



नेपाल राष्ट्र बैंक

बैंक तथा वित्तीय संस्था नियमन विभाग

पत्र संख्या : बै.वि.नि.वि./नीति/परिपत्र/घ/७/०७७/७८

केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
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फ्याक्स : ४४१४५५२  
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पोष्ट बक्स : ७३

मिति: २०७८/०१/२०

इजाजतपत्रप्राप्त “घ” वर्गका लघुवित्त वित्तीय संस्थाहरु,

महाशय,

यस बैंकबाट लघुवित्त वित्तीय संस्थाहरुलाई जारी गरिएको एकीकृत निर्देशन, २०७७ को निर्देशन नं. ४ को बुँदा नं. १ को (ग) मा थोक कर्जा कारोवार गर्ने र सर्वसाधारणबाट निक्षेप संकलन गर्ने लघुवित्त वित्तीय संस्थाहरुले २०७८ असार मसान्तको वित्तीय विवरण नेपाल वित्तीय प्रतिवेदनमान (NFRS) अनुसार समेत समानान्तररूपमा तयार गर्नुपर्ने व्यवस्था रहेकोले सोको प्रयोजनका लागि यसैसाथ संलग्न बमोजिमको ढाँचा जारी गरिएको हुँदा सोही बमोजिम गर्नु गराउनु हुन नेपाल राष्ट्र बैंक ऐन, २०५८ को दफा ७९ ले दिएको अधिकार प्रयोग गरी यो निर्देशन जारी गरिएको छ।

भवदीय,

(देवकुमार ढकाल)  
कार्यकारी निर्देशक

बोधार्थ :

१. श्री नेपाल राष्ट्र बैंक, गभर्नरको कार्यालय।
२. श्री नेपाल राष्ट्र बैंक, डेपुटी गभर्नरको कार्यालय।
३. श्री नेपाल सरकार, अर्थ मन्त्रालय, वित्तीय क्षेत्र व्यवस्थापन महाशाखा, सिंहदरबार, काठमाडौं।
४. श्री नेपाल राष्ट्र बैंक, लघुवित्त सुपरिवेक्षण विभाग।
५. श्री नेपाल राष्ट्र बैंक, आर्थिक अनुसन्धान विभाग।
६. श्री नेपाल राष्ट्र बैंक, कानून महाशाखा।
७. श्री नेपाल लघुवित्त बैंकर्स संघ।

**Name of the Micro Finance Institution**

**Statement of Financial Position**

As on .....Asar 20.....

	Note	<u>Current Year</u>	<u>Previous Year</u>
<b>Assets</b>			
Cash and Cash equivalent	4.1		
Statutory Balances and Due from Nepal Rastra Bank	4.2		
Placement with Bank & Financial Institutions	4.3		
Derivative Financial Instruments	4.4		
Other Trading Assets	4.5		
Loan and Advances to MFIs & Cooperatives	4.6		
Loans and Advances to Customers	4.7		
Investment Securities	4.8		
Current Tax Assets	4.9		
Investment Property	4.10		
Property and Equipment	4.11		
Goodwill and Intangible assets	4.12		
Deferred Tax Assets	4.13		
Other Assets	4.14		
<b>Total Assets</b>		<u>          </u>	<u>          </u>
		<u>          </u>	<u>          </u>
	Note	<u>Current Year</u>	<u>Previous Year</u>
<b>Liabilities</b>			
Due to Bank and Financial Institutions	4.15		
Due to Nepal Rastra Bank	4.16		
Derivative Financial Instrument	4.17		
Deposits from Customers	4.18		
Borrowing	4.19		
Current Tax Liabilities	4.9		
Provisions	4.20		
Deferred Tax Liabilities	4.13		
Other Liabilities	4.21		
Debt Securities Issued	4.22		
Subordinated Liabilities	4.23		
<b>Total Liabilities</b>		<u>          </u>	<u>          </u>
		<u>          </u>	<u>          </u>
<b>Equity</b>			
Share Capital	4.24		
Share Premium			
Retained Earnings			
Reserves	4.25		
<b>Total Equity</b>		<u>          </u>	<u>          </u>
		<u>          </u>	<u>          </u>
<b>Total Liabilities and Equity</b>			
		<u>          </u>	<u>          </u>
Contingent Liabilities and Commitment	4.26		

Net assets value per share

**Name of the Micro Finance Institution**  
**Statement of Profit or Loss**  
For the year ended .....Asar 20.....

	Note	Current Year	Previous Year
Interest Income	4.27		
Interest Expense	4.28		
<b>Net Interest Income</b>			
Fee and Commission Income	4.29		
Fee and Commission Expense	4.30		
<b>Net Fee and Commission Income</b>			
<b>Net Interest, Fee and Commission Income</b>			
Net Trading Income	4.31		
Other Operating Income	4.32		
<b>Total Operating Income</b>			
Impairment charge/(reversal) for loans and other losses	4.33		
<b>Net Operating Income</b>			
<b>Operating Expense</b>			
Personnel Expenses	4.34		
Other Operating Expenses	4.35		
Depreciation & Amortization	4.36		
<b>Operating Profit</b>			
Non Operating Income	4.37		
Non Operating Expense	4.38		
<b>Profit before Income Tax</b>			
Income Tax Expense	4.39		
Current Tax			
Deferred Tax			
<b>Profit for the year</b>			
<b>Profit attributable to:</b>			
Equity holders of the Financial Institution			
<b>Profit for the year</b>			
<b>Earnings per share</b>			
Basic earnings per share			
Diluted earnings per share			

**Name of the Micro Finance Institution**

**Statement of Comprehensive Income**

For the year ended .....Asar 20.....

	<b>Note</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Profit for the year</b>			
<b>Other comprehensive income, net of income tax</b>			
<b>a) Items that will not be reclassified to profit or loss</b>			
• Gains/(losses) from investments in equity instruments measured at fair value			
• Gains/(losses) on Revaluation			
• Acturial gains/(losses) on defined benefit plans			
• Income tax relating to above items			
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>			
<b>b) Items that are or may be reclassified to profit or loss</b>			
• Gains/(losses) on cash flow hedge			
• Exchange gains/(losses) (arising from translating financial assets of foreign operation)			
• Income tax relating to above items			
• Reclassify to profit or loss			
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>			
<b>Other comprehensive income for the year, net of income tax</b>			
<b>Total comprehensive income for the year</b>			
<b>Total comprehensive income for the period</b>			

**Micro Finance Institution**  
**Statement of Changes in Equity**  
**Attributable to equity holders of the Institution**

	Share Capital	Share premium	General reserve	Exchange equalization reserve	Regulatory reserve	Fair value reserve	Revaluation reserve	Retained earning	Other reserve	Total	Total equity
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Balance at Shrawan 1, 20...

Adjustment/Restatement

**Adjusted/Restated balance at Shrawan 1, 20.....**

**Comprehensive income for the year**

**Profit for the year**

**Other comprehensive income, net of tax**

Gains/(losses) from investments in equity instruments measured at fair value

Gains/(losses) on revaluation

Actuarial gains/(losses) on defined benefit plans

Gains/(losses) on cash flow hedge

Exchange gains/(losses) (arising from translating financial assets of foreign operation)

**Total comprehensive income for the year**

Transfer to reserve during the year

Transfer from reserve during the year

**Transactions with owners, directly recognised in equity**

Share issued

Share based payments

Dividends to equity holders

Bonus shares issued

Cash dividend paid

Other

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**Total contributions by and distributions**

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**Balance at Asar end 20.....**

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Balance at Shrawan 1, 20.....

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**Comprehensive income for the year**

**Profit for the year**

**Other comprehensive income, net of tax**

Gains/(losses) from investments in equity instruments measured at fair value

Gains/(losses) on revaluation

Actuarial gains/(losses) on defined benefit plans

Gains/(losses) on cash flow hedge

Exchange gains/(losses) (arising from translating financial assets of foreign operation)

**Total comprehensive income for the year**

Transfer to reserve during the year

Transfer from reserve during the year

**Transactions with owners, directly recognized in equity**

Share issued

Share based payments

Dividends to equity holders

Bonus shares issued

Cash dividend paid

Other

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**Total contributions by and distributions**

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**Balance at Asar end 20.....**

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**Name of the Micro Finance Institution**  
**Statement of cash flows**  
**For the year ended .....Asar 20.....**

	<b>Current Year</b>	<b>Previous Year</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received		
Fees and other income received		
Divided received		
Receipts from other operating activities		
Interest paid		
Commission and fees paid		
Cash payment to employees		
Other expense paid		
<b>Operating cash flows before changes in operating assets and liabilities</b>		
<b>(Increase)/Decrease in operating assets</b>		
Due from Nepal Rastra Bank		
Placement with bank and financial institutions		
Other trading assets		
Loan and advances to bank and financial institutions		
Loans and advances to customers		
Other assets		
<b>Increase/(Decrease) in operating liabilities</b>		
Due to bank and financial institutions		
Due to Nepal Rastra Bank		
Deposit from customers		
Borrowings		
Other liabilities		
<b>Net cash flow from operating activities before tax paid</b>		
Income taxes paid		
<b>Net cash flow from operating activities</b>		

