 2076 and Ending on Ashad 31, 2077

Particulars	Note	F.Y 2076-77	F.Y 2075-76
Profit for the year			
Other Comprehensive Income, Net of Income Tax		103,662,030.03	168,477,239.36
a) Items that will not be reclassified to profit or loss			
Gains/(losses) from investment in equity instruments measured at fair value		29,722,960.83	(1,366,775.42)
Gains/(losses) on revaluation		-	-
Actuarial gains/(losses) on defined benefit plans		(2,758,148.03)	(290,704.00)
Income tax relating to above items		(8,089,443.84)	497,243.83
Net other comprehensive income that will not be reclassified to profit or loss		18,875,368.96	(1,160,235.60)
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		18,875,368.96	(1,160,235.60)
Total Comprehensive Income for the Period		122,537,398.99	167,317,003.76
Total Comprehensive Income attributable to:			
Equity-Holders of the Bank		122,537,398.99	167,317,003.76
Non-Controlling Interest		-	-
Total Comprehensive Income for the Period		122,537,398.99	167,317,003.76

As per our report of even date attached

For and on behalf of Board

For N. B. S. M. & Associates
Chartered Accountants

Hem Raj Dhakal
Director

Rajan Sharma
Director

Parshuram Dahal
Director

CA. Nil Bahadur Saru Magar,
FCA, ISA Partner

Purusotam Lamsal
Director

Peshal Raj Pokharel
Director

Sushama Sharma
Director

Date: 2077/12/27
Place: Kathmandu

Mahendra Kumar Goyal
Chairman

Dinesh Kumar Pokhrel
Chief Executive Officer

Mahesh Man Pradhan
Head-Finance



Excel Development Bank Limited
Statement of Cash Flows
For the year ended 31 Ashad 2077

Particulars	F.Y 2076-77	F.Y 2075-76
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	1,065,696,528.93	800,264,228.28
Fee and Other Income Received	87,006,106.89	58,119,263.61
Dividend Received	-	-
Receipts from Other Operating Activities	91,151.20	10,540,835.00
Interest Paid	(594,859,291.01)	(413,027,943.42)
Commissions and Fees Paid	(6,227,708.63)	(34,701.96)
Cash Payment to Employees	(166,183,538.74)	(104,513,346.71)
Other Expenses Paid	(75,059,884.50)	(63,332,099.86)
Operating Cash Flows before Changes in Operating Assets and Liabilities	310,463,364.15	288,016,234.95
(Increase) Decrease in Operating Assets		
Due from Nepal Rastra Bank	(180,339,157.06)	(57,689,391.80)
Loans and Advances to BFIs	-	-
Loans and Advances to Customers	(1,590,908,900.99)	(2,098,652,990.59)
Other Assets	(34,736,337.85)	57,919,567.82
Increase (Decrease) in Operating Liabilities		
Due to Banks and Financials Institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposit from Customers	2,703,661,519.41	2,202,176,285.66
Borrowings	-	-
Other Liabilities	25,094,445.48	42,078,037.75
Net Cash Flow from Operating Activities before Tax Paid	1,233,234,933.14	433,847,743.79
Income Tax Paid	(45,820,031.35)	(73,558,725.39)
Net Cash Flow from Operating Activities	1,187,414,901.79	360,289,018.39
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(27,265,372.76)	(77,810,783.28)
Receipts from Sale of Investment Securities	18,143,499.87	-
Purchase of Property and Equipment	(22,835,100.47)	(116,802,160.81)
Receipts from Sale of Property and Equipment	-	896,270.00
Purchase of Intangible Assets	(805,125.00)	(594,380.00)
Interest Received	-	-
Dividend Received	1,016,934.91	-
Net Cash Used in Investing Activities	(31,745,163.45)	(194,311,054.08)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from Issue of Shares	-	-
Dividends Paid	(6,234,065.78)	-
Interest Paid	-	-
Other Receipts/Payments	-	(148,999,330.06)
Net Cash from Financing Activities	(6,234,065.78)	(148,999,330.06)
Net Increase (Decrease) in Cash and Cash Equivalents	1,149,435,672.56	16,978,634.25
Cash and Cash Equivalents at Shrawan 01, 2076	1,599,284,364.53	1,582,305,730.28
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	-	-
Cash and Cash Equivalents at Asadh 31, 2077	2,748,720,037.09	1,599,284,364.53

As per our report of even date attached

For and on behalf of Board

For N. B. S. M. & Associates
Chartered Accountants

Hem Raj Dhakal
Director

Rajan Sharma
Director

Parshuram Dahal
Director

CA. Nil Bahadur Saru Magar,
FCA, ISA Partner

Purusotam Lamsal
Director

Peshal Raj Pokharel
Director

Sushama Sharma
Director

Date: 2077/12/27
Place: Kathmandu

Mahendra Kumar Goyal
Chairman

Dinesh Kumar Pokhrel
Chief Executive Officer

Mahesh Man Pradhan
Head-Finance



Statement of Changes in Equity
For the year ended 31 Ashad 2077
For the Year Commencing on Shrawan 1, 2076 and Ending on Ashad 31, 2077

Particulars	Attributable to Equity-Holders of the Bank								Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total
Balance at Shrawan 01, 2076	692,673,975.00	4,890,591.88	170,782,217.65	-	38,370,553.78	(7,779,984.02)	-	126,089,058.75	4,777,644.64	1,029,804,057.68
Comprehensive Income for the year	-	-	-	-	-	-	-	103,662,030.03	-	103,662,030.03
Profit for the year	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-	20,806,072.58	-	-	-	20,806,072.58
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
T total Comprehensive Income for the year	-	-	-	-	-	20,806,072.58	-	103,662,030.03	(1,930,703.62)	124,468,102.61
Transfer to Reserves during the year	-	-	20,732,406.01	22,787.80	(12,735,444.00)	-	-	4,042,978.16	1,036,620.30	13,099,348.27
Transfer from Reserves during the year	-	-	-	-	-	-	-	(9,056,370.11)	(4,042,978.16)	(13,099,348.26)
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	118,447,249.72	-	-	-	-	-	-	(118,447,249.72)	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	(6,234,065.78)	-	(6,234,065.78)
Other	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	118,447,249.72	-	-	-	-	-	-	(124,681,315.50)	-	(6,234,065.78)
Balance at Asar 31, 2077	811,121,224.72	4,890,591.88	191,514,623.66	22,787.80	25,635,109.79	13,026,088.56	-	100,056,381.33	(159,416.84)	1,146,107,390.90

As per our report of even date attached

For and on behalf of Board

For N. B. S. M. & Associates
Chartered Accountants

Hem Raj Dhakal
Director

Rajan Sharma
Director

Parsuram Dahal
Director

Purusotam Lamsal
Director

CA. Nij Bahadur Saru Magar, FCA, ISA
Partner

Peshal Raj Pokharel
Director

Sushama Sharma
Director

Mahendra Kumar Goyal
Chairman

Dinesh Kumar Pokhrel
Chief Executive Officer

Date: 2077/12/27
Place: Kathmandu



Excel Development Bank Limited Notes to Financial Statement For the year ended 31 Ashad 2077 (July 15, 2020)

1. Reporting Entity

Excel Development Bank Limited is a limited liability company which has been in operation in Nepal since 2062/04/06 BS. The Bank is registered with the Office of Company Registrar as a public limited company and carries out banking activities in Nepal under the license from Nepal Rastra Bank as Class "Kha" licensed institution (5 District Level). Development bank is operating with corporate office at Birtamode, Jhapa, Nepal.

The Bank offers maximum banking services of banking products and services including loans and advances, deposits etc. to wide range of clients encompassing individuals, corporates, large public sector companies, government corporations, etc. as authorized by the Nepal Rastra Bank (Central Bank of Nepal).

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

2. Basis of Preparation

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

2.1. Statement of Compliance

The financial statements have been prepared and approved by the Board of Directors in accordance with Nepal Financial Reporting Standards (NFRS) and as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and as per the provisions of Bank and Financial Institutions Act, 2073 in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2076.

2.1.1 Use of Carve-out

ICAN has provided carve out on specific areas for alternative treatment of the items of financial statements required as per NFRS. Based on such, the bank has used following carve out for preparation and presentation of financial statements in line with NFRS.

a) Operating Lease

As per para 33 of NAS 17 Lease, lease expenses under operating lease is charged over the lease term on straight line unless another systematic basis is more representative of the time pattern of the user's benefit. The carve-out has allowed to treat expenses under operating lease as the expenses are incurred in case payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. This carve out has been used and lease expenses relating to operating lease are accounted as incurred.

a) Impairment Loss on Loan and Advances

As per para 63 of NAS 39 Financial Instruments: Recognition and Measurement, impairment loss is calculated on incurred loss model. However, the carve out has allowed to recognise loan loss provision at higher of loss calculated as per para 63 or the same as per NRB Directives No. 02/076. Accordingly, the bank has used this carve out and recognised impairment loss as per NRB directive as the same was higher in comparison to impairment loss calculated as per NAS 39.

Financial Year	Provision as per NRB Directive	Provision as per NFRS
F.Y 2075/76	92,418,575.68	3,024,522.40
F.Y 2076/77	243,243,778.18	189,463,417.87

b) Effective Interest Rate

As per the definition of effective interest rate (EIR) as per para 9 of NAS 39, all the initial points paid or received is required to be considered for calculation of EIR and the same EIR is used to calculate interest on loans and advances. As per the carve out, if calculation of EIR is impracticable or immaterial, then such could be ignored. The bank has used the carve out and has not considered initial points paid or received on loans to be part of EIR, rather such amount has been accounted as income on accrual basis.

c) Interest income on amortized loan after impairment recognition

As per para AG63 of NAS 39, Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The carve out provides that interest income can be calculated on gross carrying amount of loan. The bank has used the stated carve out in preparing the financial statements.

2.2. Reporting Period

The reporting period for this financial statements is fiscal year 2076-77, starting from 1 Shrawan 2076 and ending on 31 Ashad 2077. Financial information of following period/dates are provided on the financial statements. 1. Comparative NFRS financial statements (financial statements as on and for the period ended on 31 Ashad 2076) 2. NFRS financial statements for current period (financial statements as on and for the period ended on 31 Ashad 2077)

2.3. Functional and Presentation Currency

The financial statements of the Group are presented in Nepalese Rupees (NPR), 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 the presentation and functional currency during the year under review. The figures are rounded to nearest integer, except otherwise indicated.

2.4. Use of Estimates, Assumptions and Judgment

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

2.5. Changes in Accounting Policies

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

2.6. New Reporting standards issued but not effective

For the reporting of financial instruments, NAS 32 Financial Instruments Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments. Few carve-outs on applicable Accounting Standards as provided by the Institute of Chartered Accountants of Nepal have been used by the Bank, the quantitative and qualitative impact of the same have been disclosed in detail in Notes to the Accounts. Further, NAS 17 Leases has not been incorporated in this financial statement regarding operating lease since the effect of the same was considered not material by the management. Further, a number of new standards and amendments to the existing standards and interpretations have been issued by International Accounting Standard Board after the pronouncements of NFRS with varying effective dates. Those become applicable when Accounting Standard Board Nepal incorporates them within NFRS.



2.7. Discounting

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

2.8. Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard – NAS 1 on 'Presentation of Financial Statements'. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the bank. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.9. Going Concern

The Board has made an assessment of the company's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon 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.

2.10. Prior Period Errors

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

3. Significant Accounting Policies

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

3.1. Basis of Measurement

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

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

3.2 Basis of consolidation

a. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method as per the requirements of Nepal Financial Reporting Standard - NFRS 03 (Business Combinations). The Bank measures goodwill as the fair value of the consideration transferred including the 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.

However, the Bank does not have control over any other entity for consolidation of Financial Statements.

Investments in Shares made by the bank are financial investments and have been described under Note

b. Non-Controlling Interest (NCI)

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

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

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

c. Subsidiaries

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

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

However, bank does not have any subsidiary

d. Loss of Control

When the Bank loses control over a Subsidiary, it 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.

However, Bank does not have any subsidiary.

e. Special Purpose Entity (SPE)

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

The Bank does not have any special purpose entity.

f. Transaction elimination on consolidation

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

The bank does not have any subsidiary.



3.3 Cash and cash equivalents

Cash and Cash Equivalents include cash in hand, balances with banks and money at call and at short notice. These are subject to insignificant risk of changes in their fair value and are used by the Bank in the management of short-term commitments. Details of the Cash and Cash Equivalents are given in Note 4.1 to the Financial Statements.

3.4. Financial assets and Financial Liabilities

Initial Recognition

a. Date of Recognition

All financial assets and liabilities are initially 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.

Classification and Subsequent Measurement of Financial Instruments

Classification and Subsequent Measurement of Financial Assets

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

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

The subsequent measurement of financial assets depends on their classification.

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

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

(a) (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.

(a) (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:

- Ø Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the assets.
- Ø 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.
- Ø 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 are 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:

- Ø 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.
- Ø Those that the Bank, upon initial recognition, designates as available for sale.
- Ø 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. Within this category, loans and advances to the customers have been recognized at amortized cost using the method that very closely approximates effective interest rate method. 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.

(d) Financial Assets Available for Sale

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

After initial measurement, available for sale financial investments are subsequently measured at fair value. Unrealized gains and losses are recognized directly in equity through 'Other comprehensive income / expense' in the 'Available for sale reserve'. When the investment is disposed of the cumulative gain or loss previously recognized in equity is recognized in the Statement of Profit or Loss under 'Other operating income'. Where Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in-first-out basis. Interest earned whilst holding 'Available for sale financial investments' is reported as 'Interest income' using the effective interest rate. Dividend earned whilst holding 'Available for sale financial investments' are 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 'Available for sale reserve'.

Financial assets under AFS 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

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

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

(a) (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).

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

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

- Ø Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the liabilities.
- Ø 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.
- Ø The liability contains one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

(b) Financial Liabilities At 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.

Reclassification of Financial Instruments

3.4.1. (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 are 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.

3.4.1. (b) Reclassification of 'Available for sale' Financial Instruments

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

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

The fair value of financial instruments at the date of reclassification is treated as the new cost or 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.



3.4.1. (c) Reclassification of 'Held to Maturity' Financial Instruments

As a result of a change in intention or ability, if it is no longer appropriate to classify an investment as held to maturity, Bank may reclassify such financial assets as available for sale and re-measured at fair value. Any difference between the carrying value of the financial asset before reclassification and fair value is 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 'Available for sale'. Furthermore, Bank would be prohibited from classifying any financial assets as 'Held to Maturity' during the following two years. These reclassifications are at the election of management and determined on an instrument by instrument basis.

De-recognition of Financial Assets and Liabilities

3.4.2. (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:

- Ø The rights to receive cash flows from the asset have expired; or
- Ø Bank has transferred its rights to receive cash flows from the asset or
- Ø 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 available for sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are reclassified to income statement as gains and losses from investment securities.

3.4.2. (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.

3.4.2. (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 available for sale 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'.

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.

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.

Fair Value Measurement

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

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Bank calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data. Assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price. Where the Bank has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to net open position as appropriate.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation) nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is 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 of the reporting period during which the change has occurred.

Impairment of Financial Assets

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

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

3.4.3. (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.

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

3.4.3. (a) (i) Individually Assessed Financial Assets

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

- Ø Known Cash Flow difficulties experienced by the borrowers
- Ø Past due contractual payments of either principal or interest;
- Ø Breach of loan covenants or conditions;
- Ø The probability that the borrower will enter bankruptcy or other financial reorganization; and

Ø 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:

- Ø Bank's aggregate exposure to the customer;
- Ø 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;
- Ø The amount and timing of expected receipts and recoveries;
- Ø 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;
- Ø The realizable value of security and likelihood of successful repossession;

3.4.3. (a) (ii) Collectively Assessed Financial Assets

Impairment is assessed on a collective basis in two circumstances:

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

Incurred but not yet identified impairment

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

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

The collective impairment allowance is determined after taking into account:

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

Homogeneous groups of Financial Assets

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



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

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

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

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

3.4.3. (a) (iii) Reversal of Impairment

If the amount of an impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was 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.

3.4.3. (a) (iv) 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.

3.4.3. (a) (v) Impairment of Rescheduled Loans and Advances

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to a criterion 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).

3.4.3. (a) (vi) Collateral Valuation

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

3.4.3. (a) (vii) Collateral Legally Repossessed or Where Properties have Devolved to the Bank

Legally Repossessed Collateral represents Non-Financial Assets acquired by the Bank in settlement of the overdue loans. The assets are initially 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.

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

3.4.3. (b) Impairment of Financial Assets – Available for Sale

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

In the case of debt instruments, Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at 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 classified as available for sale, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously 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 available for sale equity security is recognized in other comprehensive income.

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

3.5. Trading Assets

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

3.6. Derivatives assets and derivative liabilities

A derivative is a financial instrument whose value changes in response to the change in an underlying variable such as an interest rate, commodity or security price, or index; that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and that is settled at a future date.

