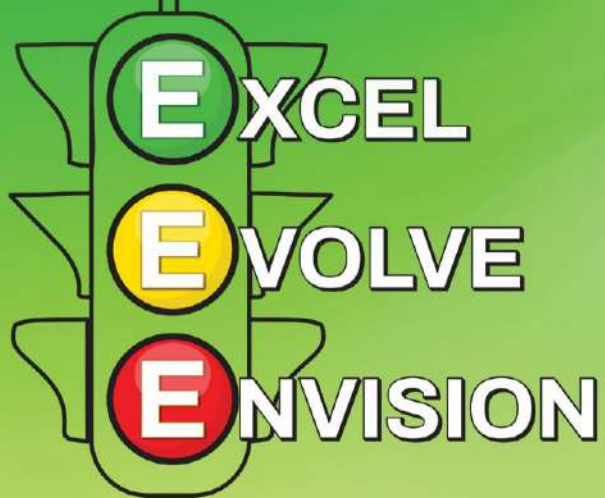






FEEDBACK

Your valuable feedback is integral to the continuous improvement of our annual report.

Please mail us your comments to
info@muktinathbank.com.np



Scan to view
 this Report

About the Report

Muktinath Bikas Bank is delighted to present its 19th Annual Report for the financial year 2081-82. This report aims to provide stakeholders with a comprehensive view of the Bank's operations, performance, resources, both financial and non-financial and its strategy for creating long-term value. Over the years, our reporting has evolved to go beyond numbers, reflecting transparency, accountability, and a compelling story of how robust governance drives sustainable value. It provides a holistic view of the Bank's performance, offering insights into its primary activities, strategic priorities, risks and mitigants, governance framework, the way it has leveraged the six capitals, Financial, Human,

Intellectual, Manufactured, Social and Relationship, and Natural highlighting corporate governance, board and management structures, business policies, operational systems and our solid commitment to stakeholders. Our reporting approach has evolved to emphasize transparency and accountability, presenting a clear and compelling story of how robust governance drives lasting value for all stakeholders. This report offers a comprehensive view of our performance, highlighting corporate governance, board and management structures, business policies, operational systems and our steadfast commitment to our stakeholders.

REPORTING PERIOD

The information presented in this report pertains to the period from 1st Shrawan 2081 to 32nd Asar 2082 (16th July 2024 to 16th July 2025).

REPORTING BOUNDARY

The financial information contained in the report relates to Muktinath Bikas Bank and its Group Companies, namely Muktinath Capital Limited (Subsidiary) and Muktinath Krishi Company Limited (Associates). Non-financial information presented within the report unless explicitly stated refers to information relating to the Bank only.

REPORTING STANDARDS AND PRINCIPLES

The statutory reports presented in this report complies with the requirement of:

- The financial statements have been prepared in accordance with requirements prescribed under Directive 4 of the NRB unified Directives.
- The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Nepal Financial Reporting Standards and NRB Guidelines.
- This report also contains disclosures required by Companies Act, 2063, Bank and Financial Institution Act, 2073 and disclosure pursuant to Securities Exchange Board of Nepal.

RESPONSIBILITY STATEMENT

The Bank acknowledges the integrity of the information provided in this Annual Report and believes that the Report is a fair representation of its financial and non-financial performance in FY 2081-82. The Board is apprised of the report's alignment with the framework and acknowledges that the information provided in the report has been reviewed and approved by the management.



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About Muktinath

Driven by our purpose of "empowering individuals and businesses financially to foster the prosperity of the common populace in the country", we embarked on our journey on January 3, 2007. Starting operations in Putalibazar, Syangja as a 3 District Development Bank licensed by Nepal Rastra Bank, we initially served the Syangja, Kaski, and Tanahun districts. With our transition to a National Level Development Bank in July 2015, we have established a strong presence in the Nepalese banking sector by emerging as a leading Development Bank.

Our deep-rooted values for social inclusion through assess to finance with core principal of "जनता बैंकमा होइन, बैंक जनतामा जानु पर्दछ" (instead people, Bank should go to the doors of the people), we prioritized establishing branches in rural regions of Nepal with pressing demand for banking services. Our popularity within the local community can be attributed by customer-friendly offerings and our door-to-door services. We introduced Microfinance program, targeted to local MSMEs with dedicated department and people at all levels to support economically disadvantaged yet highly productive individuals with potentials. Pioneering an innovative approach, we are believed to be the first to seamlessly cater to both commercial and microfinance clients living up our mission of inclusive financial service provider for all the stakeholder's

wellbeing. As the expansion into financially viable regions with unwavering approach in assisting communities and customers, we take pride in being acknowledged as a key contributor to the country's socioeconomic development with our involvement in micro and rural financing with value added services and funding initiatives of National importance.

Through our unrelenting pursuit of productive sector exposure, resource mobilization and technological adaptation, we stay dynamic while contributing to the creation of new opportunities. However, amidst this adaptability, we anchor ourselves in enduring principles to earn and uphold trust as our commitment to all our stakeholders. Our steadfast dedication lies in cultivating relationship that yields benefits for all stakeholders, encompassing customers, shareholders, regulators, communities and our own team.

We received international recognition in 2020 AD when we were awarded the esteemed European Microfinance Award 2020 for our dedicated commitment to accomplishing goal of financial inclusion and financial accessibility for rural communities. We received numerous awards and acclaims for our services till date, which has actually humbled our dream for building a socially and ecologically sustainable future.

In line with the broader trend in the banking sector, we have our primary emphasis on six key dimensions of: Finance, Operations, Technology, Organization, Business Model and reputation. There is a recognized imperative to be thoroughly examined and ensure the relevance of our Business Model, particularly to enhance short-term resilience and foster long-term sustainable growth. Our General Banking division provides an extensive array of financial services catering

to both the public and institutions. Ranging our services from deposit acceptance, corporate and retail credit, project financing, hire purchase financing, trade financing, personal and corporate banking, and various other supplementary services with primary goal to offer a secure and convenient means for individuals and businesses to oversee and access their funds, facilitating their diverse financial requirement.

Our distinct yet pioneer framework of inclusive financial services, encompassing Micro Banking, Impact (partnership) Banking, and Wholesale Banking with fundamental goal of inclusive banking to facilitate financial intermediation by offering diverse and affordable financial services, ensuring accessibility to people from all walks of life.

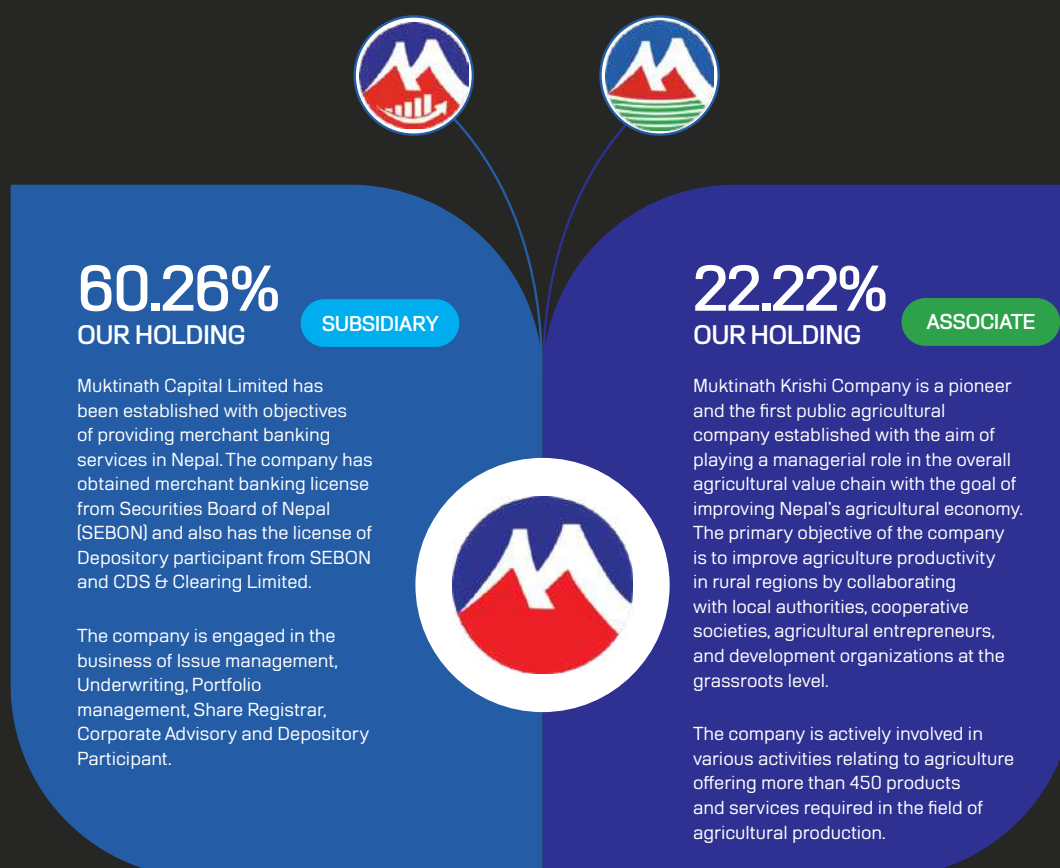
Group Structure

Our visionary approach to being a wholistic financial service provider was possible with the establishment of Muktinath Capital Limited within our ecosystem. Muktinath Capital Limited stands as one of the premium investments and merchant bank in Nepal, offering a range of services including share registrar,

issue management, underwriting, depository, portfolio management and advisory services.

Further we are strengthening the link between strategy and sustainability with the establishment of "Muktinath Krishi Company". It is an associate company of Muktinath Bikas Bank

standing as a trailblazer, being the first public agriculture company with objective of managerial role in the complete agricultural value chain through initiatives in "Krishak sanga Muktinath" and "Upabhokta sanga Muktinath" within regulatory framework of the country.



Corporate Information

Name of the Company	Muktinath Bikas Bank Ltd.
Legal Form	Public Limited Company registered on Chaitra 22, 2062 (April 4, 2006) Listed with Nepal Stock Exchange
Company Registration Number	956/062/063
Business Commenced On	Poush 19, 2063 (January 03, 2007)
Central Office	Lazimpat-03, Kathmandu, Nepal
Contact No.	+977-01-5970887 16600149999 18102149999
Website	www.muktinathbank.com.np
Email	info@muktinathbank.com.np
Chairman	Mr. Khim Prakash Malla
Chief Executive Officer	Mr. Pradyuman Pokharel
Company Secretary	Mr. Dandapani Dhakal
Chief Financial Officer	Mr. Sanjiv Poudel
Subsidiary Company	Muktinath Capital Limited Narayanchaur, Naxal, Kathmandu, Nepal
Associate Company	Muktinath Krishi Company Limited Basundhara, Kathmandu, Nepal
Statutory Auditors	A.P. & Associates Chartered Accountants Kupondole, Lalitpur, Nepal
Credit Rating Agency	CARE Ratings Nepal Limited Star Mall, 5th Floor, Putalisadak, Kathmandu, Nepal
Debenture Trustee	Sanima Capital Limited Sama Marga, Narayanchaur, Naxal, Kathmandu, Nepal
No. of Branches	174
No. of Extension Counters	5
No. of ATMs	22



Muktinath Universe

179
Branch Outlets

7
Provinces Covered

48
Districts Covered

1,462,002
Deposit Accounts

65,896
Loan Accounts

49.33%
Women Borrowers

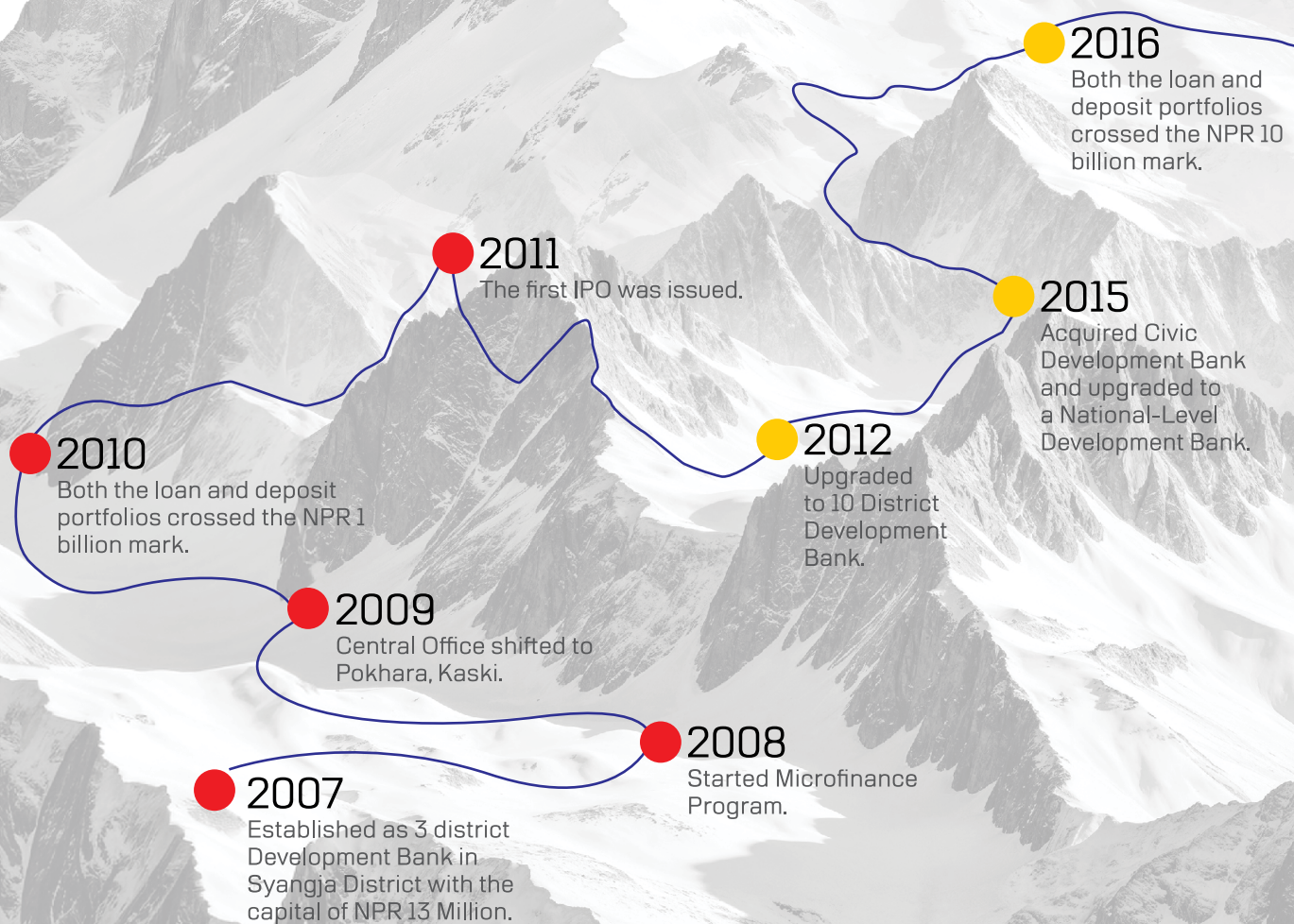
839,443
Mobile Banking Users

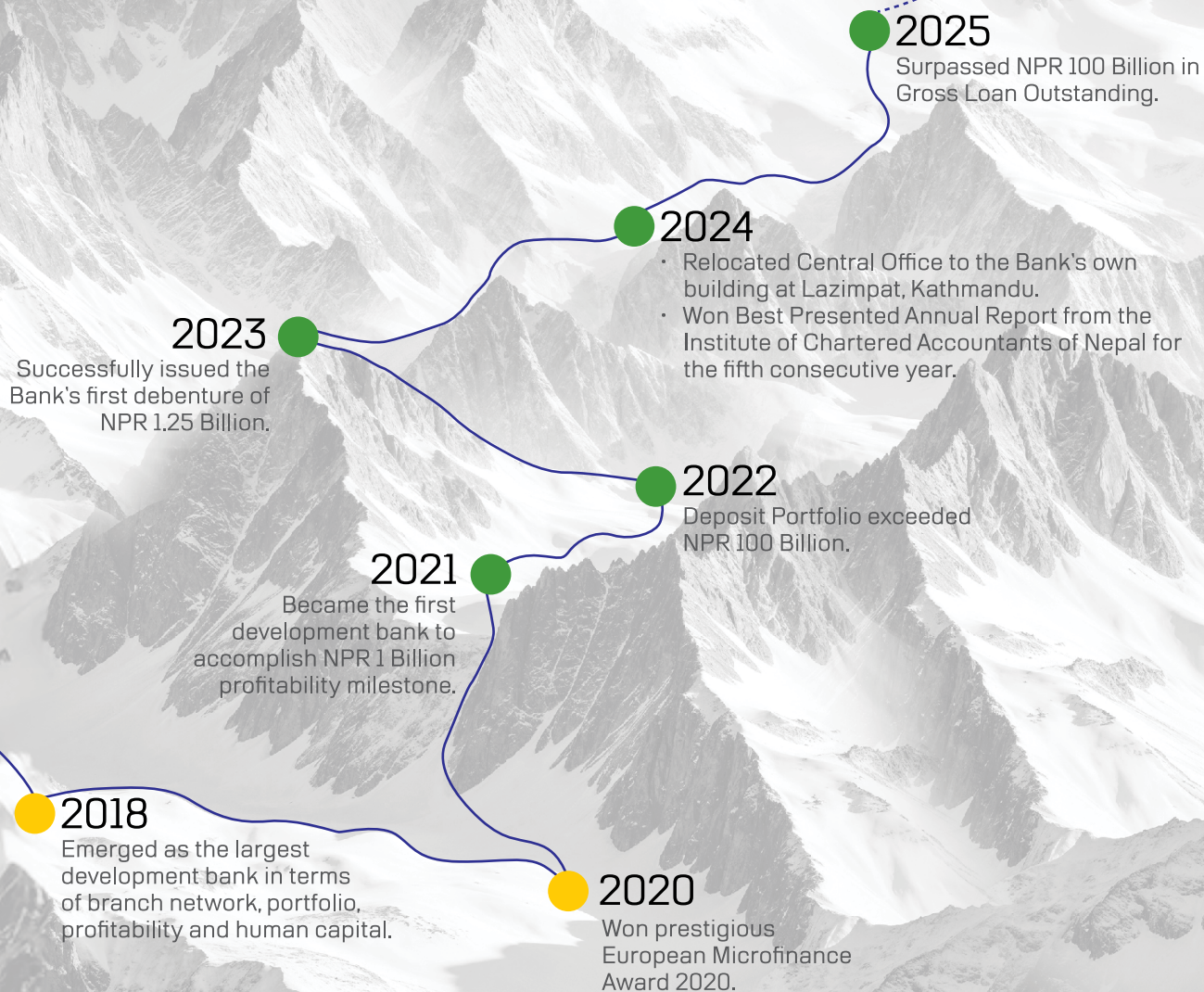
82,717
Internet Banking Users

258,268
Debit Card Users

65,612
QR Merchants

Our Trail of Accomplishments





Purpose, Vision, Mission & Values

Purpose (उद्देश्य)

Empowering individuals and businesses financially to foster the prosperity of the common populace in the country.

देशका सर्वसाधारण नागरिकहरुको व्यक्तिगत तथा व्यवसायिक वित्तीय समृद्धि ल्याउने ।

Vision (दूरदृष्टि)

To fulfill all banking needs of common individuals & businesses.

सर्वसाधारण व्यक्ति र व्यवसायहरुको सबै बैकिङ्ग आवश्यकताहरु पूरा गर्ने ।

Mission (अभियान)

For Individuals: To provide inclusive and customized banking services to individuals for realizing their needs and goals.

व्यक्तिहरुको लागि : व्यक्तिहरुको आवश्यकता र लक्ष्यहरु पूरा गर्न समावेशी तथा उपयुक्त बैकिङ्ग सेवाहरु प्रदान गर्ने ।

For Institutions: To offer tailored financial solutions to institutions primarily MSMEs to help them thrive, sustain, and create positive impacts for the nation's economy.

संस्थाहरुका लागि : लघु, साना तथा मझौला उद्यमहरु लक्षित उपयुक्त वित्तीय सेवाहरु प्रदान गरी उद्यम/व्यवसायहरुको विकास र दिगोपना ल्याई राष्ट्रको अर्थतन्त्रमा सकारात्मक प्रभाव पार्ने ।

Values (मान्यताहरु)

Sincerity for Customer (ग्राहक प्रति इमानदार)

Enthusiastic for Impact (प्रभावको लागि उत्साहीत)

Reverent for Compliance (अनुपालनाको उच्च कदर)

Virtuous for Wellbeing (कल्याणको लागि गुणकारी)

Excellence for Effectiveness (प्रभावको लागि उत्कृष्ट)



Core Beliefs

Our core values reflect the way we conduct the business, which is as follows:



Ethical Principles

While conducting business, Bank follows the ethical principles to ensure the highest business standards.

- 1 Conduct and govern all business activities with integrity, ensuring they are ethical and transparent.
- 2 Offer products and services that are sustainable and safe for both people and the environment.
- 3 Respect and promote the well-being of all employees and all other stakeholders.
- 4 Respect the interests of all stakeholders and be responsive to their needs.
- 5 Provide value to its customers in a responsible manner.
- 6 Comply with all applicable laws, rules, regulations, and directives issued by the government and regulatory bodies



Chairman's Message

“ In times of uncertainty, our stakeholders' trust became our greatest strength and our challenges became the seeds of new beginnings. This year stands as proof that teamwork, trust and resilience can turn possibilities into opportunities. ”

Dear Shareholders,

It is with immense pride and optimism that I present the Annual Report of Muktinath Bikas Bank Limited for the fiscal year 2081-82. This year has been a year of steady progress, thoughtful transformation and a blessing in disguise despite market uncertainties & challenges in the economy. It was our stakeholders' trust in us that pushed us for not only for steady growth but a sustainable one.

Despite the broader economic uncertainties, the Bank continued to advance with discipline and purpose turning challenges into opportunities for sustainable growth and long-term value creation.

Resilience Amid Economic Transition

Nepal's economy in FY 2081/82 showed gradual signs of recovery amid persistent headwinds. Inflation moderated compared to the previous year, remittance inflows reached record highs and external sector stability improved. However, these gains were tempered by underlying structural challenges.