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investment securities		
Receipts from sale of investment securities		
Purchase of property and equipment		
Receipt from the sale of property and equipment		
Purchase of intangible assets		
Receipt from the sale of intangible assets		
Purchase of investment properties		
Receipt from the sale of investment properties		
Interest received		
Dividend received		
<b>Net cash used in investing activities</b>		

**CASH FLOWS FROM FINANCING ACTIVITIES**

Receipt from issue of debt securities		
Repayment of debt securities		
Receipt from issue of subordinated liabilities		
Repayment of subordinated liabilities		
Receipt from issue of shares		
Dividends paid		
Interest paid		
Other receipt/payment		
<b>Net cash from financing activities</b>	<u>                    </u>	<u>                    </u>

<b>Net increase (decrease) in cash and cash equivalents</b>
Cash and cash equivalents at Shrawan 1, 20.....
Effect of exchange rate fluctuations on cash and cash equivalents held
<b>Cash and cash equivalents at Asar end 20.....</b>

**Name of the Micro Finance Institution**

**Notes to the financial statements**

**for the year ended.....Asar.....**

<b>1</b>	<b>Reporting entity</b>
	General and background information of Financial Institution This shall also include the principal activities and location of the head office of the reporting entity.
<b>2</b>	<b>Basis of Preparation</b>
2.1	Statement of compliance
2.2	Reporting period and approval of financial statements
2.3	Functional and presentation currency
2.4	Use of Estimates, assumptions and judgments
2.5	Changes in Accounting policies
2.6	New standards issued but not yet effective
2.7	New Standards and interpretation not adopted
2.8	Discounting
<b>3</b>	<b>Significant Accounting Policies</b>
3.1	Basis of Measurement
3.2	Cash and cash equivalent
3.3	Financial assets and financial liabilities
	Recognition
	Classification
	Measurement
	De-recognition
	Determination of fair value
	Impairment
3.4	Trading assets
3.5	Property and Equipment



3.6	Goodwill and Intangible assets
3.7	Investment Property
3.8	Income tax
	Current Tax
	Deferred Tax
3.9	Deposits, debt securities issued and subordinated liabilities
3.10	Provisions
3.11	Revenue Recognition
	Interest income
	Fee and commission income
	Dividend income
	Net trading income
	Net income from other financial instrument at fair value through Profit or Loss
3.12	Interest expense
3.13	Employees Benefits
3.14	Leases
3.15	Share capital and reserves
3.16	Earnings per share including diluted
3.17	Segment reporting

**Cash and Cash Equivalent**

4.1

	<u>Current Year</u>	<u>Previous Year</u>
Cash in hand		
Balances with B/FIs		
Money at call and short notice		
Other		
<b>Total</b>		

**Statutory Balances and Due  
from Nepal Rastra Bank**

4.2

	<u>Current Year</u>	<u>Previous Year</u>
Statutory balances with NRB		
Statutory balances with BFIs		
Securities purchased under resale agreement		
Other deposit and receivable from NRB		
<b>Total</b>		

**Placements with Financial Institutions**

4.3

	<u>Current Year</u>	<u>Previous Year</u>
Placement with domestic FIs		
Less: Allowances for impairment		
<b>Total</b>		

**Derivative financial  
instruments**

4.4

	<u>Current Year</u>	<u>Previous Year</u>
<b><i>Held for trading</i></b>		
Interest rate swap		
Currency swap		
Forward exchange contract		
Others		
<b><i>Held for risk management</i></b>		
Interest rate swap		
Currency swap		
Forward exchange contract		
Other		
<b>Total</b>		

**Other trading assets**

	Current Year	Previous Year
Treasury bills		
Government bonds		
NRB Bonds		
Domestic Corporate bonds		
Equities		
Other		
<b>Total</b>		
Pledged		
Non-pledged		

**Loan and advances to MFIs & Cooperatives**

4.6

	Current Year	Previous Year
Loans to microfinance institutions		
Loans to FIs		
Loans to cooperative		
Less: allowance for impairment		
Other		
Less: Allowances for impairment		
<b>Total</b>		

**4.6.1: Allowances for Impairment**

Balance at Shrawan 1		
Impairment loss for the year:		
Charge for the year		
Recoveries/reversal		
Amount written off		
Balance at Asar end		

**Loans and Advances to Customers**

4.7

	Current Year	Previous Year
Loan and advances measured at amortized cost		
Less: Impairment allowances		
Collective impairment		
Individual impairment		
<b>Net amount</b>		

Loan and advances measured at FVTPL		
<b>Total</b>		

#### 4.7.1: Analysis of loan and advances - By Product

	Current Year	Previous Year
<b><u>Product</u></b>		
Term loans		
Short term, term loan		
Long term, term loan		
Hire purchase loans		
Personal Residential Loans		
Staff loans		
Other		
<b>Sub total</b>		
Interest receivable		
<b>Grand total</b>		

#### 4.7.2: Analysis of Loan and Advances - By Collateral

	Current Year	Previous Year
<b><u>Secured</u></b>		
Immovable assets		
Government guarantee		
Collateral of Government securities		
Collateral of Fixed Deposit Receipt		
Group guarantee		
Personal guarantee		
Other collateral		
<b>Subtotal</b>		
<b>Unsecured</b>		
<b>Grant Total</b>		

#### 4.7.3: Allowances for impairment

	Current Year	Previous Year
<b><u>Specific allowances for impairment</u></b>		
<b>Balance at Shrawan 1</b>		
Impairment loss for the year:		
Charge for the year		
Recoveries/reversal during the year		
Write-offs		

Other movement

**Balance at Asar end**

**Collective allowances for impairment**

**Balance at Shrawan 1**

Impairment loss for the year:

Charge/(reversal) for the year

Other movement

**Balance at Asar end**

**Total allowances for impairment**

**Investment Securities**

**4.8**

	Current Year	Previous Year
Investment securities measured at amortized cost		
Investment in equity measured at FVTOCI		
<b>Total</b>		

**4.8.1: Investment Securities measured at Amortized Cost**

	Current Year	Previous Year
Debt securities		
Government bonds		
Government treasury bills		
Nepal Rastra Bank bonds		
Nepal Rastra Bank deposits instruments		
Other		
Less: specific allowances for impairment		
<b>Total</b>		

**4.8.2: Investment in equity measured at fair value through other comprehensive income**

	Current Year	Previous Year
Equity instruments		
Quoted equity securities		
Unquoted equity securities		
<b>Total</b>		

**4.8.3: Information relating to investment in equities**

	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
<b>Investment in quoted equity</b>				
.....Ltd.				
.....shares of Rs. ....each				
.....Ltd.				
.....shares of Rs. ....each				
<b>Investment in unquoted equity</b>				
.....Ltd.				
.....shares of Rs. ....each				
.....Ltd.				
.....shares of Rs. ....each				
<b>Total</b>				

**Current tax assets**

**4.9**

	Current Year	Previous Year
<b>Current tax assets</b>		
Current year income tax assets		
Tax assets of prior periods		
<b>Current tax liabilities</b>		
Current year income tax liabilities		
Tax liabilities of prior periods		
<b>Total</b>		

**Investment properties**

**4.10**

	Current Year	Previous Year
<b>Investment properties measured at fair value</b>		
Balance as on Shrawan 1, .....		
Addition/disposal during the year		
Net changes in fair value during the year		
Adjustment/transfer		
<b>Net amount</b>		

**Investment properties measured at cost**

Balance as on Shrawan 1, .....