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

All freestanding contracts that are considered derivatives for accounting purposes are carried at fair value on the statement of financial position regardless of whether they are held for trading or non-trading purposes. Changes in fair value on derivatives held for trading are included in net gains/ (losses) from financial instruments in fair value through profit or loss on financial assets/ liabilities at fair value through profit or loss. Bank doesn't deal with any derivative financial instruments.

3.7. Property, Plant and Equipment

Recognition

Property, plant and equipment are tangible items that are held for use in the production or supply of services, for rental to others or for administrative purposes and are expected to be used during more than one period. The Bank applies the requirements of the Nepal Accounting Standard - NAS 16 (Property, Plant and Equipment) in accounting for these assets. Property, plant and equipment are 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.



Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of an item of property, plant & equipment. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is 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.

Cost Model

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

Revaluation Model

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

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.

Depreciation

Depreciation is calculated by using the Straight-line method to allocate their cost or valuation of the Property & Equipment over their estimated useful lives, as follows except for land, which is not depreciated:

Asset Category	Estimated Useful Lives (in years)
Building	50
Motor Vehicles	8
Computer and Accessories	5
Furniture and fixtures	10
Machineries	8
Office Equipment	5

Residual Value and estimated useful lives of Property and equipment are reviewed at each year end and adjusted, if appropriate. If any asset is in use even after its full depreciation, such assets are not considered material. And also, the assets are reviewed at each year end for indicators of impairment. If in such review, the carrying amount of any asset is higher than its recoverable amount, the asset is written down to its recoverable amount immediately.

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.

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.

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 loss arising from de-recognition of an item of property, plant and equipment is included in the Statement of Profit or Loss when the item is 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

Recognition

An intangible asset is an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes. An intangible asset is 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.

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.

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.

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	Year ended 15 July 2020	Year ended 16 July 2019
Computer Software	5 Years	5 Years
Licenses	5 Years	5 Years

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.

Measurement

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

De-recognition

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

Investment in Associates

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

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

3.10. 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.

Current Tax

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

Deferred Tax

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

- Ø 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.
- Ø 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:

- Ø 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.
- Ø 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

Deposits, debt securities issued and subordinated liabilities are the Bank's sources of funding. Deposits include non-interest-bearing deposits, saving deposits, term deposits, call deposits and margin deposits. The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The fair value of fixed interest-bearing deposits is considered as the interest receivable on these deposits plus carrying amount of these deposits. The fair value of debt securities issued is also considered as the carrying amount of these debt securities issued. Sub-ordinated liabilities are liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors. The bank does not have any debt securities issued and subordinated liabilities.

3.12. Provisions

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

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

3.13. Regulatory Reserve

Regulatory reserve has been created as required by NRB Directive 4.3 by earmarking certain amounts of the retained earnings in respect of various NFRS adjustments carried out in its NFRS financial statement. Amount in this reserve is not distributable unless approved by NRB. Details are as follows:

Particulars	Amount (Rs.)
In respect of Accrued Interest receivable	18,868,170.79
In respect of Deferred tax assets recognized	4,811,594.67
In respect of Actuarial loss recognized	1,955,344.32
In respect of loss on Fair value recognition of investment in securities	-
Total	25,635,109.79

3.14. Other Reserves

The other reserves shown in the SOCE of the financial statements comprises of followings:

Particulars	Amount (Rs.)
Opening reserve	4,777,644.64
Changes during the year:	
Investment adjustment Reserve	-
Staff Skill Development fund	-
Corporate social responsibility reserve	1,036,620.30
CSR expense	(2,783,890.24)
Training Expense	(1,259,087.92)
Actuarial Reserve	(1,930,703.62)
Closing Reserve	(159,416.85)



3.15. 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.

Interest Income

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

Further, Interest income on Loans and Advances is recognized as per the guideline on recognition of interest income, 2019 issued by NRB. Interest income has been booked for all interest received during the year as well as interest accrued on those loans fulfilling the criteria as set in line with circular issued by NRB. Accordingly, interest income recognition has been suspended and ceased to accrue in the following cases:]

- Loans where there is reasonable doubt about the ultimate collectibility of principal and loan.
- Loans against which individual impairment as per NAS 39 or lifetime impairment as per NFRS 9 has been made.
- Loans where contractual payments of principal and/or interest are more than 3 months in arrears and where the 'net realizable value' of security is insufficient to cover payment of principal and accrued interest;
- Loans where contractual payments of principal and/or interest are more than 12 months in arrears irrespective of the net realizable value of collateral;
- Overdrafts and other short term facilities which have not been settled after the expiry of the loan and even not renewed within 3 months of the expiry, and where the net realizable value of security is insufficient to cover payment of principal and accrued interest.
- Overdrafts and other short term facilities which have not been settled after the expiry of the loan and even not renewed within 12 months of the expiry irrespective of the net realizable value of collateral.

Further, regulator reserve has been created for interest income recognised on accrual basis but not recovered till Ashoj end 2077 in compliance with directive no. 04 issued by Nepal Rastra Bank. Details of the same is provided as follows:

Particulars	Amount
Accrued Interest Receivable as at Asadh 31, 2077	83,833,906.57
Less: Interest Collected till Ashoj End 2077	53,884,429.12
	29,949,477.45
Less: Impact of Staff Bonus	2,994,947.74
Less: Impact of Income tax	8,086,358.91
Interest Income included in Regulatory Reserve	18,868,170.79

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.

Dividend Income

Dividend income 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.

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.

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

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

3.16. 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.

3.17. Employee Benefits

Employee benefits include:

Short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:

- i. Wages, salaries and social security contributions;
- ii. Paid annual leave and paid sick leave;
- iii. Profit sharing and bonuses, and
- iv. Non-monetary benefits (such as medical care, housing, cars and free or subsidized goods or services) for current employees;

Short term employee benefits are measured on an undiscounted basis and are expenses as the related service is provided. A liability is 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.

Post-employment benefits, such as the following:

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

Post employment benefits are as follows:

Defined Contribution Plans

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

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

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

Defined Benefit Plans

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



Gratuity

The Gratuity benefits for the permanent staffs are provided as per existing employees byelaws. The new Labour Act 2074 is applicable from Bhadra 19, 2074 which requires payment of minimum Gratuity of at least 8.33% of basic salary to all staff (equal to one-month basic salary per year). The bank has not yet decided for the revision of its Employees Byelaws as per New Labour Act.

However, 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 (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.

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.

3.18. Finance and Operating Leases

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

3.18.1 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.

3.18.2 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 para 33 of NAS 17, lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis.

However, Rentals payable and receivable under operating leases are accounted as per contractual agreements entered with lessor/lessee and are included in 'Other operating expenses' and 'Other operating income', respectively

3.19. Foreign Currency Transactions, Translation and Balances

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Nepalese Rupees using the spot foreign exchange rate ruling at that date and all differences arising on non-trading activities are taken to 'Other Operating Income' in the Statement of Profit or Loss. The foreign currency gain or loss on monetary items is the difference between 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. However, foreign currency differences arising on available-for-sale equity instruments are recognized in other comprehensive income.

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.

However, no such contracts have been entered by the bank.

3.20. 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.

3.21. 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.



3.22. Earnings per share

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

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

3.23. 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 eight segments based on the geographic locations of its offices in the country. Interest earnings and foreign exchange gains/losses generated while conducting businesses under different segments are reported under the respective segment. All transactions between the units are conducted on arm's length basis, with intra unit revenue and cost being nullified at the bank level.

3.24. Impairment of Non-Financial Assets

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

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

3.25. 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. Interim Dividend is deducted from equity when they are declared and no longer at the discretion of the Bank. Dividend for the year that is approved after the reporting date is disclosed as an event after the reporting date.

3.26. Cash Flow Statement

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

3.27. Comparative Figures

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

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Cash and Cash Equivalent

4.1

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Cash in Hand	429,386,027.13	265,313,913.43
Balances with BFIs	293,001,458.19	240,677,213.27
Money at Call and Short Notice	2,026,332,551.77	1,093,293,237.83
Other	-	-
Total	2,748,720,037.09	1,599,284,364.53

Due from Nepal Rastra Bank

4.2

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Statutory Balances with NRB	319,857,233.18	140,599,567.12
Securities purchased under Resale Agreement	-	-
Other Deposit and Receivable from NRB	1,081,491.00	-
Total	320,938,724.18	140,599,567.12

Placements with Banks and Financial Institutions

4.3

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Placement with Domestic BFIs	-	-
Placement with Foreign BFIs	-	-
Less: Allowances for Impairment	-	-
Total	-	-

Derivative Financial Instruments

4.4

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
Total	-	-

Other Trading Assets

4.5

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Treasury Bills	-	-
Government Bonds	-	-
NRB Bonds	-	-
Domestic Corporate Bonds	-	-
Equities	-	-
Other Trading Assets	-	-
Total	-	-



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Loans and Advances to BFIs

4.6

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Loans to Micro-Finance Institutions	-	-
Other	-	-
Less: Allowances for Impairment	-	-
Total	-	-

4.6.1 Allowances for Impairment

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Balance at Shrawan 01	-	-
Impairment Losses for the year:	-	-
Charge for the year	-	-
Recoveries/Reversal	-	-
Amount Written Off	-	-
Balance at Asadh End	-	-

Loans and Advances to Customers

4.7

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Loans and Advances measured at Amortized Cost	8,052,392,828.34	6,461,483,927.35
Less: Impairment Allowances		
Collective Impairment	(134,469,832.22)	(65,192,749.18)
Individual Impairment	(108,773,945.97)	(27,225,826.50)
Net Amount	7,809,149,050.16	6,369,065,351.67
Loans and Advances measured at FVTPL	-	-
Total	7,809,149,050.16	6,369,065,351.67

Loan and advance is inclusive of staff loan and accrued interest on such loan net of interest suspense amount. The above amount of impairment allowance is as per Directive issued by Nepal Rastra Bank.

4.7.1: Analysis of Loans and Advances - By Product

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Product		
Term Loans	2,257,499,762.00	1,749,493,511.68
Overdraft	1,009,029,420.00	975,805,265.50
Trust Receipt/Import Loans	-	-
Demand and other Working Capital Loans	1,853,534,717.00	1,515,868,037.98
Personal Residential Loans	1,203,439,747.88	848,226,688.78
Real Estate Loans	681,344,496.00	586,510,285.02
Margin Lending Loans	90,924,746.00	88,499,508.66
Hire Purchase Loans	202,777,083.00	152,545,867.99
Deprived Sector Loans	395,335,886.00	272,475,282.78
Bills Purchased	-	-
Staffs Loans	68,436,982.48	34,851,570.23
Other	206,236,081.41	212,156,176.99
Sub-Total	7,968,558,921.77	6,436,432,195.61
Interest Receivable	83,833,906.57	25,051,731.74
Grand Total	8,052,392,828.34	6,461,483,927.35

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.7.2: Analysis of Loans and Advances - By Currency

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Nepalese Rupee	8,052,392,828.34	6,461,483,927.35
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	8,052,392,828.34	6,461,483,927.35

4.7.3: Analysis of Loans and Advances - By Collateral

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
<u>Secured</u>		
Moveable/Immoveable Assets	7,724,855,306.54	6,246,005,569.14
Gold and Silver	57,825,700.00	124,698,723.16
Guarantee of Domestic BFIs	-	-
Government Guarantee	-	-
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	21,668,509.15	30,862,600.00
Collateral of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	-	-
Other Collateral	95,772,423.52	13,733.00
Subtotal	7,900,121,939.21	6,401,580,625.30
<u>Unsecured</u>	68,436,982.48	34,851,570.23
Interest Receivable	83,833,906.57	25,051,731.74
Grand Total	8,052,392,828.26	6,461,483,927.27

4.7.4: Allowance for Impairment

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
<u>Specific Allowance for Impairment</u>		
Balance at Shrawan 01	27,225,826.50	21,326,131.23
Impairment Loss for the year	81,548,119.47	5,899,695.28
Charge for the year	81,548,119.47	5,899,695.28
Recoveries/Reversals during the year	-	-
Write-Offs	-	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
Balance at Asadh End	108,773,945.97	27,225,826.50
<u>Collective Allowances for Impairment</u>		
Balance at Sharawan 01	65,192,749.18	43,995,621.99
Impairment Loss for the year	69,277,083.03	21,197,127.20
Charge/(Reversal) for the year	69,277,083.03	21,197,127.20
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
Balance at Asadh End	134,469,832.22	65,192,749.18
Total Allowances for Impairment	243,243,778.18	92,418,575.68



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.7.5: Loan and Loss Provision as per NRB Directive No.2

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
<u>Loan</u>		
Performing Loan and Advances		
Pass Loan	6,959,640,133.97	6,322,644,590.17
Watch List	722,719,493.91	39,326,065.62
Non-Performing Loan and Advances		
Sub-standard	79,572,364.91	7,056,233.54
Doubtful	98,618,183.54	14,183,935.87
Loss	39,571,762.97	18,369,800.18
Total	7,900,121,939.29	6,401,580,625.38
Add: loan to employees and Net AIR	152,270,889	59,903,302
Total loan	8,052,392,828.34	6,461,483,927.35

<u>Impairment Allowance</u>		
Performing Loan and Advances		
Pass Loan	69,596,357.52	63,226,445.90
Watch List	64,873,474.70	1,966,303.28
Non-Performing Loan and Advances		
Sub-standard	19,893,091.23	1,764,058.39
Doubtful	49,309,091.77	7,091,967.94
Loss	39,571,762.97	18,369,800.18
Total	243,243,778.18	92,418,575.68

4.8 Investment Securities

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Investment Securities measured at Amortized Cost	-	-
Investment measured at FVTOCI	183,263,328.01	140,401,435.39
Total	183,263,328.01	140,401,435.39

4.8.1: Investment Securities measured at Amortized Cost

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Debt Securities	-	-
Government Bonds	-	-
Government Treasury Bills	-	-
Nepal Rastra Bank Bonds	-	-
Nepal Rastra Bank Deposit Instruments	-	-
Other	-	-
Less: Specific Allowances for Impairment	-	-
Total	-	-



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.8.2: Information relating to Investment in Equities

Particulars	As on Ashad 31, 2077		Particulars	As on Ashad 31, 2076	
	Cost	Fair Value		Cost	Fair Value
Investment in Quoted Equity			Investment in Quoted Equity		
Arun Valley Hydro Power 3380 Shares of Rs. 240.66 Each Butwal Power Com. Ltd.	813,413.93	314,340.00	Arun Valley Hydro Power 3380 Shares of Rs. 240.66 Each Butwal Power Com. Ltd.	813,413.93	375,180.00
17338 Shares of Rs. 463.63 Each Rural Micro Finance Dev.Center	8,038,501.32	6,224,342.00	15762 Shares of Rs. 509.99 Each Rural Micro Finance Dev.Center	8,038,501.32	6,446,658.00
2865 Shares of Rs. 608.59 Each Rural micro finance promoter	1,743,612.09	2,008,365.00	4457 Shares of Rs. 724.77 Each Rural micro finance promoter	3,230,289.20	2,946,077.00
25520 Shares of Rs. 283.18 Each Ridi Hydropower Dev. Com. Ltd.	7,226,679.07	10,176,100.00	22685 Shares of Rs. 318.57 Each Ridi Hydropower Dev. Com. Ltd.	7,226,679.07	7,939,750.00
4545 Shares of Rs. 168.86 Each NMB Hybrid Fund	767,452.41	381,780.00	4545 Shares of Rs. 168.86 Each Siddhartha Equity Scheme	767,452.41	409,050.00
315896 Shares of Rs. 10 Each Global IME Sammunat Scheme-1	3,158,801.26	3,001,012.00	105000 Shares of Rs. 12.04 Each NMB Hybrid Fund	1,264,282.35	1,136,100.00
55328 Shares of Rs. 10 Each Nabil Equity Fund-IPO	553,280.00	474,714.24	315896 Shares of Rs. 10 Each Global IME Sammunat Scheme-1	3,158,801.26	3,168,436.88
420001 Shares of Rs. 10 Each National Microfinance-IPO	4,200,010.00	3,918,609.33	55328 Shares of Rs. 10 Each Nabil Equity Fund-IPO	553,280.00	463,648.64
8 Shares of Rs. 0 Each Khani Khola Hydro Share IPO	-	13,200.00	420001 Shares of Rs. 10 Each National Microfinance-IPO	4,200,010.00	3,918,609.33
671 Shares of Rs. 203.12 Each NIBL Pragati Fund	136,292.14	32,879.00	5 Shares of Rs. 0 Each Khani Khola Hydro Share IPO	-	7,400.00
856177 Shares of Rs. 10 Each Synergy Power Development Ltd	8,561,770.00	6,977,842.55	687 Shares of Rs. 199.77 Each NIBL Pragati Fund	137,242.99	45,342.00
788 Shares of Rs. 166.41 Each Laxmi Mutual Fund	131,128.17	77,224.00	856177 Shares of Rs. 10 Each Synergy Power Development Ltd	8,561,770.00	6,369,956.88
584957 Shares of Rs. 10 Each Jalabidhyut lagani tatha bikash	5,849,570.00	5,130,072.89	788 Shares of Rs. 166.41 Each Mero Microfinance	131,128.17	70,920.00
3058 Shares of Rs. 176.29 Each Nepal Life Insu.Co	539,095.26	406,714.00	135 Shares of Rs. 80.74 Each Dibyashwari Hydropower Ltd.	10,900.00	71,820.00
4966 Shares of Rs. 1094.79 Each Himalayan General Insurance co.ltd.	5,436,751.64	6,257,160.00	31 Shares of Rs. 147.60 Each laxmi Mutual Fund	4,575.51	2,418.00
8950 Shares of Rs. 661 Each Shikhar Insurance	5,915,950.00	3,750,050.00	584957 Shares of Rs. 10 Each Jalabidhyut lagani tatha bikash	5,849,570.00	4,463,221.91
225 Shares of Rs. 629.09 Each	141,544.52	229,275.00	3058 Shares of Rs. 176.29 Each	539,095.26	492,338.00



