



मुक्तिनाथ विकास बैंक

MUKTINATH BIKAS BANK

“जनता बैंकमा होइन, बैंक जनतामा जानु पर्दछ”

INTERIM FINANCIAL STATEMENTS

As on Chaitra End, 2081

(3rd Quarter F.Y. 2024-25)



PROUD MEMBER



Muktinath Bikas Bank Limited

Condensed Consolidated Statement of Financial Position

As on Quarter ended Chaitra 2081



Figures in '000

Particulars	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending	This Quarter Ending	Immediate Previous Year Ending
Assets				
Cash and Cash Equivalent	3,748,923	3,382,291	3,480,398	3,134,540
Due from Nepal Rastra Bank	7,382,083	9,606,142	7,382,083	9,606,142
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financials Instrument	-	-	-	-
Other Trading Assets	166,346	102,940	-	-
Loans and Advances to BFIs	1,902,165	2,139,627	1,902,165	2,139,627
Loans and Advances to Customers	96,031,380	91,907,309	96,031,380	91,907,309
Investment Securities	16,321,055	14,282,403	16,290,468	14,249,248
Current Tax Assets	109,404	36,928	116,615	40,722
Investment in Subsidiaries	-	-	244,046	244,046
Investment in Associates	139,383	139,383	155,550	155,550
Investment Property	439,757	465,620	406,641	432,504
Property and Equipment	2,174,554	2,253,247	2,165,805	2,242,422
Goodwill and Intangible Assets	12,340	12,110	11,296	11,768
Deferred Tax Assets	115,992	116,306	115,801	116,115
Other Assets	786,911	740,886	732,251	667,771
Total Assets	129,330,293	125,185,193	129,034,500	124,947,764
Liabilities				
Due to Bank and Financial Institutions	754,928	769,622	754,928	769,622
Due to Nepal Rastra Bank	427,187	415,630	427,187	415,630
Derivative Financials Instrument	-	-	-	-
Deposits from Customers	113,330,953	109,693,104	113,330,953	109,758,876
Borrowings	4,166	10,417	4,166	10,417
Current Tax Liabilities	-	-	-	-
Provisions	1,300	1,300	1,300	1,300
Deferred Tax Liabilities	-	-	-	-
Other Liabilities	2,221,966	2,424,777	2,113,154	2,314,969
Debt Securities Issued	1,247,720	1,247,444	1,247,720	1,247,444
Subordinated Liabilities	-	-	-	-
Total Liabilities	117,988,220	114,562,293	117,879,408	114,518,256
Equity				
Share Capital	7,046,938	7,046,938	7,046,938	7,046,938
Share Premium	-	-	-	-
Retained Earnings	621,705	200,590	619,560	194,701
Reserves	3,495,682	3,195,077	3,488,594	3,187,868
Total Equity Attributable to Equity Shareholders	11,164,326	10,442,605	11,155,092	10,429,508
Non Controlling Interest	177,747	180,295	-	-
Total Equity	11,342,073	10,622,900	11,155,092	10,429,508
Total Equity and Liabilities	129,330,293	125,185,193	129,034,500	124,947,764

Muktinath Bikas Bank Limited

Condensed Consolidated Statement of Profit or Loss

For the Quarter Ended on Chaitra 2081



Figures in '000

Particular	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
			Corresponding				Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest Income	2,635,295	8,215,896	3,219,047	10,642,149	2,632,756	8,207,116	3,210,323	10,612,138
Interest Expense	1,541,059	4,921,244	2,167,725	7,481,744	1,541,059	4,921,244	2,167,725	7,481,744
Net Interest Income	1,094,237	3,294,652	1,051,322	3,160,405	1,091,697	3,285,871	1,042,598	3,130,394
Fees and Commission Income	168,589	528,029	131,557	446,743	153,705	479,333	121,168	403,793
Fees and Commission Expense	28,007	66,026	21,989	60,455	26,271	60,475	21,029	56,219
Net Fee and Commission Income	140,582	462,003	109,568	386,288	127,434	418,858	100,139	347,574
Net Interest, Fee and Commission Income	1,234,819	3,756,655	1,160,890	3,546,693	1,219,131	3,704,730	1,142,737	3,477,968
Net Trading Income	4,944	18,238	1,745	10,571	2,097	6,167	2,108	7,102
Other Operating Income	6,605	29,230	14,414	43,403	10,730	45,206	11,237	37,850
Total Operating Income	1,246,368	3,804,122	1,177,050	3,600,667	1,231,958	3,756,103	1,156,082	3,522,920
Impairment Charge/(reversal) for loans and other losses	406,657	1,233,817	(57,167)	729,156	406,657	1,233,817	(57,167)	729,156
Net Operating Income	839,711	2,570,305	1,234,217	2,871,511	825,302	2,522,286	1,213,248	2,793,764
Operating Expenses								
Personnel Expenses	339,658	1,019,574	386,853	1,035,109	333,313	999,269	381,338	1,016,089
Other Operating Expenses	108,871	303,149	131,244	347,345	106,788	294,768	128,995	338,304
Depreciation and Amortisation	69,215	195,102	58,373	179,482	68,511	193,037	57,476	176,966
Operating Profit	321,967	1,052,480	657,747	1,309,576	316,690	1,035,212	645,439	1,262,406
Non Operating Income	67	933	-	-	67	933	-	-
Non Operating Expenses	-	-	(0)	16,942	-	-	(0)	16,942
Profit before Income Tax	322,034	1,053,413	657,747	1,292,634	316,757	1,036,146	645,439	1,245,464
Income Tax Expenses								
Current Tax	98,021	321,787	196,393	386,146	95,027	311,294	193,632	373,639
Deferred Tax	-	-	-	-	-	-	-	-
Profit for the Period	224,013	731,626	461,355	906,488	221,730	724,852	451,807	871,825
Condensed Consolidated Statement of Comprehensive Income								
Profit/(Loss) for the period	224,013	731,626	461,355	906,488	221,730	724,852	451,807	871,825
Other Comprehensive Income	(9,332)	732	2,657	(21,415)	(9,332)	732	2,657	(21,415)
Total Comprehensive Income	214,680	732,359	464,011	885,072	212,397	725,584	454,464	850,409
Earnings per Share								
Basic earnings per share	-	13.84	-	17.15	-	13.71	-	16.50
Diluted earnings per share	-	13.84	-	17.15	-	13.71	-	16.50
Profit attributable to:								
Equity holders of the Bank	221,363	722,024	458,794	894,889	221,730	724,852	451,807	871,825
Non-controlling interest	2,649	9,603	2,560	11,598	-	-	-	-
Total	224,013	731,626	461,355	906,488	221,730	724,852	451,807	871,825