Addition/disposal during the year

Adjustment/transfer

Accumulated depreciation

Accumulated impairment loss

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Net amount

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Total

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**Property and Equipment**

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	Total 31st Asar 20X2	Total Asar End 20X1
<b>Cost</b>										
As on Shrawan 1, 20X0										
Addition during the Year										
Acquisition										
Capitalization										
Disposal during the year										
Adjustment/Revaluation										
<b>Balance as on Asar end 20X1</b>										
Addition during the Year										
Acquisition										
Capitalization										
Disposal during the year										
Adjustment/Revaluation										
<b>Balance as on Asar end 20X2</b>										
<b>Depreciation and Impairment</b>										
As on Shrawan 1, 20X0										
Depreciation charge for the Year										
Impairment for the year										
Disposals										
Adjustment										
<b>As on Asar end 20X1</b>										
Impairment for the year										
Depreciation charge for the Year										
Disposals										
Adjustment										
<b>As on Asar end 20X2</b>										
<b>Capital Work in Progress</b>										
<b>Net Book Value</b>										
<b>As on Asar end 20X0</b>										
<b>As on Asar end 20X1</b>										
<b>As on Asar end 20X2</b>										

**Goodwill and Intangible Assets**

4.12

Particulars	Goodwill	Software		Other	Total Asar end 20X2	Total Asar end 20X1
		Purchased	Developed			
<b>Cost</b>						
As on Shrawan 1, 20X0						
Addition during the Year						
Acquisition						
Capitalization						
Disposal during the year						
Adjustment/Revaluation						
<b>Balance as on Asar end 20X1</b>						
Addition during the Year						
Acquisition						
Capitalization						
Disposal during the year						
Adjustment/Revaluation						
<b>Balance as on Asar end 20X2</b>						



<b>Amortization and Impairment</b>						
As on Shrawan 1, 20X0						
Amortization charge for the Year						
Impairment for the year						
Disposals						
Adjustment						
<b>As on Asar end 20X1</b>						
Amortization charge for the Year						
Impairment for the year						
Disposals						
Adjustment						
<b>As on Asar end 20X2</b>						
<b>Capital Work in Progress</b>						
<b>Net Book Value</b>						
<b>As on Asar end 20X0</b>						
<b>As on Asar end 20X1</b>						
<b>As on Asar end 20X2</b>						

**Deferred Tax**

4.13

	Current Year		
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets/ (Liabilitie
<b>Deferred tax on temporary differences on following items</b>			
Loan and Advance to B/FIs			
Loans and advances to customers			
Investment properties			
Investment securities			
Property & equipment			
Employees' defined benefit plan			
Lease liabilities			
Provisions			
Other temporary differences			
Deferred tax on temporary differences			
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			
<b>Net Deferred tax asset/(liabilities) as on year end of .....</b>			
Deferred tax (asset)/liabilities as on Shrawan 1, .....			
<b>Origination/(Reversal) during the year</b>			
<b>Deferred tax expense/(income) recognized in profit or loss</b>			
<b>Deferred tax expense/(income) recognized in other comprehensive income</b>			
<b>Deferred tax expense/(income) recognized in directly in equity</b>			

	<u>Previous Year</u>		
	<u>Deferred Tax Assets</u>	<u>Deferred Tax Liabilities</u>	<u>Deferred Tax Assets/ (Liability)</u>
<b>Deferred tax on temporary differences on following items</b>			
Loan and Advance to B/FIs			
Loans and advances to customers			
Investment properties			
Investment securities			
Property & equipment			
Employees' defined benefit plan			
Lease liabilities			
Provisions			
Other temporary differences			
<hr/>			
<b>Deferred tax on temporary differences</b>			
<hr/>			
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			
<hr/>			
<b>Net Deferred tax asset/(liabilities) as on year end of .....</b>			
<hr/>			
Deferred tax (asset)/liabilities as on Shrawan 1, .....			
<hr/>			
<b>Origination/(Reversal) during the year</b>			
<hr/>			
<b>Deferred tax expense/(income) recognized in profit or loss</b>			
<b>Deferred tax expense/(income) recognized in other comprehensive income</b>			
<b>Deferred tax expense/(income) recognized in directly in equity</b>			
<hr/>			

**Other assets** 4.14

	<u>Current Year</u>	<u>Previous Year</u>
Assets held for sale		
Other non banking assets		
Bills receivable		
Accounts receivable		
Accrued income		
Prepayments and deposit		
Income tax deposit		
Deferred employee expenditure		
Other		
<b>Total</b>		

**Due to Bank and Financial Institutions** 4.15

	<u>Current Year</u>	<u>Previous Year</u>
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Borrowing from BFIs		
Settlement and clearing accounts		
Other		
<b>Total</b>		

**Due to Nepal Rastra Bank 4.16**

	Current Year	Previous Year
Refinance from NRB		
Standing Liquidity Facility		
Lender of last resort facility from NRB		
Securities sold under repurchase agreements		
Other payable to NRB		
<b>Total</b>		

**Derivative financial instruments 4.17**

	<u>Current Year</u>	<u>Previous Year</u>
<b><i>Held for trading</i></b>		
Interest rate swap		
Currency swap		
Forward exchange contract		
Others		
<b><i>Held for risk management</i></b>		
Interest rate swap		
Currency swap		
Forward exchange contract		
Other		
<b>Total</b>		

**Deposits from customers 4.18**

	<u>Current Year</u>	<u>Previous Year</u>
Institutions customers:		
Term deposits		
Call deposits		

Other  
 Individual customers:  
   Term deposits  
   Saving deposits  
   Savings from Members  
   Other  
 Total

**Borrowing** **4.19**

	Current Year	Previous Year
<b><i>Domestic Borrowing</i></b>		
Nepal Government		
Other licensed Institutions		
Other		
Sub total		
<b><i>Foreign Borrowing</i></b>		
Foreign Bank and Financial Institutions		
Multilateral Development Banks		
Other Institutions		
Sub total		
<b>Total</b>		

**Provisions** **4.20**

	Current Year	Previous Year
Provisions for redundancy		
Provision for restructuring		
Pending legal issues and tax litigation		
Onerous contracts		
Other		

**4.20.1: Movement in provision**

	Current Year	Previous Year
<b>Balance at Shrawan 1</b>		
Provisions made during the year		
Provisions used during the year		
Provisions reversed during the year		
Unwind of discount		
<b>Balance at Asar end</b>		

**Other liabilities****4.21**

	Current Year	Previous Year
Liability for employees defined benefit obligations		
Liability for long-service leave		
Short-term employee benefits		
Bills payable		
Creditors and accruals		
Interest payable on deposit		
Interest payable on borrowing		
Liabilities on deferred grant income		
Unpaid Dividend		
Liabilities under Finance Lease		
Employee bonus payable		
Other		
<b>Total</b>		

**4.21.1: Defined benefit obligations**

The amounts recognized in the statement of financial position are as follows:

	Current Year	Previous Year
Present value of funded obligations		
Total present value of obligations		
Fair value of plan assets		
Present value of net obligations		
<b>Recognized liability for defined benefit obligations</b>		

**4.21.2: Plan assets**

	Current Year	Previous Year
Plan assets comprise		
Equity securities		
Government bonds		
Bank deposit		
Other		
<b>Total</b>		
Actual return on plan assets		

#### 4.21.3: Movement in the present value of defined benefit obligations

	Current Year	Previous Year
Defined benefit obligations at Shrawan 1		
Actuarial losses		
Benefits paid by the plan		
Current service costs and interest		
Defined benefit obligations at Asar end		

#### 4.21.4: Movement in the fair value of plan assets

	Current Year	Previous Year
Fair value of plan assets at Shrawan 1		
Contributions paid into the plan		
Benefits paid during the year		
Actuarial (losses) gains		
Expected return on plan assets		
Fair value of plan assets at Asar end		

#### 4.21.5: Amount recognized in profit or loss

	Current Year	Previous Year
Current service costs		
Interest on obligation		
Expected return on plan assets		
Total		

#### 4.21.6: Amount recognized in other comprehensive income

	Current Year	Previous Year
Actuarial (gain)/loss		
<b>Total</b>		

#### 4.21.7: Actuarial assumptions

	Current Year	Previous Year
Discount rate		
Expected return on plan asset		
Future salary increase		
Withdrawal rate		

**Debt securities issued** **4.22**

	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss		
Debt securities issued at amortized cost		
<b>Total</b>		

**Subordinated Liabilities** **4.23**

	Current Year	Previous Year
Redeemable preference shares		
Irredeemable cumulative preference shares (liabilities component)		
Other		
<b>Total</b>		

**Share capital** **4.24**

	Current Year	Previous Year
Ordinary shares		
Convertible preference shares (equity component only)		
Irredeemable preference shares (equity component only)		
Perpetual debt (equity component only)		
<b>Total</b>		

**4.24.1: Ordinary shares**

	Current Year	Previous Year
<b><u>Authorized Capital</u></b>		
.....Ordinary share of Rs. 100 each		
<b><u>Issued capital</u></b>		
.....Ordinary share of Rs. 100 each		
<b><u>Subscribed and paid up capital</u></b>		
.....Ordinary share of Rs. 100 each		
<b>Total</b>		

**4.24.2: Ordinary share ownership**

	Current Year		Previous Year	
	Percent	Amount	Percent	Amount

**Domestic ownership (Promoter)**

Nepal Government  
"A" class licensed institutions  
Other licensed institutions  
Other Institutions  
Other

**Domestic ownership (Public)**

Nepal Government  
A class Licensed Institutions  
Other licensed Institutions  
Other Institutions  
Other

**Foreign ownership Promoter****Foreign Ownership Public****Total**

Note : Name of each shareholder along with their holding percentage who holds 0.5% or more share shall be disclosed in above format.