Notes to Financial Statement For the year ended 31 Ashad 2077 (July 15, 2020)

4.8.2: Information relating to Investment in Equities

Particulars	As on Ashad 31, 2077		Particulars	As on Ashad 31, 2076	
	Cost	Fair Value		Cost	Fair Value
Nepal Grameen Bikash bank Ltd. Promoter Share 30000 Shares of Rs. 234.93 Each	7,047,802.22	5,610,000.00	Nepal Life Insu.Co 4966 Shares of Rs. 1094.79 Each	5,436,751.64	4,474,366.00
NIC Asia Growth Fund			NBM SULAV		
200000 Shares of Rs. 10 Each	2,000,000.00	2,038,000.00	20000 Shares of Rs. 13.48 Each	269,564.20	216,400.00
Nepal Doorsanchar Company Limited			Deprox Laghubitta		
2235 Shares of Rs 484.41 Each	1,082,655.58	1,463,925.00	5115 Shares of Rs. 923.31 Each	4,722,731.25	3,693,030.00
United Insurance (Nepal) Co.Ltd			Life insu. Corp		
58,843 Shares of Rs 177.96 Each	10,471,643.51	21,771,910.00	82 Shares of Rs. 0 Each	-	131,200.00
United Insurance (Nepal) Co.Ltd- Promoter's Shares			Prime Life Insu.		
96,649 Shares of Rs 111.11 Each	10,738,677.06	22,905,813.00	853 Shares of Rs. 83.12 Each	70,900.00	374,467.00
Investment in Unquoted Equity			Chhimek Bikash Bank		
NCHL Share			82 Shares of Rs. 0 Each	-	77,900.00
1200 Shares of Rs 83.33 Each	100,000.00	100,000.00	Nerude laghubitta Bikash Bank Ltd.		
Mahalaxmi Life Insurance			1750 Shares of Rs. 738.55 Each	1,292,462.98	822,500.00
800,000 Shares of Rs 100 Each	80,000,000.00	80,000,000.00	Himalayan General Insurance co.ltd.		
			8950 Shares of Rs. 661 Each	5,915,950.00	3,132,500.00
			Shikhar Insurance		
			225 Shares of Rs. 629.09 Each	141,544.52	173,475.00
			Nepal Grameen Bikash bank Ltd. Promoter Share		
			30000 Shares of Rs. 234.93 Each	7,047,802.22	7,047,802.22
			NIC Asia Growth Fund		
			200000 Shares of Rs. 10 Each	2,000,000.00	2,056,000.00
			Prabhu Insurance Company		
			361 Shares of Rs. 85.87 Each	31,000.00	131,404.00
			Investment in Unquoted Equity		
			NCHL Share		
			1200 Shares of Rs. 83.33 Each	100,000.00	100,000.00
			Mahalaxmi Life Insurance		
			800000 Shares of Rs. 100 Each	80,000,000.00	80,000,000.00
Total	164,654,630.18	183,263,328.01	Total	151,515,698.28	140,757,970.86

Amount as per 4.8 (Investment Valuation)
Difference *

*Promoter shares of Rural Microfinance are valued at 50%

140,401,435.39

356,535.47

356,535.47

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Current Tax Assets

4.9

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Current Tax Assets		
Current year Income Tax Assets	66,082,562.03	73,060,620.89
Tax Assets of Prior Periods	-	-
Current Tax Liabilities		
Current year Income Tax Liabilities	44,680,457.97	75,274,182.62
Tax Liabilities of Prior Periods	-	-
Total	21,402,104.06	(2,213,561.73)

Investment in Subsidiaries

4.10

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Total Investment	-	-
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

4.10.1: Investment in Quoted Subsidiaries

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

4.10.2: Investment in Unquoted Subsidiaries

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



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.10.3: Information relating to Subsidiaries of the Bank

Particulars	Percentage of Ownership held by Bank	
	Current Year	Previous Year
.....Ltd.	-	-
.....Ltd.	-	-
.....Ltd.	-	-
.....Ltd.	-	-
Total	-	-

4.10.4: Non Controlling Interest of the Subsidiaries

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

Investment in Associates

4.11

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Investment in Quoted Associates	-	-
Investment in Unquoted Associates	-	-
Total Investment	-	-
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

4.11.1: Investment in Quoted Associates

Particulars	Current Year	
	Cost	Fair Value
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
Total	-	-

4.11.2: Investment in Unquoted Associates

Particulars	Current Year	
	Cost	Fair Value
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
Total	-	-

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.11.3: Information relating to Associates of the Bank

Particulars	Percentage of Ownership held by Bank	
	Current Year	Previous Year
.....Ltd.	-	-
.....Ltd.	-	-
.....Ltd.	-	-
.....Ltd.	-	-
.....Ltd.	-	-

4.11.4: Equity Value of Associates

Particulars	Percentage of Ownership held by Bank	
	Current Year	Previous Year
.....Ltd.	-	-
.....Ltd.	-	-
.....Ltd.	-	-
.....Ltd.	-	-

Investment Properties

4.12

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Investment Properties measured at Fair Value		
Balance as on Shrawan 01.	-	-
Addition/(Disposal) during the year.	-	-
Net Changes in fair value during the year.	-	-
Adjustment/Transfer.	-	-
Net Amount	-	-
Investment Properties measured at Cost		
Balance as on Shrawan 01	-	-
Addition/(Disposal) during the year	-	-
Net Changes in fair value during the year	-	-
Adjustment/Transfer	-	-
Net Amount	-	-
Total	-	-



4.13

Notes to Financial Statement For the year ended 31 Ashad 2077 (July 15, 2020)

Property and Equipment

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Asadh end 2077	Total Asadh end 2076
Cost										
As on Shrawan 01 2075	84,754,006.00	-	16,601,916.87	13,451,895.78	17,296,429.85	13,185,603.93	4,117,063.05	26,687,254.53	-	176,094,170.01
Addition during the year										
Acquisition	75,682,440.00	-	16,723,656.60	3,532,513.58	9,556,350.00	4,577,793.52	-	6,991,394.81	-	117,064,148.51
Capitalization	-	-	-	-	(1,589,000.00)	-	-	(858,464.59)	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	(2,447,464.59)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
As on Asadh end 2076	160,436,446.00	-	33,325,573.47	16,984,409.36	25,263,779.85	17,763,397.45	4,117,063.05	32,820,184.75	-	290,710,853.93
Addition during the Year										
Acquisition	-	-	5,151,440.11	1,956,279.00	2,376,383.68	2,532,511.39	-	10,818,486.28	22,835,100.47	-
Capitalization	-	3,283,750.00	-	-	-	-	-	-	3,283,750.00	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-
Adjustment/Revaluation	(3,283,750.00)	-	-	-	-	-	-	-	(3,283,750.00)	-
As on Asadh end 2077	157,152,696.00	3,283,750.00	38,477,013.58	18,940,688.36	27,640,163.53	20,295,908.84	4,117,063.05	43,638,671.03	313,545,954.40	290,710,853.93
Depreciation and Impairment										
As on Shrawan 01 2075	-	-	(6,220,538.43)	(10,279,397.63)	(6,912,285.86)	(5,962,430.54)	(3,316,809.38)	(13,998,062.16)	-	(46,689,524.00)
Depreciation charge for the year	-	-	(4,393,090.28)	(2,050,920.61)	(2,380,487.57)	(1,079,069.06)	(330,081.11)	(5,513,247.57)	-	(15,746,896.20)
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	1,412,019.41	-	-	773,456.83	-	2,185,476.24
Adjustments	-	-	-	-	-	-	-	-	-	-
As on Asadh end 2076	-	-	(10,613,628.71)	(12,330,318.24)	(7,880,754.02)	(7,041,499.60)	(3,646,890.49)	(18,737,852.91)	-	(60,250,943.96)
Depreciation charge for the year	-	(65,494.71)	(6,044,679.42)	(1,475,213.93)	(2,917,148.69)	(1,432,965.13)	(217,404.19)	(5,594,448.39)	(17,747,354.45)	-
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
As on Asadh end 2077	-	(65,494.71)	(16,658,308.13)	(13,805,532.17)	(10,797,902.70)	(8,474,464.72)	(3,864,294.67)	(24,332,301.30)	(77,998,298.42)	(60,250,943.96)
Capital Work in Progress										
	-	-	-	-	-	-	-	-	-	-
Net book value										
As on Asadh end 2076	160,436,446.00	-	22,711,944.76	4,654,091.12	17,383,025.83	10,721,897.85	470,172.56	14,082,331.84	230,459,910.83	
As on Asadh end 2077	157,152,696.00	3,218,255.29	21,818,705.45	5,135,156.19	16,842,260.83	11,821,444.12	252,768.38	19,306,369.73	235,547,655.98	



Notes to Financial Statement For the year ended 31 Ashad 2077 (July 15, 2020)

4.14

Particulars	Goodwill	Software		Other	Total Asadh end 2077	Total Asadh end 2076
		Purchased	Developed			
Cost						
As on Shrawan 01 2075	-	7,445,565.00	-	-	-	7,445,565.00
Addition during the year	-	-	-	-	-	-
Acquisition	-	594,380.00	-	-	-	594,380.00
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
As on Asadh end 2076	-	8,039,945.00	-	-	-	8,039,945.00
Addition during the Year	-	-	-	-	-	-
Acquisition	-	805,125.00	-	-	805,125.00	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
As on Ashad end 2077	-	8,845,070.00	-	-	8,845,070.00	8,039,945.00
Amortisation and Impairment						
As on Shrawan 01 2075	-	(6,151,865.80)	-	-	-	(6,151,865.80)
Amortisation charge for the year	-	(1,045,125.68)	-	-	-	(1,045,125.68)
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Asadh end 2076	-	(7,196,991.48)	-	-	-	(7,196,991.48)
Impairment for the year	-	-	-	-	-	-
Amortisation charge for the year	-	(282,480.13)	-	-	(282,480.13)	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Asadh end 2077	-	(7,479,471.61)	-	-	(7,479,471.61)	(7,196,991.48)
Capital Work in Progress						
Capital Work in Progress	-	-	-	-	-	-
Net Book Value						
As on Asadh end 2076	-	842,953.52	-	-	842,953.52	-
As on Asadh end 2077	-	1,365,598.39	-	-	1,365,598.39	-



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Deferred Tax

4.15

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	-	-
Investment Properties	-	-	-
Investment Securities	-	5,582,609.35	(5,582,609.35)
Property and Equipment	-	2,331,153.34	(2,331,153.34)
Liabilities for employees defined benefit obligations	1,732,699.06	-	1,732,699.06
Liabilities for long service leave	4,801,817.10	-	4,801,817.10
Lease Liabilities	-	-	-
Provisions	6,190,841.20	-	6,190,841.20
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	12,725,357.36	7,913,762.69	4,811,594.67
Deferred tax due to changes in tax rate			-
Net Deferred Tax Asset (Liabilities) as on year ended 2077			4,811,594.67
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2076			12,819,445.17
Origination/(Reversal) during the year			(8,007,850.50)
Deferred Tax expense (income) recognized in profit or loss			(81,593.34)
Deferred Tax expense (income) recognized in OCI			8,089,443.84

Other Assets

4.16

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	51,713,614.63	43,154,823.88
Prepayments and Deposits	4,660,909.38	2,241,430.65
Income Tax Deposit	-	-
Deferred Employee Expenditure	50,019,546.82	44,121,399.51
Other Assets	2,456,361.03	5,998,544.03
Total	108,850,431.86	95,516,198.07

Due to Banks and Financial Institutions

4.17

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Money Market Deposits	-	-
Interbank Borrowing	-	-
Other Deposits from BFIs	-	-
Settlement and Clearing Accounts	-	-
Total	-	-

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Due to Nepal Rastra Bank

4.18

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Refinance from NRB	-	-
Standing Liquidity Facility	-	-
Lender of Last Resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other Payable to NRB	-	-
Total	-	-

Derivative Financial Instruments

4.19

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
<i>Held for Trading</i>		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
<i>Held for Risk Management</i>		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
Total	-	-

Deposits from Customers

4.20

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Institutional Customers:		
Term Deposits.	1,729,271,620.51	951,850,002.78
Call Deposits	1,422,226,726.00	1,171,258,692.07
Current Deposits.	324,428,522.74	240,173,424.28
Others.	3,184,758.29	3,082,970.47
Individual Customers:		
Term Deposits	2,846,043,928.56	2,206,383,988.72
Saving Deposits	3,709,037,064.21	2,817,127,223.41
Current Deposits	81,269,615.39	23,102,380.87
Others	25,711,967.61	24,534,001.29
Total	10,141,174,203.30	7,437,512,683.89



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.20.1: Currency wise analysis of deposit from customers

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Nepalese Rupee	10,141,174,203.02	7,437,512,683.89
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	10,141,174,203.02	7,437,512,683.89

Borrowings

4.21

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
<i>Domestic Borrowings</i>		
Nepal Government	-	-
Other Institutions.	-	-
Other	-	-
Sub Total	-	-
<i>Foreign Borrowings</i>		
Foreign Banks and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub Total	-	-
Total	-	-

Provisions

4.22

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Provisions for Redundancy	-	-
Provisions for Restructuring	-	-
Pending Legal Issues and Tax Litigation	-	-
Onerous Contracts	-	-
Other Provisions	20,636,137.34	21,314,137.34
Total	20,636,137.34	21,314,137.34

*Other provision includes provision for balances due from problematic financial institutions.

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.22.1: Movement in Provision

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Balance at Shrawan 01	21,314,137.34	22,804,137.34
Provision Transfer from Merger/Acquisition		
Provisions made during the year	-	678,000.00
Provisions used during the year		
Provisions reversed during the year	(678,000.00)	(2,168,000.00)
Unwind of Discount		
Balance at Asadh end	20,636,137.34	21,314,137.34

Other Liabilities

4.23

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Liabilities for employees defined benefit obligations	5,775,663.53	10,333,405.00
Liabilities for long service leave	16,006,057.00	11,059,512.00
Short term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	20,211,367.91	6,641,912.45
Interest payable on deposits	50,250,086.54	37,369,958.80
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	-	-
Liabilities under Finance Lease	-	-
Employee bonus payable	16,600,052.00	24,203,596.47
Other Liabilities	17,287,565.88	8,536,400.93
Total	126,130,792.86	98,144,785.65

4.23.1: Defined Benefit Obligation

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

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Present value of unfunded obligations	-	10,333,405.00
Present value of funded obligations	16,598,726.00	-
Total present value of obligations	16,598,726.00	10,333,405.00
Fair value of plan assets	10,823,062.47	-
Present value of net obligations	5,775,663.53	10,333,405.00
Recognised liability for defined benefit obligations	5,775,663.53	10,333,405.00



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.23.2: Plan Assets

Plan assets comprise

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Equity securities	-	-
Government bonds	-	-
Bank deposit	10,823,062.47	-
Other	-	-
Total	10,823,062.47	-

* Plan Assets comprises of deposits made under government approved retirement scheme.