Muktinath Bikas Bank Ltd.

Statement of Comprehensive Income

For the Quarter ended Chaitra 2081



मुक्तिनाथ विकास बैंक लि.
MUKTINATH BIKAS BANK LTD.

Particular	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
			Corresponding				Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Profit or loss for the year	224,013	731,626	461,355	906,488	221,730	724,852	451,807	871,825
Other Comprehensive Income, Net of Income Tax								
a) Items that will not be reclassified to profit or loss								
Gains/(losses) from investment in equity instruments measured at fair value	(13,332)	1,046	3,796	(30,593)	(13,332)	1,046	3,796	(30,593)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-
Income tax relating to above items	4,000	(314)	(1,139)	9,178	4,000	(314)	(1,139)	9,178
Net other comprehensive income that will not be reclassified to profit or loss	(9,332)	732	2,657	(21,415)	(9,332)	732	2,657	(21,415)
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	(9,332)	732	2,657	(21,415)	(9,332)	732	2,657	(21,415)
Total Comprehensive Income for the Year	214,680	732,359	464,011	885,072	212,397	725,584	454,464	850,409
Total Comprehensive Income attributable to:								
Equity-Holders of the Bank	212,031	722,756	461,451	873,474	212,397	725,584	454,464	850,409
Non-Controlling Interest	2,649	9,603	2,560	11,598	-	-	-	-
Total Comprehensive Income for the Year	214,680	732,359	464,011	885,072	212,397	725,584	454,464	850,409
Earnings per Share								
Basic earnings per share		13.84		17.15		13.71		16.50
Diluted earnings per share		13.84		17.15		13.71		16.50

Ratios as per NRB Directives

Particular	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
			Corresponding				Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Capital fund to RWA		12.36%		12.15%		12.36%		12.15%
Tier I Capital to RWA		10.19%		9.28%		10.19%		9.28%
CET I Capital to RWA		10.19%		9.28%		10.19%		9.28%
Non-performing loan (NPL) to Total Loan		4.41%		2.02%		4.41%		2.02%
Total loan loss provision to Total NPL		90.92%		141.26%		90.92%		141.26%
Cost of Funds		5.31%		7.46%		5.31%		7.46%
Credit to Deposit Ratio		87.46%		85.89%		87.46%		85.89%
Base Rate (Quarterly Average)		7.42%		10.04%		7.42%		10.04%
Interest Rate Spread		4.59%		4.59%		4.59%		4.59%
Return on Assets		0.77%		0.94%		0.76%		0.91%
Return on Equity		9.03%		12.42%		8.96%		11.94%