**Reserves****4.25**

	Current Year	Previous Year
Statutory general reserve		
Capital reserve		
Exchange equalization reserve		
Investment adjustment reserve		
Corporate social responsibility reserve		
Client Protection Fund		
Capital redemption reserve		
Regulatory reserve		
Assets revaluation reserve		
Fair value reserve		
Dividend equalization reserve		
Actuarial gain		
Special reserve		
Other reserve		
<b>Total</b>		

**Contingent liabilities and commitments****4.26**

	Current Year	Previous Year
Contingent liabilities		
Undrawn and undisbursed facilities		
Capital commitment		
Lease Commitment		
Litigation		
Others		
<b>Total</b>		



**4.26.1: Capital commitments**

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

	Current Year	Previous Year
<b><i>Capital commitments in relation to Property and Equipment</i></b>		
Approved and contracted for		
Approved but not contracted for		
<b>Sub total</b>		
<b>Capital commitments in relation to Intangible assets</b>		
Approved and contracted for		
Approved but not contracted for		
<b>Sub total</b>		
<b>Total</b>		

**4.26.2: Lease commitments**

	Current Year	Previous Year
<b>Operating lease commitments</b>		
Future minimum lease payments under non cancellable operating lease, where the institution is lessee		
Not later than 1 year		
Later than 1 year but not later than 5 years		
Later than 5 years		
<b>Sub total</b>		
<b>Finance lease commitments</b>		
Future minimum lease payments under non cancellable operating lease, where institution is lessee		
Not later than 1 year		
Later than 1 year but not later than 5 years		
Later than 5 years		
<b>Sub total</b>		
<b>Grand total</b>		

**4.26.3: Litigation**

Explanatory paragraphs are required for litigation contingent liabilities as per their own case of each institution

**Interest Income****4.27**

	Current Year	Previous Year
Cash and cash equivalent		

Due from Nepal Rastra Bank		
Placement with bank and financial institutions		
Loan and advances to financial institutions		
Loans and advances to customers		
Investment securities		
Loan and advances to staff		
Other		
<b>Total interest income</b>		

**Interest Expense** **4.28**

	Current Year	Previous Year
Due to bank and financial institutions		
Due to Nepal Rastra Bank		
Deposits from customers		
Borrowing		
Debt securities issued		
Subordinated liabilities		
Other		
<b>Total interest expense</b>		

**Fees and Commission Income** **4.29**

	Current Year	Previous Year
Loan administration fees		
Service fees		
Commitment Fees		
Card Issuance Fees		
Prepayment and swap fees		
Remittance fees		
Brokerage Fees		
Other fees and commission income		
<b>Total fees and Commission Income</b>		

**Fees and Commission Expense** **4.30**

	Current Year	Previous Year
Brokerage		
ATM management fees		
Visa Master card Fees		
Guarantee Commission Fees		
Brokerage		
DD/TT/Swift Fees		
Remittance fees and commission		
Other fees and commission expense		
<b>Total fees and Commission Expense</b>		

**Net Trading Income**

4.31

	Current Year	Previous Year
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		
<b>Net trading income</b>		

**Other Operating Income**

4.32

	Current Year	Previous Year
Foreign exchange revaluation gain		
Gain/loss on sale of investment securities		
Fair value gain/loss on investment properties		
Dividend on equity instruments		
Gain/loss on sale of property and equipment		
Gain/loss on sale of investment property		
Operating lease income		
Gain/loss on sale of gold and silver		
Other		
<b>Total</b>		

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

4.33

	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to B/FIs		
Impairment charge/(reversal) on loan and advances to customer		
Impairment charge/(reversal) on financial investment		
Impairment charge/(reversal) on placement with banks and financial institutions		
Impairment charge/(reversal) on property and equipment		
Impairment charge/(reversal) on goodwill and intangible assets		
Impairment charge/(reversal) on investment properties		
<b>Total</b>		

**Personnel Expense**

4.34

	Current Year	Previous Year
Salary		
Allowances		
Gratuity expense		
Provident fund		

Uniform		
Training & development expense		
Leave encashment		
Medical		
Insurance		
Employees incentive		
Cash-settled share-based payments		
Pension expense		
Finance expense under NFRSs		
Other expenses related to staff		
<b>Subtotal</b>		
Employees bonus		
<b>Grand total</b>		

4.35

**Other operating expense**

	Current Year	Previous Year
Directors' fee		
Directors' expense		
Auditors' remuneration		
Other audit related expense		
Professional and legal expense		
Office administration expense		
Operating lease expense		
Operating expense of investment properties		
Corporate social responsibility expense		
Client Protection expenses		
Onerous lease provisions		
Other		
<b>Total</b>		

**4.35.1 Office Administration Expense**

	Current Year	Previous Year
Water and electricity		
Repair and maintenance		
(a) Building		
(b) Vehicle		
(c) Computer and accessories		
(d) Office equipment and furniture		
(e) Other		
Insurance		
Postage, telex, telephone, fax		
Printing and stationery		

News paper, books and journals
Advertisement
Donation
Security expense
Deposit and loan guarantee premium
Travel allowance and expense
Entertainment
Annual/special general meeting expense
Other
(a) .....
(b) .....
<b>Total</b>

_____	_____	_____
_____	_____	_____

**Depreciation & Amortization**

4.36

	Current Year	Previous Year
Depreciation on property and equipment		
Depreciation on investment property		
Amortization of intangible assets		
<b>Total</b>		

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Non Operating Income**

4.37

	Current Year	Previous Year
Recovery of loan written off		
Other income		
<b>Total</b>		

_____	_____	_____
_____	_____	_____
_____	_____	_____

**Non operating expense**

4.38

	Current Year	Previous Year
Loan written off		
Redundancy provision		
Expense of restructuring		
Other expense		
<b>Total</b>		

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Income tax expense**

4.39

	Current Year	Previous Year
<b>Current tax expense</b>		
Current year		

_____	_____	_____
_____	_____	_____

Adjustments for prior years	_____	_____
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences		
Changes in tax rate		
Recognition of previously unrecognized tax losses	_____	_____
<b>Total income tax expense</b>	_____	_____

**4.39.1: Reconciliation of tax expense and accounting profit**

	<u>Micro Finance Institutions</u>	
	<u>Current</u>	<u>Previous</u>
	<u>Year</u>	<u>Year</u>
Profit before tax		
Tax amount at tax rate of.....%		
Add: Tax effect of expenses that are not deductible for tax purpose		
Less: Tax effect on exempt income		
Add/less: Tax effect on other items	_____	_____
<b>Total income tax expense</b>	_____	_____
<b>Effective tax rate</b>	_____	_____

**Statement of distributable profit or loss**

For the year ended .....Asar 20.....

(As per NRB Regulation)

	Current Year	Previous Year
<b>Net profit or (loss) as per statement of profit or loss</b>		
<b><u>Appropriations:</u></b>		
<i>a. General reserve</i>		
<i>b. Foreign exchange fluctuation fund</i>		
<i>c. Capital redemption reserve</i>		
<i>d. Corporate social responsibility fund</i>		
<i>e. Employees' training fund</i>		
<i>f. Client Protection Fund</i>		
<i>g. Other</i>		
<b>Profit or (loss) before regulatory adjustment</b>		
<b><u>Regulatory adjustment :</u></b>		
<i>a. Interest receivable (-)/previous accrued interest received (+)</i>		
<i>b. Short loan loss provision in accounts (-)/reversal (+)</i>		
<i>c. Short provision for possible losses on investment (-)/reversal (+)</i>		
<i>d. Short loan loss provision on Non Banking Assets (-)/reversal (+)</i>		
<i>e. Deferred tax assets recognized (-)/ reversal (+)</i>		
<i>f. Goodwill recognized (-)/ impairment of Goodwill (+)</i>		
<i>g. Bargain purchase gain recognized (-)/reversal (+)</i>		
<i>h. Actuarial loss recognized (-)/reversal (+)</i>		
<i>i. Other (+/-)</i>		
<b>Distributable profit or (loss)</b>		

## 5. Disclosure & Additional Information

5.1	Risk management Liquidity Risk Interest Rate Risk Credit Risk Operational Risk
	Fair value of financial assets and liabilities
5.2	<p><b>Capital management</b></p> <p>Micro Financial Institution shall disclose following information in regard of capital management:</p> <p>(i) <b>Qualitative disclosures</b> Summary information of objectives, policies and processes for managing capital, terms and conditions of the main features of all capital instruments, especially in the case of innovative, complex or hybrid capital instruments.</p> <p>(ii) <b>Quantitative disclosures</b></p> <p><i>1. Capital structure and capital adequacy</i></p> <ul style="list-style-type: none"> <li>○ Tier 1 capital and a breakdown of its components;</li> <li>○ Tier 2 capital and a breakdown of its components;</li> <li>○ Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, and amount raised during the year and amount eligible to be reckoned as capital funds.</li> <li>○ Deductions from capital;</li> <li>○ Total qualifying capital;</li> <li>○ Capital adequacy ratio;</li> <li>○ Summary of the institution's internal approach to assess the adequacy of its capital to support current and future activities, if applicable; and</li> <li>○ Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.</li> </ul> <p>(iii) <b>Compliance with external requirement</b></p> <p>Whether during the period it complied with any externally imposed capital requirements to which it is subject and the consequences of such non-compliance in case the institution has not complied with those requirements.</p>
5.3	Classification of financial assets and financial liabilities

### 5.4 Operating Segment Information

#### 1. General information

- (a) Factors that management used to identify the entity's reportable segments
- (b) Description of the types of products and services from which each reportable segment derives its revenues

#### 2. Information about profit or loss, assets and liabilities

Particulars		Reportable Segment 1	Reportable Segment 2	Reportable Segment 3	.....	All Other	Total
(a)	Revenues from external customers						
(b)	Intersegment revenues						
(c)	Net Revenue						
(d)	Interest revenue						
(e)	Interest expense						
(f)	Net interest revenue(b)						



(g)	Depreciation and amortisation						
(h)	Segment profit /(loss)						
(i)	Other material non-cash items:						
	.....						
	.....						
	.....						
(k)	Impairment of assets						
(l)	Segment assets						
(m)	Segment liabilities						

An entity shall disclose the following about each reportable segment if the specified amounts are included in the measure of segment assets reviewed by the chief operating decision maker or are otherwise regularly provided to the chief operating decision maker.