4.23.3: Movement in the present value of defined benefit obligations

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Defined benefit obligations at Shrawan 1	10,333,405.00	7,626,804.00
Actuarial losses	3,247,805.00	290,704.00
Benefits paid by the plan	-	-
Current service costs and interest	3,017,516.00	2,415,897.00
Defined benefit obligations at Asadh end	16,598,726.00	10,333,405.00

4.23.4: Movement in the fair value of plan assets

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Fair value of plan assets at Shrawan 1	-	-
Contributions paid into the plan	10,333,405.47	-
Benefits paid during the year	489,657.00	-
Actuarial (losses) gains	-	-
Expected return on plan assets	-	-
Fair value of plan assets at Asadh end	10,823,062.47	-

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.23.5: Amount recognised in profit or loss

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Current service costs	2,108,182.00	1,743,377.00
Interest on obligation	909,334.00	672,520.00
Expected return on plan assets	-	-
Total	3,017,516.00	2,415,897.00

4.23.6: Amount recognised in other comprehensive income

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Acturial (gain)/loss	2,758,148.03	290,704.00
Total	2,758,148.03	290,704.00

4.23.7: Actuarial assumptions

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Discount rate	9.00%	9.00%
Expected return on plan asset	0.00%	0.00%
Future salary increase	7.00%	7.00%
Withdrawal rate	8.00%	8.00%

Debt securities issued

4.24

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
Total	-	-

Subordinated Liabilities

4.25

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
Total	-	-



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Share capital

4.26

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Ordinary shares	811,121,224.72	692,673,975.00
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
Total	811,121,224.72	692,673,975.00

4.26.1: Ordinary Shares

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Authorized Capital		
15,000,000 Ordinary share of Rs. 100 each	1,500,000,000.00	1,500,000,000.00
Issued capital		
10,736,446.62 Ordinary share of Rs. 100 each	1,073,644,661.25	1,073,644,661.25
Subscribed and paid up capital		
8,111,212.25 Ordinary share of Rs. 100 each	811,121,224.72	692,673,975.00
Total	811,121,224.72	692,673,975.00

4.26.2: Ordinary share ownership

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Domestic ownership		
Nepal Government	-	-
"A" class licensed institutions	-	-
Other licensed institutions	-	-
Other Institutions	25,240,001.00	21,554,163.00
Public	785,881,223.72	671,119,812.00
Other	-	-
Foreign ownership	-	-
Total	811,121,224.72	692,673,975.00

4.26.2.1 Ratio of Promoter and Public Share holder ownership details

Promoter shareholding	51%	51%
Public shareholding	49%	49%

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Shareholders holding more than 0.5% shares are as follows:

Shareholder Name	Total Share	Percentage %	Amount
Mahendra Kumar Goyal	730,253.13	9.00%	73,025,313.00
Rajan Sharma	648,898.16	8.00%	64,889,816.00
Jyoti kumari Sarawagi	432,131.76	5.33%	43,213,176.00
Hemraj Dhakal	431,923.02	5.33%	43,192,302.00
Bajrang Goyal	425,486.32	5.25%	42,548,632.00
Ganesh Prasad Khanal	397,453.87	4.90%	39,745,387.00
Suresh Kumar Agrawal	375,572.57	4.63%	37,557,257.00
Amit Kumar Agrawal	280,531.98	3.46%	28,053,198.00
Chet Prasad Bhattarai	225,386.76	2.78%	22,538,676.00
Rupa Devi Sarawagi	230,234.68	2.84%	23,023,468.00
Gopal Prasad Basaula	223,058.15	2.75%	22,305,815.00
Shekhar Raj Bastakoti	130,250.53	1.61%	13,025,053.00
Dipak Kumar Sarawagi	101,506.09	1.25%	10,150,609.00
Amrita Sarawagi	97,349.13	1.20%	9,734,913.00
Krishnakali Basnet	95,653.15	1.18%	9,565,315.00
Prakash Bahadur Ghimire	81,111.98	1.00%	8,111,198.00
Dr.Shankar Upreti	73,870.08	0.91%	7,387,008.00
Agni Prasad Bhattarai	71,868.87	0.89%	7,186,887.00
Anurag Goyal	61,067.07	0.75%	6,106,707.00
Niresh Bahadur Shrestha	56,336.87	0.69%	5,633,687.00
Krishna Prasad Misra	50,698.18	0.63%	5,069,818.00
Nima Devi Karmacharya	50,695.10	0.63%	5,069,510.00
Kamal Bhattarai	48,971.13	0.60%	4,897,113.00
Dhaulagiri Holdings Pvt. Ltd.	46,899.55	0.58%	4,689,955.00
Bharat Timsina	42,583.67	0.52%	4,258,367.00
Narayan Prasad Bhattarai	42,583.67	0.52%	4,258,367.00
Kamala Saptota Rijal	41,360.92	0.51%	4,136,092.00
Jay Dharma Pokhrel	41,375.37	0.51%	4,137,537.00
Govinda Agrawal	40,487.04	0.50%	4,048,704.00
Total	5,575,598.80	68.74%	557,559,880.00
Total Share of Bank	8,111,212.25	100.00%	811,121,224.72

Reserves

4.27

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Statutory general reserve	191,514,623.66	170,782,217.65
Exchange equilisation reserve	22,787.80	-
Corporate social responsibility reserve	1,771,396.43	3,518,666.37
Capital redemption reserve	-	-
Regulatory reserve	25,635,109.79	38,370,553.78
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	13,026,088.56	(7,779,984.02)
Dividend equalisation reserve	-	-
Actuarial gain	(1,955,344.32)	(24,640.70)
Special reserve	-	-
Other reserve	24,531.05	1,283,618.97
Total	230,039,192.96	206,150,432.05



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Contingent liabilities and commitments

4.28

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Contingent liabilities	75,251,492.28	27,224,000.00
Undrawn and undisbursed facilities	523,384,496.50	375,857,791.39
Capital commitment	-	-
Lease Commitment	-	-
Litigation	7,949,861.00	-
Total	606,585,849.78	403,081,791.39

4.28.1: Contingent Liabilities

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Acceptance and documentary credit	14,210,492.28	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	61,041,000.00	27,224,000.00
Underwriting commitment	-	-
Other commitments	-	-
Total	75,251,492.28	27,224,000.00

4.28.2: Undrawn and undisbursed facilities

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Undisbursed amount of loans	326,776,790.09	-
Undrawn limits of overdrafts	196,607,706.41	375,857,791.39
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
Total	523,384,496.50	375,857,791.39

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

4.28.3: Capital commitments

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

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Capital commitments in relation to Property and Equipment	-	-
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
Capital commitments in relation to Intangible assets	-	-
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
Total	-	-

4.28.4: Lease commitments

Particulars	As on Asadh 31, 2077	As on Asadh 31, 2076
Operating lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Sub total	-	-
Finance lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Sub total	-	-
	-	-

4.28.5: Litigation

The Bank is in dispute with Medium Tax Payer Office (MTPO) over the case of additional tax demanded by MTPO over and above the amounts declared by the Bank. The case relate to tax returns filed by the bank under self -assessment system for annual income for FY 2072/73 (2015-16). The incremental tax in respect of FY 2072/73 is NPR 3,727,390 along with fines plus interest amounting NPR 4,354,997. Accordingly, the MTPO has demanded for additional tax payment of Rs 8,082,387. The advance tax remaining after setting off the self-assessed tax liability for the FY 2072/73 amounts to Rs. 132,525. Thus, the net tax demanded by MTPO amounts to Rs 7,949,861. The case is ongoing at Revenue Tribunal.



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Interest Income

4.29

Particulars	F.Y 2076-77	F.Y 2075-76
Cash and cash equivalent	57,181,164.26	57,086,129.74
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	983,063,150.40	747,088,181.73
Investment securities	-	-
Loan and advances to staff	25,452,214.28	6,120,069.11
Other Interest Income	-	-
Total interest income	1,065,696,528.93	810,294,380.58

*Interest income amounting Rs.62,970,501.28 was recognized for Financial Year 2076-77 for accrual of interest on loans as per Interest Recognition guidiliness issued by Nepal Rastra Bank.

Interest Expenses

4.30

Particulars	F.Y 2076-77	F.Y 2075-76
Due to bank and financial institutions	383,561.64	3,501,415.05
Due to Nepal Rastra Bank	-	-
Deposits from customers	594,475,729.37	409,526,528.37
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	-	-
Total Interest expense	594,859,291.01	413,027,943.42

Fees and Commission Income

4.31

Particulars	F.Y 2076-77	F.Y 2075-76
Loan administration fees	-	-
Service fees	67,511,734.48	45,396,215.44
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	1,463,600.00	781,500.23
Prepayment and swap fees	285,596.85	-
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	5,372,754.24	7,774,745.92
Remittance fees	4,079,724.35	3,472,240.67
Commission on letter of credit	92,785.00	-
Commission on guarantee contracts issued	1,488,890.00	424,220.00
Commission on share underwriting/issue	-	-
Locker rental	212,600.00	126,300.00
Other fees and commission income	6,498,421.97	144,041.35
Total Fees and Commission Income	87,006,106.89	58,119,263.61

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Fees and Commission Expense

4.32

Particulars	F.Y 2076-77	F.Y 2075-76
ATM management fees	-	-
VISA/Master card fees	1,024,026.02	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees expense	1,441,092.01	-
Remittance fees and commission	-	34,701.96
Other fees and commission expense	3,762,590.60	-
Total Fees and Commission Expense	6,227,708.63	34,701.96

Net Trading income

4.33

Particulars	F.Y 2076-77	F.Y 2075-76
Changes in fair value of trading assets	-	-
Gain/loss on disposal of trading assets	-	-
Interest income on trading assets	-	-
Dividend income on trading assets	-	-
Gain/loss foreign exchange transaction	-	-
Other	-	-
Net trading income	-	-

Other Operating Income

4.34

Particulars	F.Y 2076-77	F.Y 2075-76
Foreign exchange revaluation gain	91,151.20	(34,942.77)
Gain/loss on sale of investment securities	4,017,058.03	10,976.95
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	1,016,934.91	813,964.98
Gain/loss on sale of property and equipment	-	634,281.65
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Other Operating Income	-	9,116,554.19
Total	5,125,144.14	10,540,835.00

Impairment charge/(reversal) for loan and other losses

4.35

Particulars	F.Y 2076-77	F.Y 2075-76
Impairment charge/(reversal) on loan and advances to BFIs	-	-
Impairment charge/(reversal) on loan and advances to customers	150,825,202.50	27,096,822.47
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with BFIs	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
Total	150,825,202.50	27,096,822.47



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Personnel Expenses

4.36

Particulars	F.Y 2076-77	F.Y 2075-76
Salary	55,779,035.29	38,381,849.02
Allowances	49,428,894.36	24,311,514.13
Gratuity Expense	3,017,516.00	1,878,045.55
Provident Fund	3,891,575.81	2,531,001.87
Uniform	272,912.82	2,524,516.80
Training & development expense	1,341,971.92	3,020,963.95
Leave encashment	8,528,687.61	4,123,463.49
Medical	2,821,253.41	1,797,685.68
Insurance	927,984.08	1,477,168.77
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	22,876,731.84	6,120,069.11
Other expenses related to staff	696,923.60	6,265,050.01
Subtotal	149,583,486.74	92,431,328.39
Employees Bonus	16,600,052.00	24,203,596.47
Grand total	166,183,538.74	116,634,924.86

Other Operating Expense

4.37

Particulars	F.Y 2076-77	F.Y 2075-76
Directors' fee	539,800.00	305,000.00
Directors' expense	719,088.03	521,988.55
Auditors' remuneration	173,250.00	678,000.00
Other audit related expense	62,150.00	45,200.00
Professional and legal expense	1,067,894.57	7,100.00
Office administration expense	53,742,791.78	35,593,959.46
Operating lease expense	12,283,062.43	9,149,430.32
Operating expense of investment properties	-	-
Corporate social responsibility expense	2,783,890.24	516,192.00
Onerous lease provisions	-	-
Other Expenses	929,809.41	16,515,229.53
Total	72,301,736.47	63,332,099.86

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Office administration expense

4.37.1

Particulars	F.Y 2076-77	F.Y 2075-76
Light, Electricity & Water	5,335,154.60	3,829,478.43
Repair and maintenance	-	-
Repair & Maintenance-Building	-	-
Repair & Maintenance-Vehicles	898,920.47	799,158.92
Office Equipment, Furniture Repair	1,245,153.77	938,407.93
Repair & Maintenance-Others	713,016.80	1,298,402.48
General Insurance	7,414,583.02	1,422,300.60
Postage, Telex, Telephone & Fax	5,062,612.72	4,072,236.54
Printing & Stationery	4,580,194.19	5,782,745.24
Periodicals & Books	199,555.00	233,420.00
Advertisements	2,586,612.55	2,223,780.82
Donation	-	-
Security Expenses	18,902,599.93	12,711,779.27
Deposit/Credit Guarantee Premium	-	-
Travelling Allowances & Expenses	412,900.00	806,474.92
Entertainment	350,724.41	470,730.00
Annual General Meeting Expenses	88,755.23	416,190.96
Rates and Taxes	578,752.11	-
Other	-	-
Other- Fuel Expenses	2,499,890.25	-
Other-Office Expenses	2,873,366.73	588,853.35
Total	53,742,791.78	35,593,959.46

Depreciation and Amortisation

4.38

Particulars	F.Y 2076-77	F.Y 2075-76
Depreciation on property and equipment	17,747,354.45	15,746,896.19
Depreciation on investment property	-	-
Amortisation of intangible assets	282,480.13	1,045,125.68
Total	18,029,834.58	16,792,021.87

Non Operating Income

4.39

Particulars	F.Y 2076-77	F.Y 2075-76
Recovery of loan written off	-	-
Other income	-	-
Total	-	-

Non Operating Expenses

4.40

Particulars	F.Y 2076-77	F.Y 2075-76
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	-	-
Total	-	-



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

Income Tax Expenses

4.41

Particulars	F.Y 2076-77	F.Y 2075-76
Current tax expense	45,820,031.35	75,274,182.62
Current year	44,680,457.97	75,274,182.62
Adjustments for prior years	1,139,573.38	-
Deferred tax expense	(81,593.34)	(1,715,457.23)
Origination and reversal of temporary differences	(81,593.34)	(1,715,457.23)
Changes in tax rate	-	-
Total income tax expense	45,738,438.01	73,558,725.39

4.41.1: Reconciliation of tax expense and accounting profit

Particulars	F.Y 2076-77	F.Y 2075-76
Profit before tax	149,400,468.04	242,035,964.75
Tax amount at tax rate of 30 %	44,820,140.41	72,610,789.42
Add: Tax effect of expenses that are not deductible for tax purpose	(385,662.03)	406,799.62
Less: Tax effect on exempt income	332,425.83	1,050,973.99
Add/less: Tax effect on other items	-	(2,473,138.35)
Add: Penalty for non-filing of Returns on Time u/s 117	578,405.42	-
Total income tax expense	44,680,457.97	74,439,753.40
Effective tax rate	29.91%	30.76%

Excel Development Bank Limited
Statement Of Distributable Profit or Loss
For the year ended Ashad 31, 2077

Particulars	F.Y 2076-77	F.Y 2075-76
Net profit or (loss) as per statement of profit or loss	103,662,030.03	168,477,239.36
Opening balance in retained earnings	126,089,058.75	146,810,922.33
Appropriations:		
a. General reserve	(20,732,406.01)	(33,695,447.87)
b. Foreign exchange fluctuation fund	(22,787.80)	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(1,036,620.30)	(1,684,772.39)
e. Employees' training fund	-	(2,677,671.71)
f. Other		
>Investment adjustment reserve	-	1,446,762.79
>Deferred tax reserve	-	-
>Bonus Share	(118,447,249.72)	-
>Cash dividend	(6,234,065.78)	(117,754,575.92)
>CSR Expenses	2,783,890.24	516,192.00
>Training expense	1,259,087.92	3,020,963.95
Profit or (loss) before regulatory adjustment	87,320,937.34	164,459,612.54
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(5,591,458.34)	(13,276,712.46)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	12,249,755.45	(12,249,755.45)
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	-	-
e. Deferred tax assets recognised (-)/ reversal (+)	8,007,850.50	(12,819,445.17)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	(1,930,703.62)	(24,640.70)
i. Other (+/-)	-	-
Distributable profit or (loss)	100,056,381.33	126,089,058.75



Excel Development Bank Limited

Comparison Audited and Unaudited Financial Statement

Final Year 2076- 77

Amount in Rs.