Muktinath Bikas Bank Limited

Consolidated Statement of Cash Flows

For the Quarter ended Poush 2081



Particulars	Group		Bank	
	Upto This Quarter	Corresponding Previous Year Upto this Quarter	Upto This Quarter	Corresponding Previous Year Upto this Quarter
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest Received	7,728,355	9,942,821	7,719,575	9,912,810
Fee and Other Income Received	528,029	446,743	479,333	403,793
Dividend Received	-	-	-	-
Receipts from Other Operating Activities	48,401	53,974	52,307	44,952
Interest Paid	(4,921,244)	(7,481,744)	(4,921,244)	(7,481,744)
Commissions and Fees Paid	(66,026)	(60,455)	(60,475)	(56,219)
Cash Payment to Employees	(1,019,574)	(1,035,109)	(999,269)	(1,016,089)
Other Expenses Paid	(1,536,966)	(1,166,103)	(1,528,585)	(1,157,062)
Operating Cash Flows before Changes in Operating Assets and Liabilities	760,974	700,128	741,642	650,441
(Increase)/Decrease in Operating Assets				
Due from Nepal Rastra Bank	2,224,059	(712,323)	2,224,059	(712,323)
Placement with Banks and Financial Institutions	-	-	-	-
Other Trading Assets	(63,406)	(52,089)	-	-
Loans and Advances to Bank and Financials Institutions	237,462	224,442	237,462	224,442
Loans and Advances to Customers	(4,124,071)	1,600,581	(4,124,071)	1,600,581
Other Assets	(118,187)	297,377	(140,060)	286,502
Increase/(Decrease) in Operating Liabilities				
Due to Banks and Financials Institutions	(14,694)	(1,331,563)	(14,694)	(1,331,563)
Due to Nepal Rastra Bank	11,557	206,627	11,557	206,627
Deposit from Customers	3,637,849	(5,891,670)	3,572,077	(6,044,362)
Borrowings	(6,250)	(6,251)	(6,250)	(6,251)
Other Liabilities	(202,811)	211,909	(201,815)	(451,538)
Net Cash Flow from Operating Activities before Tax Paid	2,342,483	(4,752,832)	2,299,907	(5,577,443)
Income Tax Paid	(321,787)	(386,146)	(311,294)	(373,639)
Net Cash Flow from Operating Activities	2,020,696	(5,138,978)	1,988,613	(5,951,082)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investment Securities	(2,037,605)	(1,065,774)	(2,040,174)	(1,065,774)
Receipts from Sale of Investment Securities	-	6,728,411	-	6,573,661
Purchase of Property and Equipment	(116,409)	(300,505)	(116,419)	(299,499)
Receipts from Sale of Property and Equipment	-	-	-	-
Purchase of Intangible Assets	(230)	-	-	-
Receipts from Sale of Intangible Assets	-	2,095	472	2,051
Purchase of Investment Properties	-	-	-	-
Receipts from Sale of Investment Properties	-	-	-	-
Interest Received	614,937	872,201	614,937	872,201
Dividend Received	15,128	6,722	32,516	6,722
Net Cash Used in Investing Activities	(1,524,179)	6,243,150	(1,508,668)	6,089,362
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from Issue of Debt Securities	-	-	-	-
Repayments of Debt Securities	-	-	-	-
Receipts from Issue of Subordinated Liabilities	-	-	-	-
Repayments of Subordinated Liabilities	-	-	-	-
Receipt from Issue of Shares	-	-	-	-
Dividends Paid	(915)	(32,949)	-	(32,949)
Interest Paid	-	-	-	-
Other Receipts/Payments	(128,970)	(236,003)	(134,087)	(235,973)
Net Cash from Financing Activities	(129,885)	(268,952)	(134,087)	(268,923)
Net Increase (Decrease) in Cash and Cash Equivalents	366,632	835,220	345,858	(130,642)
Cash and cash equivalents at Shrawan 1	3,382,291	5,326,085	3,134,540	5,268,540
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-	-	-
Cash and cash equivalents at Quarter End	3,748,923	6,161,305	3,480,398	5,137,898

Muktinath Bikas Bank Limited

Condensed Consolidated Statement of Changes in Equity

For the period from Shrawan 1st 2081 to Chaitra end 2081



Particulars	Group											Non-Controlling Interest	Total Equity
	Attributable to Equity-Holders of the Bank												
	Share Capital	Share Premium	General Reserve	Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Staff Skill Development Fund	Other Reserve	Total		
Balance at Shrawan 01	6,420,900	-	1,481,106	2,614	665,752	(9,077)	-	655,194	17,123	115,475	9,349,087	165,628	9,514,715
Adjustment/(Restatement)	-	-	-	-	-	-	-	(71,163)	-	-	(71,163)	(33)	(71,196)
Profit for the year	-	-	-	-	-	-	-	1,203,471	-	-	1,203,471	14,712	1,218,183
Other Comprehensive Income, Net of Tax	-	-	-	-	-	(17,870)	-	-	-	12,047	(5,823)	-	(5,823)
Total Comprehensive Income for the year	-	-	-	-	-	(17,870)	-	1,203,471	-	12,047	1,197,648	14,712	1,212,360
Transfer to Reserves during the year	-	-	237,498	133	487,602	-	-	(941,414)	4,195	211,986	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	13,490	-	(13,507)	(18)	(12)	(30)
Contributions from and distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
• Bonus Shares Issued	626,038	-	-	-	-	-	-	(626,038)	-	-	-	-	-
• Cash Dividend Paid	-	-	-	-	-	-	-	(32,949)	-	-	(32,949)	-	(32,949)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	626,038	-	-	-	-	-	-	(658,987)	-	-	(32,949)	-	(32,949)
Balance at Previous year end	7,046,938	-	1,718,603	2,747	1,153,354	(26,946)	-	200,590	21,318	326,001	10,442,605	180,295	10,622,900
Balance at Shrawan 01	7,046,938	-	1,718,603	2,747	1,153,354	(26,946)	-	200,590	21,318	326,001	10,442,605	180,295	10,622,900
Adjustment/(Restatement)	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	722,024	-	-	722,024	9,603	731,626
Other Comprehensive Income, Net of Tax	-	-	-	-	-	732	-	-	-	-	732	-	732
Total Comprehensive Income for the year	-	-	-	-	-	732	-	722,024	-	-	722,756	9,603	732,359
Transfer to Reserves during the year	-	-	144,970	-	(38,534)	-	-	(305,439)	3,604	195,398	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	5,446	-	(5,566)	(120)	-	(120)
Contributions from and distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
• Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
• Cash Dividend Paid	-	-	-	-	-	-	-	(915)	-	-	(915)	(12,072)	(12,987)
Other	-	-	-	-	-	-	-	-	-	-	-	(79)	(79)
Total Contributions by and Distributions	-	-	-	-	-	-	-	(915)	-	-	(915)	(12,151)	(13,066)
Balance as at Quarter end	7,046,938	-	1,863,574	2,747	1,114,820	(26,214)	-	621,705	24,922	515,833	11,164,446	177,747	11,342,073