- (a) Amounts of additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

### 3. Measurement of operating segment profit or loss, assets and liabilities

- (a) Basis of accounting for any transactions between reportable segments.
- (b) Nature of any differences between the measurements of the reportable segments' profits or losses and the entity's profit or loss before income tax.
- (c) Nature of any differences between the measurements of the reportable segments' assets and the entity's asset.
- (d) Nature of any changes from prior periods in the measurement methods used to determine reported segment profit or loss and the effect, if any, and
- (e) Nature and effect of any asymmetrical allocations to reportable segments.

### 4. Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

(a) **Revenue**

<b>Total revenues for reportable segments</b>	<b>xxxx</b>
Other revenues	xxxx
Elimination of intersegment revenues	(xxxx)
<b>Entity's revenues</b>	<b>xxxx</b>

(b) **Profit or loss**

<b>Total profit or loss for reportable segments</b>	<b>xxxx</b>
Other profit or loss	xxxx
Elimination of intersegment profits	(xxxx)
Unallocated amounts:	
.....	xxxx
.....	(xxxx)
<b>Profit before income tax</b>	<b>xxxx</b>

(c) **Assets**

<b>Total assets for reportable segments</b>	<b>xxxx</b>
Other assets	xxxx
Unallocated amounts	(xxxx)
<b>Entity's assets</b>	<b>xxxx</b>

(d) **Liabilities**

<b>Total liabilities for reportable segments</b>	<b>xxxx</b>
Other liabilities	xxxx
Unallocated liabilities	(xxxx)
<b>Entity's liabilities</b>	<b>xxxx</b>

**5. Information about products and services**

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

(a)	.....	xxxx
(b)	.....	xxxx
(c)	.....	xxxx

**6. Information about geographical areas**

Revenue from following geographical areas

<b>(a)</b>	<b>Domestic</b>	<b>xxxx</b>
	Province 1	xxxx
	Province 2	xxxx
	Bagmati Province	xxxx
	Gandaki Province	xxxx
	Lumbini Province	xxxx
	Karnali Province	xxxx
	Sudur Paschim Province	xxxx
<b>(b)</b>	<b>Foreign</b>	<b>xxxx</b>
	<b>Total</b>	<b>xxxx</b>

**7. Information about major customers**

Information about the extent of its reliance on its major customers, if revenue from a single external customer amounts to 10 percent or more of the entity's revenue.

<b>Particular</b>	<b>Revenue</b>	<b>Segment</b>
Customer 1*	xxxx	Segment 1
Customer 2*	xxxx	Segment 3
.....	xxxx	Segment 2
<b>Total</b>	<b>xxxx</b>	

\* The entity does not need to disclose the name of the customer

5.5	Share options and share based payment
5.6	Contingent liabilities and commitment
5.7	Related parties disclosures
5.8	Merger and acquisition
5.9	Additional disclosures of non consolidated entities
5.10	Events after reporting date.

**5.11 Disclosure effect of transition from previous GAAP to NFRSs**

**1. Reconciliation of equity**

	As at	As at
Explanatory Note *	(Date of Transition)	(End of last period presented under previous GAAP)
<b>Total equity under Previous GAAP</b>		
<b><u>Adjustments under NFRSs:</u></b>		
<i>Impairment on loan and advances</i>		
<i>Fair value &amp; employees benefit accounting of staff loan</i>		
<i>Lease accounting</i>		
<i>Measurement of investment securities at fair value</i>		
<i>Revaluation of property &amp; equipment</i>		
<i>Recognition of investment property</i>		
<i>Amortisation of debt securities issued</i>		
<i>Deferred tax</i>		
<i>Defined benefit obligation of employees</i>		
<i>Goodwill/Bargain purchase gain</i>		
<i>Interest income</i>		
<i>Other</i>		
.....		
<b>Total Adjustment to equity</b>		
<b>Total Equity under NFRSs</b>		

\* Explanatory note is required for each line item presented in adjustment on which transition effect has been arisen

## 2. Reconciliation of profit or loss

	For the year ended
Explanatory Note*	(the latest period presented under previous GAAP)
	Profit/(Loss) for the year
<b>Previous GAAP</b>	
<b><u>Adjustments under NFRSs:</u></b>	
<i>Interest income</i>	
<i>Impairment of loan and advances</i>	
<i>Employees benefit amortisation under staff loan</i>	
<i>Defined benefit obligation of employee</i>	
<i>Operating lease expense</i>	
<i>Amortisation expense of debt securities</i>	
<i>Other operating income</i>	
<i>Interest expense</i>	
<i>Depreciation &amp; Amortisation</i>	
<i>Other</i>	
.....	
.....	
<b>Total Adjustment to profit or loss</b>	

**Profit or loss under NFRSs**

Other Comprehensive Income

**Total Comprehensive income under NFRSs**

\* Explanatory note is required for each line item presented in adjustment on which transition effect has been arisen

**3. Effect of NFRSs adoption for the statement of financial position**

Particulars	Explanatory Note*	(Date of Transition)			(End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to NFRSs	Opening NFRSs statement of Financial Position	Previous GAAP	Cumulative Effect of Transition to NFRSs	Amount as per NFRSs
<b>Assets</b>							
Cash and cash equivalent							
Statutory Balances and due from Nepal Rastra Bank							
Placement with Bank & Financial Institutions							
Derivative Financial Instruments							
Other trading assets							
Loan and advances to MFIs & Cooperatives							
Loans and advances to customers							
Investment securities							
Current tax assets							
Investment property							
Property and equipment							
Goodwill and Intangible assets							
Deferred tax assets							
Other assets							
<b>Total Assets</b>							
<b>Liabilities</b>							
Due to Bank and Financial Institutions							
Due to Nepal Rastra Bank							
Derivative Financial Instruments							
Deposits from customers							
Borrowing							
Current Tax Liabilities							
Provisions							
Deferred tax liabilities							
Other liabilities							
Debt securities issued							
Subordinated Liabilities							
<b>Total liabilities</b>							
<b>Equity</b>							
Share capital							
Share premium							

Retained earnings							
Reserves							
<b>Total equity</b>							
<b>Total liabilities and equity</b>							

Contingent Liabilities and commitment  
Net assets Value per share

*\* Explanatory note is required for each line item which has been impacted by transition*

#### 4. Effect of NFRSs adoption for statement of profit or loss and other comprehensive income

Particulars	Explanatory Note*	For the year ended (the latest period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to NFRSs	Amount as per NFRSs
Interest income				
Interest expense				
<b>Net interest income</b>				
Fee and commission income				
Fee and commission expense				
<b>Net fee and commission income</b>				
<b>Net interest, fee and commission income</b>				
Net trading income				
Other operating income				
<b>Total operating income</b>				
Impairment charge/(reversal) for loans and other losses				
<b>Net operating income</b>				
<b>Operating expense</b>				
Personnel expenses				
Other operating expenses				
Depreciation & Amortisation				
<b>Operating Profit</b>				
Non operating income				
Non operating expense				
<b>Profit before income tax</b>				
Income tax expense				
Current Tax				
Deferred Tax				
<b>Profit for the year</b>				
Other comprehensive income				
<b>Total Comprehensive</b>				

\* Explanatory note is required for each line item presented in adjustment on which transition effect has been arise

## 5. Effect of NFRSs adoption for statement of cash flows

Particulars	Explanatory Note*	For the year ended (the latest period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to NFRSs	Amount as per NFRSs
Net cash flows from operating activities				
Net cash flows from investing activities				
Net cash flows from financing activities				
<b>Net increase/(decrease) in cash and cash equivalent</b>				
Cash and cash equivalent at the beginning of the period				
<b>Cash and cash equivalent at the end of the period</b>				

\* Explanatory note is required for each line item

## Format of Interim Financial Statements

### Format of Interim Financial Statements to be published in News Paper

..... Ltd.  
**Condensed Statement of Financial Position**  
 As on Quarter ended ..... 20.....