The monetary policy stance remained cautiously accommodative which introduced investor-friendly measures to encourage the private sector and broaden the banking system's scope.

In the face of these uncertainties, Muktinath Bikas Bank demonstrated strong operational discipline and strategic foresight. Despite the shifting economic environment, we achieved asset growth of 9.26% a clear indicator of our precautionary approach and prudent risk management. This growth was underpinned by stable deposit mobilization, cautious lending practices and effective portfolio management. While our board remains committed to long-term strategic planning, the unpredictability of Nepal's economic cycles has required us to operate with greater agility. We have adopted a balanced approach, anchoring our decisions in a long-term vision, while deploying short-term strategies to address immediate challenges.

As we move forward, we will continue to refine our strategies, remaining responsive to both macroeconomic shifts and the evolving expectations of our communities.

Creating Value for Every Customer

At Muktinath, we have always believed that access to finance is not merely a service but as a tool for empowerment. Through the initiative "Karja Sajilo Chha" meaning "Loans Made Easy", we extended financial access to small and medium enterprises, farmers, women entrepreneurs and youth-led ventures helping communities grow and thrive.

Our goal is to connect with our customers through digital innovation while making banking simpler, safer and more accessible. The launch of the Muktinath FAIDA App further strengthened this vision offering customers seamless access to banking services with enhanced security and ease.

Governance Built on Integrity and Vision

Strong governance continues to be the foundation of our success. The Board of Directors has worked diligently to ensure that our strategic direction aligns with our core values of integrity, accountability and transparency. Every decision we make is guided by long-term perspective and the conviction that progress achieved with integrity endures the test of time.

Commitment to Community and Sustainability

Our purpose extends beyond profitability. Through programs like the Muktinath Utkrishta Scholarship, financial literacy campaigns and community-focused initiatives in health and environment, we have continued to make a positive difference across Nepal. We are also deepening our commitment to sustainability by integrating Environmental, Social and Governance (ESG) principles into our operations. Whether by supporting renewable energy, promoting green financing or adopting eco-friendly practices, we aim to ensure that every aspect of our growth contributes to a more sustainable and inclusive future.

Aspirations for 2082/83

As we look ahead to the coming fiscal year, our aspirations are clear: to evolve into a digitally driven, customer-focused and sustainability led institution that creates meaningful impact. We are committed to expanding financial inclusion, fostering innovation through ongoing digital transformation and strengthening our balance sheet to ensure both stability and profitability. It gives me immense pleasure to put before the AGM our agenda to upgrade ourself to the 'A' class financial institution to make a bigger & bolder impact.

Gratitude

I extend my sincere appreciation to our customers for their trust, our employees for their commitment and dedication, our shareholders for their unwavering belief in our purpose and our regulators and partners for their continuous guidance and cooperation.

The future holds immense possibilities and with unity of purpose and strength of values, I am confident that Muktinath Bikas Bank will continue to achieve sustainable success while contributing meaningfully to Nepal's development journey.

Jay Muktinath !!

Khim Prakash Malla
Chairman

Board of Directors



Khim Prakash Malla
Chairman

Narayan Kumar Shrestha
Director

Bharat Prasad Lamsal
Director



Binod Kumar Sharma
Director

Saroja Shrestha (Koirala)
Director

Umesh Kumar Acharya
Independent Director

Meet our Board of Directors



Khim Prakash Malla
Chairman

Age	51
Address	Chapkot-5, Syangja
Date of Appointment	22 nd Falgun 2081
Representation	Promoter
Appointed By	Board of Directors
Committee Participation	Not Applicable
Experiences	- Chairman at Muktinath Bikas Bank Limited. - Treasurer at Nepal Construction Association.
Current Engagement	- Director at Gajindra Nirman Sewa Pvt. Ltd. - Director at Jaya Nepal Ishwor Nirman Sewa Pvt. Ltd.
Educational Qualifications	Master's Degree in Business Administration



Narayan Kumar Shrestha
Director

Age	54
Address	Ganga Jamuna-7, Dhading
Date of Appointment	28 th Poush 2080
Representation	Promoter
Appointed By	17 th Annual General Meeting
Committee Participation	Audit Committee
Experiences	- Chairman at Civic Development Bank Ltd. - Chairman at Muktinath Fertilizer Bank Ltd. - Chairman at Outdoor Advertising Pvt. Ltd. - Director at Muktinath Krishi Company Ltd. - Managing Director at Urban Investment Pvt. Ltd.
Current Engagement	CEO of Urban Investment Pvt. Ltd.
Educational Qualifications	Master's Degree from Tribhuvan University [TU]



BHARAT PRASAD LAMSAL
Director

Age	56
Address	Putalibazar-1, Syangja
Date of Appointment	28 th Poush 2080
Representation	Promoter
Appointed By	17 th Annual General Meeting
Committee Participation	AML/CFT
Experiences	- Chairman at HISSAN Syangja. - Founder Principal at Syangja Higher Secondary School
Current Engagement	Founder/Campus Chief at Syangja Bahumukhi Campus
Educational Qualifications	- Master's Degree in Economics - Master's Degree in Political Science - Bachelors in Law and Education





BINOD KUMAR SHARMA
Director

Age	55
Address	Budhanilkhantha-8, Kathmandu
Date of Appointment	28 th Poush 2080
Representation	Public
Appointed By	17 th Annual General Meeting
Committee Participation	Risk Management Committee
Experiences	• CEO at Miteri Development Bank Ltd • Deputy General Manager at NCC Bank Ltd • Deputy General Manager at Int'l Development Bank Ltd
Current Engagement	Chief of Executive Management Happy Energy Pvt. Ltd.
Educational Qualifications	Master's in Business Administration



SAROJA SHRESTHA (KOIRALA)
Director

Age	61
Address	Kathmandu -16, Kathmandu
Date of Appointment	28 th Poush 2080
Representation	Public
Appointed By	17 th Annual General Meeting
Committee Participation	Employee Service & Facilities committee
Experiences	• People Management Expert at Nabil Bank Ltd • Senior Manager at Nepal Bangladesh Bank Ltd
Current Engagement	Social Service
Educational Qualifications	Master's Degree in Science



UMESH KUMAR ACHARYA
Independent Director

Age	55
Address	Pokhara -5, Kaski
Date of Appointment	15 th Shrawan 2081
Representation	Independent
Appointed By	Board of Directors
Committee Participation	Audit Committee, Risk Management Committee
Past Experiences	• CEO at Kamana Bikas Bank Ltd • CEO at Green Development Bank Ltd • Campus Chief at Janaprakash Multiple Campus
Current Engagement	Self Employed
Educational Qualifications	Master's Degree in Business Administration



CEO's Message

“ With a shared sense of purpose and commitment, I am confident that the Bank will continue to reach new heights, creating lasting value for all stakeholders and contributing meaningfully to the nation's progress. ”



Dear Shareholders,

As we present the Annual Report for FY 2081-82, I am filled with gratitude for the journey we've envisioned together, how we as an organization have evolved and the excellence we've continued to uphold throughout these remarkable years.

This shared commitment has been the driving force behind our performance. This year, the disciplined execution of our strategy centered around a cautiously driven business, profitability focused growth, digital transformation and operational excellence that has enabled us to deliver improving trends across the key metrics. These results give us great confidence as we look to the year ahead.

As we reflect on this year's journey, the context of our operating environment and the specifics of our performance together provide the fullest measure of our collective success, as the following sections will detail.

Operating Environment

The global economy continues to face a challenging environment marked by slower growth and uncertainties driven by trade barriers, geopolitical tensions, persistent inflationary pressures and policy uncertainties. These dynamics continue to drive market volatility and raise financial stress across various sectors and geographies. The ongoing economic scenario also poses slowing progress toward global development goals by widening inequalities and disproportionately affecting the most vulnerable countries and populations. These risks poised on the global economy can influence Nepal's economy too with potential impacts on trade, investment, liquidity and other critical areas.

On the other hand, the Nepalese economy continues to encounter various challenges amidst the efforts to stabilize the economy. Though most of the macroeconomic indicators including foreign exchange reserves, balance of payments, inflation control and remittance inflows the overall economic growth is on the favorable side, the pace of economic recovery has been restrained by weak private sector investment. As we look ahead, strong private sector investment and leveraging opportunities in hydropower, tourism

and technology adoption will be critical to sustaining economic momentum and ensuring prosperity across the country.

Amid weak economic recovery, the banking sector has also faced pressures both in business growth and debt recovery. With private investment remaining subdued, private sector credit grew by just 8.4% during the year, while deposits expanded by 12.6%. With ongoing challenges in debt recovery, the level of non-performing assets (NPAs) rose to 4.62% at the end of the year compared to 3.86% in the previous year indicating a continued deterioration in asset quality over the last few years. Additionally, the Bank and Financial Institutions are experiencing pressure in managing excess liquidity as the industry's credit to deposits ratio continues to ease down from 79.09% in the previous year to 75.79% in current year way below the regulatory minimum of 90%. Going forward, it is imperative for the banking sector to focus on cautiously growing credit, strengthening asset quality and efficiently managing liquidity. Emphasis will also to be placed on supporting private sector investment and leveraging technology to enhance operational efficiency and customer outreach.

FY 2081-82 for Muktinath

A year gone by posed its share of challenges and opportunities to reflect on and formulate new strategies to address the prevailing macroeconomic conditions. During this period, we focused on strengthening our recovery efforts, enhancing risk management practices, optimizing ALM and improving operational efficiency. Despite the subdued economic environment our team remained committed to delivering value to our customers supporting private sector investment and leveraging technology to improve efficiency and outreach.

Returns and Capital Positions

For this year, the Bank proposes to distribute 13.53% stock dividend and 4.67% cash dividend, totaling 18.2%, to our shareholders. In the previous year, profits were retained to strengthen the capital position. Additionally, the issuance of NPR 1 billion of Perpetual Non-Cumulative Preference Shares planned for FY 2082-83 will further strengthen the capital base. The Bank continues to maintain a sound capital base of tier 1 capital of 10.84% and total capital adequacy of 12.88%, comfortably above both the regulatory requirements and the Internal Capital Adequacy Assessment Process (ICAAP) threshold. This strong capital footing provides a solid foundation to pursue future growth opportunities while safeguarding the interests of shareholders, depositors and regulators alike.

Business

During the year, we adopted a cautious approach in expanding the loan book, which grew by 5.1%, while maintaining strong risk management and asset quality. The growth was largely concentrated on hydropower projects and SMEs in line with our strategic plan for targeted expansion. We focused on robust ALM management to balance risk and returns while optimizing treasury performance as reflected in the credit-to-deposit ratio of 85.72% compared to the industry's 75.79%. As recovery

challenges intensified, the Bank strengthened its recovery efforts by revamping the organizational structure and adopting need-based case-by-case strategies. Extensive focus was placed on expanding CASA deposits to manage cost of deposits resulting in a CASA position of 40.77% at the end of the year.

Technology at our core

Technology continues to be at the heart of our strategy, driving efficiency, innovation and enhanced customer experiences across all areas of our business. We have introduced the upgraded mobile banking app named Muktinath FAIDA app which is designed to provide a seamless and enhanced digital banking experience. Beyond transaction capabilities, the new app offers a comprehensive suite of customer service features allowing our customers to access account information, request for services and resolve queries conveniently from their fingertips. A dedicated recovery application, Muktinath ISARA App has been developed in both app and web versions to support staff with access to real-time data enhancing efficiency and effectiveness in debt recovery processes.

Simultaneously, our core systems were migrated to the cloud infrastructure enhancing system scalability, safeguarding data security and improved operational continuity. The AI based models are being explored across operations to strengthen decision-making, optimize processes and improve efficiency. This upgrade reflects our commitment to leveraging technology to enhance accessibility, improve operational efficiency and deliver a more personalized and responsive experience to our growing digital customer base.

Operational Efficiency

During the year, significant developments were made to enhance operational efficiency across various front and back-office functions. Robotic Process Automation was implemented to eliminate

nine major repetitive tasks, streamlining workflows and reducing manual effort. Paper usage has been almost entirely abolished in internal processes to promote a more sustainable environment. The recovery application has further boosted efficiency by providing staff with easy access to real-time data even outside the office enabling faster and more effective debt recovery.

These initiatives combined with process optimization and technology adoption, have strengthened operational effectiveness while maintaining high standards of governance and control. Cost optimization remained a key priority with the cost-to-income ratio improving from 47.69% to 45.95% reflecting disciplined expense management and enhanced operational efficiency.

Environmental, Social and Governance

The Bank places sustainability at the core of its operations as we integrate environmental, social and governance (ESG) principles into our strategy. Our financing in renewable energy, climate-smart agriculture and electric vehicles supports sustainability, while robust Environmental and Social Risk Management (ESRM) ensures governance, ethical lending and environmental responsibility. This year, we commissioned an on-site Sewage Treatment Plant at our Central Office treating 100% of wastewater for non-potable uses and eliminating harmful contaminants while also installing electric vehicle charging stations for our staff to support low-carbon transportation and promote a sustainable workplace.

Best Managed Development Bank of the Year

It gives me immense pleasure to share that the Bank has won the Best Managed Development Bank under Business Excellency Awards-2025 organized by the New Business Age which reflects our strong financial performance and sound management practices.

Closing Thoughts

Looking ahead, I am confident that we will accelerate our growth, unlock new opportunities and evolve in every challenge to build a better, stronger and more future ready Bank. We will continue to invest in technology, strengthen governance, drive operational excellence and embed ESG principles across the Bank for the benefit of all our stakeholders. At the same time, our focus will remain on delivering stable and competitive returns to our shareholders while supporting the broader economic and social progress of the country.

Guided by our shared sense of purpose and my continued commitment to the Bank's vision ahead, I am confident that the Bank will continue to reach new heights, creating lasting value for all stakeholders and contributing meaningfully to the nation's progress.

I wish to extend my deepest gratitude to the Board of Directors for their unwavering commitment and diligent oversight which have been instrumental in guiding the Bank's continued success. I would also like to thank Nepal Rastra Bank for continued guidance support and supervision which have been invaluable in maintaining a strong Bank.

I am at a loss for words to fully express my deep appreciation to our employees who have demonstrated unwavering dedication, professionalism and commitment while driving the Bank's success and supporting our journey every step of the way.

Lastly, my heartfelt thanks also go to our shareholders for the trust and confidence reposed to us and to all our other stakeholders for availing us of enduring support and patronage over the years.

Jay Muktinath !!

Pradyuman Pokharel
Chief Executive Officer

Senior Management



Pradyuman Pokharel
Chief Executive Officer

Mr. Pradyuman Pokharel has established himself as an efficient banker with over 33 years of experience and currently serves as Chief Executive Officer of Muktinath Bikas Bank. He has a deep understanding of the banking sector with expertise spanning Credit, Deposit, Remittance, and Treasury operations. A results-oriented leader with a strong ethical foundation, Mr. Pokharel emphasizes excellence in all aspects of banking. He believes in fostering a collaborative environment that encourages continuous growth. He holds an MBA from Tribhuvan University and brings a wealth of experience from his previous roles at Nabil Bank Ltd. and Mega Bank Nepal Ltd. Beyond his professional roles, he actively contributed to the banking industry as the past President of the Development Bankers Association Nepal and as a former Executive Member of the Management Association of Nepal.



Samir Shekhar Bajracharya
Deputy Chief Executive Officer

Mr. Samir Sekhar Bajracharya, Deputy CEO, is a seasoned banking professional with over 27 years of experience across diverse leadership roles. He has a proven track record of success having served as Chief Executive Officer at Bishwa Bikas Bank Limited and Deputy Chief Executive Officer at Gandaki Bikas Bank Limited. Prior to his current role, he held key positions at Pokhara Finance Limited, Nepal Share Markets & Finance Limited, and Paschimanchal Finance Company Limited. He has also contributed to the development sector through his work with development agency. With a strong foundation in credit analysis and underwriting and a customer-centric approach, Mr. Bajracharya is dedicated to enhancing the business performance of the Bank. He holds an MBA in Financial Management from Tribhuvan University.

Til Bahadur Gurung

Assistant Deputy Chief Executive Officer

Mr. Til Bahadur Gurung, Assistant Deputy CEO and Chief Operating Officer is a meticulous leader with over 26 years of experience in the banking sector. He has a strong commitment to continuous improvement and inspires his teams to achieve exceptional results. He brings a wealth of experience to his role having served in various capacities in H & B Development Bank Limited and Nepal Development Bank Limited. He possesses a deep understanding of banking operations, administration and marketing. Mr. Gurung holds a Master's degree from Tribhuvan University. He has been with the Bank since 2013 and currently serves as a Board of Director of Nepal Clearing House Ltd.



Govinda Bahadur Raut

Assistant Chief Executive Officer

Mr. Govinda Bahadur Raut, Assistant CEO, is an experienced banker with 31 years of dedicated service in the microfinance and development sectors. He possesses a strong foundation in microfinance institution capacity building, with expertise in cooperative principles and wholesale lending. He joined the bank in 2012 as Department Head of Microfinance and currently leads control vertical. Prior to joining, He gained valuable experience at different microfinance institution and INGOs. Mr. Raut holds an MBA (Finance) and an MA (Rural Development) from Tribhuvan University, Nepal. He is a "Certified Expert in Climate Adaptation Finance (CECAF)" recognized by the Frankfurt School of Finance and Management, Germany. He was a Humphrey Fellow (2022-23) and holds a graduate certificate in Enterprise Risk Management from Boston University, USA.



Strategic Committee



Baburam Dhakal

Chief Transformation
Officer - Butwal Region and
Chief Performance
Assurance Officer



Dandapani Dhakal

Company Secretary



Manoj Bista

Head - Institutional & Retail
Credit Department



Birendra Raj Bhat

Head - General Service
Department



Ram Chandra Paudel

Head - Existing Credit
Management Department



Shankar Prasad Baral
Head-Happiness &
Recognition (HR) Department



Pragalv Neupane
Head-Integrated Risk
Management Department



Subash Dhakal
Head-AML/CFT Department



Sanjiv Poudel
Chief Financial Officer



Sarbesh Shrestha
Head - Information
Technology



Binaya Ratna Shakya
Head- Business & Recovery
Optimization Department

Transformation Officers



Prem Thapa

Chief Transformation
Officer - Kohalpur Region



Rashik Bhandari

Chief Transformation
Officer - Gandaki Region



Vijay Kumar Gurung

Chief Transformation
Officer - Janakpur Region



Krishna Kumar K.C.

Chief Transformation
Officer - Phulchowki Region



Shanker K.C.

Chief Transformation
Officer - Itahari Region



Namrata Shrestha

Head Transformation Officer-
Narayanganr Region



Malina Shrestha

Head Transformation
Officer - Nagarjun Region



Rishi Ram Dhakal

Head Transformation Officer -
Syangja Sub Region



Dhruva Prasad Regmi

Head Transformation
Officer - Dhading Region



Vijaya Upreti

Head Transformation
Officer - Butwal Region



Umesh Joshi

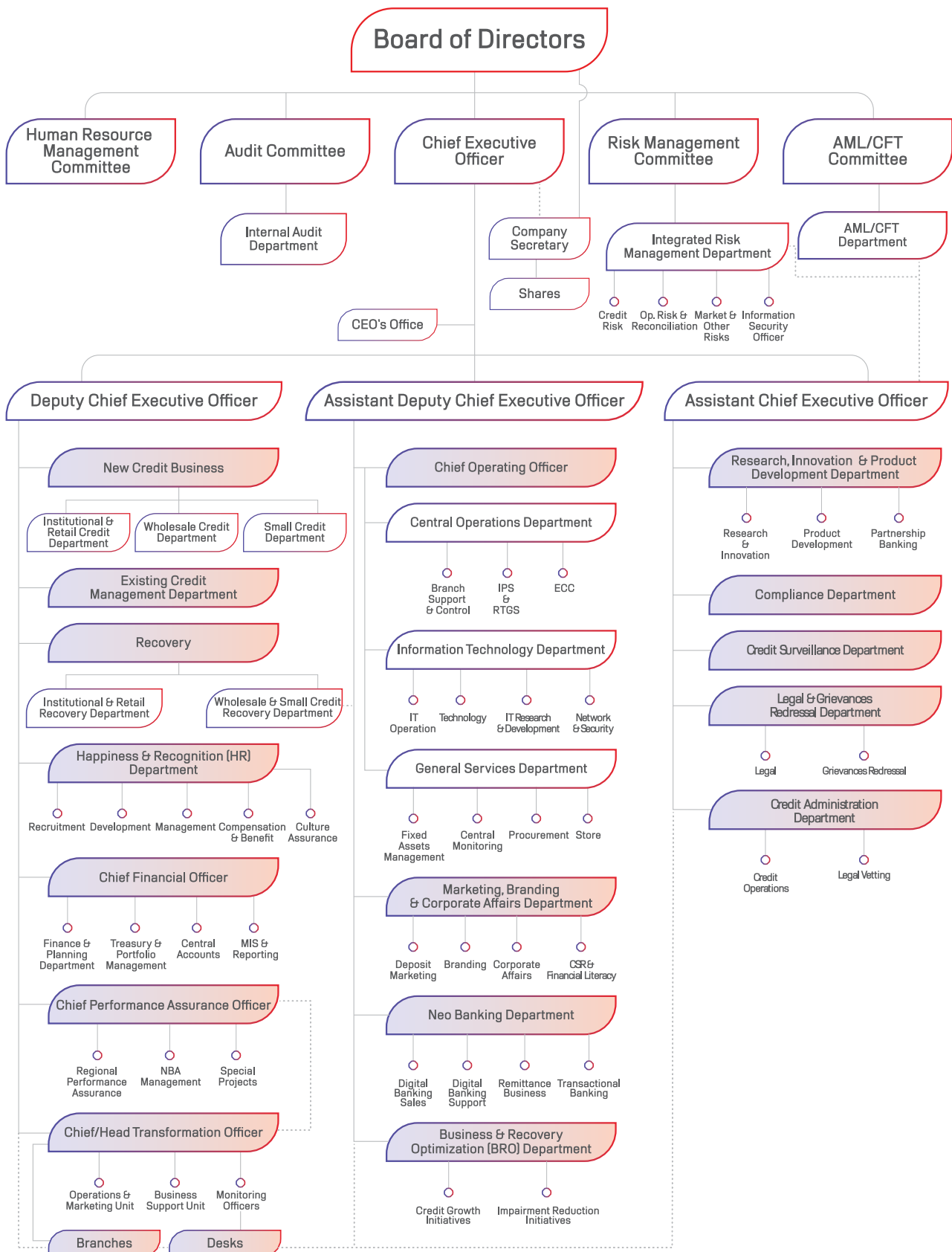
Head Transformation
Officer - Kohalpur Region



Pramod Dhakal

Head Transformation Officer -
Damauli Sub Region

Organization Structure



Awards & Accolades

1 Best Managed Development Bank of The Year, 2025

2 Certificate of Merit for Financial Service Sector of SAFA (BPA) Awards, 2023

3 Best Presented Annual Report Award, 2023

4 Best Presented Annual Report Award, 2022

5 Corporate Business Excellency Award, 2022

6 The Biz Awards, 2022

7 Best Presented Annual Report Award, 2021

8 Certificate Of Merit For Financial Service Sector Of SAFA (BPA) Awards, 2021

9 HRM Awards for the Corporate Excellence, 2021

10 Honorable Mention in SME Financier of the Year-Asia of Global SME Finance Award, 2021

11 Best Presented Annual Report Award, 2020

12 European Microfinance Award, 2020

13 Best Presented Annual Report Award, 2019





For more information please visit: <https://www.muktinathbank.com.np/awardsrecognition>

Product & Services

We have a diversified portfolio of products and services that reflects our commitment to meeting the multifaceted financial needs of individuals, businesses and institutions. Recognizing the unique requirements of different customer segments, we offer a comprehensive range of deposit products, loans products and other specialized services designed to provide value added, convenience and inclusiveness.