Muktinath Bikas Bank Limited

Condensed Consolidated Statement of Changes in Equity

For the period from Shrawan 1st 2081 to Chaitra end 2081



Bank														
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	Staff Skill Development Fund	Other	Reserve			Total
Balance at Shrawan 01	6,420,900	-	1,477,131	2,614	665,752	(9,634)	-	673,938	17,123	-	115,233	9,363,058	-	9,363,058
Adjustment/Restatement	-	-	-	-	-	-	-	(71,113)	-	-	-	(71,113)	-	(71,113)
Profit for the year	-	-	-	-	-	-	-	1,176,335	-	-	-	1,176,335	-	1,176,335
Other Comprehensive Income, Net of Tax	-	-	-	-	-	(17,870)	-	-	-	-	12,047	(5,823)	-	(5,823)
Total Comprehensive Income for the year	-	-	-	-	-	(17,870)	-	1,176,335	-	-	12,047	1,170,512	-	1,170,512
Transfer to Reserves during the year	-	-	235,267	133	487,602	-	-	(938,961)	4,195	-	211,763	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	13,490	-	-	(13,490)	-	-	-
Contributions from and distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
• Bonus Shares Issued	626,038	-	-	-	-	-	-	(626,038)	-	-	-	-	-	-
• Cash Dividend Paid	-	-	-	-	-	-	-	(32,949)	-	-	-	(32,949)	-	(32,949)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	626,038	-	-	-	-	-	-	(658,987)	-	-	-	(32,949)	-	(32,949)
Balance at Previous year end	7,046,938	-	1,712,398	2,747	1,153,354	(27,503)	-	194,701	21,318	-	325,554	10,429,508	-	10,429,508
Balance at Shrawan 01	7,046,938	-	1,712,398	2,747	1,153,354	(27,503)	-	194,701	21,318	-	325,554	10,429,508	-	10,429,508
Profit for the year	-	-	-	-	-	-	-	724,852	-	-	-	724,852	-	724,852
Other Comprehensive Income, Net of Tax	-	-	-	-	-	732	-	-	-	-	-	732	-	732
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves during the year	-	-	144,970	-	(38,534)	-	-	(305,439)	3,604	-	195,398	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	5,446	-	-	(5,446)	-	-	-
Contributions from and distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
• Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
• Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	-	-	-	-	-	-	-	-	-	-	-	725,584	-	725,584
Balance as at Quarter end	7,046,938	-	1,857,369	2,747	1,114,820	(26,771)	-	619,560	24,922	-	515,507	11,155,092	-	11,155,092

Muktinath Bikas Bank Limited

Statement of Distributable Profit

As on Quarter ended Chaitra 2081



Figures in '000

Particulars	Current Year Upto this Qtr YTD	Previous Year Corresponding Qtr YTD
Net profit or (loss) as per statement of profit or loss	724,852	871,825
<u>Appropriations:</u>	(338,527)	(317,329)
a. General Reserve	(144,970)	(174,365)
b. Capital Redemption Reserve	(187,500)	(187,500)
c. Exchange Fluctuation Fund	(650)	(63)
d. Corporate Social Responsibility Fund	(7,249)	(8,718)
e. Employees Training Fund	(3,604)	(2,668)
f. Investment Adjustment Reserve	-	50,000
g. Other	5,446	5,985
Profit or (Loss) before regulatory adjustment	386,325	554,496
<u>Regulatory adjustment</u>	38,534	(489,530)
a. Interest receivable (-)/previous accrued interest received (+)	25,371	(440,586)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	12,872	(18,351)
e. Deferred tax assets recognised (-)/ reversal (+)	314	(9,178)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	-	-
- Gains/(losses) from investments in equity instruments	732	(21,415)
- Interest Capitalized Reserve	(756)	-
Net profit for the Quarter ended available for distribution	424,859	64,966
Opening Retained Earnings	194,701	673,938
<u>Adjustment (+/-)</u>	-	(69,631)
Distribution:	-	(658,987)
Bonus shares Issued	-	(626,038)
Cash dividend paid	-	(32,949)
Total Distributable profit or (loss) as on Quarter ended	619,560	10,286
Annualised Distributable Profit/Loss per share	8.04	1.23

Profit available for distribution upto this quarter is considered for calculating annualised distributable profit/loss per share. However, the profit available for distribution is equivalent to 8.79% of share capital.