Statement of Financial Position Assets	As per Unaudited Financial Statements	As per Audited Financial Statements	Variance		Reasons for Variance
			In Amount	In %	
Cash and cash equivalent	2,759,367,380.85	2,748,720,037.09	(10,647,343.76)	(0.39)	Due to Reclassification of deposit under gratuity retirement scheme to appropriate account.
Due from NRB and placements with BFs	319,857,233.18	320,938,724.18	1,081,491.00	0.34	Adjustment for amount receivable from NRB for subsidized interest
Loan and advances	7,695,880,437.89	7,809,149,050.16	113,268,612.27	1.47	Finalisation of Loan Loss Provision and Adjustment of staff loan amortization
Investments Securities	190,311,463.25	183,263,328.01	(7,048,135.24)	(3.70)	Adjustment for Fair Valuation of Investment Securities
Current Tax Assets	49,205,246.54	21,402,104.06	(27,803,142.48)	(56.50)	Additional Tax Liability booked as per Income Tax Computation
Property and equipment	235,744,141.91	235,547,655.98	(196,485.93)	(0.08)	Additional adjustment for depreciation as per computation.
Goodwill and intangible assets	1,344,926.76	1,365,598.39	20,671.63	1.54	Additional adjustment for amortisation expense as per computation
Deferred Tax Assets	1,788,116.38	4,811,594.67	3,023,478.29	169.09	Finalisation of Deferred Tax assets
Other assets	113,387,895.34	108,850,431.86	(4,537,463.48)	(4.00)	Adjustment in Prepayment and Deposits and Deferred Employee Expenditure
Total Assets	11,366,886,842.11	11,434,048,524.40	67,161,682.30	0.59	
Liabilities					
Deposits	10,150,848,626.53	10,141,174,203.30	(9,674,423.23)	(0.10)	Due to Reclassification
Provisions	20,636,137.34	20,636,137.34	-	-	
Bond and Debenture	-	-	-	-	
Other liabilities	112,238,666.73	126,130,792.86	13,892,126.13	12.38	Finalization of figures including actuarial valuation of gratuity and leave
Total Liabilities	10,283,723,430.60	10,287,941,133.51			
Equity					
Paid up Capital	811,121,224.72	811,121,224.72	-	-	
Share Premium	4,890,591.88	4,890,591.88	-	-	
Retained Earnings	19,296,297.39	100,056,381.33	80,760,083.94	418.53	Net impact due to finalization of financials.
Reserves	247,855,297.52	230,039,192.96	(17,816,104.56)	(7.19)	Net impact on reserves due to finalization of financials.
Total Equity	1,083,163,411.51	1,146,107,390.90			
Total Liabilities and Equity	11,366,886,842.11	11,434,048,524.40			
Statement of Profit or Loss					
Interest income	1,055,864,569.91	1,065,696,528.93	9,831,959.02	0.93	Adjustment of interest income for the fourth quarter on Bank Balances and impact on interest recognition due to reclassification of loans
Interest expense	594,859,291.01	594,859,291.01	-	-	
Net interest income	461,005,278.90	470,837,237.92	9,831,959.02	2.13	
Fee and commission income	85,215,130.89	87,006,106.89	1,790,976.00	2.10	Audit adjustment for insurance commission
Fee and commission expense	5,075,287.22	6,227,708.63	1,152,421.41	22.71	Audit adjustment for insurance commission
Net fee and commission income	80,139,843.67	80,778,398.26	638,554.59	0.80	
Other operating income	5,154,848.65	5,125,144.14	(29,704.51)	(0.58)	Adjustment to Foreign Exchange revaluation gain
Total operating income	546,299,971.22	556,740,780.32	10,440,809.10	1.91	
Impairment charge/(reversal) for loans and other losses	253,855,227.22	150,825,202.50	(103,030,024.72)	(40.59)	Finalisation of Loan Loss Provision
Net operating income	292,444,743.99	405,915,577.82	(113,470,833.83)	(38.80)	
Personnel expenses	147,936,215.81	166,183,538.74	18,247,322.93	12.33	Actuarial valuation and impact of staff loan amortization.
Other operating expenses	78,885,608.13	72,301,736.47	(6,583,871.66)	(8.35)	Regrouping and final booking of expense
Depreciation and Amortisation	10,769,162.07	18,029,834.58	7,260,672.51	67.47	
Operating profit	54,853,757.99	149,400,468.04	(94,546,710.05)	(172.36)	
Non operating income/expense	-	-	-	-	
Profit before tax	54,853,757.99	149,400,468.04	(94,546,710.05)	(172.36)	
Current Tax	16,456,127.40	45,820,031.35	29,363,903.95	178.40	
Deferred Tax	-	(81,593.34)	(81,593.34)	-	Final calculation of income tax and deferred tax
Profit/(loss) for the period	38,397,630.59	103,662,030.03	(65,264,399.43)	(169.97)	
Other comprehensive income	11,291,225.27	18,875,368.96	7,584,143.69	67.17	Final calculation of fair value of shares and actuarial adjustment of gratuity
Total comprehensive income	49,688,855.86	122,537,398.99	(72,848,543.12)	(146.61)	
Distributable Profit					
Net profit/(loss) as per profit or loss	38,397,630.59	103,662,030.03	65,264,399.43	169.97	Due to finalisation of LLP, staff exp. and income tax
Transfer to reserves	(8,123,040.23)	(142,430,151.44)	(134,307,111.21)	1,653.41	Only current year movement was shown in unaudited version and cumulative transfer presented in audited financials
Add/Less: Regulatory adjustment as per NRB Directive	(12,386,036.24)	12,735,444.00	25,121,480.24	(202.82)	Reversal of regulatory reserve created possible losses on investment
Free profit/(loss) after regulatory adjustments	17,888,554.13	(26,032,677.42)	43,921,231.55	245.53	

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

5 Disclosures & Additional Information

5.1 FINANCIAL RISK MANAGEMENT

Introduction and Overview

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is mainly exposed to;

1. Credit Risk
2. Liquidity Risk
3. Market Risk
4. Operational Risk

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. Senior Management, along with related department/ unit, 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. The Bank, through its training and management standards and procedures, continuously updates and maintains a disciplined and constructive control environment, in which all employees are assigned and made to understand their respective roles and responsibilities.

5.1.1.Credit Risk

Risk is an inherent feature of any business and it drives an entity towards income generation. Likewise, Risk management objective of the Bank is to strike balance between risk and return, and ensure optimum risk-adjusted return on capital. A reasonable level of return is essential for sustainability of the business. However, taking higher risk in search of higher earnings may have chances to result in failure of business. Board level risk management committee has been set up under NRB Directive for ensuring/reviewing bank's risk appetite are in line with the policies

Credit Risk Mitigation (CRM)

The Bank has extensive policy and guidelines to mitigate credit risks. The Bank's credit policy has strengthened minimizing credit risk and provided support to make qualitative analysis based on sound credit principles and procedures. Bank has a policy to consider security for pledge, mortgage which have value considering physical control and legal title. Bank has considered eligible CRM as prescribed by Capital Adequacy standard. Collateral taken as Deposit with own Bank and Gold & Silver have been considered as CRM and adjusted on overall risk weighted exposure on credit risk in line with the standard.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The general creditworthiness of customers tends to be the most relevant indicator of credit quality of a loan. However, collateral provides additional security and the Bank requests borrowers to provide same.

The Bank may take collateral in the form of a first charge over real estate and residential properties, floating charges over all corporate assets and other liens and guarantees.

The Bank's policy is to pursue timely realisation of the collateral in an orderly manner. The proceeds are used to reduce or repay the outstanding claim. The Bank generally does not use non-cash collateral for its own operations.



Definition of Past Due

Bank consider that any amounts uncollected for one day or more beyond their contractual due date are 'past due'

Impaired loans

Past due but not impaired loans are those for which contractual interest or principal payments are past due, but the Bank believes that impairment is not appropriate on the basis of the stage of collection of amounts owed to the Bank.

5.1.2. Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, commodity prices and equity prices. The bank classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

All of the market operations (investments) are done from Finance Department and exposure accounting including booking of income/expense is done. Likely impact on earnings due to change in the market condition and change in the standing of the counterparty are well assessed periodically and necessary actions are taken as appropriate.

5.1.3. Liquidity Risk & Funding management

Liquidity risk is the risk that the Bank will encounter difficulties in meeting its financial commitments that are settled by delivering cash or another financial asset. Hence the bank may be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, and adopted a policy of continuously managing assets with liquidity in mind and of monitoring future cash flows and liquidity on a daily basis.

The Bank maintains a portfolio of highly marketable and diverse assets assumed to be easily liquidated in the event of an unforeseen interruption of expected cash flow. The Bank also has committed lines of credit that could be utilized to meet liquidity needs. Further, the Bank maintains a statutory deposit with the Nepal Rastra Bank equal to approx. 7.09% of customer local deposits. In accordance with the bank's policy, the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specific to the Bank. The most important of these is to maintain the required ratio of liquid assets to liabilities, to meet the regulatory requirement. Liquid assets consist of cash, short-term bank deposits and liquid debt securities available for immediate sale. Further the Statutory Liquid Assets Ratio of the Bank for the month of Ashad 31 2077 is as follows.

Statutory Liquidity Ratio

For the Month of Ashad 2077	25.10%
--------------------------------	--------

5.1.4. Fair value of Financial instruments

Financial instruments are recorded at fair value. The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the bank's estimate of assumptions that a market participant would make when valuing the instruments.

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an inactive market, direct observation of a traded price may not be possible. In these circumstances, the Bank uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable. Financials assets measured at fair value (either through PL or OCI), primarily consisting of quoted equities and quoted Mutual Fund units, are valued using the quoted market price in active markets as at the reporting date. If unquoted, those are carried at cost.

Financial investments – Measured through OCI

Financials assets measured through OCI, primarily consist of quoted equities and quoted Mutual Fund units, are valued using the quoted market price in active markets as at the reporting date. If unquoted, those are carried at cost.

5.1.5. Operational Risk

Operational risk is the risk of losses arising from failed internal processes, systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. Strategic and Reputational Risks are not covered in Operational Risk.

Effective operational risk management systems aims to minimizing losses and customer dissatisfaction due to failure in processes, focusing on flows in products and their design that can expose the Bank to losses due to fraud, analyzing the impact of failures in technology/ system, developing plans to meet external shocks that can adversely impact continuity in the Bank's operations.

One of the growing risks among others these days is Operations Risk that arises out of inefficient processes and people inside and outside the Bank. Banking System (BS) is another area of concern where it has witnessed growing threat from outside. Information and Technology Division in the Bank reviews and checks the security aspects in line with IT Policy of the Bank. Bank has conducted an IS Audit of the Bank's system and suggestions given by the audit with respect to safety and security standards are being put in place.

Bank has separate unit to oversee operation risk including Compliance of KYC and AML. The division is headed by senior level staff with adequate access to the daily report, operational processes and right to recommend the changes in the system and procedures. All the activities are undertaken in line with the internal policies and guidelines including Directives and circulars from central bank (the regulatory authority). Similarly daily functions at operations are independently reported through separate reporting line other than business generation and credit risk where independence of checking and control is complied with. Processes are reviewed periodically so that their perfection can be weighed and any shortcoming can be

addressed. Most of the functions like line approval, bill payment, loan disbursement are centralized which controls activities that can cause mistake due to inadequate knowledge on the part of staff. Similarly awareness to the public is made on our services and products periodically by placing the notices in the website of the Bank, or in branches or publishing notices as appropriate. Staffs are given orientation on the job including that of system of the Bank before they are placed for the job and are guided to follow the policies and circulars for the job. Any staff for the first time in any job is put under the supervision of an experienced staff and is allowed to work independently after attaining required skills.

Bank has Policy to report to senior or management directly on anyone's suspicious conduct outside and inside the Bank. Skill development and skill enhancement programs are conducted on periodic basis and staffs identified for the program get the opportunity for training, seminar and workshop. Adequate numbers of trainings are conducted and staffs required with training are given the opportunity for skill enhancement. Knowledge sharing is one of the core methods of skill development. If a staff gets any training, s/he is encouraged to share the same among the peers in the division/branch.

In operations, the Bank has put in place a maker and checker concept in which a transaction has to compulsorily go through two individuals from a control standpoint with proper transaction right to capture deviations, if any. Similarly MIS Reports are generated to check correctness of transactions and any mistakes are promptly addressed and rectified. The activities of a personnel and division / branch can be viewed and monitored centrally through an integrated system, which helps in minimizing the risk of misconduct, if any. The Bank has an on-line replication Disaster Recovery Site (DRS) which captures the record of each transaction that takes place at the Production Server.



Excel Development Bank Limited

Notes to Financial Statement

For the year ended 31 Ashad 2077 (July 15, 2020)

5 Disclosures & Additional Information

5.2. CAPITAL MANAGEMENT

The Bank's capital management policies and practices support its business strategy and ensure that it is adequately capitalised to withstand even in severe macroeconomic downturns. Excel Development Bank Limited is a licensed institution which provides financial services therefore it must comply with capital requirement of central bank "Nepal Rastra Bank". The Bank's capital consists of Tier I capital and Tier II capital.

5.2.1 Qualitative disclosures

Nepal Rastra Bank has directed the Banks to develop own internal policy, procedures and structures to manage all material risk inherent in business for assessing capital adequacy in relation to the risk profiles as well as strategies for maintaining capital levels. This includes basic requirements of having good governance, efficient process of managing all material risks and an effective regime for assessing and maintaining adequate capital. The Bank has various policies approved by BODs for proper governance. The Bank in line with BASEL provisions.

5.2.2 Quantitative disclosures

Capital structure and capital adequacy

Amount (In '000)

1.1 RISK WEIGHTED EXPOSURES	FY 2076/77 Current Period	FY 2075/76 Previous Period
Risk Weighted Exposure for Credit Risk	8,039,051.11	7,652,226.53
Risk Weighted Exposure for Operational Risk	608,416.02	-
Risk Weighted Exposure for Market Risk	317.35	-
Total Risk Weighted Exposures (Before adjustments of Pillar II)	8,647,784.48	7,652,226.53
Adjustments under Pillar II		
SRP 6.4a (5) - ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	-	-
SRP 6.4a (6) - Add% of the total deposit due to insufficient Liquid Assets	-	-
SRP 6.4a (7) - Add RWE equivalent to reciprocal of capital charge of 2 % of gross income.	9,632.71	-
SRP 6.4a (9) - Overall risk management policies and procedures are not satisfactory. Add 2% of RWE	172,955.69	-
SRP 6.4a (10) - Desired level of disclosure requirement has not been achieved. Add 1% of RWE	86,477.84	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	8,916,850.73	7,652,226.53
1.2 CAPITAL	Current Period	Previous Period
(A) Core Capital (Tier 1)	1,096,074.50	970,108.08
Paid up Equity Share Capital	811,121.22	692,673.98
Irredeemable Non-cumulative preference shares	-	-
Share Premium	4,890.59	4,890.59
Proposed Bonus Equity Shares	-	-
Statutory General Reserves	191,514.62	170,782.22
Retained Earnings	100,056.38	126,089.06
Un-audited current year cumulative profit	-	-
Capital Redemption Reserves	-	-
Capital Adjustment Reserves	-	-
Dividend Equalization Reserves	-	-
Other Free Reserve	-	-
Less: Goodwill	-	-
Less: Deferred Tax Assets	-	(12,819.45)
Less: Fictitious Assets	-	-
Less: Investment in equity of licensed Financial Institutions	-	-
Less: Investment in equity of institutions with financial interests	-	-
Less: Investment in equity of institutions in excess of limits	-	-
Less: Investments arising out of underwriting commitments	-	-
Less: Purchase of Land & Building in excess of limit & utilized	(11,508.32)	(11,508.32)
Less: Reciprocal crossholdings	-	-
Less: Other Deductions	-	-
Adjustments under Pillar II		
SRP 6.4a(1) -Less: Shortfall in Provision	-	-
SRP 6.4a(2) -Less: Loans & Facilities extended to related parties and restricted lending	-	-

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

5 Disclosures & Additional Information

(B) Supplementary Capital (Tier 2)	123,275.94	63,226.45
Cumulative and/or Redeemable Preference Share	-	-
Subordinated Term Debt	-	-
Hybrid Capital Instruments	-	-
General loan loss provision	100,488.14	63,226.45
Exchange Equalization Reserves	22,788	-
Investments Adjustment Reserves	-	-
Assets Revaluation Reserves	-	-
Special Reserve Fund	-	-
Total Capital Fund (Tier I and Tier II)	1,219,350.44	1,033,334.52
1.3 CAPITAL ADEQUACY RATIOS		
	Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	12.29%	12.68%
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	13.67%	13.50%

• Capital Adequacy Ratio:

The capital adequacy ratio of the bank as on 15th July, 2020 is 13.67% and that of 16th July, 2019 was 13.50 %

• Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable:

Excel Development Bank adopts healthy risk management framework. The bank follows Internal Capital Adequacy Assessment Process (ICAAP) and Risk Management Guideline while taking decision on any business. It has always taken note of ICAAP and has taken steps accordingly in ensuring soundness of capital position and sustainability of the business. The bank's policies and procedures are approved by the Board of Directors and these documents provide guidance on independent identification, measurement and management of risks across various businesses. Bank's different committees like Audit Committee, Risk Management Committee review the business and risks periodically.

The bank also defines risk aspects, considering domestic economic scenario, and puts in place the system to minimize and remove such risk. The risk appetite and approach towards risk taking is well discussed in management level and board level. It is always aligned with the business, its return and capital. Basel disclosures have been complied with, addressing the risks and adopting measures to minimize their impact. Increasing complexities in risks, weakness of businesses and fast changing world with intense competition pose a threat to sustainability.

Capital planning is an integral part of the bank's medium term strategic planning and annual budget formulation process. Total risk weighted exposures for the projected level of business operations is calculated, the required capital level is projected, and a plan is formulated to retain the required capital. The bank is well capitalized and able to maintain the required capital through internal generation, and equally through capital markets if needed.

5.2.3 Compliance with external requirement

Bank has complied with externally imposed capital requirements to which it is subject and there are no such consequence where the institution has not complied with those requirement.