From nurturing savings habits in young account holders to supporting entrepreneurs, farmers and investors with tailored financing options, each offering is carefully structured to deliver both immediate benefits and long-term growth.

Over time, our portfolio has continued to evolve, responding to shifting customer expectations, technological advancements and market



dynamics while ensuring accessibility and inclusiveness across all sectors. By continuously expanding and refining our offerings we enable our customers to rise above challenges

and excel in their financial endeavors thereby reinforcing our commitment to financial stability, customer-centricity and the broader economic development of the nation.

DEPOSITS

1 Current Deposits

Muktinath's Current Deposit product is a non-interest-bearing account designed for business transactions allowing unlimited deposits and withdrawals to facilitate frequent operational cash flow.

Eligible Beneficiaries

- Business Entities
- Non-Profit Organizations

- Current Deposits contributed 2.91% of Total Deposits as of Asar 32, 2082.
- Successfully onboarded 14,237 new customer accounts during the year.

2 Call Deposits

Our call deposit product is designed with a sweep-in facility that links to a Current Account automatically transferring idle funds to earn interest and optimize cash efficiency of our customers.

Eligible Beneficiaries

- Business Entities

- Represents a 7.07% concentration of the bank's total deposits as of Asar 32, 2082.
- Attracted 361 new customer relationships during the financial year.

3 Saving Deposits

We offer a diverse portfolio of savings deposits customized for specific customer segments based on gender, occupation and age group.

These interest-bearing accounts are designed to encourage a consistent savings habit helping individuals securely build their funds over time.

- Constitutes a dominant 37.87% of the bank's total deposits as of Asar 32, 2082.
- Successfully onboarded 87,850 new customers during the financial year.

Product and Beneficiaries:

Products	Eligible Beneficiaries
Normal Saving	All Individuals
Mahila Pewa Bachat	Women
Sunaulo Bal Shikshya Bachat	Children
Karmachari Bachat Khata	Employees
Muktinath PMS Khata	Investors under Portfolio Management Scheme
Samajik Surakshya Bhatta Khata	Government social security beneficiaries
Muktinath Sajilo Bachat Khata	All Individuals
Muktinath Sambriddhi Bachat Khata	All Individuals
Muktinath Premium Bachat	All Individuals
Muktinath Utkrishta Premium Bachat Khata	All Individuals
Muktinath Krishak Bachat Khata	Farmers
Muktinath Pocket Money Account	Students
Sharedhani Bachat Khata	Investors
Muktinath Karmachari Surakshya Bachat Khata	Employees
Muktinath Sarvotkrishta Bachat Khata	All Individuals
Muktinath Aashirwad Bachat (Gold)	All Individuals
Muktinath Aashirwad Bachat (Platinum)	All Individuals
Muktinath Sambriddhi Remit IPO Bachat Khata	Migrant workers

4 Fixed Deposits

Our fixed and recurring deposit product offers a higher fixed interest rate with tenures ranging from 3 months for individuals and 6 months for institutional clients and up to 10 years providing a secure and predictable return on your investment.

Eligible Beneficiaries

- Business Entities
- Individuals

- Comprises the majority share at 52.08% of the bank's total deposits as of Asar 32, 2082.
- Opened 32,827 new accounts in the financial year.

LOANS AND ADVANCES

1 Retail Loans

Our retail loan portfolio provides comprehensive financing solutions to meet the key life goals of individuals. We offer a range of products including Home Loans, Mortgage Loan, Auto Loans, Personal Loans and Education Loans, all featuring flexible tenures, competitive interest rates and quick disbursement to ensure timely access to funds.

Eligible Applicants

- Salaried Individuals
- Self-Employed Professionals
- Individuals for personal needs

Products and Purpose:

Products	Purpose
Muktinath Dream Home Loan	To purchase land, house, apartment or their renovation and expansion.
Muktinath Byabharik Karja	To fulfill social expenses like wedding, medical, holidays or others personal needs.
Muktinath Jimmewari Karja	To fulfill any legitimate purpose like to purchase assets, to repay loans, emergencies etc.
Muktinath Niji Sawari Karja	To purchase personal vehicle.
Muktinath Uchha Sikchhya Karja	To finance higher education in the country or abroad.
Loan against FDR / Bonds	To meet immediate urgent financial needs of the customers against fixed deposits and gold.
Gold Loan	To provide immediate funds against pledge of Gold.
Share Loan	To provide immediate funds against pledge marketable shares.
Muktinath Professional Loan	To meet contingent expenses or meet for personal use of professionals without collateral.
Non-Collateralized Loan	To fulfill emergencies and small personal needs without collateral

- Comprises a significant 64.53% of the bank's Total Loan Portfolio as of Asar 32, 2082.
- Successfully expanded our customer base by 14,820 new loan accounts during the year.



2 Business Loans

We provide a comprehensive suite of funded and non-funded credit facilities that provide essential capital to support and accelerate corporate growth at every stage. Our funded facilities include Working Capital Loans, Machinery Financing, Business Expansion Loans and Commercial Vehicle Loans. Our non-funded facilities encompass instruments like bank guarantees and letters of credit. For large-scale projects, we also participate in and lead consortium financing. All facilities feature tailored limits, flexible repayment and are structured to meet substantial corporate needs.

Eligible Applicants

- Small and Medium Enterprises (SMEs)
- Large Corporations
- Sole Proprietorships
- Partnerships

- Comprises 35.47% of the bank's Total Loan Portfolio as of Asar 31, 2082.
- Added 2,087 new business banking relationships during the year.

Products and Purpose:

Products	Purpose
Muktinath Byawasahik Karja	To finance funded and non-funded needs of business for short-term and long-term to expand/manage business.
Muktinath Byawasahik Sawari Karja	To finance vehicles for commercial use or business purpose
Muktinath Krishi Karja	To fulfill financing requirement to the farmers and commercial farms
Muktinath Subsidized Loan	To provide loans as per NRB Subsidy related directives
Muktinath Wholesale Loan	To provide bulk loans to Microfinance and Cooperatives
Consortium Loan	To fund a large project through joint financing arrangement by two or more banks or financial institutions.



OTHER VALUE-ADDED SERVICES

1 Safe Deposit Lockers

We provide secure safe deposit locker facilities allowing our customers to safely store valuables such as jewelry, important documents and other personal assets within a highly secure vault located at our branches.

Eligible Applicants

- All Institutions
- All Individuals

- Achieved a 68% occupancy rate across our branch network in FY 2081-82.

2 Remittances

Our remittance service allows customers to receive funds sent from abroad safely, quickly and efficiently providing a reliable channel for cross-border transactions.

Eligible Applicants

- All Individuals

- Our remittance service processed 92,648 thousand transactions totaling NPR 5.48 billion,

3 Funds Transfer Services

Our funds transfer services enable secure and efficient movement of funds to and from customer accounts through multiple channels, including Cheque, Real-Time Gross Settlement (RTGS), IPS payment system, and teller withdrawals.

Eligible Applicants

- All Individuals
- All Institutions

- Processed NPR 235 billion through ECC.
- Facilitated NPR 112 billion via RTGS.
- Handled NPR 29 billion through IPS.

4 Foreign Exchange Services

Our foreign exchange services provide customers with the ability to securely buy, sell or convert foreign currencies for purposes such as international travel and savings.

- 22 different currency exchange services offered.



5 Debit & Prepaid Cards

Our card services provide customers with convenient and secure access to their funds for everyday transactions. This includes making payments, withdrawing cash and performing online transactions. Debit cards are directly linked to the customer's bank account, while prepaid cards are pre-loaded with a specific amount of funds.

Eligible Applicants

- All Institutions
- All Individuals

- Maintained an active base of 258,268 debit cards in circulation.
- Issued 30,364 new cards during the financial year.

6 Internet Banking

Our internet banking service provides a secure online platform for customers to access and manage their bank accounts, conduct transactions and utilize various banking services through the bank's official website via a computer or mobile browser.

Eligible Applicants

- All Institutions
- All Individuals

- Maintained user base of 82,717 customers.
- Successfully onboarded 14,568 new users during the financial year.

7 Mobile Banking

Our digital banking service provides customers with secure and convenient access to a wide range of banking services anytime, anywhere through our user-friendly M-Banking App.

Eligible Applicants

- All Institutions
- All Individuals

- Maintained a strong active user base of 839,443 customers.
- Successfully onboarded 75,457 new users during the financial year.

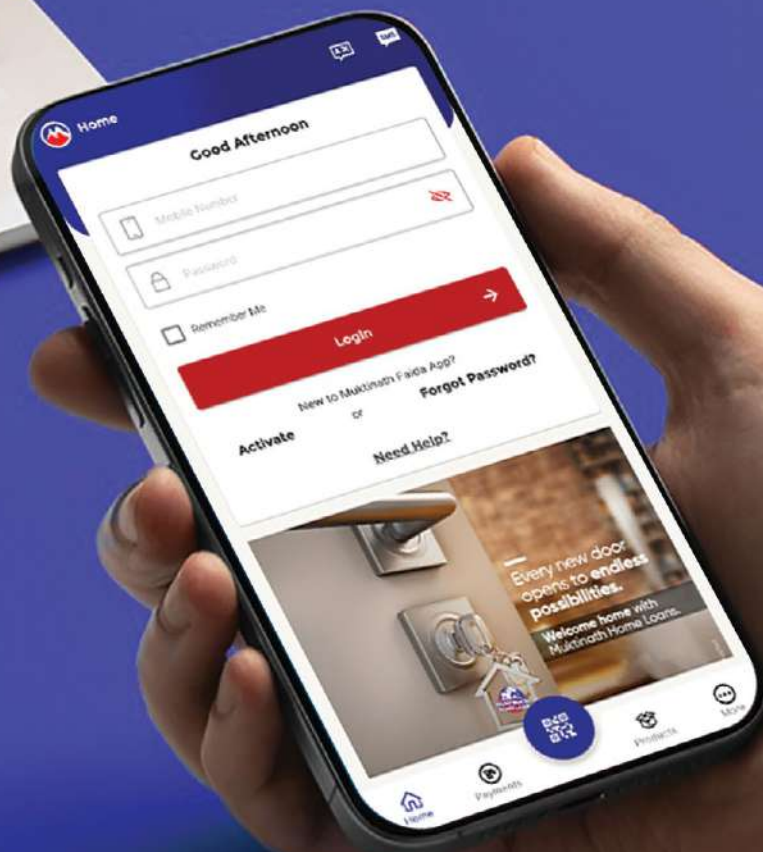




9th Annual Report

Using Banking App shouldn't
feel like solving a puzzle,

With **FAIDA App**,
it's simple, secure & fully
under your control.



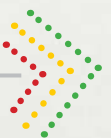
*T & C Applied



मोबाइल एक, फाइदा अनेक...



**VALUE
CREATION**



Our Value Creation Model

INPUTS



Financial Capital

Paid Up Capital:
7.05 Bn

Shareholders Fund:
11.81 Bn

Loans:
98.85 Bn

Deposits:
118.15 Bn



Manufactured Capital

Property & Equipment:
2.10 Bn



Intellectual Capital

Intangible Asset:
10.62 Mn

Resilient Cybersecurity
and Data Privacy



Human Capital

Employees:
1,516

Personnel Expenses:
1.65 Bn



Social & Relationship Capital

Women Borrowers:
49.33%

CSR Expenses:
10.32 Mn

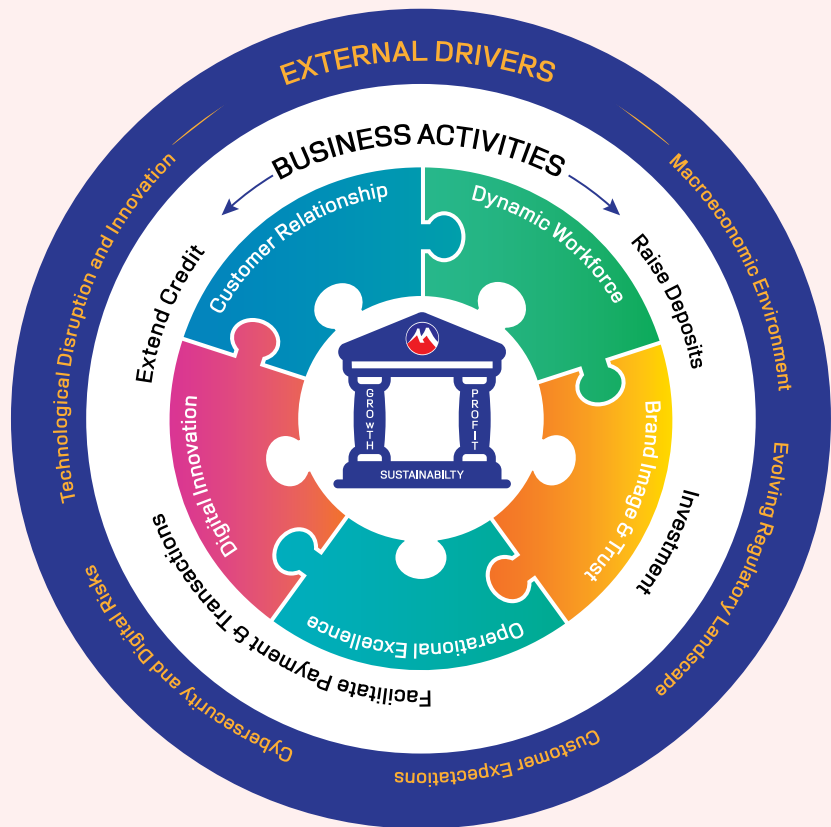
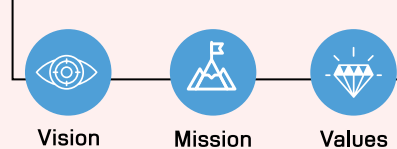


Natural Capital

Renewable Energy
Lending: 2.92 Bn

ELEMENTS OF VALUE CREATION

Value Creation Drivers



- FOUNDATION**
- Corporate Governance
 - Risk Management
 - Compliance
 - Environment Social & Governance
 - Internal Control

STRATEGIES

Business Strategies

Responsible Investment

Digital Transformation

Talent Management

Customers & Society Centricity

ESG

VALUE DELIVERED



Financial Capital

5.29 Bn Revenue
1.35 Bn PAT
12.14% ROE
12.88% CAR



Manufactured Capital

179 Branch Outlets
2 Bank's Own Building



Intellectual Capital

82,717 I-Banking Users
839,443 M-Banking Users



Human Capital

91.09% Retention Ratio
42.22% Gender Diversity
Great place to work



Social & Relationship Capital

17 UN SDGs Covered
162 CSR Programs
12,000+ Lives Touched



Natural Capital

269 Mw of Hydropower Financed
99 % value of electricity through renewable sources

RISK

- Credit
- Operation
- Liquidity
- Market
- Cyber Security
- ESG

Operation

- Cyber Security
- Operation

Operation

ESG

ESG

UN SDGS COVERED



Stakeholder Engagement

At Muktinath, we strongly believe that engaging with our stakeholders is vital to ensuring our decisions are ethical, sustainable and fair. We understand that our stakeholders are more than just external entities; they include individuals, groups and organizations who either influence or are affected by our business activities. Whether it's our customers, employees, investors, regulators or suppliers, each plays a unique role in shaping our operations and long-term goals.

Throughout the year, we make a conscious effort to create a variety of opportunities for our stakeholders to interact with us. This ongoing dialogue helps us stay connected, address their concerns and incorporate their valuable insights into our planning and decision-making processes. By fostering these meaningful relationships, we ensure that our business remains transparent, responsive and aligned with the expectations of those who are important to our success.



Stakeholder Identification Process

Our engagement process is more than a series of steps; it's about identifying, prioritizing, engaging and reporting on the value we deliver. We first identify our stakeholders to understand their interest in the Bank in the following manner:

Context Analysis

Understand the Bank's mission, operations and regulatory environment. Identify areas impacted by the Bank's products and decisions.

Initial Identification

List potential stakeholders affected by or influencing the Bank, including internal (employees, management) and external (customers, investors, regulators, community) groups.

Prioritization

Assess and rank stakeholders by their relevance and impact on the Bank's goals and compliance needs.

Stakeholder Engagement

Create communication channels with prioritized stakeholders to understand their concerns and expectations, focusing on key areas like customer satisfaction and compliance.

Continuous Review

Regularly update the stakeholder list and engagement strategies to match changing conditions.

Stakeholders, SDGs & their interests

We prioritize the stakeholders who are crucial to our Bank's success and long-term value creation. By deeply understanding their needs, expectations, and concerns, we ensure that our strategies, policies, and action plans address the key areas of environmental, economic, and social impact. This approach allows us to align our efforts with the interests of those who matter most to our business, fostering positive relationships and driving meaningful outcomes.



Stakeholders' Engagement Influence, Mediums & Frequency and Key Insights

Through regular and open communication, we aim to strengthen relationships with stakeholders who influence our business by focusing on trust, collaboration, and mutual benefit. This is done through the following mediums and frequencies

Shareholders

Muktinath has over 56,000 shareholders. The Bank remains committed to evolving with changing times while continuing to excel in delivering sustainable value to our shareholders and stakeholders alike.

Influence

High as shareholders and investors play a vital role in the success of our Bank, providing essential capital and financial stability. Their investments enable our Bank to fund operations, expand our services and pursue growth opportunities.

Mediums & Frequency

Annual General Meeting	Annual
Annual Report	Annual
Special General Meeting	As needed
Interim Financial Statements	Quarterly
NEPSE Reporting	As needed
Press Releases	As needed
Corporate Website	Continuous
Social Media Platforms	Continuous

Key Insights

Annual General Meeting Notice	2082/06/12
Annual Report	2082/06/12
Interim Financial Statement Published	
First	2081/07/07
Second	2081/10/07
Third	2082/01/07
Fourth	2082/04/30

Customers

Muktinath has over 1.4 million happy customers. Our approach to customers centers on understanding their unique financial needs and delivering solutions that add real value to their lives. We strive to build lasting relationships through trust, transparency and a consistently superior service experience.

Influence

High, satisfied customers build lasting relationships, trust, and referrals, ensuring our prosperity in a competitive market thus drives the revenue.

Mediums & Frequency

Social media	Ongoing & Continuous
Customer feedback	Ongoing & Continuous
Surveys	Ongoing & Continuous
Grievances redressal	Ongoing & Continuous
Personalized services	Ongoing & Continuous

Key Insights

Social Media Reach	 260K  3.4K  7.9K  5K
Grievances Handled	- Grievances received: 1,434 - Grievances resolved: 1,409
No of Suggestion Box Placed	179

Employees

Muktinath has over 1,500 employees. We foster a culture where employees feel valued, supported and inspired to perform at their best. Our focus remains on nurturing talent, promoting teamwork and recognizing contributions that drive the Bank forward.

Influence

High, as their diverse skills and knowledge drive efficient operations, exceptional customer service and sustained growth. Empowered employees are our cornerstone, enabling us to excel in a competitive landscape while upholding the highest standards of integrity and professionalism.

Mediums & Frequency

Training Programs	Ongoing & Continuous
Staff Engagement Programs	Ongoing & Continuous
Staffs Meet	Ongoing & Continuous
Email	Ongoing & Continuous

Key Insights

No. of trainings programs	208
No. of employee engagement events	11

Government & Regulators

Muktinath Bikas Bank is regulated by Nepal Rastra Bank as a licensed financial institution. In addition, the Securities Board of Nepal and Nepal Stock Exchange oversee our operations as a listed entity. We maintain a relationship of mutual respect and accountability with the Government and Regulators. As a responsible corporate citizen, we remain fully compliant with all regulatory requirements and committed to timely and transparent tax contributions to the nation.

Influence

High, as through oversight and enforcing regulations, they promote sound governance, risk management, depositors protection, safeguarding the economy's overall health and fostering public trust in the Banking system.

Mediums & Frequency

Tax Assessment	Annual
Regulatory reporting	Daily, Weekly, Monthly, Quarterly, Annually
Onsite Supervision	As per central Bank calendar
Offsite Supervision	Ongoing and continuous
Press Releases	As needed

Key Insights

Tax Assessment	Completed upto FY 2077/78
Regulatory reporting	Submitted returns on time
NRB Onsite Supervision	One

Community and Society

Muktinath has a widespread presence across all provinces and 48 districts of Nepal. As we derive our resources from society, we remain committed to giving back through social and developmental initiatives, promoting financial inclusion and contributing to the overall well-being of the communities we serve.

Influence

High, as the community and society form the very foundation of our business operations.