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements



General Information

Muktinath Bikas Bank Limited ('the bank') is domiciled and incorporated in Nepal under the Companies Act, 2063 on 22nd Chaitra 2062. The Bank received the license to commence banking operations as a 'B Class' financial institution from Nepal Rastra Bank on 18th Poush, 2063. The bank is a limited liability company having its shares listed on Nepal Stock Exchange. The registered office of the Bank is situated at Kathmandu Metropolitan City-03, Lazimpat, Kathmandu, Nepal.

The group financial statement includes the Muktinath Capital Limited (formerly known as Vibor Capital Limited) which is the subsidiary of the bank and the bank's associate company, Muktinath Krishi Company Limited.

1. Basis of Preparation

The interim financial statements of the Bank have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) : NAS 34 Interim Financial Reporting pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

The interim financial statements have been prepared on the formats mandated by the Directive No. 4 of The Unified Directives as made applicable by the Nepal Rastra Bank.

The Condensed Consolidated Interim Financial Statements comprise of:

Condensed Consolidated Statement of Financial Position

Condensed Consolidated Statement of Profit or Loss,

Condensed Consolidated Statement of Other Comprehensive Income,

Condensed Consolidated Statement of Changes in Equity,

Condensed Consolidated Statement of Cash Flows

Notes to Interim Financial Statements and

Ratios as per NRB Directive

Functional and Presentation Currency

The Financial Statements of Entity are presented in Nepalese Rupees (Rs.), which is the currency of the primary economic environment in which the Entity operates.

There was no change in Entity's presentation and functional currency during the year under review.

2. Statement of Compliance with NFRS

The interim financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) : NAS 34 Interim Financial Reporting, as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and in compliance with BAFIA 2073, Unified Directives issued by Nepal Rastra Bank and all other applicable laws and regulations .

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Bank's annual financial statements.

3. Use of Estimates, Assumptions and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

4. Changes in Accounting Policies

The Bank applies its accounting policies consistently from year to year except where deviations have been explicitly mandated by the applicable accounting standards.

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements



5. Significant Accounting Policies

a. Basis of Measurement

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

Item	Basis of Measurement
• Quoted Investment Classified under Available for Sale	Fair Value
• Retired Benefit Obligation	Present value of defined benefit obligation less the fair value of the plan assets

5.1 Basis of Consolidation

a. Business Combination

Business combinations are accounted for using the acquisition method in line with the NFRS 03 "Business Combination". The consideration transferred in the acquisition and identifiable net assets acquired are measured at fair value. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

The consideration transferred does not include amount related to the settlement of pre-existing relationships. Such amount are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b. Non-Controlling Interest

Changes in the Bank's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

c. Basis of Consolidation

The Consolidate Financial Statement includes the financials of the subsidiary from the date the control commences until the date that control ceases. In preparing the consolidated financial statements, the financial statements are combined by adding the like items of assets, liabilities, equity, income, expenses and cash flows of the parent line by line with those of its subsidiary and eliminating the transaction with the companies within the group.

The consolidation of the group has been carried using NFRS 10 : Consolidated Financial Statements by applying the carve out issued by the Institute of Chartered Accountants of Nepal which states: "A parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances unless it is impracticable to do so."

Investments in associates are accounted for in financial statements as per equity method although associate's financial statements are not prepared using uniform accounting policies for like transactions and events in similar circumstances as it is impracticable to do.

d. Loss of Control

When the Group loses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any-related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former Subsidiary is measured at fair value when control is lost and is accounted depending on the level of control retained.

e. Transaction elimination on consolidation

Intra-group balances, transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements

5.2 Cash & Cash Equivalent

Cash and cash equivalent comprise 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 period 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 bank in the management of its short-term commitments.

The cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with banks, money at call and money market funds.

5.3 Financial Assets and Financial Liabilities

Recognition

The Bank recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities which are carried at fair value through profit or loss (FVTPL), are charged to the statement of profit and loss.

Classification

The financial assets and liabilities are subsequently measured at amortized cost or fair value on the basis of business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are classified under three categories as required by NFRS 9, namely:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI).

Equity Instrument which are not held for trading and initially recognized as held for trading for which the bank makes an irrevocable election to carry the changes in fair value of the instrument through OCI are measured at Fair Value through other Comprehensive Income.

Measured at fair value through profit or loss:

The bank classifies the financials assets as fair value through profit or loss if they are held for trading or designated at fair value through profit or loss.

Any other financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL.

Financial liabilities are classified under three categories as required by NFRS 9, namely:

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 at fair value through profit or loss. Upon initial recognition, transaction cost are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss.

Financial liabilities measured at amortised cost:

All financial liabilities other than measured at fair value through profit or loss are classified as subsequently measured at amortized cost using effective interest method.

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements



De-recognition

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Determination of Fair Value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The banks follows three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets ;

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable or valuations of quoted for similar instrument in active markets or quoted prices for identical or similar instrument in inactive markets ; and

Level 3: Significant inputs to the fair value measurement are unobservable.

Investment in Unquoted Equity Instrument are carried cost as the market price of such shares could not be ascertained with certainty at the reporting date.

Impairment

The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be provided in the Statement of Profit or Loss. The Management's judgement is extensively used in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and hence actual results may differ, resulting in future changes to the provisions made.