	This Quarter Ending	Immediate Previous Year Ending
<b>Assets</b>		
Cash and cash equivalent		
Statutory Balances and due from Nepal Rastra Bank		
Placement with Bank & Financial Institutions		
Derivative Financial Instruments		
Other trading assets		
Loan and advances to MFIs & Cooperatives		
Loans and advances to customers		
Investment securities		
Current tax assets		
Investment property		
Property and equipment		
Goodwill and Intangible assets		
Deferred tax assets		
Other assets		
<b>Total Assets</b>		
<b>Liabilities</b>		
Due to Bank and Financial Institutions		
Due to Nepal Rastra Bank		
Derivative Financial Instruments		
Deposits from customers		
Borrowing		
Current Tax Liabilities		
Provisions		
Deferred tax liabilities		
Other liabilities		

Debt securities issued				
Subordinated Liabilities				
<b>Total liabilities</b>				
<b>Equity</b>				
Share capital				
Share premium				
Retained earnings				
Reserves				
<b>Total equity</b>				
<b>Total liabilities and equity</b>				

..... Ltd.  
**Condensed Statement of Profit or Loss**  
For the Quarter ended ..... 20.....

Particulars	Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	Corresponding	
			This Quarter	Up to This Quarter (YTD)
Interest income				
Interest expense				
<b>Net interest income</b>				
Fee and commission income				
Fee and commission expense				
<b>Net fee and commission income</b>				
<b>Net interest, fee and commission income</b>				
Net trading income				
Other operating income				
<b>Total operating income</b>				
Impairment charge/(reversal) for loans and other losses				
<b>Net operating income</b>				
<b>Operating expense</b>				
Personnel expenses				
Other operating expenses				
Depreciation & Amortization				
<b>Operating Profit</b>				
Non operating income				
Non operating expense				
<b>Profit before income tax</b>				
Income tax expense				
Current Tax				
Deferred Tax				
<b>Profit/(loss) for the period</b>				

**Condensed Statement of Comprehensive Income**

Profit/(loss) for the period	
Other Comprehensive Income	
<b>Total Comprehensive Income</b>	
Basic earnings per share	



Diluted earnings per share

Profit for the year				
<b>Total</b>				

**Ratios as per NRB Directive**

Particulars	Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	Corresponding	
			This Quarter	Up to This Quarter (YTD)
Capital fund to RWA				
Non-performing loan (NPL) to total loan				
Total loan loss provision to Total NPL				
Cost of Funds				
Credit to Deposit and borrowing Ratio				
Base Rate				
Interest Rate Spread				

Note: Micro finance institutions shall clearly mention in the interim financial report published in news paper that detailed interim report has been published in their website.

**Details about the distributable profit**

**Net Profit for the period end ..... quarter** **XXXXX**

**1. Appropriations**

**1.1 Profit required to be appropriated to:** **XXXXX**

- a. General Reserve **XXXX**
- b. Capital Redemption Reserve **XXXX**
- c. Exchange Fluctuation Fund **XXXX**
- d. CSR Fund **XXXX**
- e. Employees Training Fund **XXXX**
- f. Client Protection Fund **XXXX**
- g. Other **XXXX**

**1.2 Profit required to be transferred to Regulatory Reserve:** **XXXXX**

- a. Transferred to Regulatory Reserve **XXXXX**
- b. Transferred from Regulatory Reserve **(XXXX)**

**Net Profit for the period end .....quarter available for distribution** **XXXXX**

**Disclosure as per other regulatory requirement**

**Format of Interim Financial Statements to be Uploaded on Website**

..... **Ltd.**  
**Condensed Statement of Financial Position**  
 As on Quarter ended ..... 20.....

<b>Assets</b>	<b>This Quarter Ending</b>	<b>Immediate Previous Year Ending</b>
Cash and cash equivalent		
Statutory Balances and due from Nepal Rastra Bank		
Placement with Bank & Financial Institutions		
Derivative Financial Instruments		
Other trading assets		
Loan and advances to MFIs & Cooperatives		
Loans and advances to customers		
Investment securities		
Current tax assets		
Investment property		
Property and equipment		
Goodwill and Intangible assets		
Deferred tax assets		
Other assets		
<b>Total Assets</b>		
<b>Liabilities</b>		
Due to Bank and Financial Institutions		
Due to Nepal Rastra Bank		
Derivative Financial Instruments		
Deposits from customers		
Borrowing		
Current Tax Liabilities		
Provisions		
Deferred tax liabilities		
Other liabilities		
Debt securities issued		
Subordinated Liabilities		
<b>Total liabilities</b>		
<b>Equity</b>		
Share capital		
Share premium		
Retained earnings		
Reserves		
<b>Total equity</b>		
<b>Total liabilities and equity</b>		

..... **Ltd.**  
**Condensed Statement of Profit or Loss**  
 For the Quarter ended ..... 20.....

<b>Particulars</b>	<b>Group</b>			
	<b>Current Year</b>		<b>Previous Year</b>	
		<b>Up to This Quarter (YTD)</b>	<b>Corresponding</b>	<b>Up to This Quarter (YTD)</b>
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)

Interest income				
Interest expense				
<b>Net interest income</b>				
Fee and commission income				
Fee and commission expense				
<b>Net fee and commission income</b>				
<b>Net interest, fee and commission income</b>				
Net trading income				
Other operating income				
<b>Total operating income</b>				
Impairment charge/(reversal) for loans and other losses				
<b>Net operating income</b>				
<b>Operating expense</b>				
Personnel expenses				
Other operating expenses				
Depreciation & Amortization				
<b>Operating Profit</b>				
Non operating income				
Non operating expense				
<b>Profit before income tax</b>				
Income tax expense				
Current Tax				
Deferred Tax				
<b>Profit for the period</b>				

#### Statement of Comprehensive Income

Particulars	Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)

Profit or loss for the period

#### Other comprehensive income

##### a) Items that will not be reclassified to profit or loss

- Gains/(losses) from investments in equity instruments measured at fair value
- Gain/(loss) on revaluation
- Actuarial gain/loss on defined benefit plans
- Income tax relating to above items

##### Net other compressive income that will not be reclassified to profit or loss

##### 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

**Net other compressive 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 period, net of income tax**

**Total Comprehensive Income for the period**

**Profit for the Period**

**Total**

**Earnings per share**

Basic earnings per share

Annualized Basic Earnings Per Share

Diluted earnings per share

**Ratios as per NRB Directive**

Particulars	Group			
	Current Year		Previous Year	
			Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Capital fund to RWA				
Total loan loss provision to Total NPL				
Cost of Funds				
Credit to Deposit and borrowing Ratio				
Base Rate				
Interest Rate Spread				



**Contributions from and distributions to owners**

Share issued

Share based payments

Dividends to equity holders

    Bonus shares issued

    Cash dividend paid

Other

---

**Total contributions by and distributions**

---

**Balance at ..... end 20.....**

---

..... Ltd.

**Condensed Statement of cash flows**

**For the Period (..... to.....) ended ..... 20.....**

	<b>Up to This Quarter</b>	<b>Corresponding Previous Year Up to this Quarter</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received		
Fees and other income received		
Divided received		
Receipts from other operating activities		
Interest paid		
Commission and fees paid		
Cash payment to employees		
Other expense paid		
<b>Operating cash flows before changes in operating assets and liabilities</b>		
<b>(Increase)/Decrease in operating assets</b>		
Due from Nepal Rastra Bank		
Placement with bank and financial institutions		
Other trading assets		
Loan and advances to bank and financial institutions		
Loans and advances to customers		
Other assets		
<b>Increase/(Decrease) in operating liabilities</b>		
Due to bank and financial institutions		
Due to Nepal Rastra Bank		
Deposit from customers		
Borrowings		
Other liabilities		
<b>Net cash flow from operating activities before tax paid</b>		
Income taxes paid		
<b>Net cash flow from operating activities</b>		

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investment securities  
Receipts from sale of investment securities

Purchase of property and equipment		
Receipt from the sale of property and equipment		
Purchase of intangible assets		
Receipt from the sale of intangible assets		
Purchase of investment properties		
Receipt from the sale of investment properties		
Interest received		
Dividend received		
<b>Net cash used in investing activities</b>		

**CASH FLOWS FROM FINANCING ACTIVITIES**

Receipt from issue of debt securities		
Repayment of debt securities		
Receipt from issue of subordinated liabilities		
Repayment of subordinated liabilities		
Receipt from issue of shares		
Dividends paid		
Interest paid		
Other receipt/payment		
<b>Net cash from financing activities</b>		

**Net increase (decrease) in cash and cash equivalents**

Cash and cash equivalents at Shrawan 1, 20.....		
Effect of exchange rate fluctuations on cash and cash equivalents held		
<b>Cash and cash equivalents at ..... end 20.....</b>		