Mediums & Frequency

CSR Projects	Ongoing & Continuous
Financial Literacy Programs	Ongoing & Continuous
Community Outreach	Ongoing & Continuous

Key Insights

No. of CSR Programs	162
No. of Financial Literacy Programs	64
No. of lives touched	12,000+

Service Provider & Suppliers

We have a strong and collaborative relationship with more than 1,500 service providers and suppliers. We value them as key partners in delivering quality products and services. Through fair, transparent, and ethical procurement practices, we foster cooperative interactions that ensure mutual growth, timely support and the highest standards in all our operations.

Influence

High, as they play a crucial role in ensuring the smooth functioning of our Bank's operations by delivering quality products and services on time, which directly impacts our efficiency, cost-effectiveness and customer satisfaction.

Mediums & Frequency

Relationship Management	Ongoing & Continuous
On-site Visits/ Meetings	Ongoing & Continuous
Relationship Management	Ongoing & Continuous

Key Insights

No. of Bids Notice Published	7
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Materiality Assessment

In line with our commitment to global best practices, we have initiated a structured materiality assessment process to ensure our strategy remains responsive to a dynamic banking environment. This process enables us to identify and prioritize the topics most relevant to our long-term business strategy and our stakeholders.

Our materiality assessment enables us to identify and prioritize the topics most relevant to our business and stakeholders, ensuring that our strategy remains responsive to a dynamic banking environment. In line with the Global Reporting Initiative (GRI) Standards and emerging Business Responsibility and Sustainability Reporting (BRSR) framework, we have institutionalized a structured materiality assessment process that integrates sustainability considerations into our business strategy and disclosures.

Our Approach

Building on our ongoing stakeholder engagement and capital-wise disclosures, we have adopted a systematic, biennial materiality assessment that helps us remain attuned to evolving stakeholder expectations and a rapidly changing macro- and microeconomic landscape.

This process combines internal insights and external perspectives to evaluate the significance of Environmental, Social and Governance (ESG) topics in relation to both business performance and stakeholder importance. By continuously refining our approach, we ensure that our strategic priorities are supported by data-driven insights, aligning with global best practices and our long-term value creation goals.

Key Focus Areas

The most recent assessment reaffirmed the importance of several interconnected topics that form the foundation of our sustainability and value creation journey:

- Digital Transformation and Cybersecurity
- Sustainable Finance & ESG
- Employee Development and Engagement
- Governance, Ethics and Risk Management
- Social and Relationship Capital

Focusing on these material topics enables us to make informed, future-ready decisions, strengthening stakeholder trust, guiding responsible business conduct and enhancing resilience in a dynamic environment.

Value of the Assessment

- **Strategic Alignment:**
Ensures that ESG priorities are fully integrated with our long-term business strategy.
- **Strengthening Stakeholder Trust:**
Reinforces transparency and inclusiveness by reflecting diverse stakeholder perspectives.
- **Efficient Resource Allocation:**
Enables informed decisions on deploying capital, people and effort toward high-impact ESG areas.
- **Enhanced ESG Disclosures:**
Supports meaningful and framework-aligned reporting.



Material Topics and Performance Overview

Material Topic	Rationale for Materiality & Management Approach	Section of Report Covering Management Approach	Our Performance
Digital Transformation & Cybersecurity	Technology plays a key role in operational resilience and customer convenience. We continue to invest in robust IT infrastructure, cybersecurity frameworks and process automation.	Cybersecurity & Data Privacy	• System uptime maintained above 99%. • Strengthened cybersecurity governance and awareness programs.
Sustainable Finance & ESG	Expanding access to finance and supporting green and inclusive growth are core to our purpose. Managing resource use and environmental footprint is vital for long-term resilience. We continue to integrate climate considerations into operations and lending.	Our Commitment to ESG Excellence	• Increased exposure to renewable and sustainable projects.
Employee Development and Engagement	Our people are key to execution excellence. We prioritize training, performance development, leadership succession and employee well-being.	Evolving Talent for a Smarter Tomorrow	Higher employee engagement levels and expanded learning hours per employee.
Governance, Ethics & Risk Management	Strong governance and ethical conduct form the foundation of stakeholder confidence. Transparent reporting, risk oversight and compliance ensure responsible business conduct.	• Corporate Governance • Risk Management	Zero tolerance on unethical practices; robust risk oversight through board-level committees.
Community Well-being	We proactively invest in community development to build a more stable and prosperous environment for our business. This strengthens our social license and fosters the long-term relationships that underpin our sustainability.	Evolving with Purpose, Excelling with Impact	Expanded CSR outreach and deeper stakeholder engagement.

Our Way Forward →

We will continue to refine our materiality assessment framework by integrating stakeholder insights, emerging ESG risks and business priorities. This ensures that our disclosures remain relevant, transparent and reflective of the issues that matter most to our stakeholders and our sustained growth journey.

Stay informed while you scroll

Follow us for more



Muktinath Bikas Bank introduces MSME Loan schemes to empower small businesses



Muktinath Bikas Bank le saath saath ainchha



Dividend distributed to shareholders, reinforcing strong financial performance.



Muktinath launches new digital banking features for a seamless user experience.



Bank waives off minimum balance charges for savings accounts.



Muktinath Bikas Bank partners with local communities to promote financial literacy

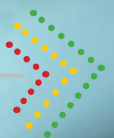


We're OPEN this Saturday in Kathmandu, Pokhara, Butwal, and more!





PERFORMANCE REVIEW



The Year in **Numbers**

As we envision with determination, evolve with purpose and excel with consistency.



Key Ratios

Our journey is defined by the drive to **Envision** the future, **Evolve** with insights and **Excel** in performance. The metrics presented here showcase how our efforts translate into tangible results illustrating our operational efficiency, financial health and commitment to sustainable growth.

Financial Position

Balance Sheet Size		(in Billion)	Paid Up Capital		(in Billion)
FY 2081-82		136.52	FY 2081-82		7.05
FY 2080-81		124.95	FY 2080-81		7.05
FY 2079-80		131.61	FY 2079-80		6.42
FY 2078-79		121.08	FY 2078-79		5.66
FY 2077-78		101.13	FY 2077-78		4.81

Deposits		(in Billion)	Loans		(in Billion)
FY 2081-82		118.15	FY 2081-82		98.85
FY 2080-81		110.53	FY 2080-81		94.05
FY 2079-80		118.45	FY 2079-80		96.99
FY 2078-79		108.43	FY 2078-79		89.54
FY 2077-78		92.32	FY 2077-78		76.40

Shareholders Fund		(in Billion)
FY 2081-82		11.81
FY 2080-81		10.43
FY 2079-80		9.36
FY 2078-79		8.08
FY 2077-78		6.83

Financial Performance

Net Interest Income		(in Million)	Net Profit		(in Million)
FY 2081-82		4,577	FY 2081-82		1,350
FY 2080-81		4,239	FY 2080-81		1,176
FY 2079-80		4,104	FY 2079-80		1,248
FY 2078-79		3,330	FY 2078-79		1,342
FY 2077-78		2,789	FY 2077-78		1,156

Profitability Ratio

Earning Per Share		(in NPR)	Return On Equity		(in Percent)
FY 2081-82		19.16	FY 2081-82		12.14
FY 2080-81		16.69	FY 2080-81		11.28
FY 2079-80		19.44	FY 2079-80		13.33
FY 2078-79		23.72	FY 2078-79		16.61
FY 2077-78		24.03	FY 2077-78		16.94

Return On Assets (in Percent)

FY 2081-82		1.03%
FY 2080-81		0.94%
FY 2079-80		0.95%
FY 2078-79		1.11%
FY 2077-78		1.14%

Assets Quality

Non Performing Loans		(in Percent)	Provision Coverage Ratio		(in Percent)
FY 2081-82		2.97%	FY 2081-82		119.45%
FY 2080-81		2.37%	FY 2080-81		123.39%
FY 2079-80		0.98%	FY 2079-80		208.48%
FY 2078-79		0.21%	FY 2078-79		672.73%
FY 2077-78		0.23%	FY 2077-78		693.22%

Capital Adequacy

Capital Adequacy Ratio		(in Percent)	Tier I Capital Adequacy Ratio		(in Percent)
FY 2081-82		12.88%	FY 2081-82		10.84%
FY 2080-81		11.69%	FY 2080-81		9.46%
FY 2079-80		11.77%	FY 2079-80		8.84%
FY 2078-79		11.80%	FY 2078-79		8.83%
FY 2077-78		11.19%	FY 2077-78		9.94%

Stock Performance

Price Earning Ratio		(in Times)	Market Price		(in NPR)
FY 2081-82		27.34	FY 2081-82		405.92
FY 2080-81		18.55	FY 2080-81		367
FY 2079-80		20.94	FY 2079-80		407
FY 2078-79		21.99	FY 2078-79		439.9
FY 2077-78		21.18	FY 2077-78		657

Market Capitalization		(in Billion)
FY 2081-82		28.60
FY 2080-81		25.86
FY 2079-80		26.13
FY 2078-79		24.89
FY 2077-78		31.61

Dividend Ratio

Dividend Payout		(in Percent)	Dividend Yield		(in Percent)
FY 2081-82		18.20%	FY 2081-82		4.48%
FY 2080-81		0.00%	FY 2080-81		0.00%
FY 2079-80		10.26%	FY 2079-80		2.52%
FY 2078-79		14.21%	FY 2078-79		3.23%
FY 2077-78		18.50%	FY 2077-78		2.82%

Liquidity Ratio

Statutory Liquidity Ratio		(in Percent)	Cash Reserve Ratio		(in Percent)
FY 2081-82		23.41%	FY 2081-82		4.15%
FY 2080-81		21.88%	FY 2080-81		4.02%
FY 2079-80		24.08%	FY 2079-80		4.08%
FY 2078-79		21.20%	FY 2078-79		3.08%
FY 2077-78		20.63%	FY 2077-78		3.30%

Net Liquidity Ratio (in Percent)

FY 2081-82		25.57%
FY 2080-81		24.01%
FY 2079-80		25.67%
FY 2078-79		26.32%
FY 2077-78		24.07%

Credit-Deposit Ratio (in Percent)

FY 2081-82		85.72%
FY 2080-81		85.83%
FY 2079-80		81.53%
FY 2078-79		81.40%
FY 2077-78		78.04%

Efficiency Ratio
Per Employee Business (in Million)

FY 2081-82		144.73
FY 2080-81		130.72
FY 2079-80		129.55
FY 2078-79		127.31
FY 2077-78		109.07

Per Employee Profit (in Million)

FY 2081-82		0.89
FY 2080-81		0.75
FY 2079-80		0.75
FY 2078-79		0.86
FY 2077-78		0.75

Net Interest Income to Total Assets (in Percent)

FY 2081-82		3.35%
FY 2080-81		3.39%
FY 2079-80		3.12%
FY 2078-79		2.75%
FY 2077-78		2.76%

Non Interest Income to Total Assets (in Percent)

FY 2081-82		0.52%
FY 2080-81		0.48%
FY 2079-80		0.47%
FY 2078-79		0.46%
FY 2077-78		1.02%

Cost to Income Ratio (in Percent)

FY 2081-82		45.95%
FY 2080-81		47.69%
FY 2079-80		47.61%
FY 2078-79		43.62%
FY 2077-78		52.45%

Cost of Funds (in Percent)

FY 2081-82		4.90%
FY 2080-81		6.54%
FY 2079-80		9.52%
FY 2078-79		9.24%
FY 2077-78		6.26%



We are committed to a path of continuous improvement by **Envisioning** our goals, **Evolving** our execution and relentlessly pursuing **Excellence** in our performance.

Translating Strategies **into Results**

During the year, the Bank remained committed to driving sustainable business growth while navigating a dynamic and competitive financial landscape. We focused on translating strategic intent into concrete actions that deliver measurable results. Through proactive engagement with market opportunities, timely interventions and innovative

approaches, the Bank worked to expand its reach, strengthen its offerings, and create long-term value for customers, investors and other stakeholders. Each initiative was carefully implemented to ensure that growth is not only achieved but also sustainable, resilient and aligned with the Bank's Strategic Plan. In this section, we report on the

execution of our defined strategy, demonstrating how we have translated our priorities into action. Our focused efforts across key pillars including asset quality, revenue growth, digital transformation and operational efficiency have collectively strengthened our competitive position.

Strategy



Actions



Results



Enhancing Asset Quality

Maintaining portfolio quality continued to be a central priority during the year, with proactive measures taken to identify emerging stresses and assist customers with financial difficulties.

Initiatives ▶

- Robust recovery and follow-up mechanisms strengthened
- Targeted restructuring support provided to financially stressed borrowers

NPL Position

	2081-82	2080-81
Muktinath	2.97%	2.37%
Industry	4.62%	3.86%

Optimizing Business Growth

The Bank focused on sustaining healthy business growth by expanding its lending portfolio while ensuring prudent risk management practices.

Initiatives ▶

- Launched the marketing initiatives of “कर्जा सजिलो छ” [Loan Made Easy]
- Strategic targeting of high-potential customer segments
- Revised loan products to meet evolving customer needs

Business Growth

	2081-82	2080-81
Muktinath	5.10%	(3.04%)
Industry	8.18%	5.97%

Broadening Digital Customer Base

Our strategy focused on accelerating the adoption of our digital channels, creating a seamless and accessible banking experience to serve the evolving needs of a modern customer base.

Initiatives ▶

- Launched new mobile banking app, named Muktinath Faida App.
- Implemented targeted digital marketing campaigns.
- Partnered with fintech for specialized solutions.
- Invested NPR more than 40 million on technologies.

Customer Growth

	Muktinath	Industry
M Banking	9.88%	12.55%
I Banking	21.38%	15.63%
Debit Cards	13.32%	5.99%

Strategy



Actions



Results



Profitability Optimisation

Enhancing bottom-line performance through strategic pricing, diversified revenue streams, and disciplined expense management.

Initiatives ▶

- Optimized interest spread within regulatory limits.
- Strengthened our Asset-Liability Management (ALM) position.
- Expanded our digital customer base to boost non-interest income
- Implemented right pricing strategies across products and segments.
- Launched cost efficiency programs.

Average Annual Interest Spread

Muktinath	4.53%
Industry	3.91%

Return On Equity

Muktinath	12.14%
Industry	10.00%

Growth

Revenue	9.37%
Net Profit	14.79%

Strengthening the Capital Base

Ensuring long-term stability and growth capacity by optimizing our capital structure and maintaining buffers above regulatory requirements.

Initiatives ▶

- Approval of Shareholders received for the issuance of preference shares.
- Optimized risk-weighted assets to improve capital efficiency
- Retained the profits

Capital Adequacy Position

	2081-82	2080-81
Muktinath	12.88%	11.69%
Industry	12.95%	12.92%
NRB Requirement	11.00%	11.00%

Optimizing ALM Position

Strengthening the balance between assets and liabilities to ensure stable profitability, manage market risks, and maintain robust liquidity.

Initiatives ▶

- Implemented a sophisticated ALM monitoring system.
- Strategically re-priced deposit and loan portfolios.
- Conducted regular stress testing for interest rate scenarios.

CD Ratio

	2081-82	2080-81
Muktinath	85.72%	85.83%
Industry	75.79%	79.09%

Total Liquid Assets to Total Deposits

	2081-82	2080-81
Muktinath	18.50%	18.27%
Industry	24.92%	26.44%

Strategy 	Actions 	Results 
Streamlining Operational Processes	Simplifying and automating internal workflows to improve efficiency, reduce costs and enhance service delivery speed. Initiatives ▶ - Implemented robotic process automation (RPA) for repetitive tasks. - Enhanced our mobile banking app, 24*7 AI-powered chat support and quick dispute resolution - Digitize and simplified customer onboarding and services through website and Muktinath Faida App. - Centralized back office operations for key functions wherever possible.	Average loan turnaround time reduced 1 day Repetitive task automated 9 Tasks Cost to income ratio improvement 1.74%
Talent Management Excellence	Building a future-ready workforce by attracting, developing, and retaining top talent to drive our strategic objectives. Initiatives ▶ - Redesigned key roles to better align with strategic priorities - Revised the salary structure to ensure market competitiveness. - Launched a structured talent placement and succession planning process - Enhanced learning & development platforms.	Retention Ratio 91.09% Promotion Ratio 25.07%
Giving Back to Society	Fulfilling our role as a responsible corporate citizen through environmental initiatives, strategic community investment, financial literacy and sustainable practices. Initiatives ▶ - Provided financial scholarships to deserving students from underprivileged backgrounds. - Conducted financial literacy programs in schools and communities. - Equipped government schools with computers to bridge the digital world. - Implemented green banking initiatives and prioritized lending to sustainable energy projects.	Students receiving scholarships 38 Financial literacy beneficiaries 4,100+ Total CSR beneficiaries 12,000+ Power Generation Capacity Supported 269 MW

Operating Environment

The financial year 2024–25 unfolded against a backdrop of persistent macroeconomic uncertainty, evolving regulatory landscapes and increased competition from financial service providers. While global and regional credit markets showed signs of gradual recovery, challenges remained in the form of effective liquidity management, interest rate volatility and sector-specific stress, particularly in real estate and unsecured retail lending.



1. Global Economic Outlook

In the year 2024–25, the world economy has shown cautious resilience, as inflationary pressures ease and monetary policies shift towards flexibility, while geopolitical uncertainties and external vulnerabilities continue to pose challenges. The economic recovery remains uneven and fragile, particularly in developing regions where debt burdens, limited fiscal space and climate vulnerabilities continue to erode prospects for inclusive growth and sustainable development. At the same time, new and ongoing shocks such as extreme weather events, regional conflicts and disruptions in global supply chains have exacerbated humanitarian crises and deepened socioeconomic disparities, threatening to reverse gains made toward the Sustainable Development Goals (SDGs). The risk of a further fracturing of the global trading system driven by geopolitical rivalries, protectionist policies and technological decoupling poses additional threats to industrial production, innovation and global supply chain stability. As financial conditions tighten and global cooperation weakens, the road ahead for the

world economy remains uncertain, demanding renewed commitment to multilateralism, sustainable investment and inclusive economic governance.

The global economy, which was pushed towards a recession due to the tight monetary policy adopted to contain higher inflation, has remained stronger than anticipated. However, the long-term effect of the Covid pandemic, along with ongoing geopolitical tensions in Russia-Ukraine and the Middle East, are expected to limit the world economic growth.

In the light of ongoing risks and uncertainty in the world, the global economy is expected to grow by only 2.8% in 2025. That's slower than the 3.3% growth expected in 2024 and much lower than the long-term average of 3.7% seen between 2000 and 2019, according to the IMF's April 2024 World Economic Outlook. A slight deceleration for advanced economies where decline is expected to fall from 1.8 percent in 2024 to 1.4 percent in 2025 and 1.5 percent in 2026. Likewise, there will also be modest slowdown in emerging market and developing economies from 4.3 percent in

2024 to 3.7 percent in 2024 and 3.9 percent in 2025. The forecast for global growth five years from now is at 3.3 percent is at its lowest in decades.

Regarding the financial sector, banks are witnessing shifting demand for credit, with increased focus on risk management and capital adequacy. The IMF's Global Financial Stability Report highlights that global financial stability risks have increased significantly, driven by tighter global financial conditions and heightened trade and geopolitical uncertainty. Valuations remain high in some key markets and some highly leveraged financial institutions pose potential risks to financial stability. Additionally, the growing systemic importance of nonbank financial intermediation and its interconnectedness with the global banking system necessitates vigilant management of vulnerabilities arising from leverage and liquidity mismatches. As such, banks are prioritizing robust capital buffers and proactive risk management strategies to navigate potential market volatility and ensure long-term stability.

2. Nepalese Economic Outlook

Nepal's economy is anticipated to grow by 4.4% [at market prices] in fiscal year (FY) 2025, up from actual growth rate of 3.9% in FY2024, says the latest Asian Development Outlook (ADO) April 2024. This growth is largely attributed to the improved agricultural yield, electricity generation and tourist arrivals. Additionally, Inflation moderated, driven by nonfood items, the current account turned into surplus with a reduced trade deficit and higher remittance income. Further, GDP growth is expected to reach 4.4% in FY2025 and rise to 5.1% in FY2026 as all the key production areas are expected to expand, inflation expected to moderate, government expecting to expediate capital expenditure (targeting 85% execution rate) and private investment will increase.

The services sector is expected to be the key driver of growth in the coming years. Accommodation and food services are poised to benefit significantly from the rise in tourist arrivals. The ongoing construction of new five-star hotels and government policies supporting real estate loans are expected to further stimulate the accommodation sub- sector. Meanwhile, the industrial sector is expected to grow, buoyed by significant expansions in electricity generation capacity, fostering a more conducive environment for industrial activities. Similarly, agricultural growth which contracted in 2024 is projected to expand this year due to various factors such as above-normal monsoon, timely availability of fertilizers, high yielding variety seeds as well as stable oil and raw input prices, increased liquidity and declining interest rates.

The banking and financial sector remained stable and profitable despite challenges. Overall, asset quality remained stagnant, but there were signs of deterioration. Nonperforming loans increased, with private commercial banks experiencing a larger relative rise. Average capital adequacy ratio remained above regulatory requirements, but pressures were observed, particularly with various private banks and

financial institutions falling below the regulatory minimum for core capital adequacy ratio. Liquidity increased, supported by remittance inflows, prompting the central bank to implement measures to absorb excess liquidity. Moreover, efforts were made to mitigate further decline in banks' profitability through adjustments in loan loss provisions and restructuring of loans for select sectors.

The annual average consumer price inflation for 2024/25 reached to 4.06 percent, down from 5.44 percent the previous year, reflecting a moderation in overall price pressures across the economy. Similarly, year-on-year consumer price inflation stood at 2.20 percent in mid-July 2025, compared to 3.57 percent at the same time last year, signaling a continued easing of inflationary trends. Within the food and beverage category, prices showed mixed trends: the annual average consumer price index increased notably for vegetables by 10.71 percent, ghee and oil by 8.72 percent, pulses and legumes by 7.90 percent and cereal grains and their products by 6.13 percent. In contrast, prices for spices and meat & fish recorded declines of 2.62 percent and 0.34 percent, respectively, indicating some easing in selected food items amid broader inflationary moderation. These variations reflect supply-side factors such as seasonal availability and import price fluctuations, which continue to influence food inflation. Inflation has notably improved due to increased domestic agricultural production, declining inflation in India, stabilized crude oil prices in the international market and a smooth domestic supply chain. Indian inflation, which directly influences Nepal's inflation, is projected to gradually decline to around 3.7 percent in the coming year. In this context, the inflation in 2025/26 is projected to remain around 5.0 percent.