The individual impairment provision applies to financial assets evaluated individually for impairment and is based on Management's best estimate of the present value of the future cash flows that are expected to be received. In estimating these cash flows, Management makes judgements about the number of factors including a borrower's financial situation and the net realisable value of any underlying collateral.

A collective impairment provision is established for:

- groups of homogeneous loans and advances and investment securities which are held-to-maturity, that are not considered individually significant; and
- groups of assets that are individually significant but that were not found to be individually impaired.

Provision as per ECL Guidelines, 2024

The Bank has recognized impairment on loans and advances as the higher of total impairment calculated as per NFRS 9 and existing regulatory provisions as per NRB Directive in accordance to the ECL Guidelines, 2024 issued by NRB.

5.4 Trading Assets

Financial assets are classified as trading assets (held for trading) if they have been acquired principally for the purpose of selling in the near term, or form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short- term profit taking. They are recognised on trade date, when the bank enters into contractual arrangements with counterparties, and are normally derecognised when sold. They are initially measured at fair value, with transaction costs taken to profit or loss. Subsequent changes in their fair values are recognised in profit or loss in 'Net trading income'.

5.5 Derivative Assets and Derivative Liabilities

Derivative instruments includes transactions like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes. Derivative financial instruments are initially measured at fair value on the contract date and are subsequently re-measured to fair value at each reporting date.

The bank do not have any derivative instrument during the reporting period.

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements



5.6 Property and Equipment

Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

Depreciation: The Bank depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Type of Asset	Useful Life
Buildings	50 Years
Leasehold Properties	8 Years
Computer & Accessories	5 Years
Vehicles - Two Wheeler	5 Years
- Four Wheeler	7 Years
Furniture & Fixtures	5 Years
Equipment & Others - Equipment	5 Years
- Others	2 Years
Intangibles Assets	5 Years

The Bank adopts cost model for entire class of property and equipment. The bank has not measured the any property and plant at revaluation model and at fair value. The items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Assets having acquisition cost less than or equal NPR 10,000 have been written off as an expense in the Statement of Profit or Loss.

5.7 Goodwill/Intangible Assets

Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired in Business Combination is recognised as goodwill. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Intangible assets are recognised separately from goodwill when they are separable or arise from contractual or other legal rights, and their fair value can be measured reliably. These intangible assets are recognised at historical cost less impairment less amortisation over their estimated useful life.

5.8 Investment Property

Investment properties include land or land and buildings other than those classified as property and equipment and non-current assets held for sale. Generally, it includes land, land and building acquired by the Bank as non-banking assets but not sold as on the reporting date.

The Bank holds investment property that has been acquired through enforcement of security over the loans and advances.

5.9 Income Tax

Tax expenses comprises of current tax and deferred tax.

a. Current Tax

Current tax is the 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. Current tax is the amounts expected 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.

b. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when the group has a legal right to offset.

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements

5.10 Deposit, debt securities issued and subordinated liabilities

a. Deposits:

Deposits by banks & customers are financial liabilities of the bank as there is an obligation to deliver cash or financial assets back to the depositing bank or customer and are initially recognised at fair value, plus for those financial liabilities not at fair value through profit and loss. The transaction price is considered as the fair value for measuring the deposits.

b. Debt Securities Issued

Debt Securities are initially measured at the fair value less incremental direct cost and subsequently at their amortised cost using effective interests method except where the bank designates liabilities at fair value through profit or loss.

c. Subordinate Liabilities

These are the liabilities subordinated, at the event of winding up, to claims of depositors, debt securities issued and other creditors. It shall include redeemable preference shares, subordinated notes issued, borrowings etc. During the reporting period the bank did not have any such liabilities.

5.11 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 recognised 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates and are reversed if there is not the probability of outflow of resources.

The contingent liability are the liabilities for which it is uncertain as to whether it will become an obligation as it depends on the occurrence of an uncertain future event. These amounts are off-balance sheet items and are disclosed when there is a possible obligation that may but probably will not require an outflow of resources.

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.

5.12 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Bank and the consideration can be reliably measured. The following specific recognition criteria shall also be met for revenue recognition:

a. Interest Income

Interest income are recognised in profit or loss for all interest bearing instruments on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the expected estimated future cash payments and receipts through the expected life of the financial asset or liability. Where financial assets have been impaired, interest income continues to be recognised on the Gross value, based on the original effective interest rate.

b. Fee and Commission Income

Fees and commissions are generally recognised on an accrual basis when the service has been provided.

c. Dividend Income

Dividend income received from equity shares is recognized in the books when the bank's right to receive the dividend is established.

d. Net Trading Income

Net Trading Income includes all gains and losses from changes in fair value, related capital gain/loss and dividend from financial assets 'Held for Trading'. Trading expenses are deducted from the trading income and the amount net of trading expenses are disclosed in statement of profit and loss.

e. Net Income from Other Financial Instrument at Fair Value Through Profit or Loss

Net income from other financial instrument measured at fair value through Profit or Loss includes all gains/(losses) arises from the revaluation of financial instrument at fair value.

f. Interest Expenses

Interest expense on all financial liabilities including deposits are recognized in profit or loss using effective interest rate method.

The Bank uses ASB curve- outs as mentioned in 2.6 above and treat coupon rate as effective interest rate.