**Details about the distributable profit**

<b>Net Profit for the period end ..... quarter</b>	<b>XXXXXX</b>
<b>1. Appropriations</b>	
<b><u>1.1 Profit required to be appropriated to:</u></b>	<b>XXXXXX</b>
a. General Reserve	XXXX
b. Capital Redemption Reserve	XXXX
c. Exchange Fluctuation Fund	XXXX
d. CSR Fund	XXXX
e. Employees Training Fund	XXXX
f. Client Protection Fund	XXXX
g. Other	XXXX
<b><u>1.2 Profit required to be transfered to Regulatory Reserve:</u></b>	<b>XXXXXX</b>
a. Transferred to Regulatory Reserve	XXXXXX
b. Transferred from Regulatory Reserve	(XXXX)
<b>Net Profit for the period end .....quarter available for distribution</b>	<b>XXXXXX</b>

**Notes to the Interim Financial Statements**

1. Basis of preparation
2. Statement of Compliance with NFRSs
3. Use of Estimates, assumptions and judgments
4. Changes in accounting policies



5. Significant accounting policies
6. Segmental Information
  - A. Information about reportable segments

Particulars	Reportable Segment 1		Reportable Segment 2		.....		All Other		Total	
	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter
Revenues from external customers										
Intersegment revenues										
Segment profit (loss) before tax										
Segment assets										
Segment liabilities										

**B. Reconciliation of reportable segment profit or loss**

Particulars	Current Quarter	Corresponding Previous Year Quarter
Total profit before tax for reportable segments		
Profit before tax for other segments		
Elimination of inter-segment profit		
Elimination of discontinued operation		
Unallocated amounts:		
– Other corporate expenses		
<b>Profit before tax</b>		

7. Related parties disclosures
8. Dividends paid (aggregate or per share) separately for ordinary shares and other shares.
9. Issues, repurchases and repayments of debt and equity securities
10. Events after interim period
11. Effect of changes in the composition of the entity during the interim period including merger and acquisition

**Brief explanations on accounts head of the Statement of Financial Position**

**Assets Side**

**1. Cash and cash Equivalent**

This account shall be used for presenting the total amount of cash-in-hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the licensed institution in the management of its short term commitments.

**2. Statutory Balances and Due from Nepal Rastra Bank**

Statutory balances held with Nepal Rastra Bank and A class institutions for compulsory cash reserve, securities purchased from Nepal Rastra Bank under resale agreement and other deposits with and receivables from Nepal Rastra Bank shall be presented under this account head.

### **3. Placement with Bank and Financial institutions**

Placements with domestic financial institutions with original maturities of more than three months from the acquisition date are presented under this account head.

### **4. Other Trading Assets**

Trading assets are those assets that the licensed institution acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit shall be presented under this account head. The other trading asset includes non derivative financial assets. It includes Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc held primarily for the trading purpose.

### **5. Loan and Advances to Micro Financial Institutions & Cooperatives**

Loan and advances given to microfinance financial institutions as well as other financial institutions shall be presented under this head. Specific impairment on loan and advance to bank and financial institutions shall be deducted.

### **6. Loan and Advances to Customers.**

Under this head, sum of the outstanding amount of all loans and advances extended to the customers other than FIs the amount of impairment allowances shall be presented. Loan to employees provided according to the Employees Bylaws of the licensed institution shall also be presented under this head.

### **7. Investments Securities**

Investments made by the licensed institutions in financial instruments shall be presented under this account head in three categories i.e. investment securities designated at fair value through profit or loss, investment securities measured at amortized cost and investment in equity measured at fair value through other comprehensive income. Investment other than those measured at amortized cost shall be measure at fair value and changes in fair value shall be recognized in profit or loss, or other comprehensive income as per the business model adopted by the financial institutions for the specific securities. Where income from the investment is received in the form of bonus shares, the valuation of investment shall be made by increasing the number of shares only without changing in the cost of investment. The financial institutions shall disclose following particulars in respect of investment in shares and debenture/bond.

- a. Following particulars shall clearly be disclosed in respect of investment in shares of other companies
  - (1) Name of the company
  - (2) Type of share (ordinary or preference), in case of preference shares, including the rate of dividend.
  - (3) Total number of shares subscribed (including bonus shares if received).
  - (4) Face value per share
  - (5) The cost price to licensed institution.
  - (6) Fair value of the shares at the end of the fiscal year.
  - (7) Where a company, in which the licensed institution has investment in shares, has not declared dividend for previous 3 years, particulars indicating the same.
- b. Following particulars shall clearly be disclosed in respect of investment in debentures and bonds of other companies
  - (1) Name of the company
  - (2) Rate of Interest
  - (3) Installment of Debenture/bond subscribed.
  - (4) Face value per debenture/bond.
  - (5) Maturity date of debenture/bond

(6) The purchase price of the debentures/bond

(7) Fair value of the debentures/bond measured at fair value

The financial institution shall recognize impairment loss if any on the investment instruments measured at amortized cost. The calculation of impairment loss shall be as per requirement of NFRSs.

The financial institution shall recognize, measure, present and disclose the investment instruments as per the requirement of NFRSs.

#### **8. Current Tax Assets**

This will include any advance payment made by the licensed institution towards income tax liabilities or other tax liabilities to the taxing authorities.

#### **9. Investment Properties**

Land or land and building other than those classified as property and equipment; and non current assets held for sale under relevant accounting standard shall be presented under this account head. This shall include land, land and building acquired as non banking assets by the Institution but not sold.

#### **10. Property and Equipment**

All assets of long-term nature (fixed) like land, building, IT equipment, fixtures and fittings, office equipment and appliances, vehicles, machinery, leasehold developments and capital work in progress owned by the licensed institution shall be presented under this head.

#### **11. Goodwill and intangible assets**

Goodwill and intangible assets like computer software both purchased and internally generated, trade mark etc. shall be presented under this account head.

#### **12. Deferred Tax Assets**

Deferred tax assets recognized as per NFRSs on temporary deductible differences, carry forward of unused tax losses, changes in tax rate etc. shall be presented under this account head.

#### **13. Other Assets**

This account will include any other tangible or intangible asset not mentioned above. Assets held for sale, non banking assets (other than land or land and building), restricted deposits with central banks, accounts receivable, interest receivable, accrued income, prepayments and deposit are some of the items to be included under this head.

### **Liabilities and Equity Side**

#### **1. Due to Bank and Financial Institutions**

The balances in accounts maintained with the institution by other local and foreign banks and financial institution shall be presented under this head. Interbank borrowing, interbank deposit, balances on settlement and clearing accounts as well as other amount due to bank and financial institution shall be presented under this account head.

#### **2. Due to Nepal Rastra Bank**

This account head shall also contain the amount of payable to Nepal Rastra Bank. Amount payable to NRB shall include amount of refinance facilities, standing liquidity facility, lender of last resort, deposit from NRB etc.

#### **3. Deposits from Customers**

All deposit accounts other than deposit from BFIs (local and foreign) and NRB shall be presented under this account head.

#### **4. Borrowing**

All domestic as well as foreign borrowing other than interbank borrowing and borrowing from Nepal Rastra Bank shall be presented under this heading. It includes borrowing from Nepal Government, borrowing from other domestic institutions, borrowing from foreign bank and financial institutions, multilateral development banks etc.

#### **5. Current Tax Liabilities**

The liabilities recognized for the purpose of current income tax, including fees, penalties shall be included under this head.

#### **6. Provisions**

A provision is recognized when as a result of a past event, the licensed institution has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision for redundancy, provision for onerous contracts, provision for restructuring, pending legal issues and tax litigation, credit commitments and guarantees etc. shall be presented under this account head. Followings are the additional clarification on accounts presented under this account head.

##### **(a) Provision for Redundancy**

It shall include benefits payable as a result of employment being terminated or based on a dismissal plan of the licensed institution. Provision for employees' termination benefits like voluntary retirement scheme shall be presented under this account head.

##### **(b) Provision for restructuring**

Restructuring includes sale or termination of a line of business, closure of business locations or relocation in a region, changes in management structure, fundamental reorganizations that have a material effect on the nature and focus of the institution's operations etc. The provision of restructuring that is recognized as per the requirement of NFRSs shall be presented under this account head

##### **(c) Pending legal issues and tax litigation**

Provisions recognized for any pending legal issues and tax litigation matters shall be presented under this account head.

##### **(d) Onerous contracts**

Provision for onerous contract is recognized when the expected benefits to be derived by the licensed institution from a contract is lower than the unavoidable cost of meeting its obligation under the contract. The provision amount that is recognized for onerous contract as per NFRSs shall be presented under this heading.

#### **7. Deferred Tax Liabilities**

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences, shall be included under this head. Deferred tax liabilities that are recognised as per requirement of NFRSs shall be presented under this account head.

#### **8. Other liabilities**

Any residual liabilities not captured above, shall be presented under an appropriate head in this account. Liabilities relating to employees benefits like liabilities for defined benefit obligation gratuity and pension fund, liabilities for long-service leave, cash settled share based payment

liabilities, short-term employee benefits etc., Creditors and accruals, Interest payable on deposit and borrowing, unearned income, unpaid dividend etc. shall be presented under this account head.