The country's external sector showed significant improvement across key economic indicators. The current account surplus rose to Rs. 409.20 billion, nearly doubling from Rs. 221.71 billion in the previous year. When measured in US dollars, the surplus also increased substantially

from \$1.67 billion to \$3.01 billion. Additionally, net capital transfers grew from Rs. 5.81 billion to Rs. 9.84 billion, reflecting stronger financial inflows. Foreign direct investment (equity only) inflows also reached Rs. 12.02 billion compared to Rs. 8.47 billion in the prior year, indicating increased investor confidence. Overall, the Balance of Payments (BOP) recorded a surplus of Rs. 594.54 billion, up from Rs. 502.49 billion, with the dollar-denominated surplus improving from \$3.77 billion to \$4.37 billion. These figures highlight a positive trend in the country's external economic position during the year.

In the fiscal year 2024/25, the Government of Nepal recorded a fiscal deficit of Rs. 404.42 billion, slightly higher than the previous year's deficit of Rs. 379.38 billion, based on banking transactions. However, when combining all three levels of government federal, provincial and local the overall fiscal position showed a surplus of Rs. 130.73 billion by mid-July 2025. During this period, the total government expenditure reached Rs. 1,523.11 billion, which included Rs. 980.38 billion in recurrent expenses, Rs. 222.68 billion in capital expenditure and Rs. 320.04 billion in financial expenditures. On the revenue side, the government mobilized Rs. 1,178.82 billion in total revenue, comprising Rs. 1,049.88 billion from tax revenue and Rs. 128.94 billion from non-tax sources, including funds allocated for provincial and local governments. This reflects a robust revenue collection despite the central government's fiscal deficit, with the combined government sectors maintaining a positive fiscal balance.

The GoN has set a target of achieving 6.0 percent economic growth for 2025/26. Increased capital expenditure allocations across all three tiers of government, ample liquidity for investment with low interest rates and reforms in investment-related laws have promised a conducive investment climate. In this context, the targeted economic growth rate is expected to be achieved through the development and expansion of the agriculture, service and infrastructure sectors.

The forecast is subject to both domestic and external risks. Externally, geopolitical uncertainty could trigger a rise in commodity prices, impacting all sectors. A growth slowdown in partner countries as well as intensified geopolitical tensions in various regions might also lead to a drop in remittances and tourism, hindering economic growth. Persistent inflation expectations and lower domestic demand could further dampen economic activity. Natural disasters pose additional risks to sustaining welfare gains. Finally, frequent political changes, a top headwind for businesses for over

a decade, could continue to deter private investment.

On the fiscal front, there is need to strengthen the execution and efficiency of capital expenditure to boost economic growth, as well as the importance of reducing dependence on imports tax revenue. Sound and consistent monetary policy will also be key to boosting confidence and stimulating economic growth. Addressing the increasing level of non-performing loans in the financial sector is crucial to strengthening financial stability and support private investment. On the external side,

the high dependency on remittance inflows exposes the country to external shocks.

Thus, there is a need to strengthen Nepal's international competitiveness in other sources of external earnings—such as increasing electricity generation, promoting sustainable energy practices (which can significantly reduce the trade deficit by cutting fossil fuel imports), expanding tourism, attracting foreign direct investment and boosting goods exports as all these factors contribute to economic growth.

3. Industry Overview

In FY 2024/25, Nepal's banking sector faced mixed dynamics amid gradual economic recovery. Non-performing loans (NPLs) and non-banking assets of BFI increased, putting pressure on their capital funds and weakening their credit expansion capacity, with a rise in borrower blacklisting. To address these challenges, the focus has been on strengthening financial stability by enhancing credit capacity, improving credit management and prioritizing the establishment of an Asset Management Company (AMC) to manage bad assets.

Despite these issues, the banking system benefited from abundant liquidity and declining interest rates, creating an environment conducive to credit growth. NRB absorbed a net liquidity of Rs. 24,648.65 billion through tools like the Standing Deposit Facility and deposit auctions, while injecting Rs. 787 billion via net foreign exchange purchases. In terms of credit trends, term loans rose by 7.1%, real estate loans by 5.9%, margin loans by 56.2% and working capital loans by 13.2%, though overdraft lending declined by 10.4%. Private sector credit grew

by 8.6% from commercial banks, 6.1% from development banks and 8.4% from finance companies. Average base rates dropped significantly, with commercial banks at 6.02%, development banks at 8.03% and finance companies at 8.97%, reflecting easing monetary conditions. The sector is also moving into a new era of technological transformation, with an emphasis on modernizing services, fostering institutional diversity and adopting risk-based, internationally aligned regulatory frameworks to ensure long-term financial stability.

The table below reflects the growth of Major Financial Indicators of BFI during review period:

Metrics	Figures in %		
	FY 2081/82	FY 2080/81	Growth
Total Deposit/GDP	119.59	113.86	5.03%
Total Credit/GDP	91.60	90.63	1.07%
Total Credit/ Total Deposit	76.59	79.60	-3.78%
CD Ratio	75.79	79.09	-4.18%
Fixed Deposit/Total Deposit	48.02	56.08	-14.38%
Saving Deposit/Total Deposit	36.60	30.09	21.65%
Current Deposit/Total Deposit	7.23	5.88	22.92%
Call Deposit/Total Deposit	7.49	7.27	3.06%
NPL/ Total Loan	4.62	3.86	19.63%
Total LLP/Total Loan	5.09	4.45	14.49%
Deprived Sector Loan/Total Loan	5.52	6.22	-11.25%
Cash & Bank Balance/Total Deposit	8.00	7.43	7.67%
Investment in Gov. Securities/Total Deposit	16.05	17.92	-10.42%
Total Liquid Assets/Total Deposit	24.92	26.44	-5.77%
Core Capital/RWA	10.13	10.20	-0.68%
Total Capital/RWA	12.95	12.92	0.26%

Source: Nepal Rastra Bank

Our Performance Review

Overview of Bank's Financial Position

A. Total Assets

The total assets of the Bank have increased by 9.26%, increasing from NPR 124,947.76 million in the previous period to NPR 136,520.2 million in the current period. This increase in total assets is attributed to various factors such as a increase

in investments, loans and advances and deposits by the Bank. It reflects the bank's efforts to optimize its asset portfolio, assets liability position and strengthen its capital base. This asset expansion underscores the Bank's cautious stance, prioritizing long-term stability over short-term growth in a

challenging market. Such measures are vital in safeguarding the Bank's position against rising systemic risks to ensure sustainable growth in the future.

B. Loans and Advances

During the year, the net loans and advances of the Bank have increased by 5.10%. Credit risk management and Portfolio diversification to ensure

long-term stability and profitability have remained the primary objective of the Bank. The quality of loan portfolio has been closely monitored so as to minimize credit

risk. Key indicators such as loan loss provisions and non-performing loan (NPL) ratios are carefully reviewed to maintain a healthy and sustainable loan portfolio.

The loan portfolio category wise is as follows:

Figures in Mn

Assets Class	Current Year			Previous Year		
	Total Loan	% of Loans	Total Impairment	Total Loan	% of loans	Total Impairment
Good	88,042.76	87.76%	878.24	82,379.39	87.02%	981.22
Restructured	2,442.98	2.43%	121.50	5,492.92	5.80%	270.70
Watchlist	6,863.68	6.84%	341.53	4,651.45	4.91%	237.29
Substandard	460.18	0.46%	113.94	854.21	0.90%	212.37
Doubtful	825.10	0.82%	411.13	637.07	0.67%	315.54
Bad	1,694.27	1.69%	1,692.59	665.27	0.70%	748.24
Total	100,328.95	100%	3,558.93	94,680.30	100%	2,765.36
NPL	2.97%			2.37%		

C. Loan Segmentation

Loan portfolio is diversified across various segments which allows to mitigate risks related to specific sectors and ensure a balanced approach to lending.

• Priority Sector Lending

Priority sector lending reflects both the regulatory compliance and bank's contribution in supporting key sectors of the economy. A total of 27,974.43 million, or 27.88% of the bank's loan portfolio, is allocated to four priority sectors with 15.16%, the

largest of all to SME sector followed by 2.94% to Agriculture sector, 6.86% to tourism sector and 2.91% to energy sector. By directing funds into these sectors, the Bank not only complies with regulatory guidelines but also actively contributes to the development and upliftment of the

economy, supporting sectors that are essential for long-term stability and growth. The increase in hydropower sector and decrease in agriculture sector is due to credit sale and reciprocal credit purchase worth NPR 3 billion.

Particulars	Current Year		Previous Year	
	Amount (Mn)	%	Amount (Mn)	%
Agriculture	2,953.68	2.94%	5,973.91	6.31%
Hydropower/Energy	2,922.49	2.91%	470.01	0.50%
Tourism	6,884.93	6.86%	4,733.92	5.00%
SME	15,213.33	15.16%	19,461.72	20.56%
Total	27,974.43	27.88%	30,639.57	32.36%
Total Loans and Advances	100,328.95		94,680.30	

• **Product wise**

In terms of product wise segmentation, the term loan segment remains the largest portion of the portfolio with 47.78% or 47,932.72 million, which are typically long-

term loans granted to businesses or individuals with fixed repayment schedules ensuring the long term followed by residential personal home loan (15.15%). This diverse portfolio reflects the bank's strategic

distribution of credit across different sectors and customer needs, balancing risk and supporting various segments of the economy. Breakdown of loan portfolio by segment is as:

Particulars	Current Year		Previous Year	
	Amount (Mn)	%	Amount (Mn)	%
Term Loan	47,932.72	47.78%	44,928.47	47.45%
Overdraft	2,389.07	2.38%	3,145.60	3.32%
Cash Credit Loan	8,149.33	8.12%	8,700.25	9.19%
Demand & Other Working Capital Loan	4,386.65	4.37%	638.08	0.67%
Residential Personal Home Loan (Up to Rs. 30 million)	15,196.35	15.15%	13,918.92	14.70%
Real Estate Loan	8,675.42	8.65%	7,813.71	8.25%
Margin Nature Loan	3,722.35	3.71%	2,805.44	2.96%
Hire Purchase Loan	1,859.67	1.85%	2,165.38	2.29%
Deprived Sector Loan	5,318.01	5.30%	6,210.90	6.56%
Other Product	2,699.37	2.69%	4,353.54	4.60%
Total	100,328.95	100.00%	94,680.30	100.00%

• **Collateral wise**

The loan portfolio segmentation based on collateral has majority of loans (i.e. 86.08%) of total loans backed by property collateral,

highlighting the majority assets being backed by the security. The segmentation illustrates the Bank's diversified approach to securing its loan portfolio, with a strong emphasis

on property as collateral, while also utilizing a range of other security types to mitigate risk.

Particulars	Current Year		Previous Year	
	Amount (Mn)	%	Amount (Mn)	%
Collateral of Properties	86,360.72	86.08%	82,127.72	86.74%
Gold and Silver	946.28	0.94%	634.82	0.67%
Institutional Guarantee	1,846.61	1.84%	2,520.71	2.66%
Fixed Deposit Receipts	699.15	0.70%	953.10	1.01%
Collective Guarantee	572.44	0.57%	1,991.37	2.10%
Personal Guarantee	2,728.26	2.72%	3,591.02	3.79%
Others	3,453.13	3.44%	52.75	0.06%
Non-Governmental Securities	3,722.35	3.71%	2,808.81	2.97%
Total	100,328.95	100.00%	94,680.30	100.00%

D. Investment

The investment of the Bank primarily comprised of investments in government securities, shares and mutual funds. Of the total, NPR 13,856.84 million is invested in

government securities, which are considered safe, low-risk assets that provide a stable return, ensuring the bank's liquidity and financial security. However, due to excess liquidity in the market currently, the

yield in the government securities has decreased. Further, the Bank has made certain investment in shares and mutual funds to cater the opportunities for higher returns as well as optimizing the portfolio.

Particulars	Current Year		Previous Year	
	Amount (Mn)	%	Amount (Mn)	%
Government Securities	13,856.84	95.13%	13,857.03	96.98%
Shares	331.13	2.27%	241.88	1.69%
Mutual Funds	378.75	2.60%	189.63	1.33%
Total	14,566.72	100%	14,288.54	100%

E. Deposits

Deposits are a critical aspect of a Bank's operations, representing the primary source of funding for its lending activities and overall financial stability. During the period, the Bank emphasized enhancing its asset-liability position and aligning deposits with current and potential credit creation needs. The Assets

Liability Committee played a key role in maintaining optimal liquidity at all times while ensuring the net interest margin remained unaffected by excess liquidity. Additionally, interest rates were published monthly in compliance with regulatory requirements considering internal and external liquidity availability.

Deposit serves in managing liquidity and ensuring that the Bank can meet the withdrawal demands of customers while simultaneously having sufficient funds available for lending. The Bank has a mix of various deposits to ensure financial flexibility and resilience. The deposit mix is highlighted below:

The deposit mix is highlighted below:

Type of Deposit	Current Year		Previous Year	
	Amount (Mn)	%	Amount (Mn)	%
Current	3,427.84	2.91%	2,223.42	2.02%
Saving	44,652.29	37.87%	34,553.26	31.37%
Fixed	61,406.46	52.08%	66,757.15	60.62%
Money at Call	8,334.67	7.07%	6,517.05	5.92%
Margin Deposit	92.32	0.08%	74.28	0.07%
Total	117,913.58	100%	110,125.17	100%

Further, the combination of individual deposits, which offer consistency and institutional deposits, which provide larger sums, diversifies the

Bank's funding sources. This helps the Bank comply with regulatory reserve requirements and strengthens its financial position providing a stable

and predictable source of funds. The composition of individual and institutional deposit as of Ashad 2082 is as follows:

Category of Deposit	Current Year		Previous Year	
	Amount (Mn)	%	Amount (Mn)	%
Individual Deposit	85,451.37	72.47%	85,850.38	77.96%
Institutional Deposit	32,462.21	27.53%	24,274.79	22.04%
Total	117,913.58	100%	110,125.17	100%

The overall composition of deposit is well-balanced, with a clear focus on securing stable, low-cost funding.

The ratio of individual deposits to institutional deposit is 2.63:1 which reflects the conservative approach to

funding, ensuring non over-reliance on short-term or market-sensitive sources of liquidity.

Concentration of Deposits	Current Year		Previous Year	
	Amount (Mn)	%	Amount (Mn)	%
Top 20 Natural Persons	1,610.48	1.37%	1,656.00	1.50%
Top 20 Institutions	15,686.22	13.30%	11,907.25	10.81%
Total	17,296.70	14.67%	13,563.24	12.32%
Total Deposit	117,913.58		110,125.17	

F. Equity

The bank's total equity experienced a growth of 13.24% in FY 2081/82, increasing from NPR 10,429.51 million in FY 2080/81 to NPR 11,810.07 million. The share capital has remained

the same whereas the reserves increased significantly by 40.81% reflecting the higher retention of profits earned. The overall increase in both retained earnings and reserves contributed to the overall

growth in equity, enhancing the bank's financial stability and the capital base its ability to invest in future opportunities and ensuring compliance with capital adequacy requirements.

Figures in Mn

Particulars	Current Year	Previous Year	Growth
Share Capital	7,046.94	7,046.94	0.00%
Retained Earnings & Reserves	4,763.13	3,382.57	40.81%
Total Equity	11,810.07	10,429.51	13.24%

The key figures from the Bank's financial position are as follows:

Particulars	Figures in Mn		
	Current Year	Previous Year	Growth
Total Assets	136,520.20	124,947.76	9.26%
Loans from Customers (net)	97,223.24	91,907.31	5.78%
Investment Securities	14,566.72	14,249.25	2.23%
Total Equity	11,810.07	10,429.51	13.24%
Deposit from Customers	117,430.72	109,758.88	6.99%
Total Loan Loss Provision	3,558.93	2,765.36	28.70%
Non-Performing Loans	2,979.54	2,241.08	32.95%

Overview of Bank's Financial Performance

A. Net Interest Income

The net interest income (NII) of the Bank has increased by 7.98%, rising from NPR 4,239.34 million in the previous period to NPR 4,577.49

million in the current period. The NII has increased marginally due to reduction in interest yielding assets, increase in bad loans as well as reduction in the yield of government

securities. Further the improvement is also the result of offloading the excessive liquidity and improving the credit to deposits ratio.

B. Fees & Other Operating Income

The fees and other operating income have increased by 18.65%, rising from NPR 597.15 million in the previous period to NPR 708.49 million in the current period. Fees and other operating income have shown a increment due to increase

in credit growth resulting in the increment of service fees as large portion of the fees income is derived from the credit disbursal. As fees and operating income represent an important revenue stream for, the Bank is exploring ways to diversify and enhance the sources of income

generation, particularly through digital and innovative products and services. The Bank continued its focus on expanding the digital customer base and increasing the digital banking business income.

C. Personnel Expenses

The personnel expenses have increased by 5.84%, rising from NPR 1,555.41 million in the previous period to NPR 1,646.27 million in the current period. To optimize the staff expenses, the Bank is aligning the workforce by streamlining processes and automating routine tasks. Similarly, outsourcing non-core functions, such as administrative tasks or support services as well as investing in employee training and development to increase productivity

without adding to the headcount has been carried out. As a result, the Bank has reduced the head count by 45 from 1,565 in the previous year to 1,520 in the current year. Further, the possibility of implementing technology solutions such as Artificial Intelligence (AI) and Robotic Process Automation (RPA) is being explored to automate routine tasks, enhance operational efficiency and reduce costs. These technologies can streamline processes, minimize human error and enable the

reallocation of resources to more strategic and value-driven activities. The Board-level Human Resource Management Committee regularly reviews human resource-related matters and provides recommendations to the Board. This ensures a balance between maintaining the quality of management required for effective operations and execution and managing personnel expenses efficiently.

D. Depreciation & Amortization and Other Operating Expenses

The Depreciation and Amortization expense seems to have increased by 8.04%, rising from NPR 273.10 million to NPR 295.06 million. This increase is basically due to an increase in the depreciation expenses of the newly built central office building and other assets installed in the building. The total operating expenses have

increased by 4.43%, from NPR 795.85 million to NPR 831.10 million. Out of other operating expenses, other operating expenses have increased marginally by 2.03%, increasing from NPR 437.04 million in the previous period to NPR 445.92 million in the current period. The bank has continuously adopted cost reduction mechanisms. Notably the major improvement in terms of cost has

been observed in professional and legal expenses, business promotion, office refreshment, printing & stationery, expenses. This reduction shows that the Bank has successfully managed its cost minimization strategies and enhanced operational efficiencies, which is further reflected in Notes 4.37 in the financial statement.

E. Impairment charges

During this year, the Bank has recognized impairment charges of NPR 793.57 million, compared to the previous year's charges of 776.78 million. The increment in the impairment charges has affected

the profitability of the Bank. The rise in impairment charges is primarily due to the unfavorable economic situation prevailing in economy, which have reduced the bank's ability to recover loans effectively. Despite the excess liquidity in the market, the

economic slowdown and challenges in manufacturing, trading and real estate sectors have made it difficult for businesses and individuals to meet their financial obligations, leading to an increase in NPL.

E. Net Profit

In the current year, the Bank reported a profit of NPR 1,350.36 million, a increase from NPR 1,176.33 million in the previous year, reflecting

a increment of 14.79%. Despite the challenges posed by the economic environment, low credit demand and rising NPL levels, the bank has been able to achieve around 15% profit

growth with effective management of assets, cautious loan growth, stringent recovery process.

The key figures from the statement of Profit and Loss are as follows:

Particulars	Figures in Mn		
	Current Year	Previous Year	Growth
Net Interest Income	4,577.49	4,239.34	7.98%
Non-Interest Income	708.50	597.15	18.65%
Total Revenue	5,285.99	4,836.49	9.29%
Impairment Charges	793.57	776.78	2.16%
Personnel expenses	1,646.27	1,555.41	5.84%
Other Operating expenses	831.10	795.85	4.43%
Non-operating expense	64.07	26.23	144.28%
Profit before taxes	1,950.98	1,682.21	15.98%
Net Profit	1,350.36	1,176.33	14.79%

Capital Management

The Bank has formulated Internal Capital Adequacy Assessment Process ('ICAAP') which has a sound and comprehensive policy and process for evaluating the Bank's capital commensurate with the overall risk profile, business projections and capital management strategies. It covers the capital management policy of the Bank, set out the process

for assessment of the adequacy of capital to meet regulatory requirements, support current and future activities and meet the Pillar I and material Pillar II risks to which the Bank is exposed to. The Banks develops its strategic, business and capital plans covering five-year horizon. Based on this long-term strategy, the annual budget of

the Bank is prepared considering the current economic and business outlook. These two long- and short-term plans ensure that adequate levels of capital and optimum mix are maintained by the Bank to support its strategy and business requirements. The capital adequacy position of the Bank stands at:

A. Tier 1 Capital Adequacy Ratio

This ratio measures bank's core equity capital relative to its risk-weighted assets (RWA). As of Ashad 2082, CET1 ratio stands at 10.84%,

which exceeds the minimum regulatory requirement of 8.5% as required by NRB. The Bank continue to focus on maintaining a strong CET1 ratio to ensure that a

sufficient buffer is in hand to absorb potential losses and meet regulatory expectations.

B. Total Capital Adequacy Ratio

The Total Capital Ratio, which includes both Tier 1 and Tier 2 capital, is currently 12.88%, compared to the required regulatory minimum of 11%. This ratio indicated the bank's strong financial foundation and ability to

meet obligations in the event of adverse economic conditions. These ratios are regularly reviewed in light of regulatory changes and business growth to ensure ongoing compliance. In order to further strengthen the capital base, the Bank

is in the process of issuing Perpetual Non-Cumulative Preference Shares for this financial year and has planned to issue similar long-term capital components.