5.13 Employee Benefits

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements



a. Short term employee benefits

The Bank's short term employee benefits mainly include wages, salaries, allowances, social security expenses, bonuses as provided in the law and other employee related expenses. Short term employee benefits are measured on an undiscounted basis and are charged to statement of profit and loss as and when the related service is provided.

b. Long term employee benefits

i. Defined Contribution Plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees which the bank contributes fixed percentage of the salary to the Employee's Provident Fund. The Bank has no further obligations under these plans beyond its periodic contributions.

ii. Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on corporate bonds, that have maturity dates approximating the terms of the bank's obligation and that are denominated in the currency in which the benefits are expected to be paid.

The defined benefit obligation is recognised on the basis of the report of qualified actuary using the projected unit credit method. The bank recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefits plans in employee benefit are expensed in profit and loss account. When the calculation results in a potential assets for the group, the recognized assets is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Measurements of the net defined benefit liability comprise actuarial gains and losses. The return on plan assets (excluding interest income) and the effect of the assets ceiling (if any excluding interest) are recognized immediately in Other Comprehensive Income. The bank determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefits liability (assets), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefits payments. Net interest expenses and other expenses related to defined benefit plans are recognized as personnel expenses in Statement of profit and Loss.

The Bank provides gratuity and leave encashment as the defined benefits plans to its employees.

5.14 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.

a. As a lessee

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its cost of fund rate as the discount rate.

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements



b. Short-term leases and leases of low-value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

5.15 Foreign Currency Translation

The financial statements are presented in Nepalese Rupees which is the functional and presentation currency of the Bank.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

5.16 Share Capital and Reserves

Shares are classified as Equity when the Bank has an unconditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Bank and there is no contractual obligation whatsoever to that effect. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments considering the tax benefits achieved thereon.

Dividends on ordinary shares and preference shares classified as equity are recognized in equity in the period in which they are declared.

Reserves are the allocation out of profit or retained earnings. These are created as statutory requirement, accounting standard requirement and bank's own requirement.

6. Related Party Disclosure

Name of the Related Party	Relationship
Muktinath Capital Limited	Subsidiary Company
Muktinath Krishi Company Limited	Associate Company
Bharat Raj Dhakal	Chairman
Narayan Kumar Shrestha	Director
Bharat Prasad Lamsal	Director
Binod Kumar Sharma	Director
Saroja Shrestha (Koirala)	Director
Umesh Kumar Acharya	Independent Director
Pradyuman Pokharel, Chief Executive Officer	Key Managerial Personnel
Samir Sekhar Bajracharya, Deputy Chief Executive Officer	Key Managerial Personnel
Til Bahadur Gurung, Assistant Deputy Chief Executive Officer	Key Managerial Personnel
Govinda Bahadur Raut, Assistant Chief Executive Officer	Key Managerial Personnel

ii. Related Party Transactions

The related parties of the Bank which meets the definition of related parties as defined in NAS 24 Related Party Disclosures are as follows:

Key Management Personnel (KMP) are those persons having authority and responsibility of planning, directing and controlling the activities of the entity, directly or indirectly including any director. The key management of the Bank includes members of its Board of Directors, Chief Executive Officer, and other higher level employee of the Bank. The name of the key management personnel who were holding various positions in the office during the year were as follows:

Board of Directors Allowances and Facilities

Particulars	No of Meetings	Sitting Fees
Board Meeting	29	1,347,000
Audit Committee Meeting	6	114,000
Risk Management Committee	4	76,000
Assets Money Laundering Prevention Committee	5	50,000
Building Management Committee	2	15,000
Employees Facilities Committee	3	-
Total		1,602,000

In additions to above, Directors are entitled to receive the telephone expenses, internet and newspaper facility of Rs. 8,000 each month.

Muktinath Bikas Bank Limited

Notes to Interim Financial Statements



Subsidiary and Associate Company

The transaction with the subsidiary and associate company during the year are as follows:

Particulars	Nature of Relationship	Nature of Transaction	Amount
Muktinath Capital Limited	Subsidiary	Deposits Outstanding	48,916,672
Muktinath Capital Limited	Subsidiary	Interest Paid	1,848,603
Muktinath Krishi Company Limited	Associate	Deposits Outstanding	3,815,988
Muktinath Krishi Company Limited	Associate	Interest Paid	113,493

7. **Dividends paid (aggregate or per share) separately for ordinary shares and other shares.**

No dividends have been paid during the reporting period.

8. **Events after interim period**

There were no material events subsequent to the date of the condensed statement of financial position that require disclosure or adjustments to the unaudited interim financial statements.

9. **Effect of changes in the composition of the entity during the interim period merger including and acquisition**

There were no changes in the composition of the Bank for the reporting period ended Chaitra 2081.

10. **Additional Disclosures - Concentration of Borrowings and deposits**

A. Concentration of Borrowings

Particulars	Current Year	Previous Year
Borrowings from 10 largest lenders	419,796,248	426,046,248
% of borrowings from ten largest lenders to total deposits	0.37%	0.20%

B. Concentration of Credit Exposures

Particulars	Current Year	Previous Year
Total exposures to twenty largest borrowers		
a. As per group(related party)	6,649,370,065	5,765,527,645
b. As per individual customer	4,395,017,902	4,012,592,425
Percentage of exposures to twenty largest borrowers to total loans and advances		
a. As per group(related party)	6.67%	5.92%
b. As per individual customer	4.41%	4.12%

C. Concentration of Deposits

Particulars	Current Year	Previous year
Total deposits from twenty largest depositors		
a. Group-wise	13,343,759,982	11,907,247,230
b. As per individual customers	4,478,747,940	3,545,000,000
Percentage of deposits from twenty largest depositors to total deposits		
a. Group-wise	11.72%	10.81%
b. As per individual customers	3.94%	3.22%

Muktinath Bikas Bank Ltd.