Excel Development Bank Limited

Notes to Financial Statement

For the year ended 31 Ashad 2077 (July 15, 2020)

5.2.2 Risk Exposure

Table of Risk Exposure at the reporting dates is as follows:

a) Credit Risk

A. Balance Sheet Exposures	As at Asadh 31, 2077					
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e
Cash Balance	429,386.03	-	-	429,386.03	0%	-
Balance With Nepal Rastra Bank	320,938.72	-	-	320,938.72	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	-	-	-	-	0%	-
All Claims on Government of Nepal	-	-	-	-	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Domestic Public Sector Entities	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	2,319,334.01	-	-	2,319,334.01	20%	463,866.80
Claims on domestic banks that do not meet capital adequacy requirements	20,636.14	20,636.14	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	20%	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Claims on Domestic Corporates	2,400,698.61	-	-	2,400,698.61	100%	2,400,698.61
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)	3,167,696.69	-	21,668.51	3,146,028.18	75%	2,359,521.14
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	1,113,464.48	-	-	1,113,464.48	60%	668,078.69
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	31,588.69	18,448.60	-	13,140.09	100%	13,140.09
Claims secured by Commercial real estate	397,288.48	-	-	397,288.48	100%	397,288.48
Past due claims (except for claims secured by residential properties)	186,173.62	90,325.35	-	95,848.27	150%	143,772.41
High Risk claims	512,286.62	-	-	512,286.62	150%	768,429.93
Lending Against Securities (Bonds & Shares)	90,924.75	-	-	90,924.75	100%	90,924.75
Investments in equity and other capital instruments of institutions listed in stock exchange	103,163.33	-	-	103,163.33	100%	103,163.33
Investments in equity and other capital instruments of institutions not listed in the stock exchange	80,100.00	-	-	80,100.00	150%	120,150.00
Staff loan secured by residential property	-	-	-	-	50%	-
Interest Receivable/claim on government securities	-	-	-	-	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	371,977.38	-	-	371,977.38	100%	371,977.38
TOTAL (A)	11,545,657.55	129,410.08	21,668.51	11,394,578.96		7,901,011.61

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

5.2.2 Risk Exposure

Table of Risk Exposure at the reporting dates is as follows:

a) Credit Risk

A. Balance Sheet Exposures	As at Asadh 31, 2077					
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e
B. Off Balance Sheet Exposures						
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	14,210.49	-	-	14,210.49	20%	2,842.10
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	61,041.00	-	-	61,041.00	50%	30,520.50
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Underwriting commitments	-	-	-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	100%	-
Advance Payment Guarantee	-	-	-	-	100%	-
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	-	-	-	-	100%	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	523,384.50	-	-	523,384.50	20%	104,676.90
Irrevocable Credit commitments (long term)	-	-	-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Other Contingent Liabilities	-	-	-	-	100%	-
Unpaid Guarantee Claims	-	-	-	-	200%	-
TOTAL (B)	598,635.99	-	-	598,635.99		138,039.50
Total RWE for credit Risk Before Adjustment (A) +(B)	12,144,293.54	129,410.08	21,668.5092	11,993,214.95		8,039,051.11
Adjustments under Pillar II						
Total RWE for Credit Risk	12,144,293.54	129,410.08	21,668.51	11,993,214.95		8,039,051.11



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

b) Operational Risk

(Rs in '000)

Particulars	Fiscal Year		
	2073-74	2074-75	2075-76
Net Interest Income	314,565	338,892	397,266
Commission and Discount Income	7,243	8,617	58,085
Other Operating Income	24,110	28,872	10,541
Exchange Fluctuation Income	-	-	-
Addition/Deduction in Interest Suspense during the period	4,622	8,276	15,744
Gross income (a)	350,540	384,656	481,636
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	52,581	57,698	72,245
Capital Requirement for operational risk (d) (average of c)	60,842		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
Equivalent Risk Weight Exposure [f=(d×e)]	608,416		

Pillar II Adjustments

If Gross Income for the last three years is negative (6.4 a 8)

Total Credit and Investment (net of Specific Provision) of related month	-
Capital Requirement for Operational Risk (5% of net credit and investment)	-
Risk Weight (reciprocal of capital requirement of 10%) in times	10
Equivalent Risk Weight Exposure (g)	-
Equivalent Risk Weight Exposure [h=f+g]	608,416

c) Market Risk

Currency	Open Position (FCY)	Exchange Rate	Open Position (NRs.)	Relevant Open Position
INR	-		-	-
USD	5,291.79	119.94	634,697.29	634,697.29
GBP	-		-	-
EUR	-		-	-
THB	-		-	-
CHF	-		-	-
(a) Total Open Position				634,697
(b) Fixed Percentage				5%
(c) Capital Charge for Market Risk (=a×b)				31,735
(d) Risk Weight (reciprocal of capital requirement of 10%) in times				10
(e) Equivalent Risk Weight Exposure (=c×d)				317,349

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

d) Non Performing Assets (Gross and Net)

Non Performing Assets	Gross Amount	Impairment Allowance	Net Amount
Restructured and Rescheduled	-	-	-
Sub-Standard	79,572,365	19,893,091	59,679,274
Doubtful	98,618,184	49,309,092	49,309,092
Bad	39,571,763	39,571,763	-
Total	217,762,311	108,773,946	108,988,365

5.2.3 Compliance with Capital Requirement

Inline with NRB Directive 1/076, the following is the status of compliance with capital requirements at Ashad end 2077.

Particulars	Requirement	Position
Tier I Capital to RWE	6.0%	12.29%
Tier I and Tier II Capital to RWE	10.0%	13.67%



Excel Development Bank Limited Notes to Financial Statement For the year ended 31 Ashad 2077 (July 15, 2020)

Disclosures & Additional Information

5.3. Classification of financial assets and financial liabilities

Analysis of financial instruments by measurement basis- as at 15 July 2020

Financial instruments are measured on an ongoing basis either at fair value or at amortized cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized. The following table analyses the carrying amounts of the financial instruments by category as defined in NAS 39 and by headings of the Statement of Financial Position.

July 15, 2020

Particulars	Measured at FVTPL	Amortized Cost	Measured at FVTOCI	Total
Financial Assets				
Cash & Cash Equivalents	-	2,748,720,037	-	2,748,720,037
Due from Nepal Rastra Bank	-	320,938,724	-	320,938,724
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Assets	-	-	-	-
Loan and Advances to B/FIs	-	-	-	-
Loans & Advances to Customers	-	7,809,149,050	-	7,809,149,050
Financial Investments - Measured at Fair Value through PL	-	-	-	-
Financial Investments - Measured at Fair Value through OCI	-	-	183,263,328	183,263,328
Financial Investments - Measured at Amortized cost	-	-	-	-
Other Financial Assets	-	-	-	-
Total Financial Assets	-	10,878,807,811	183,263,328	11,062,071,139
Financial Liabilities				
Due from Customers	-	10,141,174,203	-	10,141,174,203
Other Financial Liabilities	-	-	-	-
Other Liabilities	-	126,130,793	-	126,130,793
Total Financial Liabilities	-	10,267,304,996	-	10,267,304,996

July 16, 2019

Particulars	Measured at FVTPL	Amortized Cost	Measured at FVTOCI	Total
Financial Assets				
Cash & Cash Equivalents	-	1,599,284,365	-	1,599,284,365
Due from Nepal Rastra Bank	-	140,599,567	-	140,599,567
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Assets	-	-	-	-
Loan and Advances to B/FIs	-	-	-	-
Loans & Advances to Customers	-	6,369,065,352	-	6,369,065,352
Financial Investments - Measured at Fair Value through PL	-	-	-	-
Financial Investments - Measured at Fair Value through OCI	-	-	140,401,435	140,401,435
Financial Investments - Measured at Amortized cost	-	-	-	-
Other Financial Assets	-	-	-	-
Total Financial Assets	-	8,108,949,283	140,401,435	8,249,350,719
Financial Liabilities				
Due from Customers	-	7,437,512,684	-	7,437,512,684
Other Financial Liabilities	-	-	-	-
Other Liabilities	-	98,144,786	-	98,144,786
Total Financial Liabilities	-	7,535,657,470	-	7,535,657,470



Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

5 Disclosures & Additional Information
1 General Information

- a The bank has categorized its segment on the basis of presence in the geographical locations of the country
b Each segment provides commercial banking services such as corporate and retail lending, deprived sector lending, various deposit products and transaction banking services

5.4 Segment Reporting

Particulars	Birtamode	Chandragadi	Damak	Biratnagar	Illam	Surunga	Shanischare	Dhulabari	Budhabare	Bhadrapur	Shivgunj	Charali	All Other Segments	Total
(a) Revenue from external customers	311,361.83	74,327.16	94,161.82	59,604.19	67,390.91	64,519.83	46,146.89	38,793.69	38,633.71	31,738.12	30,490.98	25,405.86	275,106.93	1,157,681.92
(b) Intersegment revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Net Revenue	311,361.83	74,327.16	94,161.82	59,604.19	67,390.91	64,519.83	46,146.89	38,793.69	38,633.71	31,738.12	30,490.98	25,405.86	275,106.93	1,157,681.92
(d) Interest Revenue	286,622.10	68,421.38	86,680.05	54,868.25	62,036.27	59,393.31	42,480.22	35,711.28	35,564.01	29,216.32	28,068.27	23,387.20	253,247.88	1,065,696.53
(e) Interest Expense	159,989.09	38,192.01	48,383.79	30,626.81	34,627.92	33,152.65	23,711.96	19,933.61	19,851.41	16,308.21	15,667.38	13,054.46	141,359.99	594,859.29
(f) Net interest revenue (b)	126,633.01	30,229.37	38,296.26	24,241.44	27,408.35	26,240.66	18,768.26	15,777.66	15,712.60	12,908.11	12,400.89	10,332.74	111,887.89	470,837.24
(g) Depreciation and Amortization	7,875.94	635.99	1,374.76	761.79	586.98	873.34	548.52	368.75	475.16	343.47	350.30	214.36	3,620.47	18,029.83
(h) Segment profit/(loss)	21,323.68	7,702.04	5,977.08	4,948.59	6,375.45	6,188.63	6,074.01	5,171.82	4,801.29	3,183.57	3,626.11	3,032.86	25,256.88	103,662.03
Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Other material non-cash items:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k) Impairment of assets	136,460.79	8,977.53	22,608.47	8,879.68	8,068.73	8,190.87	5,968.21	3,832.57	3,798.65	4,012.42	2,392.24	2,375.49	27,678.13	243,243.78
(l) Segment assets	4,994,709.99	403,329.42	871,833.11	483,109.57	372,247.56	553,850.17	347,855.82	233,849.20	301,335.36	217,818.33	222,152.90	135,942.13	2,296,014.97	11,434,048.52
(m) Segment liabilities	2,860,795.57	838,744.07	264,349.96	446,192.19	812,654.08	386,841.58	526,995.22	380,226.98	412,517.57	373,267.58	332,294.11	336,707.69	3,462,461.94	11,434,048.52



Excel Development Bank Limited Notes to Financial Statement For the year ended 31 Ashad 2077 (July 15, 2020)

5 Disclosures & Additional Information

5.4.1 Measurement of operating segment profit or loss, assets and liabilities

The transaction between the branches are charged at transfer price decided by Asset Liability Management Committee of the bank.

The transfer pricing mechanism of the Bank is periodically reviewed. The segment results are determined Based on the transfer pricing mechanism prevailing for the respective reporting periods.

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

a. Revenue

Total revenues for reportable segment	1,157,681.92
Other revenues	-
Elimination of intersegment revenues	-
Entity's revenues	1,157,681.92

b. Profit or loss

Total profit or loss for reportable segments	103,662.03
Other profit or loss	-
Elimination of intersegment profits	-
Profit before income tax	103,662.03

c. Assets

Total assets for reportable segments	11,434,048.52
Other assets	-
Unallocated amounts	-
Entity's assets	11,434,048.52

d. Liabilities

Total liabilities for reportable segments	11,434,048.52
Other liabilities	-
Unallocated liabilities	-
Entity's liabilities	11,434,048.52

5.4.3 Information about products and services

Revenue from each type of product and services described in point no. 1(b) above

- a. Loans and advances
- b. Fees and commission income

5.4.4 Information about geographical areas

Revenue from following geographical areas

(a) Domestic	1,157,681.92
Birtamode	311,361.83
Chandragadi	74,327.16
Damak	94,161.82
Biratnagar	59,604.19
Illam	67,390.91
Surunga	64,519.83
Shanischare	46,146.89
Dhulabari	38,793.69
Budhabare	38,633.71
Bhadrapur	31,738.12
Shivgunj	30,490.98
Charali	25,405.86
All Other Segments	275,106.93
(b) Foreign	
Total	1,157,681.92

Excel Development Bank Limited

Notes to Financial Statement

For the year ended 31 Ashad 2077 (July 15, 2020)

5.4.5 Information about major customers

Total revenue from any single external customer does not amount to 10 percent or more of the bank's 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 capital commitment

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.

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 4.28.4 for the detail of contingent liabilities and commitments as at 16 July 2019.

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 Bank, resulting through normal business operations. The details of litigations are presented in 4.28.5.

5.7 Related Parties Disclosures

Related parties of the Bank include key management personnel of the Bank.

5.7.1 Key management Personnel

Key management personnel (KMP) of the bank include members of the board, Chief Executive Officer and all top-level executives. Followings are a list of Board of Directors and CEO bearing office at 15 July 2020.

Name	Post
Mahendra Kumar Goyal	Board Chairman
Hem Raj Dhakal	Board Member
Rajan Sharma	Board Member
Parshuram Dahal	Board Member
Purusotam Lamsal	Board Member
Peshal Raj Pokharel	Board Member
Sushama Sharma	Board Member
Dinesh Kumar Pokhrel	Chief Executive Officer



Excel Development Bank Limited Notes to Financial Statement For the year ended 31 Ashad 2077 (July 15, 2020)

Allowances and facilities provided to Board Members

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:

Particulars	Amount in Rs.
Board Meeting Fees	539,800.00
Other Benefits	719,088.03
Total	1,258,888.03

These allowances and benefits are approved by the Annual General Meeting of the Bank.

Compensation to Management Level Employees

Particulars	Compensation (Rs.)	Remarks
Short Term Employee Benefits	15,468,335.14	Salary, PF and allowances of all top-level executives
Post Employee Benefits	3,081,246.43	For This FY 2076-77
Other Long Term Benefits	485,853.71	For This FY 2076-77

- * Post-employment benefits include Gratuity. Provident Fund is deposited in an independent institution and Gratuity is provided for as per Employee Byelaws of the Bank.
- ** Other long-term employment benefit includes Home Leave and Sick Leave encashment over and above the accumulation limit set as per Employee Byelaws of the Bank.
- *** KMP also get accidental and medical insurance, fuel, and mobile facilities as per Employee Byelaws and other policies of the Bank.

5.8 Merger and acquisition

The Bank has not entered into any merger and acquisition.

5.9 Compliance with Directives/Circulars related to COVID-19

Due to the COVID-19 pandemic and lockdown situation subsequent to spread of the virus, borrowers have faced/are facing financial hardship and their ability to suffice their loan commitments is under immense stress. Bank has duly complied with the directives, circulars and notices related to COVID impact mitigating measures issued by Nepal Rastra Bank time to time.

As per Notice No. 18/076/077 issued on 2076/12/16, Nepal Rastra Bank has directed Bank & Financial Institution to provide rebate of 10% on interest if the borrowers has paid its Installment within Chaitra end 2076. Accordingly, the bank has provided rebate of Rs. 35,97,519.32 to its 1,630 borrowers who had paid their Installment regularly up to Chaitra End 2076.

As per Notice no 21/076/077 issued on 2077/01/16, NRB has directed Bank & Financial Institution to charge interest for the fourth quarter of FY 2076-77 at rate after allowing the rebate of 2% on the interest rate prevailing as on Chaitra end 2076. Accordingly, the bank has made provision for the excess interest collected during the fourth quarter (Baisakh to Ashadh 2077) of Rs. 1,05,81,667.64 and subsequently refunded the amount to its 806 borrowers into their respective bank accounts in FY 2077-78.

As per Notice No 21/076/077 issued on 2077/01/16 and amended provisions related to it, the bank has provided additional working capital/term loans of Rs. 11,55,64,000 to its 134 borrowers.

NRB has provided relief to the Bank & Financial Institutions with respect to clause 9 of directive No. 02/2076 regarding loan loss provisioning. Accordingly, loans which were classified as pass loan as on Poush end 2076 shall be allowed to be classified as Pass Loan as at Ashadh end 2077. However, if the outstanding principal and interest as at ashadh end 2077 has not been recovered, then provision has to be made at the rate of 5% on loans classified as such.

Excel Development Bank Limited
Notes to Financial Statement
For the year ended 31 Ashad 2077 (July 15, 2020)

The bank has made provision of Rs. 7,82,49,484.46 on such loans where as the provision would have been Rs. 17,10,92,656.76 without availing the relief provided by Nepal Rastra Bank.

As per Notice No 18/076/077 issued on 2077/01/16 and amended provisions related to it, the bank has extended maturity period of 268 short term working capital loans upto Poush end 2077.