Liquidity Management

Liquidity management is a critical focus for the bank, as it ensures the ability to meet short-term obligations

while supporting ongoing operations and growth. The liquidity position is closely monitored through a variety of

key liquidity ratios and metrics on daily basis. The major liquidity ratios are:

Ratios	Regulatory Requirement	Actual as of Ashad 2082
Cash Reserve Ratio (CRR)	$\geq 4\%$	4.15%
Statutory Liquidity Ratio (SLR)	$\geq 10\%$	23.41%
Net Liquidity Ratio	$\geq 20\%$	25.57%

Key Ratios

In the current financial year, the Bank has experienced several noteworthy trends in its key financial ratios, which offer important insights into both its performance and areas that require attention. Return on Assets (ROA) has seen a increased from 0.94% to 1.03%. The Bank is actively working on optimizing its asset portfolio and exploring opportunities for better utilization of resources to improve this ratio in the coming year. The Return on Equity (ROE) experienced a rise of 7.66%, from 11.28% to 12.14%. The increase is particularly due to

increment in profitability. Similarly, the Bank recognizes that its Earnings per Share (EPS) and Net Worth per Share have seen a rise of 14.81% and 13.54%, respectively. Similarly, there is improvement in Tier I Capital Ratio, which increased from 9.46% to 10.84%. This growth signifies that the Bank has successfully strengthened its core capital base in line with its strategic aspirations which is a critical factor in maintaining financial stability and absorbing potential losses. A key concern for the Bank is the significant increase in the gross Non-Performing

Loans (NPLs) and net Non-Performing Loans which currently stands at 2.97% and 0.76% respectively. This is particularly due to the uncertainties in the economy and other factors. However, the Bank is actively working to reduce the NPL level through enhanced credit risk management, more rigorous loan monitoring and proactive recovery strategies. Despite these challenges, the Bank is committed to optimizing operations and enhancing shareholder value in the years ahead.

The following provides the snapshot of key financial ratios.

Particulars	Current Year	Previous Year	Changes
Return on Assets	1.03%	0.94%	9.88%
Return on Equity	12.14%	11.28%	7.66%
Net worth per share	167.59	148	13.24%
Earnings per share	19.16	16.69	14.81%
Liquidity Ratio	25.57%	24.01%	6.50%
Tier I Capital Ratio	10.84%	9.46%	14.59%
Total Capital Adequacy Ratio	12.88%	11.69%	10.18%
Gross Non-Performing Loans	2.97%	2.37%	25.32%
Net Non-performing Loans	0.76%	1.02%	-25.49%

In comparison to industry-wide averages, the Bank is performing well above the industry average. The table below provides a snapshot of the comparison of Bank and industry:

Particulars	Industry	Bank
Liquidity Ratio	24.92%	25.57%
CD Ratio	75.79%	85.72%
Gross NPL	4.62%	2.97%
Core Capital Ratio	10.13%	10.84%
Total Capital Adequacy Ratio	12.95%	12.88%

Operational Scale and Service Outreach

As at Ashad 2082, the Bank has a total of 1,516 employees, a slight decrease from 1,565 employees in Ashad 2081, indicating a result of streamlining operations or optimizing efficiency in line with the bank's strategic goals. The Bank has maintained its service outreach with 174 branches, 5 extension counters and 22 ATMs, ensuring widespread access to

banking services for its customers. The Bank is empowering the existing branches to increase productivity in terms of business and profitability. In terms of account growth, the Bank has made notable strides, with the total number of deposit accounts reaching 1.45 million. This growth in deposit accounts reflects increasing customer trust and a strong market

presence. The number of debit cards, mobile banking and internet banking issued has increased significantly indicating growing customer engagement and a positive shift towards digital banking. In conclusion, despite various challenges, the bank's overall operational scale and service outreach signals a positive trend.

SWOT Analysis

The Bank has implemented Strategic Plan "2080-85" to ensure sustainable growth, remain competitive the long-term value creation to the stakeholders the key areas of which is as follows:

S	Wide Range of Products and Services Dynamic Workforce Strong Brand Recognition Robust Financial Position Well Established Customer Base	W	Rising Non-Performing Loans Retention of Quality Manpower Increasing Operational Cost Increasing Legal Recovery Issues
O	Growing Digital Banking Business Supportive Regulatory Policies Increasing Scope of Green Financing Increasing Remittance and Exports Raising Low Cost Long Term Funds Expected Economic Recovery	T	Economic Slowdown Cybersecurity Risks Competition Non Bank Players Reputational Risks Political Instability Low Private Sector Confidence

Strategic Initiatives

The Bank has implemented Strategic Plan "2080-85" to ensure sustainable growth, remain competitive the long-term value creation to the stakeholders the key areas of which is as follows:

- | | |
|------------------------------|---|
| i. Statement of Strategy | vi. Risk Management/Mitigation Strategy |
| ii. Business Strategy | vii. Diversity, Equity and Inclusion Strategy |
| iii. Financial Strategy | viii. ESG Strategy |
| iv. Operational Strategy | ix. Technological Strategy |
| v. Internal Control Strategy | x. Human Resource/Capital Strategy |

Conclusion

The Bank has shown satisfactory performance in FY 2081-82, maintaining an effective financial position despite challenges like rising credit risk, increased non-performing loans (NPLs) and macroeconomic uncertainties. Key metrics such as net profit, return on equity (ROE) and return on assets (ROA) indicate resilience, reflecting effective cost management, optimized asset use and improved capital position. The bank's

diversified loan portfolio, robust capital and liquidity management further support its ability to navigate adverse conditions.

However, challenges remain, particularly in asset quality and credit risk management, with the increase in NPLs and loan-loss provisions highlighting the need for continued vigilance. The banking sector is under pressure from rising NPL

ratios and liquidity concerns. Despite this, the Bank is well-positioned for future growth, focusing on strategic initiatives such as market expansion, digital transformation and cost management. Its commitment to sustainability through green finance and ESG investments, along with strong capital buffers, positions the Bank to adapt to evolving market trends and economic fluctuations.

As we look ahead, focus shall be made on leveraging core strengths, maintaining financial discipline and building a resilient and future-ready institution capable of creating long-term value for the stakeholders.

Horizontal Analysis of Financial Statement

Statement of Financial Position

	2081/82	2080/81	2079/80	2078/79	2077/78
Assets					
Cash and Cash Equivalent	80%	64%	99%	76%	100%
Due from Nepal Rastra Bank	638%	185%	142%	127%	100%
Placement with Bank and Financial Institutions	0%	0%	0%	0%	0%
Derivative Financial Instruments	0%	0%	0%	0%	0%
Other Trading Assets	0%	0%	0%	0%	0%
Loans and Advances to BFIs	269%	420%	452%	577%	100%
Loans and Advances to Customers	204%	198%	182%	153%	100%
Investment Securities	221%	335%	272%	220%	100%
Current Tax Assets	25%	70%	24%	64%	100%
Investment in Subsidiaries	208%	208%	100%	100%	100%
Investment in Associates	284%	284%	183%	183%	100%
Investment Property	0%	0%	0%	0%	0%
Property and Equipment	275%	251%	248%	106%	100%
Goodwill and Intangible Assets	109%	149%	204%	85%	100%
Deferred Tax Assets	275%	187%	204%	121%	100%
Other Assets	270%	384%	166%	112%	100%
Total Assets	206%	198%	182%	152%	100%
Liabilities					
Due to Banks and Financial Institutions	160%	86%	161%	233%	100%
Due to Nepal Rastra Bank	0%	0%	0%	0%	0%
Derivative Financials Instrument	0%	0%	0%	0%	0%
Deposits from Customers	205%	203%	183%	152%	100%
Borrowings	0%	0%	0%	0%	0%
Current Tax Liabilities	0%	0%	0%	0%	0%
Provisions	0%	397%	94%	100%	100%
Deferred Tax Liabilities	0%	0%	0%	0%	0%
Other Liabilities	212%	258%	255%	128%	100%
Debt Securities Issued	0%	0%	0%	0%	0%
Subordinated Liabilities	0%	0%	0%	0%	0%
Total Liabilities	206%	202%	187%	156%	100%
Equity					
Share Capital	163%	148%	131%	111%	100%
Share Premium	0%	0%	0%	0%	100%
Retained Earnings	221%	110%	131%	146%	100%
Reserves	418%	278%	198%	137%	100%
Total Equity	180%	161%	139%	117%	100%
Total Equity and Liabilities	206%	198%	182%	152%	100%

This Horizontal Analysis of the Statement of Financial Position provides insights into the growth

of assets, liabilities, and equity over time, using FY 2077/78 as the base year (100%). This shows the the Bank

demonstrates solid growth in assets and equity, driven by an increase in loans, deposits, and reserves.

Statement of Profit or Loss

	2081/82	2080/81	2079/80	2078/79	2077/78
Interest Income	168%	235%	175%	115%	100%
Interest Expense	149%	262%	190%	111%	100%
Net Interest Income	203%	182%	147%	123%	100%
Fees and Commission Income	127%	116%	98%	119%	100%
Fees and Commission Expense	396%	295%	219%	141%	100%
Net Fee and Commission Income	115%	108%	92%	118%	100%
Net Interest, Fee and Commission Income	187%	169%	138%	122%	100%
Net Trading Income	146%	181%	135%	100%	100%
Other Operating Income	143%	32%	131%	1184%	100%
Total Operating Income	186%	167%	137%	136%	100%
Impairment charge/(reversal) for loans and other losses	250%	221%	24%	156%	100%
Net Operating Income	178%	160%	152%	133%	100%
Operating Expense					
Personnel Expenses	184%	161%	136%	124%	100%
Other Operating Expenses	103%	106%	91%	91%	100%
Depreciation and Amortisation	224%	178%	162%	110%	100%
Operating Profit	200%	180%	192%	163%	100%
Non Operating Income	847%	0%	0%	8191%	100%
Non Operating Expenses	0%	0%	0%	0%	0%
Profit before Income Tax	193%	179%	191%	164%	100%
Income Tax Expenses					
Current Tax	194%	185%	189%	166%	100%
Deferred Tax	92%	168%	72%	177%	100%
Profit for the Period	191%	176%	190%	163%	100%

The above horizontal analysis of the Statement of Profit or Loss requires each line item is expressed as a percentage relative to the base year (2077-78), which

is set at 100%. This approach helps to understand growth patterns and shifts in financial performance over the years. This trend analysis highlights areas of

strength, such as consistent interest income growth, and areas of concern, like increasing impairment charges and operating expenses

Vertical Analysis of Financial Statement

Statement of Financial Position

	2081/82	2080/81	2079/80	2078/79	2077/78
Assets					
Cash and Cash Equivalent	4.82%	4.00%	6.69%	6.20%	12.36%
Due from Nepal Rastra Bank	9.43%	2.84%	2.37%	2.54%	3.04%
Placement with Bank and Financial Institutions	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-
Other Trading Assets	-	-	-	-	-
Loans and Advances to BFIs	1.19%	1.93%	2.25%	3.44%	0.91%
Loans and Advances to Customers	71.22%	71.77%	71.70%	72.11%	71.83%
Investment Securities	10.67%	16.78%	14.81%	14.35%	9.94%
Current Tax Assets	0.01%	0.04%	0.01%	0.04%	0.10%
Investment in Subsidiaries	0.18%	0.19%	0.10%	0.12%	0.18%
Investment in Associates	0.11%	0.12%	0.08%	0.10%	0.08%
Investment Property	0.31%	0.19%	0.04%	-	-
Property and Equipment	1.54%	1.46%	1.57%	0.80%	1.15%
Goodwill and Intangible Assets	0.01%	0.01%	0.02%	0.01%	0.01%
Deferred Tax Assets	0.09%	0.06%	0.08%	0.05%	0.07%
Other Assets	0.42%	0.62%	0.29%	0.23%	0.32%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities					
Due to Banks and Financial Institutions	2.72%	1.52%	3.10%	5.36%	3.50%
Due to Nepal Rastra Bank	0.30%	0.16%	0.85%	0.82%	0.00%
Derivative Financials Instrument	-	-	-	-	-
Deposits from Customers	86.02%	88.48%	86.45%	85.93%	86.38%
Borrowings	0.00%	0.01%	0.02%	-	-
Current Tax Liabilities	-	-	-	-	-
Provisions	0.00%	0.01%	0.00%	0.00%	0.01%
Deferred Tax Liabilities	-	-	-	-	-
Other Liabilities	1.39%	1.75%	1.88%	1.13%	1.35%
Debt Securities Issued	0.91%	0.95%	1.03%	-	-
Subordinated Liabilities	-	-	-	-	-
Total Liabilities	91.35%	92.89%	93.33%	93.25%	91.23%
Equity					
Share Capital	5.16%	4.88%	4.67%	4.76%	6.52%
Share Premium	-	-	-	-	0.10%
Retained Earnings	0.99%	0.51%	0.67%	0.89%	0.93%
Reserves	2.50%	1.72%	1.33%	1.11%	1.23%
Total Equity	8.65%	7.11%	6.67%	6.75%	8.77%
Total Equity and Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

The Vertical Analysis of the Statement of Financial Position for the last five years requires each item on the Vertical Analysis of Financial Statement is

expressed as a percentage of the Total Assets which is the base amount of 100%. This analysis allows stakeholders to assess trends and the proportional

changes in assets, liabilities, and equity, aiding in decision-making and performance evaluation.

Statement of Profit or Loss

	2081/82	2080/81	2079/80	2078/79	2077/78
Interest Income	93.97%	96.17%	95.44%	88.01%	92.28%
Interest Expense	55.04%	70.67%	67.95%	55.65%	60.65%
Net Interest Income	38.93%	25.51%	27.48%	32.36%	31.63%
Fees and Commission Income	5.51%	3.68%	4.11%	7.02%	7.13%
Fees and Commission Expense	0.77%	0.42%	0.41%	0.37%	0.32%
Net Fee and Commission Income	4.75%	3.27%	3.69%	6.65%	6.82%
Net Interest, Fee and Commission Income	43.68%	28.77%	31.18%	39.01%	38.44%
Net Trading Income	0.08%	0.07%	0.07%	0.07%	0.09%
Other Operating Income	0.43%	0.07%	0.39%	4.90%	0.50%
Total Operating Income	44.19%	28.91%	31.63%	43.98%	39.03%
Impairment charge/(reversal) for loans and other losses	6.75%	4.34%	0.62%	5.75%	4.44%
Net Operating Income	37.44%	24.57%	31.02%	38.23%	34.59%
Operating Expense					
Personnel Expenses	14.00%	8.94%	10.04%	12.89%	12.54%
Other Operating Expenses	3.79%	2.87%	3.25%	4.61%	6.09%
Depreciation and Amortisation	2.51%	1.45%	1.77%	1.68%	1.85%
Operating Profit	17.14%	11.31%	15.96%	19.05%	14.12%
Non Operating Income	0.01%	0.00%	0.00%	0.16%	0.00%
Non Operating Expenses	0.56%	0.06%	0.02%	0.00%	0.00%
Profit before Income Tax	16.59%	11.25%	15.94%	19.22%	14.12%
Income Tax Expenses					
Current Tax	5.23%	3.65%	4.95%	6.11%	4.44%
Deferred Tax	-0.12%	-0.16%	-0.09%	-0.32%	-0.21%
Profit for the Period	11.49%	7.76%	11.07%	13.42%	9.90%
Total Revenue	11,757.37	16,090.89	12,116.03	8,616.93	7,144.04

The Vertical Analysis of the Statement of Profit or Loss for the last five fiscal years expresses each line item as a

percentage of Total Revenue, enabling a better understanding of trends and the contribution of various income and

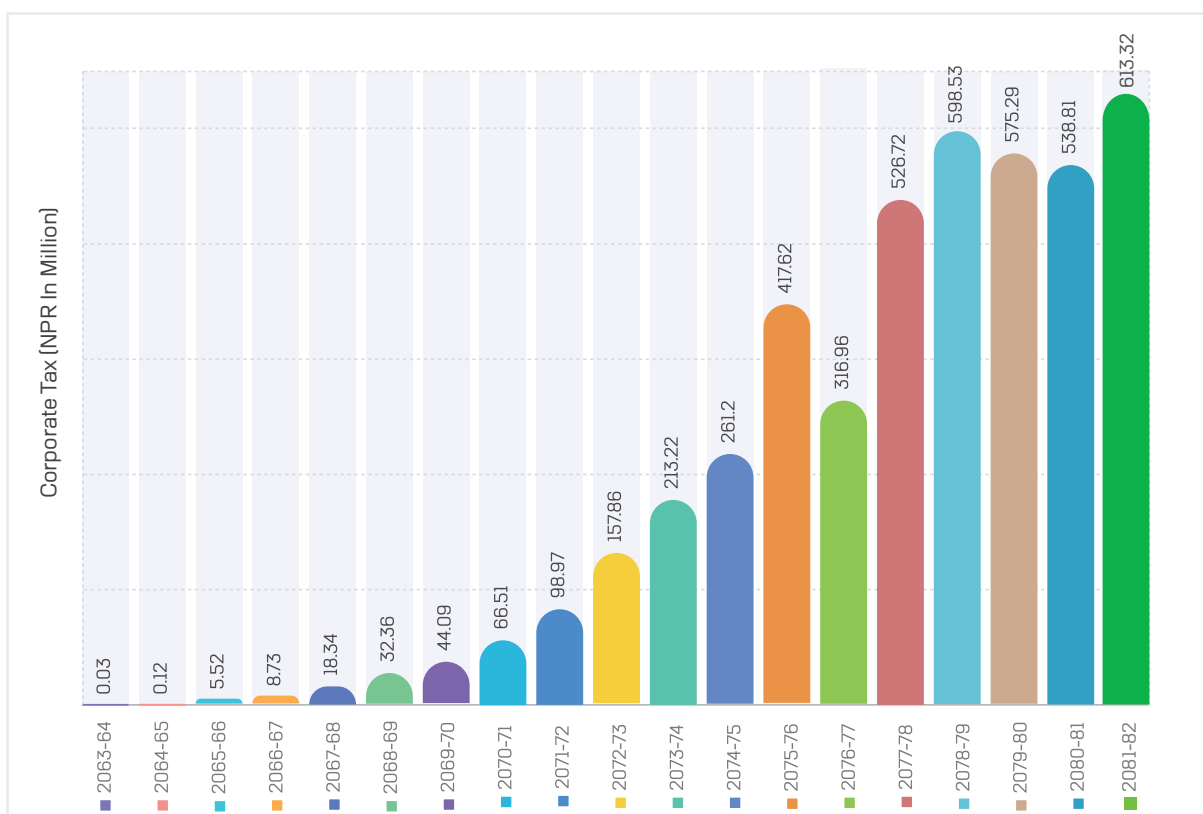
expense components to the overall revenue.

Contribution to National Exchequer

Muktinath Bikas Bank Limited being a responsible corporate body recognizes its responsibilities towards society and nation for supporting their development. In the fiscal year 2081-82, the Bank made

substantial contributions to the national exchequer, supporting the country's economic development and government revenues. The bank's commitment to national growth is demonstrated through various financial contributions,

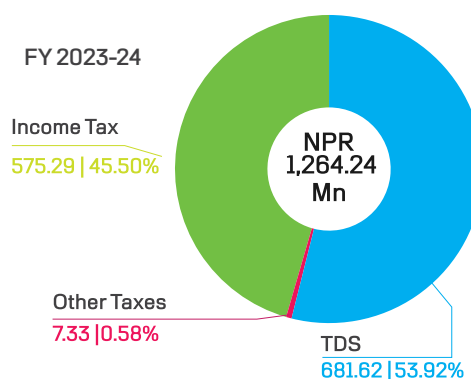
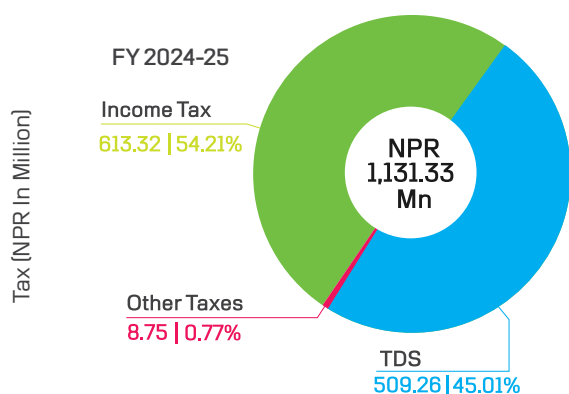
including taxes, investments, and compliance with regulatory requirements. The aggregate contribution of bank to national exchequer in the form of corporate tax amounts to Rs 4,494.2 million during last 19 years:



In addition to corporate income tax, the bank contributes to the national economy through various taxes, including Tax Deducted at Source (TDS), Business

Registration Tax, Advertisement Tax, and Vehicle Tax. These taxes highlight the bank's broader financial contribution to the economy beyond just corporate

income tax. Other taxes include Business Registration Tax, Advertisement Tax and Vehicle Tax.



Value Added Statement

The value-added statement shows how much value(wealth) has been created by the bank through utilization of its capacity, capital, manpower and other resources and allocated to employees, government,

community, shareholder, and for the expansion and growth of the Bank. It depicts the profit generated by collective efforts management, employees, capital and its utilization that is distributed among its various

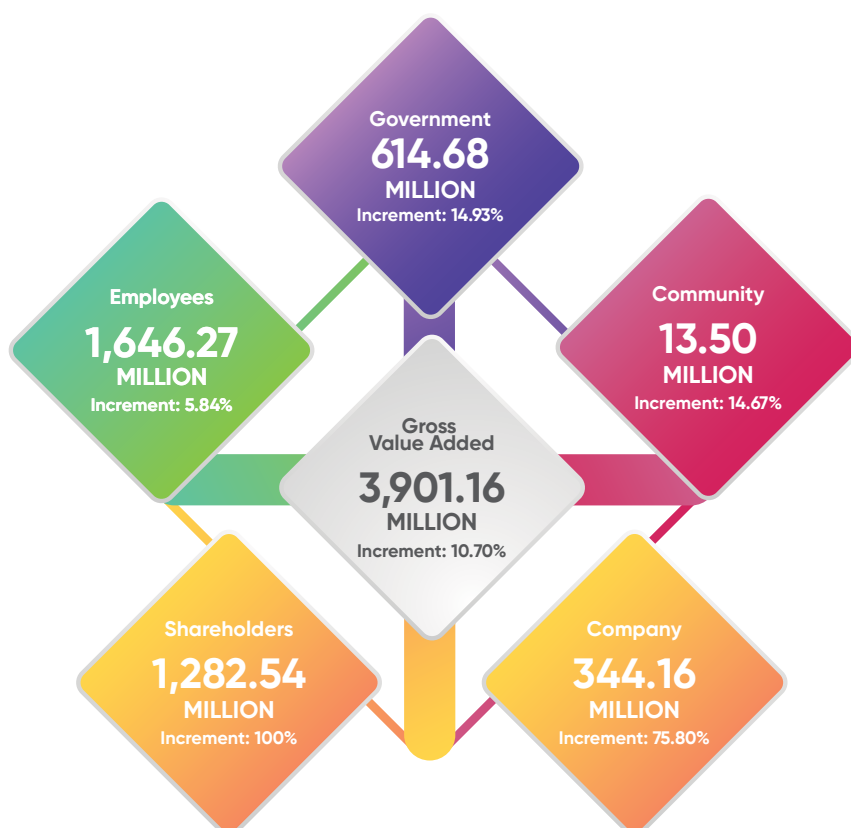
stakeholder.