Disclosure Pursuant to Securities Registration and
Issue Regulation 2073, (Rule 26(1), Annexure 14



मुक्तिनाथ विकास बैंक लि.
MUKTINATH BIKAS BANK LTD.

1. Financial Statement

- a) The Nepal Financial Reporting Standard (NFRS) compliant financial statement of the third quarter has been published along with this report.

b) Transaction with Related Parties

The Group comprises of Muktinath Bikas Bank Limited (the Bank), Muktinath Capital Limited (Subsidiary) & Muktinath Krishi Company Limited (Associate). The transactions with related parties are as follows:

Particulars	Relationship	Deposits	Interest
Muktinath Capital Ltd	Subsidiary	48,916,672	1,848,603
Muktinath Krishi Company Ltd	Associates	3,815,988	113,493

c) Key Financial Indicators

Earnings Per Share (NPR)	13.71	Liquidity Ratio	23.14%
Price Earnings Ratio (Times)	26.30	Return on Equity	8.66%
Net Worth Per Share (NPR)	158.30	Total Assets Value Per Share (NPR)	1,831.07

2. Management Analysis

The business environment remains challenging with low morale among business sectors. Even though the interest rates have declined to their lowest levels, the demand for loans is still stagnant. This situation is attributed to subdued business activity, reduced income and cash flow in the market. Nevertheless, the Bank has focused on ensuring optimum business growth and debt recovery with maximum efficiency to achieve optimal returns, all while prioritizing long-term sustainability and fostering resilience in a challenging economic environment. Furthermore, the Bank is dedicated to managing risks effectively, delivering exceptional customer service, maximizing returns and intensifying recovery efforts to strengthen its financial position.

As at third quarter end, the Bank has registered profitability of NPR of 72.49 million. Due to challenges in debt recovery the non-performing assets have increased to 4.41% from 2.02% in the previous period. On the liquidity and capital front, Bank's position continues to remain stronger.

3. Details Related to Legal Proceedings

- a) No information regarding the lawsuit by or against the Bank has been filed during the period under review except for the regular cases of debt recovery.
- b) No information regarding the lawsuit on account of violation of prevailing laws or commission of criminal offences have been filed against the promoter or director of the Bank during the quarterly period under review.
- c) No information regarding the lawsuit of financial fraud/crime has been filed against the promoters and management team of the Bank during the quarterly period under review.

4. Analysis of Bank's Share Transaction

- a) The shares of the Bank are listed on Nepal Stock Exchange. The Bank's share price is determined by the market's movement and the Bank's management is neutral in this regard.
- b) The Bank has complied with all the prevailing norms of SEBON and directives issued by NRB.
- c) Details of share transactions during the quarter are as follows:

Muktinath Bikas Bank Ltd.

Disclosure Pursuant to Securities Registration and
Issue Regulation 2073, (Rule 26(1), Annexure 14



मुक्तिनाथ विकास बैंक लि.
MUKTINATH BIKAS BANK LTD.

Price History		Transaction History	
Maximum Price	396	No. of Shares Transacted	2,294,713
Minimum Price	351.2	No. of Transaction	12,701
Closing Price	360.55	Total Days Transacted	56

(Source: - www.nepalstock.com.np)

5. Problems and Challenges

The internal, external problems and challenges faced by the Bank are as follows:

a) Internal Challenges:

- Challenges in the recovery of problematic loans.
- Challenges in business growth due to low credit demand.
- Challenges in increasing non-interest income.
- Challenges in retaining skilled manpower.
- Increase in credit risk and operation risk.

b) External Challenges:

- Stiff competition among Banks & Financial Institutions.
- Changes in regulatory provisions.
- Risk of increase in non-performing loans.
- Risk of cyber security.

c) Strategy

The Bank with its strong brand name emphasizes to preserve & strengthen the relationship with its valued customers & stakeholders by,

- Optimizing utilization of assets and resources of the Bank.
- Developing a comprehensive risk management framework and its effective implementation.
- Maintaining the assets quality.
- Embracing digital banking in every service area possible.
- Developing quality human resources through robust training and development.

6. Corporate Governance

The Bank is committed to maintaining the highest level of ethical standards, corporate governance, and compliance. The board of directors and management strictly comply with all the regulatory norms issued by NRB and various other regulatory authorities. Further, the Bank adheres to all the regulatory and legal requirements and the industry best practices.

7. Declaration by CEO

I, the CEO of the Bank, take responsibility for the truthfulness of the information disclosed in this report to the best of my knowledge. Further, the information disclosed herein is true and fair and has not knowingly concealed any material information which may affect the decision of the investor.

Chief Executive Officer
Pradyuman Pokharel

Dated: 19th April, 2025