5.10 Additional disclosures of non-consolidated entities

Not Applicable

5.11 Events after reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) Those that provide evidence of conditions that existed at the end of reporting period (adjusting events after the reporting period); and
- (b) Those that is indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

Non adjusting Event-Disclosure

There are no material Non-adjusting events that have occurred subsequent to 15th July, 2020 till the signing of this financial statement.

Adjusting Event

There are no material adjusting events that have occurred subsequent to 15th July, 2020 till the signing of this financial statement.

Proposed dividend

The Board of Directors as per BOD meeting no. 253 held on 26-12-2077 has decided to propose 12 % bonus share amounting Rs. 97,334,546.97 and 0.63% cash dividend amounting Rs.5,122,870.89 for tax purpose, which shall be approved by the Annual General Meeting of the Bank. The dividend of Rs. 102,457,417.86 shall be paid utilizing Share Premium of Rs.4,890,591.88 and balance of Rs. 97,566,825.98 through distributable profit of the Bank.



Excel Development Bank Limited
Major Financial indicators of last 5 years
For the year ended 31 Ashad 2077 (July 15,2020)

S. No.	Indicators	Unit	FY 2072/73	FY 2073/74	FY 2074/75	FY 2075/76	FY 2076/77
1	Net Profit/Gross income	Percent	28.02%	29.11%	25.81%	19.17%	8.95%
2	Earnings per share	NPR	32.45	39.12	23.75	24.32	12.78
3	Market value per share	NPR	696.00	624.00	326.00	283.00	298.00
4	Price earning Ratio	Ratio	21.45	15.95	13.72	11.64	23.32
5	Dividend (including bonus) on Share Capital (%)	Percent	26.32%	31.71%	17.00%	18.00%	12.63%
6	Cash Dividend on Share Capital (%)	Percent	1.32%	1.59%	17.00%	0.90%	0.63%
7	Interest Income/ Loans and Advances (%)	Percent	11.04%	11.96%	14.16%	12.72%	13.65%
8	Staff Expenses/ Total Operating Expenses (%)	Percent	50.51%	52.19%	59.30%	59.28%	64.79%
9	Interest Expenses/ Total Deposits & Borrowings (%)	Percent	3.17%	4.03%	4.91%	5.55%	5.87%
10	Exchange Gain/ Total Income (%)	Percent	-	-	-	-	-
11	Staff Bonus/ Total Staff Expenses (%)	Percent	34.82%	41.66%	24.20%	20.75%	9.99%
12	Net Profit/Total Loans & Advances (%)	Percent	3.13%	3.94%	3.85%	2.65%	1.33%
13	Net Profit/ Total Assets (%)	Percent	2.38%	2.82%	2.61%	1.96%	0.91%
14	Total Loans & Advances/ Total Deposits (%)	Percent	87.57%	81.78%	81.57%	85.63%	77.00%
15	Total Operating Expenses/ Total Assets (%)	Percent	1.94%	1.86%	2.47%	2.29%	2.24%
16	Capital Adequacy (On Risk Weighted Assets)						
	a. Core Capital	Percent	11.02%	12.04%	18.43%	12.10%	12.29%
	b. Supplementary Capital	Percent	0.78%	0.77%	0.80%	0.79%	1.38%
	c. Total Capital Fund	Percent	11.80%	12.81%	19.23%	12.89%	13.67%
17	Liquidity (%)	Percent	27%	30%	32.00%	23.39%	30.27%
18	Non-Performing Loan/ Total Loans & Advances (%)	Percent	1.09%	1.03%	0.62%	0.62%	2.76%
19	Weighted Average Interest Rate Spread	Percent	7.87%	7.93%	8.29%	6.35%	7.05%
20	Book Net Worth (Per Share)	NPR	476,239,753.62	631,252,827.12	980,241,630.06	1,029,804,057.68	1,146,107,390.90
21	Number of Shares	No.	3,076,500.00	3,845,625.00	6,926,739.75	6,926,739.75	8,111,212.25
22	Number of Staff	No.	122	137	149	216	242

Excel Development Bank Limited
Statement of Sectorial Loan Detail
For the Month of Ashadh, 2077

(Rs. in '000)

S.N.	Credit	Total Amount
1	Agricultural and Forest Related	394,345.14
2	Fishery Related	14,536.72
3	Mining Related	-
4	Agriculture, Forestry & Bevarage Production Related	571,108.32
5	Non-food Production Related	501,621.95
6	Construction	1,408,867.21
7	Power, Gas and Water	26,788.78
8	Metal Products, Machinery & Electronic Equipment & Assemblage	110,842.45
9	Transport, Communication and Public Utilities	159,488.74
10	Wholesaler & Retailer	1,977,490.51
11	Finance, Insurance and Real Estate	852,923.31
12	Hotel or Restaurant	185,140.61
13	Other Services	481,567.38
14	Consumption Loans	180,386.98
15	Local Government	-
16	Others	1,035,013.85
	TOTAL	7,900,121.94



नेपाल राष्ट्र बैंक विकास बैंक सुपरिवेक्षण विभाग



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

पत्रसंख्या: वि.वै.सु.वि./गैरस्थलगत/एम्सेल/०७७/७८
च.नं. २४७

मिति: २०७८/०१/२८

एक्सेल डेभलपमेन्ट बैंक लिमिटेड
चितामोड, भुपा ।

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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०७६/७७ को लेखापरीक्षण भएको वित्तीय विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेयरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित एवं कार्यान्वयन गर्ने गरी आ.व. २०७६/७७ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु । साथै, संस्थाले प्रस्ताव गरे अनुसार आ.व. २०७६/७७ सम्मको सञ्चित मुनाफा र शेयर प्रिमियमबाट रु.९,७३,३४,५४६।९७ (अक्षरेपि नौ करोड त्रिहत्तर लाख चौतीस हजार पाँच सय छयालीस पैसा सन्तानव्ये मात्र) बराबरको बोनस शेयर र सो बोनस शेयरमा लाग्ने कर प्रयोजनार्थ नगद लाभांश रु.५१,२२,८७०।८९ (अक्षरेपि एकाउन्न लाख बाइस हजार आठ सय सत्तरी पैसा सन्तानव्ये मात्र) गरी जम्मा रु.१०,२४,५७,४१७।८६ (अक्षरेपि दश करोड चौबीस लाख सन्तानव्ये हजार चार सय सत्र पैसा छयासी मात्र) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृति प्रदान गरिएको व्यहोरा समेत निर्णयानुसार अनुरोध गर्दछु ।

- यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७७ बमोजिम सम्पत्ति शुद्धीकरण तथा आतङ्कवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन ।
- संस्थाको साविकको चुक्ता पुँजीको ५५ प्रतिशत हुने गरी संस्थालाई यस बैंकबाट मिति २०७६/०१/१२ मा पुँजी वृद्धि गर्नको लागि स्वीकृति प्रदान भई कम्पनी रजिष्ट्रार कार्यालयबाट समेत संस्थाको जारी पुँजी तथा चुक्ता पुँजी रु. १,०७,३६,४४,६६१।२५ (अक्षरेपि एक अर्ब सात करोड छत्तीस लाख चौवालिस हजार छ सय एकसठ्ठी पैसा पच्चीस मात्र) अभिलेख भई सकेको सम्बन्धमा हालसम्म सो बमोजिम पुँजी वृद्धि हुन नसकेको विषय शेयरधनीहरूलाई जानकारी गराउनुहुन । साथै, अभिलेख भए बमोजिम पुँजी वृद्धि गरी यस बैंकलाई जानकारी गराउनुहुन ।
- यस बैंकबाट जारी एकीकृत निर्देशन नं २०/०७७ को बुँदा नं ८(च) बमोजिम इजाजतपत्रप्राप्त संस्थाले आफ्ना ग्राहकहरूलाई अन्य संस्था/निकाय मार्फत सेवा लिने सन्दर्भमा सो सेवा वापत त्यस्ता संस्था/निकायहरूलाई भुक्तानी गर्नु पर्ने लागत भन्दा बढी असुल गर्न पाइने छैन भन्ने व्यवस्था विपरीत संस्थाको Standard Tariffs & Charges मा त्यस्ता शुल्क लागत भन्दा बढी उल्लेख गरिएको र सो अनुसार लिने गरेको पाइएकोले अब उपरान्त निर्देशनको पालना गर्नुहुन र यसरी बढी असुल गरिएको शुल्क सम्बन्धित ग्राहकलाई फिर्ता गरी यस बैंकलाई जानकारी गराउनुहुन ।

Jarhar Karki

वार्षिक प्रतिवेदन २०७६/०७७



नेपाल राष्ट्र बैंक विकास बैंक सुपरिवेक्षण विभाग



केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं ।
फोन नं.: ०१-४४९९८०४
Site: www.nrb.org.np
Email: nrbdsd@nrb.org.np
पोष्ट बक्स: ७३

- (घ) यस बैंकबाट जारी एकीकृत निर्देशन नं १५/०७७ को बुँदा नं ३(२) बमोजिम कर्जा तथा सापटको व्याजदर निर्धारण गर्दा आधारदरसँग आवद्ध गर्नुपर्ने व्यवस्था तथा सोही निर्देशनको बुँदा नं ३(८) बमोजिम एकपटक प्रिमियम दर निर्धारण गरी ऋणीलाई दिइने कर्जा प्रस्ताव पत्रमा उल्लेख गरी कर्जा प्रवाह गरे पश्चात् प्रिमियम दर वृद्धि गर्न नपाइने व्यवस्थाको प्रभावकारी रूपमा पालना गर्नुहुन ।
- (ङ) कर्जा व्यवस्थापन, ग्राहक पहिचान (KYC) लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याइएका कैफियतहरु पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,

Jarpha Rana.
(सार्थक कार्की)
उपनिर्देशक

बोधार्थ:

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





एक्सेल डेभलपमेन्ट बैंक लि. केन्द्रीय कार्यालय, वित्तमोड, काठमा

Email : excelbirta@yahoo.com

Web-site: www.edb.com.np

फोन नं ०२३ ५४३५५४, ५४३७७४.

फ्याक्स नं.०२३ ५४५५५४

तहाँको प.स. वि.वै.सु.वि./गैरस्थलगत/एक्सेल/०७७/७८, च.नं. २४७, मिति २०७८/०१/२८ को पत्रानुसार प्राप्त निर्देशन सम्बन्धमा संचालक समितिको बैठक नं. २५५ मिति २०७८/०२/२० को निर्णयानुसार देहाय बमोजिम गरेको व्यहोरा जानकारीको लागि अनुरोध छ।

निर्देशन नं (क) : यस बैंकबाट जारी एकीकृत निर्देशन नं. १९/०७७ बमोजिम सम्पत्ति शुद्धीकरण तथा आतङ्कवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन।

प्रत्युत्तर : निर्देशन बमोजिम गरिने व्यहोरा अनुरोध छ।

निर्देशन नं. (ख) : संस्थाको साविक चुक्ता पुजीको ५५ प्रतिशत हुने गरी संस्थालाई यस बैंकबाट मिति २०७६/०१/१२ मा पुजी बृद्धि गर्नको लागि स्वीकृति प्रदान भई कम्पनी रजिष्ट्रारको कार्यालयबाट समेत संस्थाको जारी पुजी तथा चुक्ता पुजी रु १,०७,३६,४४,६६१।२५ (अक्षरेपि एक अर्ब सात करोड छत्तीस लाख चौवालिस हजार छ सय एकसट्ठी पैसा पच्चीस मात्र) अभिलेख भई सकेको सम्बन्धमा हालसम्म सो बमोजिम पुजी बृद्धि हुन नसकेको विषय शेयरधनीहरूलाई जानकारी गराउनुहुन। साथै, अभिलेख भए बमोजिम पुजी बृद्धि गरी यस बैंकलाई जानकारी गराउनुहुन।

प्रत्युत्तर : यस बैंकको आ.व. २०७४/०७५ को तेह्रौं वार्षिक साधारण सभाबाट चुक्ता शेयर पुजी रु ६९,२६,७३,९७५।- (अक्षरेपि उनसत्तरी करोड छविस लाख त्रिहत्तर हजार नौ सय पचहत्तर मात्र) को ५५ प्रतिशतका दरले रु ३८,०९,७०,६८६।२५ (अक्षरेपि अडतिस करोड नौ लाख सत्तरी हजार छ सय छयासी पैसा पच्चिस मात्र) को हकप्रद शेयर जारी गर्ने प्रस्ताव पारित भई तंहा बैंकबाट मिति २०७६/०१/१२ मा पुजी बृद्धि गर्नको लागि स्वीकृति प्रदान भई कम्पनी रजिष्ट्रारको कार्यालयबाट समेत संस्थाको जारी पुजी तथा चुक्ता पुजी रु १,०७,३६,४४,६६१।२५ (अक्षरेपि एक अर्ब सात करोड छत्तीस लाख चौवालिस हजार छ सय एकसट्ठी पैसा पच्चीस मात्र) अभिलेख भई सकेकोमा उक्त हकप्रद शेयर निष्काशन बाकी रहेको अवस्थामा यस बैंकको आ.व. २०७५/०७६ को मिति २०७७/०३/१४ मा सम्पन्न चौधौं वार्षिक साधारण सभाबाट चुक्ता शेयर पुजी रु ६९,२६,७३,९७५।-को १७.१० का दरले रु ११,८४,४७,२४९।७२ बोनस शेयर वितरण गर्ने र उक्त बोनस शेयर जारी भई कायम हुने चुक्ता शेयर पुजी रु ८१,११,२१,२२४।७२ को ३० प्रतिशतका दरले रु २४,३३,३६,३६७।४२ को हकप्रद शेयर निष्काशन गर्ने प्रस्ताव पारित भए अनुसार उक्त हकप्रद शेयर निष्काशनको लागि विश्वव्यापी रुपमा फैलिएको कोरोना भाईरस सक्रमणका कारण मुलुक बन्दाबन्दीको अवस्थामा समेत रहनुपरेको लगायतका कठिन परिस्थितिका बाबजुत हकप्रद शेयर निष्काशनमा केहि ढिलाई हुन गएकोमा हाल उक्त हकप्रद शेयर निष्काशन प्रक्रिया अगाडी बढाईएको र आ.व. २०७६/०७७ को पन्ध्रौं वार्षिक साधारण सभामा चुक्ता पुजीको १२.०० प्रतिशत बोनस शेयर वितरणकालागि प्रस्ताव गरिने व्यहोरा समेत अनुरोध सहित अभिलेख भए बमोजिम पुजी बृद्धि गरी तंहा बैंकलाई जानकारी गराईने व्यहोरा अनुरोध छ।

निर्देशन नं. (ग) : यस बैंकबाट जारी एकीकृत निर्देशन नं २०/०७७ को बुदा नं. ८(च) बमोजिम इजाजतपत्रप्राप्त संस्थाले आफ्ना ग्राहकहरूलाई अन्य संस्था/निकाय मार्फत सेवा लिने सन्दर्भमा सो सेवा वापत त्यस्ता संस्था/निकायहरूलाई भुक्तानी गर्नुपर्ने लागत भन्दा बढी असुल गर्न पाइने छैन भन्ने व्यवस्था विपरीत संस्थाको Standard Tariffs & Charges मा त्यस्ता शुल्क लागत भन्दा बढी उल्लेख गरिएको र सो अनुसार लिने गरेको पाइएकोले अब उपरान्त निर्देशनको पालना गर्नुहुन र यसरी बढी असुल गरिएको शुल्क सम्बन्धित ग्राहकलाई फिर्ता गरी यस बैंकलाई जानकारी गराउनुहुन।

प्रत्युत्तर : निर्देशन बमोजिम गरिने व्यहोरा अनुरोध छ।

निर्देशन नं. (घ) : यस बैंकबाट जारी एकीकृत निर्देशन नं १५/०७७ को बुदा नं. ३(२) बमोजिम कर्जा तथा सापटको व्याजदर निर्धारण गर्दा आधारदरसुग आवद्ध गर्नुपर्ने व्यवस्था तथा सोही निर्देशनको बुदा नं. ३(८) बमोजिम एकपटक प्रिमियम दर निर्धारण गरी ऋणीलाई दिईने कर्जा प्रस्ताव पत्रमा उल्लेख गरी कर्जा प्रवाह गरे पश्चात् प्रिमियम दर बृद्धि गर्न नपाइने व्यवस्थाको प्रभावकारी रुपमा पालना गर्नुहुन।

प्रत्युत्तर : निर्देशन बमोजिम गरिने व्यहोरा अनुरोध छ।

निर्देशन नं (ङ) : कर्जा व्यवस्थापन, ग्राहक पहिचान (KYC) लगायतका विषयमा आन्तरिक लेखापरीक्षक, वाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याइएका कैफियतहरु पुनः नदोहोरिने व्यवस्था गर्नुहुन।