The value added by the Bank stood at NPR 3,901.16 million as on Asar end 2081 as compared to NPR 3,524.05 million in previous year.

In NPR Million

Particulars	2081/82	2080/81	Change(%)
Interest earned	11,048.87	13,772.50	-19.78%
Other Income	708.50	597.15	18.65%
Interest Expenses	6,471.38	9,533.15	-32.12%
Other operating expenses	591.26	535.65	10.38%
Value added by banking services	4,694.72	4,300.84	9.16%
Impairment charge for loans and other losses	793.57	776.78	2.16%
Gross Value added	3,901.16	3,524.05	10.70%

For the year ended Asar 2082, the application statement comprises of value addition to various stakeholders of the Bank. The current value addition of 42.20% has been apportioned to employees of the Bank for the salaries and other benefit that is followed by the shareholders 32.88% for dividends. The retention for expansion and growth, government and community of the bank received 15.76%, 8.82% and 0.35% of total value addition respectively.



Economic Value Added

Economic Value Added (EVA) is a financial performance measurement tool developed by Stern Stewart & Co. which is an estimate of a Bank's economic profit, or the value created more

than the required return of the Bank's shareholders. EVA is the profit earned by the Bank less the cost of financing the Bank's capital.

The Bank has generated Economic Value Added of NPR 805.46 million as on Asar 2082 which was NPR 529.12 million on Ashad 2081.

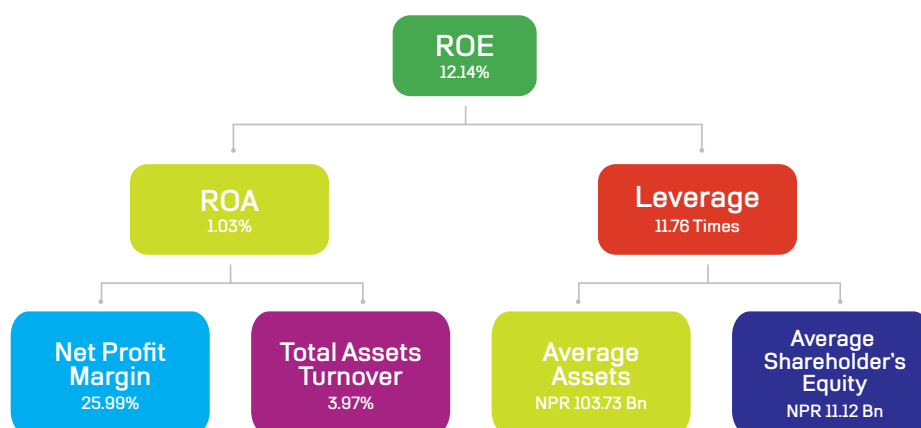
Particulars	In NPR Million	
	2081/82	2080/81
Net operating profit after tax	1,350.36	1,176.33
Average Shareholders' fund	11,120.43	9,896.28
Cost of capital Employed %*	4.90%	6.52%
Cost of capital Employed	544.90	647.22
Economic Value added	805.46	529.12

DuPont Analysis

DuPont analysis is a comprehensive method used to break down a company's Return on Equity (ROE) into several components, helping analysts understand the underlying

factors driving profitability, operational efficiency, and financial leverage. The basic DuPont formula focuses on three main components, while a broader and more detailed format include additional

ratios that are relevant for a Bank like capital adequacy, asset quality, and revenue generation.



The DuPont analysis of the Bank shows that the net profit margin increased from 24.77% in 2081 to 25.99% in FY 2081-82, which indicates the Bank became more efficient at turning its sales into profit. This is attributed particularly to the growth on the revenue. However, the Asset Turnover

ratio improved from 3.38 in 2081 to 3.97 in 2082, indicating that the Bank used its assets more effectively to generate sales, showing better efficiency in operations. At the same time, the Bank reduced its Financial Leverage, with the ratio falling from 11.98 in FY 2080-81 to 11.76 in FY 2081-82.

The Return on Equity (ROE) improved from 11.28% in FY 80-81 to 11.14% in FY 81-82. This implies the improvement to all the indicators that are the part of DuPont Analysis including ROA, ROE, Net Profit Margin, Assets Turnover and Leverage.

Share Performance

Muktinath Bikas Bank is a listed entity on Nepal Stock Exchange, and our shares are actively traded in the market under the script name **MNBBL**. The performance of our shares

reflects market conditions and investor activity which may vary due to broader economic trends, sector developments and other external factors. This analysis aims to present a clear and

transparent view of the changes in our share value and related metrics over the reporting period with relevant insights while maintaining a neutral perspective.

NPR 405.92

Share Price

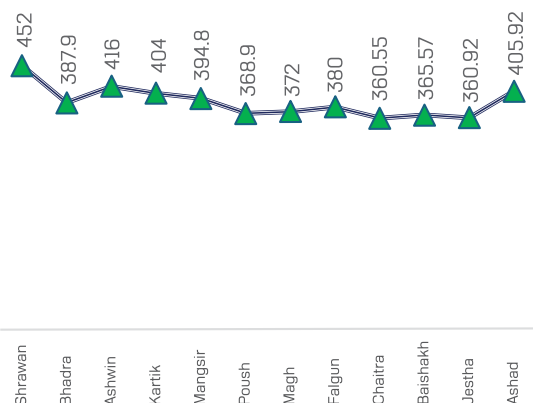
Previous Year NPR 367
YOY $\uparrow$ 10.6%

NPR 28.60 Bn

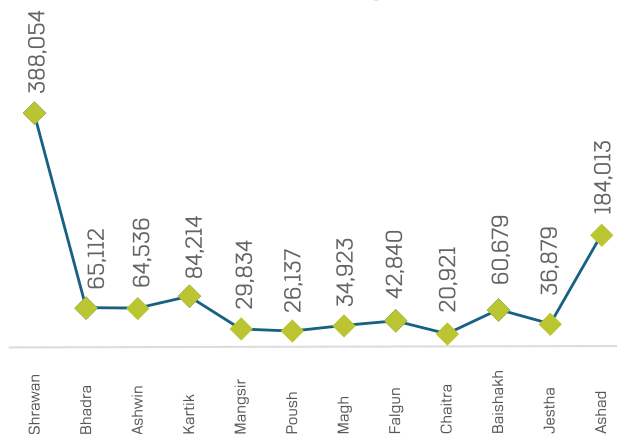
Market Capitalization

Previous Year (25.86 Billion)
YOY $\uparrow$ 2.74 Billion | 10.6%

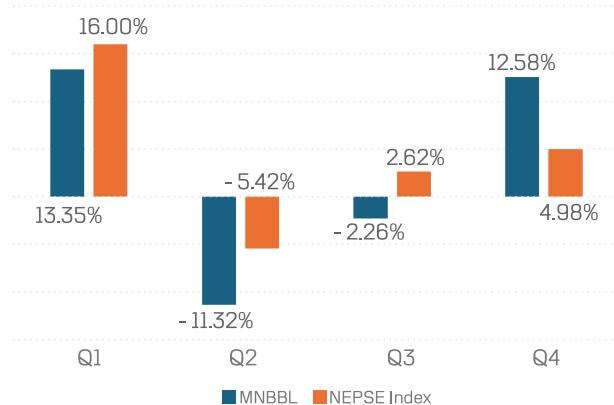
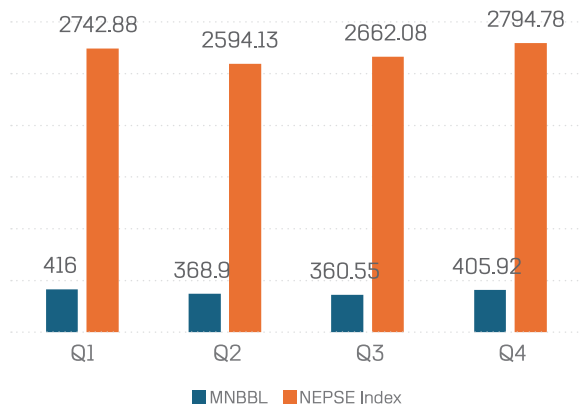
Monthly Share Price



Monthly Trading Volume



Price Sensitivity



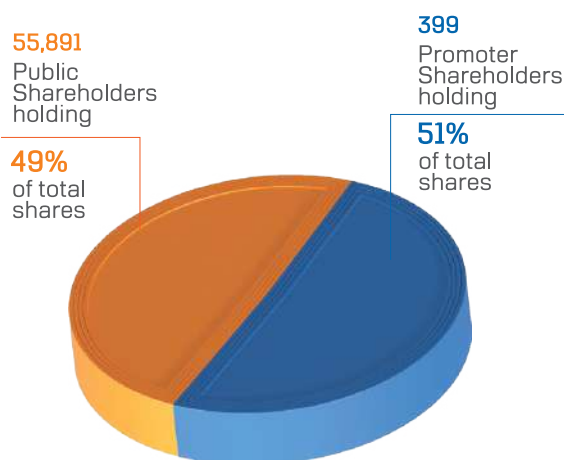
Shareholding Pattern

The Bank is supported by a body of more than 56 thousand shareholders, whose investment forms the cornerstone of our financial

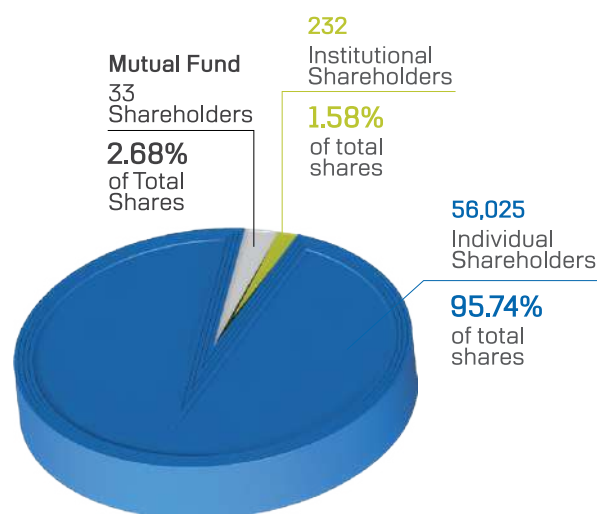
stability and strategic execution. The shareholding pattern comprise of 51% promoter holding and a 49% public float which is in full compliance with

the Banks and Financial Institutions Act, 2073. The following are more details about the our shareholding patterns:

I. Category of the Shareholders



II. Shareholding Pattern



III. The table below provides a shareholding distribution as of 32nd Asar 2082 demonstrating the diverse ownership base:

A. Promotor Shareholders

S.N.	Category (Shares)	No. of Holders	% of Holders	No. of Shares	Amount in Rs	% to Equity
1	1 - 1,000	29	7.29%	1,591.42	159,142	0.00%
2	1,001 - 5,000	34	8.29%	107,959.14	10,795,914	0.30%
3	5,001-10,000	61	15.33%	466,623.00	46,662,300	1.30%
4	10,001 - 20,000	59	14.82%	892,453.54	89,245,354	2.48%
5	20,001 - 30,000	24	6.03%	601,951.00	60,195,100	1.68%
6	30,001 - 40,000	28	7.04%	973,046.00	97,304,600	2.71%
7	40,001 - 50,000	22	5.53%	997,469.00	99,746,900	2.78%
8	50,001 - 100,000	47	11.81%	3,329,872.02	332,987,202	9.27%
9	100,000 and above	95	23.87%	28,563,421.33	2,856,342,133	79.49%
Total		399	100.00%	35,934,386.45	3,593,438,645	100.00%

B. Public Shareholders

S.N.	Category (Shares)	No. of Holders	% of Holders	No. of Shares	Amount in Rs	% to Equity
1	1 - 1,000	49202	88.03%	9,701,192.62	970,119,262	28.09%
2	1,001 - 5,000	6002	10.50%	11,681,696.48	1,168,169,648	33.83%
3	5,001 - 10,000	506	0.91%	3,469,376.24	346,937,624	10.05%
4	10,001 - 20,000	172	0.31%	2,403,351.00	240,335,100	6.96%
5	20,001 - 30,000	68	0.12%	1,679,987.00	167,998,700	4.87%
6	30,001 - 40,000	24	0.04%	822,348.22	82,234,822	2.38%
7	40,001 - 50,000	15	0.03%	676,184.22	67,618,422	1.96%
8	50,001 - 100,000	24	0.04%	1,589,399.00	158,939,900	4.60%
9	100,000 and above	12	0.02%	2,506,459.00	250,645,900	7.26%
Total		56025	100.00%	34,529,993.79	3,452,999,379	100.00%

IV. List of major shareholders holding more than 0.5% of total capital

The following table details shareholders holding 0.5% or more of the Bank's total paid-up capital as of 32nd Asar, 2082.

Particulars	Current Year		Previous Year	
	No. of Shares	% of Equity	No. of Shares	% of Equity
Tulasi Ram Dhakal	1,618,501.00	2.30%	1,639,743.00	2.33%
Krishna Man Shrestha	1,489,232.00	2.11%	1,496,232.00	2.12%
Min Prasad Gurung	1,381,980.00	1.96%	1,396,980.00	1.98%
Bharat Raj Dhakal	1,100,945.00	1.56%	1,100,945.00	1.56%
Jagat Bandhu Aryal	985,457.00	1.40%	985,457.00	1.40%
Gobind Gurung	947,205.00	1.34%	947,205.00	1.34%
Narayan Kumar Shrestha	907,536.00	1.29%	907,036.00	1.29%
Hari Bahadur Gurung	905,627.00	1.29%	905,627.00	1.29%
Khim Prakash Malla	850,421.00	1.21%	969,882.00	1.38%
Shanta Sharma	812,421.00	1.15%	812,421.00	1.15%
Khagendra Raj Regmi	781,951.00	1.11%	781,951.00	1.11%
Gajendra Man Shrestha	691,208.00	0.98%	639,584.00	0.91%
Dil Kumari Regmi	691,032.00	0.98%	691,032.00	0.98%
Sumit Kumar Agarwal	682,191.00	0.97%	682,191.00	0.97%
NMB Saral Bachat Fund-E	621,075.00	0.88%	355,386.00	0.50%
Narayan Prasad Sharma	518,728.00	0.74%	394,728.00	0.56%
Bharat Prasad Lamsal	518,309.00	0.74%	518,309.00	0.74%
Sandhya Poudel	497,959.00	0.71%	497,959.00	0.71%
Nareesh Kumar Sharma Pokhrel	466,247.00	0.66%	466,247.00	0.66%
Rama Devi Sharma	444,522.00	0.63%	444,522.00	0.63%
Shiba Kumar Adhikari	401,792.00	0.57%	401,792.00	0.57%
Bimala Sharma Pokhrel	399,779.00	0.57%	399,779.00	0.57%
Sher Bahadur Rana	390,869.00	0.55%	390,869.00	0.55%
Sitaram Kaphle	376,276.00	0.53%	376,276.00	0.53%
Punya Prasad Pokharel	354,242.00	0.50%	354,242.00	0.50%

Muktinath Bikas Bank Limited

Rating

Facilities	Amount (Rs. in Million)	Ratings ¹	Rating Action
Issuer Rating	NA	CARE-NP BBB (Is) [Triple B (Issuer Rating)]	Reaffirmed

CARE Ratings Nepal Limited (CRNL) has reaffirmed the issuer rating of 'CARE-NP BBB (Is)' [Triple B (Issuer Rating)] assigned to Muktinath Bikas Bank Limited (MNBBL). Issuers with this rating are considered to offer moderate degree of safety regarding timely servicing of financial obligations, in Nepal. Such issuers carry moderate credit risk.

Detailed Rationale & Key Rating Drivers

The reaffirmation of the issuer rating assigned to MNBBL derives strength from its established track record of operations, experienced board and management team supported by diversified geographical coverage and adequate capitalization levels. The rating also factors in satisfactory financial performance in so far in FY25 (FY refers to the twelve-month period ending mid-July), moderate CASA ratio and moderate liquidity profile. The rating, however, is constrained by MNBBL's declining asset quality over FY24 and so far in FY25. The rating also factors in the bank's exposure to the regulatory risk. Subdued scope for credit growth over the near-term and elevated provisioning requirements in the current market dynamics are likely to add to the margin pressure of the bank over the near term. Although current capitalization levels remain adequate, further slippages in asset quality leading to GNPL levels significantly higher than envisaged will remain a key rating monitorable.

Going forward, the ability of the bank to manage growth while maintaining profitability levels and without compromising on asset quality would be critical for the bank's earning profile. The bank's ability to improve capital adequacy indicators with comfortable cushion from the minimum regulatory requirement levels, and manage the impact of any other regulatory changes by Nepal Rastra Bank (NRB) would be the key rating sensitivities.

Detailed Description of the Key Rating Drivers

Key Rating Strengths

Established track record, experienced board and management team and diversified geographical coverage

Operating since 2007, MNBBL has more than 17 years of operational history and an established market presence in Nepal. MNBBL is a professionally managed bank under the overall guidance of the Board of Directors (BoD) which includes professionals with wide experience in the financial and economic sector. Mr. Khim Prasad Malla is the Chairman of MNBBL. The management team is led by Mr. Pradyuman Pokharel, Chief Executive Officer, who has around three decades of experience in banking sector and is aptly supported by an experienced management team.

MNBBL has diversified geographical presence in Nepal with 179 branches and 22 ATMs as on mid-January 2025 across the country. The branches are spread over all seven provinces of Nepal.

Adequate capitalization levels

Tier I Capital Adequacy ratio of the bank improved to 9.79% as on mid-Jan 2025 from 9.46% as on mid-July 2024 (minimum requirement of 8.5% for national level Class-B Banks and Financial Institutions from mid-July 2024) and Overall

¹Complete definitions of the ratings assigned are available at www.careratingsnepal.com and in other CRNL publications

Capital Adequacy ratio slightly increased to 11.87% as on Mid-Jan 2025 from 11.69% as on mid-July 2024 (minimum requirement of 11%). The central bank of Nepal has increased regulatory capital to 8.5% and 11% (Tier I and total CAR, respectively) from mid-July 2024 from 6% and 10% earlier. The slight improvement in Tier I levels and overall capital adequacy ratio of the bank in H1FY25 was mainly on account of increased core capital of the bank as on mid-Jan, 2025 supported by internal capital generation despite loans and advances portfolio increasing by 4.57%. The profitability of the bank has improved in H1FY25 as indicated by net profit of Rs. 503 Mn in H1FY25 (H1FY24: Rs. 420 Mn) mainly on account of decrease in interest expenses. The bank's ability to manage asset quality and growth in business while maintaining enough cushion in its capitalization levels will remain critical from credit perspective. The bank is in process of issuing perpetual preference shares of Rs. 1000 Mn, which is expected to provide additional cushion to its capitalization levels.

Satisfactory financial performance

During FY24, the MNBBL's total income decreased by 10.70% year-on-year to Rs. 14,370 Mn during FY24 which was Rs. 16,091 Mn during FY23. The decrease is mainly on account of lower yield on advances on loans and advances during FY24. Nonetheless, the bank was able to report 3.29% y-o-y growth in net interest income during FY24 (FY23: Rs. 4,104 Mn and FY24: 4,239 Mn). Pre-Provisioning Operating Profit (PPOP) remained relatively stable i.e. Rs. 2,509 Mn and Rs. 2,459 Mn during FY23-FY24. Impairment losses (loan loss provisioning) increased by ~11% y-o-y to Rs. 777 Mn during FY24 amid rise in NPL and delinquency levels. The net profit of the company thus declined by 5.8% y-o-y to Rs. 1,176 Mn during FY24 on account of higher impairment charges amid increasing GNPL levels. Consequently, ROTA declined to 0.92% in FY24 from 0.99% in FY23. During H1FY25, total income declined by 23.03% year-on-year to Rs. 5,939. However, Net Interest Margin (NIM) increased to 3.47% in H1FY25 (H1FY24: 3.23%). Net profit increased to Rs. 503 Mn in H1FY25 from Rs. 420 Mn in Q1FY24 amid decline interest expenses.

Moderate CASA ratio

MNBBL maintained 33.40% CASA deposits in FY24, marginal improvement from 24.64% in FY23 compared to industry average of 30.86% and 34.37%, respectively. The higher CASA ratio led to decreased cost of funds at 6.54% in FY24 resulting into base rate of 8.78% in FY24. Lower cost of funds against its peers imposes competitive advantage for the bank, especially in the "base rate plus lending rate" regime. CASA deposits were higher in FY23-FY24 industry-wide with lower proportion of current deposits and higher proportion of fixed deposits as compared to previous quarters. MNBBL's CASA proportion improved in H1FY25 to 36.58%. The bank's ability to maintain the improving trend in CASA mix leading to favourable cost of funds vis-à-vis peers for a sustained period remains to be seen.

Moderate liquidity profile

MNBBL has a moderate liquidity profile marked by Cash Reserve Ratio (CRR) of 4.38%, Statutory Liquidity Ratio (SLR) of 20.20% and Net Liquidity Ratio of 22.88% as on mid-January 2025 (CRR: 4.02%, SLR: 22.56% and Net Liquidity Ratio: 24.01% as on Mid-July, 2024) against regulatory requirement of 4%, 10% and 22% respectively which remain satisfactorily above the regulatory norms. Furthermore, the bank's liquidity profile remains moderate from the asset-liability mismatch perspective with positive cumulative mismatches as of mid-January 2025.