**9. Debt Securities Issued**

Debenture, bond or other debt securities issued by the institution shall be presented under this broad account head.

**10. Subordinated Liabilities**

Liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors shall be included here. It shall include redeemable preference share, subordinated notes issued, borrowings etc.

**11. Share capital**

The amount of paid up share capital of the licensed institution shall be mentioned under this head. Amount credited in share capital by issuing bonus shares utilizing the accumulated profit and reserves shall also be disclosed under this heading. This shall include paid up amount of ordinary share capital and equity component of preference share capital. The convertible preference shares which includes an option for the holder of the shares to convert the preferred shares into a fixed number of ordinary shares at any time after a predetermined date, irredeemable preference share and perpetual debt instruments, the equity component that is recognized and measured as per NFRSs as equity as well shall be presented under this heading.

**12. Share Premium**

The amount of money collected on issue of shares in excess of its face value shall be presented under this heading. The outstanding amount in this account shall not be considered eligible for distribution of cash dividend.

**13. Retained Earnings**

The accumulated profits which has not been distributed to shareholders and has been ploughed back in the licensed institution's operations and is free for distribution of dividend to the shareholders shall be presented under this heading.

**14. Reserves**

Licensed institution shall include the amounts received from allocation of profits or retained earnings in connection with maintaining reserves or created from any other process. Normally, amount shall be credited to this heading having debited the accumulated profit and while using these reserves, the concerned reserve account shall have to be debited. Followings are the additional clarification of account head under reserve.

**(a) General Reserve:**

General reserve is the statutory reserve. In this reserve, the amount transformed from appropriation of net profit according to the Banks and Financial Institutions Act, 2073 shall be included. No type of dividend (cash or bonus share) shall be distributed from the amount in general/statutory reserve. Approval of NRB shall be required in order to use the amount in this reserve.

**(b) Exchange Equalization Reserve**

Exchange equalization reserve is a statutory reserve. An institution which has earned foreign exchange revaluation gain on foreign currency other than India currency has to allocate 25 percent of such revaluation gain to this reserve as per provision of the Bank and Financial Institution Act. Any amount allocated to exchange equalization reserve as per the provision of the Bank and Financial Institutions Act, shall be presented under this heading.

**(c) Fair Value Reserves**

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

**(d) Assets Revaluation Reserve**

Any reserve created from revaluation of assets (such as Property & Equipment, Intangible Assets, Investment Property) shall be presented under this heading. Revaluation reserves often serve as a cushion against unexpected losses but may not be fully available to absorb unexpected losses due to the subsequent deterioration in market values and tax consequences of revaluation.

**(e) Capital Reserve**

The capital reserve represents the amount of those reserves which are in nature of capital and which shall not be available for distribution of cash dividend. The amount from share forfeiture due to non-payment of remaining amount for the unpaid shares, capital grants received in cash or kind, capital reserve arising out of merger and acquisition etc should be presented under this heading.

**(f) Special Reserve**

Any special reserve that is created as per the specific requirement of NRB directive or special instruction of NRB shall represent special reserve. The amount allocated to this reserve by debiting retained earning account shall be presented under this heading.

**(g) Capital Redemption Reserve**

This head shall include the statutory reserve created for making payment towards Redeemable Non-Convertible Preference Shares.

**(h) Dividend Equalization Fund**

For the purpose of maintaining uniformity in dividend payment, certain amount of profit during the year of profit making may be transferred shall be presented under this account head. Dividend may be distributed by debiting this account with the approval of the Board of Directors and endorsed by the General meeting.

**(i) Capital Adjustment/Equalization Fund**

Any amount that is allocated from the amount retained profit to a reserve that is created for the raising capital of the Bank as well as calls in advance amount to make up minimum paid up capital amount shall be presented under this account head.

**(j) Corporate Social Responsibility Fund**

The fund created for the purpose of corporate social responsibility by allocating profit shall be presented under this account head.

**(k) Investment Adjustment Reserve**

It is a regulatory reserve created as a cushion for adverse price movements in bank's investments as directed by the Directives of Nepal Rastra Bank.

**(l) Actuarial Gain/Loss Reserve**

Actuarial gain or loss that represents change in actuarial assumptions used to value employee obligations shall be presented under this account head.

**(m) Regulatory Reserve**

The amount that is allocated from profit or retained earnings of the institution to this reserve as per the Directive of NRB for the purpose of implementation of NFRSs and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. The amount allocated to this reserve shall include interest income recognized but not received in cash, difference of loan loss provision as per NRB directive and impairment on loan and advance as per NFRSs (in case lower impairment is recognized under NFRSs), amount equals to deferred tax assets, actual loss recognized in other comprehensive income, amount of goodwill recognized under NFRSs etc.

**(n) Client Protection Fund**

This fund constitutes amount allocated from profit as per NRB directives for the purpose of the welfare of the customers.

**(o) Other Reserve Fund**

Any reserve created with specific or non-specific purpose (except stated in above) shall be presented under this by disclosing accounting heads.

**Brief Explanations on Accounting Heads of the Statement of Profit or Loss Account**

**1. Interest Income**

The interest income recognized as per NFRSs shall be presented under this head. This heading shall include interest income on loan and advance, investment securities except on those investment securities measure at fair value through profit or loss, cash and cash equivalent, due from Nepal Rastra Bank, due from BFIs, loan and advances to staff etc.

**2. Interest Expense**

The interest expenses recognized as per NFRSs shall be presented under this head. The interest accrued on deposits collected, debt securities issued, borrowings obtained, subordinated liabilities, amount due to bank and financial institutions, due to NRB etc. shall be presented under this heading.

**3. Fees and Commission Income**

Fee income is earned for diverse ranges of services provided by the institution to its customers. Fee income arises on the execution of a significant act completed or from provision of services service fees, Loan documentation fee, loan management fee, commitment fee, card issuance and renewal fees, prepayment and swap fee, remittance fee, brokerage etc. should be presented under this heading. The fees and commission income that are integral to the effective interest rate on the financial assets are included in the measurement of the effective interest rate and shall not be recognized as income, however immaterial amount can be recognized in profit or loss account as income.

**4. Fees and Commission Expense**

Payouts on account of fee and commission for services obtained by the institution shall be presented under this account head. This account head shall include card related fees, guarantee commission, brokerage expenses etc. The fees and commission expense that are integral to the effective interest rate on the financial liability are included in the measurement of the effective interest rate and shall not be recognized as expense.

**5. Net Trading Income**

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 shall be presented under this account head.

**6. Other Operating Income**

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

**7. Impairment charge/(reversal) for loan and other losses.**

Impairment loss recognized as per NFRSs on loan and other losses shall be presented under this account head. It shall include impairment charge/reversal on loan and advances to customers, loan and advances to bank and financial institutions, investment securities, placement with bank and financial institutions, property and equipment, goodwill and intangible assets, investment properties etc.

**8. Personnel Expenses**

All expenses related to employees of an institution shall be included under this head. Expenses covered under this head include employees' salary, allowances, pension, gratuity, contribution to provident fund, training expenses, uniform expenses, insurance, staff bonus, finance expense under NFRSs, cash-settled share-based payments etc.

**9. Other Operating Expenses**

All operating expense other than those relating to personnel expense are recognized and presented under this account head. The expenses covered under this account head shall include office administration expense, other operating and overhead expense, directors' emoluments, remuneration and non audit fee paid to auditors, professional and legal expense, branch closure cost expense, redundancy cost expense, expense of restructuring, impairment of non financial assets, expense of corporate social responsibility, onerous lease provisions etc.

**10. Depreciation and Amortization**

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

**11. Non Operating Income/Expense**

The income and expenses that have no direct relationship with the operation of transactions shall be presented under this head. The income/expense covered under this account head shall include loan written off, recovery of loan, redundancy provision, expense of restructuring etc

**12. Income Tax Expense**

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

**Brief Explanations on Accounting Heads of the Statement of Other Comprehensive Income**

**1. Fair value reserve relating to investment in equity instruments**

Net changes in fair value of equity instrument that are measured at fair value and the changes in fair value is required to be recognized in other comprehensive income shall be recognized and presented under this account head. The changes may be subsequently reclassified to profit and loss in accordance with the relevant NFRSs shall also be deducted from the fair value reserve.

**2. Changes in revaluation reserve**

Changes in revalued amount of property and equipment, and intangible assets shall be presented under this account head.

**3. Cash flow hedge**

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable



forecast transaction that could affect profit or loss, the effective portion of changes in the fair value (losses) of the derivative is recognised and presented in Other comprehensive income under this account head. The changes may be subsequently reclassified to profit and loss in accordance with the relevant NFRSs shall also be deducted from the fair value reserve.

**4. Net actuarial gain/loss on defined benefit plans**

Re-measurement gain/losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and shall be presented under this account head.

**5. Income tax relating to these items**

The income tax relating to the items shown in other comprehensive income shall be presented under this head.