प्रत्युत्तर : निर्देशन बमोजिम गरिने व्यहोरा अनुरोध छ।



एक्सेल डेभलपमेन्ट बैंक लिमिटेड केन्द्रीय कार्यालय, विर्तामोड, भापा

प्रवन्धपत्रमा गरिने संशोधन (तिनमहले) विवरण

दफा नं.	साविकको व्यवस्था	संशोधित व्यवस्था	संशोधनगर्नुको कारण
५(ख)	कम्पनीको जारी पुजी रु. १,०७,३६,४४,६६१।२५ (अक्षरेपि एक अर्व सात करोड छत्तिस लाख चौवालिस हजार छ सय एकसठी पैसा पचिस मात्र) हुनेछ। सो पु'जीलाई प्रति शेयर रु. १००।— का दरले १,०७,३६,४४६.६२ (एक करोड सात लाख छत्तिस हजार चार सय छयालिस दशमलव बैसठी मात्र) थान साधारण शेयरमा विभाजन गरिएको छ।	कम्पनीको जारी पुजी रु. १,१५,१७,९२,१३९।११ (अक्षरेपि एक अर्व पन्द्रह करोड सत्र लाख बैयानव्वे हजार एक सय उनचालिस पैसा एघार मात्र) हुनेछ। सो पुजीलाई प्रति शेयर रु. १००। का दरले १,१५,१७,९२१.४० (एक करोड पन्द्रह लाख सत्र हजार नौ सय एक्काईस दशमलव चालिस मात्र) थान साधारण शेयरमा विभाजन गरिएको छ।	प्रस्तावित बोनश शेयर निष्काशनका कारण प्रस्तावित जारी पुजी विद्यमान जारी पुजी भन्दा अधिक हुन जाने भएकाले।
५(ग)	कम्पनीको चुक्ता पूजी रु. १,०७,३६,४४,६६१।२५ (अक्षरेपि एक अर्व सात करोड छत्तिस लाख चौवालिस हजार छ सय एकसठी पैसा पचिस मात्र) हुनेछ।	कम्पनीको चुक्ता पूजी रु. १,१५,१७,९२,१३९।११ (अक्षरेपि एक अर्व पन्द्रह करोड सत्र लाख बैयानव्वे हजार एक सय उनचालिस पैसा एघार मात्र) हुनेछ।	प्रस्तावित बोनश शेयरका कारण प्रस्तावित चुक्ता पुजी वृद्धि हुने भएकाले।



अनुसूची-१५
धितोपत्रदर्ता तथानिष्काशननियमावली, २०७३
(नियम २६को उपनियम (२) सँग सम्बन्धित)
वार्षिक प्रतिवेदनमा समावेश गर्नुपर्ने विवरण

१. संचालक समितिको प्रतिवेदन

यसै पुस्तिकामा समावेश गरिएको छ।

२. लेखापरीक्षकको प्रतिवेदन

यसै पुस्तिकामा समावेश गरिएको छ।

३. लेखापरीक्षण भएको वित्तीय विवरण

लेखापरीक्षकको प्रतिवेदनमा संलग्न अनुसूचीहरु अनुसार भएको।

४. कानुनीकारवाही सम्बन्धीविवरण

(क) आ.व. २०७६/७७ मा यस बैंकले वा यस बैंकको विरुद्ध कुनै मुद्दा दायर नभएको।

(ख) आर्थिक वर्ष २०७६/७७ को अवधिभरी यस बैंकको संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्ध प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै पनि मुद्दा दायर गरेको वा भएको जानकारी यस बैंकलाई नभएको।

(ग) कुनै संस्थापक वा संचालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको यस बैंकको जानकारीमा नआएको।

५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण

(क) धितोपत्र बजारमा भएको बैंकको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा: सन्तोषजनक।

(ख) गतवर्षको प्रत्येक त्रैमासिक अवधिमा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिममूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन।

त्रैमासिक आ.व. २०७६/७७	अधिकतममूल्य	न्यूनतममूल्य	अन्तिममूल्य	कारोबार दिन	कारोबार संख्या
प्रथम	२९५	२५७	२८६	५१	४४,८२२
दोस्रो	३३४	२५७	३२४	५२	९०,८६६
तेस्रो	४४२	३२१	३७५	४५	३५६,४३३
चौथो	३१६	२८५	२९८	१३	१५,७३६

६. समस्या तथा चुनौती

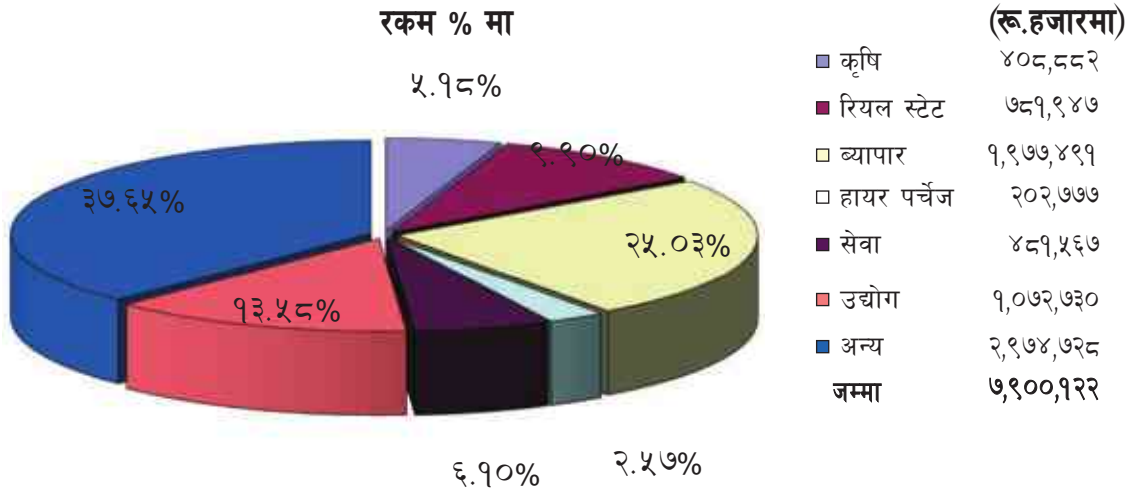
अध्यक्षबाट प्रस्तुत प्रतिवेदनमा समावेश भएको।

७. संस्थागत सुशासन

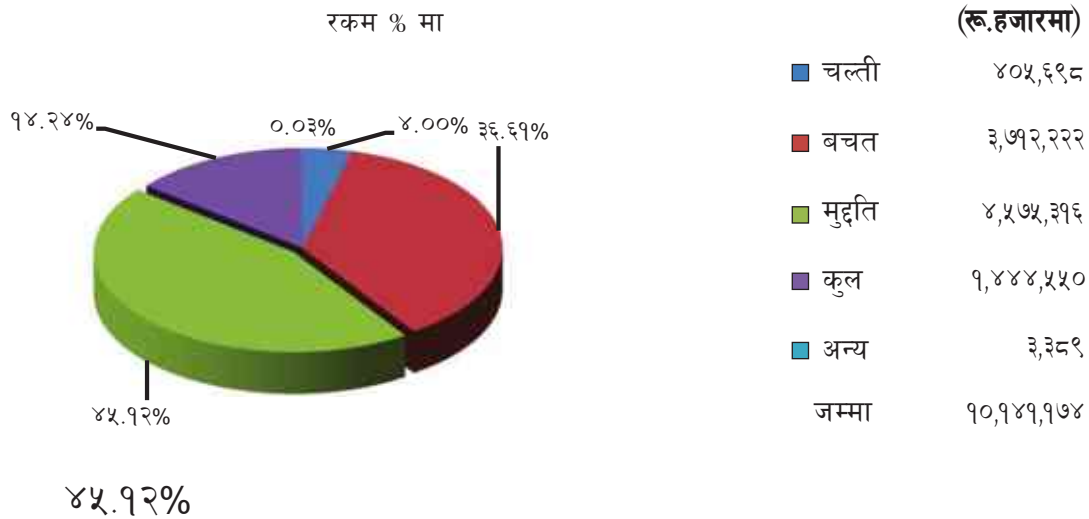
अध्यक्षबाट प्रस्तुत प्रतिवेदनमा समावेश भएको।



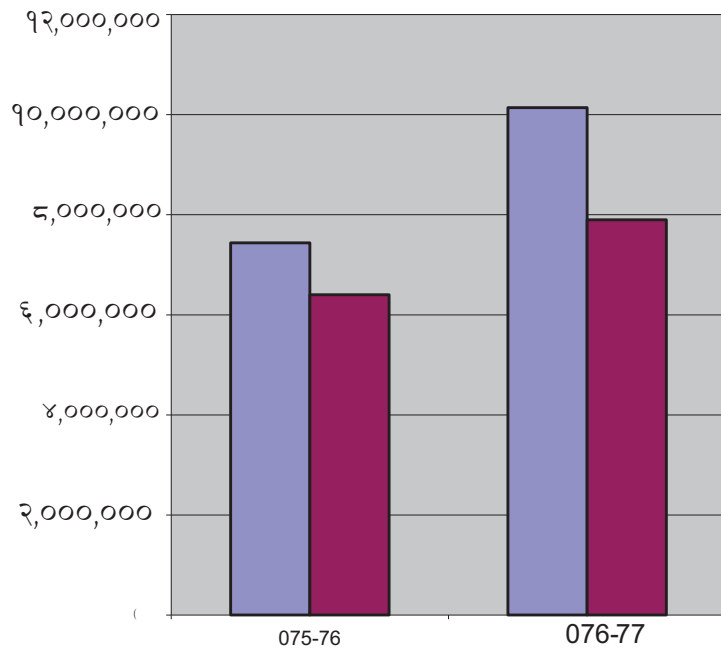
Loan Structure On The Basis Of Sector As On 076-077



Deposit Structure On The Basis Of Types As On 076-077



आ.व.	निक्षेप	कर्जा
०७५-७६	७,४३७,५१३	६,४०१,५८१
०७६-७७	१०,१४१,१७४	७,९००,१२२





चौधौ वार्षिक साधारण सभाको उद्घाटन



चौधौ वार्षिक साधारण सभामा अध्यक्षज्यूबाट वार्षिक प्रतिवेदन प्रस्तुत गर्दै



चौधौ वार्षिक साधारण सभाका सञ्चालकज्यूहरु



चौधौ वार्षिक साधारण सभामा उपस्थित सञ्चालकज्यूहरु



अर्धवार्षिक प्रगति समिक्षामा उपस्थित सहभागिहरु



बैंकको सहकार्यमा मुटु परिक्षण



अन्तु डाँडाँ सामुदायिक होमस्टेलाई QR Code हस्तान्तरण



कर्मचारी परिवारद्वारा कोभिड-१९ बाट प्रभावित विपन्न परिवारलाई राहत वितरण



बैंकको सहकार्यमा महिला उद्यमीलाई कर्जा सम्बन्धी एकदिने अर्न्तकृयात्मक कार्यक्रम

शाखा प्रबन्धक



नारायण सुवेदी
वित्तमोड



अम्बिकाप्रसाद ढकाल
इलाम



टिकाप्रसाद दाहाल
चन्द्रगढी



गौरव राय
सुरुङ्गा



उमेश कुमार धिमिरे
धुलावारी



सुरज ओझा
बुधवारे



निता देवी भट्टराई
शनिश्चरे



पुष्पालाल थाकुर
शिवगञ्ज



राज शंकर भा
भद्रपुर



सागर शिवाकोटी
चारआलि



अनिल दहाना
फिक्कल



सतिस कुमार भट्टराई
बिराटनगर



नविन सँगौला
दमक



रेगन आचार्य
काकरमिट्टा



ईश्वरी भट्टराई
राजगढ



मदन दाहाल
मंगलबारे



रमेश कुमार नैनाली
दुधे



गजेश्वर दाहाल
गौरादह



चन्द्रमणि चन्द्रा
उर्लावारी



तिवेंद्र कार्की
बिराटचोक



रमेश थापा
गरामनि



राजन दाहाल
बनियानी



प्रदिप थापा
लेटाङ्ग



सुवराज निरौला
महानन्द चोक



गोपाल लोहनी
चारपाने



जनादन सिन्खडा
गोलघाप



मखन लाल राजवंशी
सोमबारे



इन्द्रप्रसाद भट्टराई
दुर्गापुर



शुभेन्द्र बस्नेत
खुदुनाबारी



सुवराज भट्टराई
पथरी शनिश्चरे



पंकज नेपाल
भोराहाट



प्रदिप कुमार मिश्र
मुटाहा



क्रिश्चल दाहाल
भमरी



गोपाल पौडेल
फिदिम



रामेश बस्नेत
इनरुवा



कमल धिमिरे
इटहरी



नेत्रप्रसाद खनाल
बैगुनधुरा



दयानन्द दाहाल
गौरगन्ज



निलकण्ठ खरेल
दुहबी



प्रदिप न्यौपाने
बेलबारी



सुनील दाहाल
कञ्चनबारी

मुख्य कार्यालय :

वित्तमोड : भद्रपुर रोड
फोन नं.: ०२३-५४४०१०

शाखा कार्यालयहरू :

वित्तमोड : मुक्ति चोक
फोन नं : ०२३-५४३५६४

इलाम : इलाम चोक
फोन नं : ०२७-५२९६३३

चन्द्रगढी : बस स्टेण्ड उत्तर
फोन नं : ०२३-४६६२०७

सुरुङ्गा : वस स्टेण्ड उत्तर
फोन नं : ०२३-५४०८२९

धुलावारी : क्याम्पस रोड
फोन नं : ०२३-५६३०५६२

बुधवारे : बुधवारे बजार
फोन नं : ०२३-५५५४४७

शनिश्चरे : शनिश्चरे बजार
फोन नं : ०२३-४६५००२

शिवगञ्ज : बस स्टेण्ड
फोन नं : ०२३-४९९००४/९२

भद्रपुर : भद्रपुर बजार
फोन नं : ०२३-५२२३०२

चारआली : चारआली चोक
फोन नं : ०२३-४६०९२०

फिक्कल : फिक्कल चोक
फोन नं : ०२७-५४०४५८

बिराटनगर : धरान रोड
फोन नं : ०२९-५९५४९७/९८

दमक : थाना रोड
फोन नं : ०२३-५८३३७७

काँकरमिट्टा : साई मार्ग,
फोन नं. : ०२३-५६३३०२

राजगढ : नयाँ बजार
फोन नं. : ०२३-६२००४४

मंगलबारे : गजुरमुखी रोड
फोन नं. : ०२७-४००९५०

दुधे : दुधे चोक
फोन नं. : ०२३-४७००८६

गौरादह : दिपु चोक
फोन नं. : ०२३-४८००४२/४३

उर्लावारी : उर्लावारी बजार
फोन नं. : ०२९-५४९०७४

बिराटचोक : सुन्दर हरैचा
फोन नं. : ०२९-५४५५२६

गरामनि : गरामनि चोक
फोन नं. : ०२३-४९७०२५/२६

बनियानी : बनियानी चोक
फोन नं. : ९८२५९६०५५५

लेटाङ्ग : लेटाङ्ग बजार
फोन नं. : ०२९-५६०९९९/९२

महानन्द चोक
फोन नं. : ०२३-५४२९५०

चारपाने : चारपाने चोक
फोन नं. : ०२३-५४४०८८

गोलघाप : गोलघाप बजार
फोन नं. : ९८५२६५३५६४

सोमबारे : भद्रपुर-९
फोन नं. : ९८५२६५६३३३

दुर्गापुर : कंकाई-७
फोन नं. : ०२३-४०९९२७

खुदुनाबारी : गरुवा चोक
फोन नं. : ०२३-४२००७६/७७

पथरी शनिश्चरे-७
फोन नं. : ०२९-५५६९४४

भोराहाट : भोराहाट चोक
फोन नं. : ०२९-४९३०७३/७४

मुटाहा : हरि नगर
फोन नं. : ९८५२०३९४२०

भमरी : औरावनी, गढी
फोन नं. : ९८५२२९७७०

फिदिम, पाँचथर
फोन नं. : ०२४-५२३३५९

इनरुवा, सुनसरी
फोन नं.: ०२५-५६६३७८/३६२

इटहरी, सुनसरी
फोन नं.: ०२५-५८९४५७/५८

बैगुनधुरा, मापा
फान नं.: ९८०२३९२३३७

गौरिगन्ज, मापा
फोन नं.: ०२३३३२०३४/३८

दुर्गा, सुनसरी
फोन नं.: ०२५-५४०४६९

बेलबारी : मोरङ्ग
फोन नं.: ०२९-४३४४३३

कञ्चनबारी : मोरङ्ग
फोन नं.: ९८०२३९२३५९

अब नहुनुहोस् दुविधा
एक्सेल नागरिक बचतमा पाउनुहोस् निःशुल्क सुविधा

एक्सेल
नागरिक बचत
खाता



उत्थानसमा मौज्जा
शुन्य

मिजा कार्ड शुल्क
शुन्य

रोयल भर्ने
समायतका आग
वरी सुविधाहरू

मोबाइल बैंकिङ्ग शुल्क
शुन्य

* निःशुल्क सेवा पहिलो वर्षका लागि मात्र लागू हुनेछ ।



एक्सेल डेभलपमेन्ट बैंक लि.

Excel Development Bank Ltd.

तपाईंको स्थानीय साझेदार (Your Local Partner)