Key Rating Weakness

Weak asset quality

Although MNBBL continues to exhibit better asset quality profile vis-à-vis industry peers, its Gross Non-Performing Loans (GNPL) levels have spiked to around 3.98% as on mid-Jan 2025 compared to 2.26% as on mid-July 2024. MNBBL has historically maintained a relatively better asset quality profile vis-à-vis the industry reflective of the bank's more efficient risk management setup. MNBBL had GNPL ratio of 3.98% as on mid-Jan 2025, compared to the industry average of 4.79% for class B financial institutions. The decline in asset quality of MNBBL and the overall banking industry over FY24 and so far in FY25 can be attributed to sluggish economy coupled with low capital expenditure by the government. However, some comfort is taken in MNBBL displaying a more resilient asset quality relative to peers. MNBBL's ability to improve the asset quality indicators going forward would remain a key rating monitorable.

Competition from other banks and financial institutions

Currently there are 17 Development Banks, operating with total 1,132 branches all over Nepal (based on monthly statistics published by NRB for mid-January 2025). MNBBL has 179 branches along with head office as on same date. Industry (Class B Development Banks) had achieved total interest income of Rs. 29,332 Mn during H1FY25 with Rs. 10,884 Mn net interest income; MNBBL's share on interest income is 19% (Rs. 5,574 Mn) and 20.15% share on net interest income (Rs. 2,194 Mn) for the same period. MNBBL's share on interest income decreased from 20.66% to 19.55% in FY23 however, share on net interest income increased to 19.59% in FY24 from 19.26% in FY23. Despite being established national development bank in the industry, it is challenging for MNBBL to maintain current market share and expand its business, due to high competition among bank and finance companies, existence of large number of Development bank along with Commercial banks and finance companies conducting similar kind of businesses and they lend at lower interest rate as well as they offer wider banking services than development banks.

Exposure to regulatory risk related to industry

The Banking and Finance industry in Nepal is exposed to changes in the various regulatory measures issued by NRB from time to time. In past, finance companies faced pressure from NRB for capital increment to Rs. 800 Mn from Rs. 200 Mn. NRB had changed the minimum regulatory capital of national level development banks from FY24 end onwards. National levels development banks are required to maintain tier 1 capital adequacy ratio of 8.5% and overall, CAR of 11% from mid-July 2024 onwards, which is in line with the requirement for Class A commercial banks in Nepal. Furthermore, NRB had changed to CD ratio mechanism from existing Credit to Core Capital plus Deposit (CCD) ratio measures. CD ratio needs to maintain below 90% from mid-July 2022 from earlier provision of 85% for CCD. Risk weights of certain loans including personal overdrafts, TR loans, hire purchase loans for personal purpose, margin lending, etc. have been fluctuating between 100% to 150% via interim changes in monetary policies by the NRB. Unfavourable changes depending on the bank's exposures are likely to put downward pressure on capital adequacy ratios of the MFIs and limit their ability for significant credit expansion, at least over the near term. Furthermore, increased interest rates will likely put upward pressure on both lending and deposit interest rates of the MFIs over the near term.

About the Company

Muktinath Bikas Bank Limited (MNBBL) is a national level class "B" Development bank and started its commercial operations from January 07, 2007. MNBBL was upgraded into a national level development bank in July 2015 after acquisition of Civic Development Bank. The bank is listed on Nepal stock exchange and promoter and public shareholding was in the ratio of 51:49 as on Mid-July, 2022.

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About CARE Ratings Nepal Limited:

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Our parent company, CARE Ratings Limited commenced operations in April 1993 and over three decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI).

Disclaimer

CRNL's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CRNL has based its ratings on information obtained from sources believed by it to be accurate and reliable. CRNL does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRNL have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

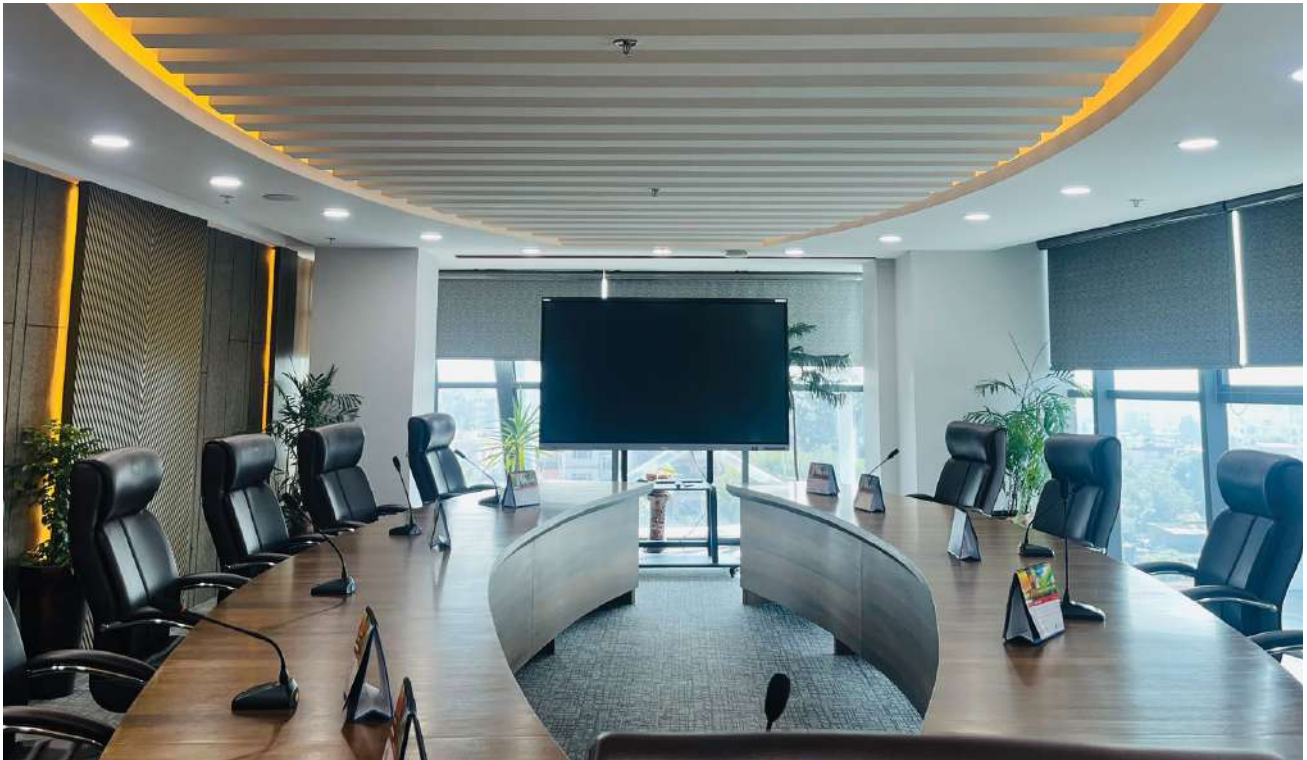
In case of partnership/proprietary concerns, the rating assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.



GOVERNANCE



Corporate Governance



Our approach to Corporate Governance

Our approach to corporate governance is built on a foundation of transparency, accountability, integrity and effective oversight. We are committed to maintaining the highest ethical standards in all our interactions and decision-making processes. Our robust governance framework, overseen by an independent and diverse Board of Directors, ensures effective risk management, protects shareholder interests and promotes the long-term sustainable success of the company. We believe that strong governance is not just a regulatory requirement but a fundamental driver of value creation for

all our stakeholders. We work to deliver balanced outcomes for stakeholders and sustainable returns for our shareholders.

Muktinath believes in the principle that good corporate governance establishes a positive organizational culture and it is evident by its responsibility, accountability, consistency, fairness and transparency towards stakeholders. The Bank is committed to ensuring that its governance practices align with all applicable regulatory frameworks governing the bank and financial

institutions and Securities Board of Nepal regulations.

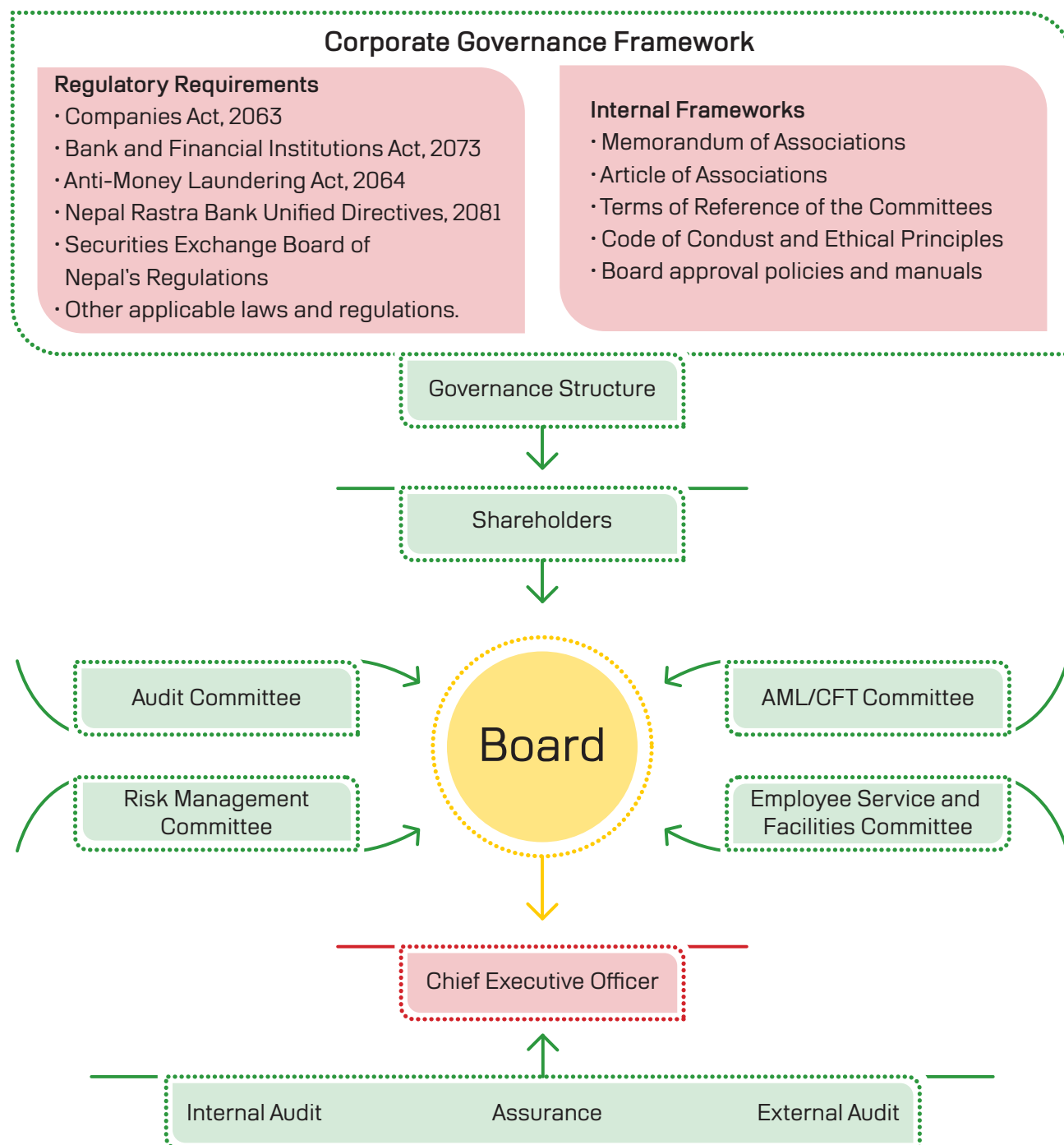
The Board of Directors of the Bank being the apex body accountable to the regulators, investors and all other stakeholders including society, sets the purpose of the Bank, the values with which it is guided, the strategies with the combination of the vision and mission and implementation of this in the business strategy.

Governance Framework of the Bank

The Board of Directors plays a crucial role in shaping the bank's governance framework and practices through its decisions and leadership. The Board is ultimately responsible for creating

and maintaining effective governance mechanisms, including selecting and appointing subcommittee members. To safeguard the Bank's against unforeseen events, risk management

and support functions operate independently from regular business activities. The governance structure of the Bank is as follows:

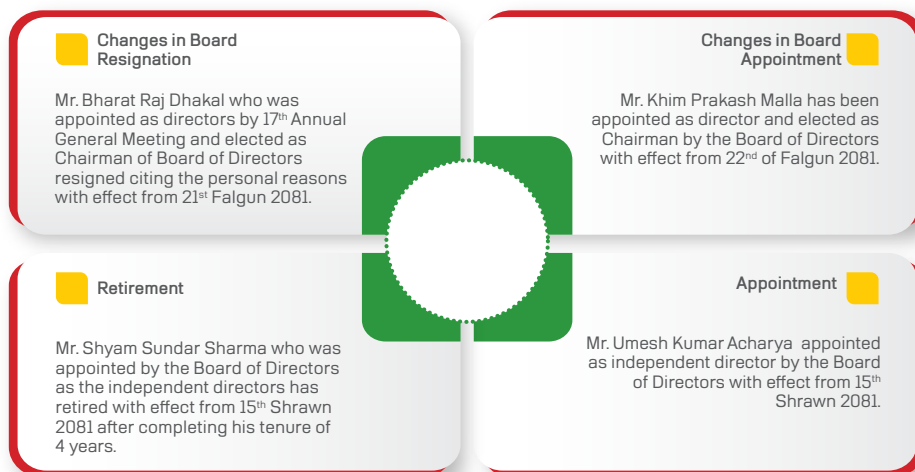


Board of Directors:

Board is the Bank responsible for providing strategic direction, governance oversight and guidance on key decisions. The Board of Directors exercises its fiduciary duties as

the elected representatives of the shareholders, focusing on the long-term stewardship and sustainable growth of the Board.

The composition of the Board is in compliance with Section 14 of the Bank and Financial Institution Act, 2073.



Key Matters Expressly Reserved for Board Consideration and Approval

To ensure strong governance and effective oversight, certain matters are expressly reserved for the Board's consideration and approval. These include strategic, financial, operational and legal decisions that have a significant impact on the Bank's direction, performance and compliance. Where applicable, such decisions are also aligned with regulatory requirements, ensuring that the Board's actions uphold transparency, accountability and excellence.

Strategic Direction	○ Approval of the Strategic Plan ○ Approval of new products, services, and product lines ○ Approval of annual action plans ○ Dividend Policy
Corporate Governance	○ Appointment of senior management ○ Approval of Board Committees and their structure ○ Oversight of internal controls and risk management frameworks
Financial Matters	○ Approval of annual budget and capital expenditure ○ Approval of strategic investments and divestments ○ Approval of raising funds through equity, bonds or other instruments
Operational Matters	○ Approval of loans and credit facilities exceeding delegated limits ○ Approval of loan auctions and assumption of Non-Banking Assets ○ Approval and adoption of policies ○ Approval of branch expansions or closures ○ Approval of major IT systems or technology investments
Legal Matters	○ Approval of litigation or settlement of material legal disputes ○ Oversight of regulatory compliance and legal risk management

Board Meetings and its Procedure:

The board meetings are convened by giving appropriate notice well in advance of the meetings. The Directors are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management. To enable the Board to discharge its responsibilities effectively and take informed decisions, apart from the Board Members and the Company Secretary, the meetings are also attended by the Business Heads, Risk, Audit and Compliance Heads, Chief

Financial Officer and other Department Heads.

The Board usually meets at least once a month to approve the credit facilities above the delegated limit, review the Company's quarterly performance and financial results, to consider business strategies, and their implementation, and reviews risk, audit, control, compliance and other related matters. The Board sets annual performance objectives and strategies, oversees the actions and results of the management, and monitors the effectiveness of the risk management and Bank's

governance practices for enhancing the stakeholders' value.

The Bank has well-established framework for conveying the Meetings of the Board which seeks to systematize the decision-making process at the Meetings in an informed and efficient manner.

During the financial year under review, the 26 board meetings were held and following were the attendance details of the directors:

Meeting No.	Date	Bharat Raj Dhakal*	Khim Prakash Malla**	Narayan Kumar Shrestha	Bharat Prasad Lamsal	Binod Kumar Sharma	Saroja Shrestha (Koirala)	Shyam Sundar Sharma#	Umesh Kumar Acharya##	Total Attendees
330	02/04/2081	■	-	■	■	■	-	■	-	5
331	11/04/2081	■	-	■	■	■	-		-	4
332	15/04/2081	■	-	■	■	■	■	■	-	6
333	28/04/2081	■	-	■	■	■	■	-	■	6
334	06/05/2081	■	-	■	■	■	■	-	■	6
335	25/05/2081	■	-	■	■	■	■	-	■	6
336	09/06/2081	■	-	■	■	■	■	-	■	6
337	21/06/2081	■	-	■	■	■	■	-	■	6
338	21/07/2081	■	-	■	■	■	-	-	■	5
339	17/08/2081	■	-	■	■	■	■	-	■	6
340	01/09/2081	■	-	■	■	■	■	-	■	6
341	07/09/2081	■	-	■	■	■	■	-	■	6
342	23/09/2081	■	-	■	■	■	■	-	■	6
343	20/10/2081	■	-	■	■	■	■	-	■	6
344	28/10/2081	■	-	■	■	■	■	-	■	6
345	18/11/2081	■	-	■	■	■	■	-	■	6
346	21/11/2081	-	-	■	■	■	-	-	■	4
347	22/11/2081	-	■	■	■	■	-	-	■	5
348	12/12/2081	-	■	■	■	■	■	-	■	6
349	21/12/2081	-	■	■	■	■	■	-	■	6
350	07/01/2082	-	■	■	■	-	-	-	■	4
351	28/01/2082	-	■	■	■	■	■	-	■	6
352	27/02/2082	-	■	■	■	-	■	-	■	5
353	04/03/2082	-	■	■	■	-	■	-	■	5
354	22/03/2082	-	■	■	■	■	■	-	■	6
355	27/03/2082	-	■	■	■	■	■	-	■	6
Meetings Attended		16	9	26	26	23	20	2	23	
Total Meetings Held		16	9	26	26	26	26	3	23	
% Attendance		100.00%	100.00%	100.00%	100.00%	88.46%	76.92%	66.67%	100.00%	

* Resigned with effect from 21st Falgun, 2081

** Appointed with effect from 22nd Falgun, 2081

Retired with effect from 15th Shrawan, 2081

Appointed with effect from 15th Shrawan, 2081

Meeting Allowances to the Directors

The Board members are provided with the sittings fees for attending the meetings which is approved by the shareholders in the Annual General Meetings, Registrar of Companies and Nepal Rastra bank.

Meeting Allowance Fees to	
Chairman	Directors
15,000	13,000

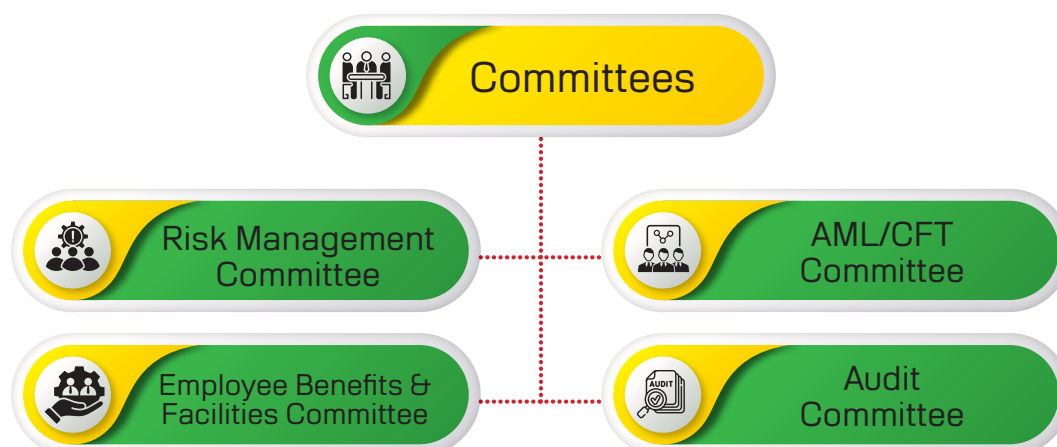
Accordingly, the following allowance were provided to the directors:

Name	Numbers	Allowances Per Meeting	Meeting Allowances Paid	Remarks
Bharat Raj Dhakal	16	15,000	240,000	Resigned with effect from 21st Falgun, 2081
Khim Prakash Malla	9	15,000	135,000	Appointed with effect from 22nd Falgun, 2081
Narayan Kumar Shrestha	26	13,000	338,000	-
Bharat Prasad Lamsal	26	13,000	338,000	-
Binod Kumar Sharma	23	13,000	299,000	-
Saroja Shrestha (Koirala)	20	13,000	260,000	-
Umesh Kumar Acharya	23	13,000	299,000	Appointed with effect from 15th Shrawan, 2081
Shyam Sundar Sharma	2	13,000	26,000	Retired with effect from 15th Shrawan, 2081
Total			1,935,000	

Board Committees:

The Board has constituted various Committees with specific terms of reference which clearly defines their purpose, roles, and responsibilities in line with the provisions of the Bank and Financial Institution Act, 2073 and NRB Directors. The Board Committees play a vital role in improving the Board effectiveness in areas where more focuses and extensive discussions are required. The coordinator of the respective Committee presents the key matters before the Board.

There are 4 Board Level committees which are as follows:



The detailed description of the Board Committees are as follows:

AUDIT COMMITTEE

The Audit Committee has been constituted in accordance with the regulatory requirements set forth in the NRB Unified Directives, as well as the stipulations outlined in Sections

164 and 165 of the Company Act 2063 and Section 60 of the BAFIA. This committee assists the Board in fulfilling its obligations related to effective corporate governance, internal control,

risk management, financial reporting, adherence to legal and regulatory standards, and the promotion of ethical business practices.

Terms of Reference

The terms of reference of this Committee are as follows:

1. Evaluate financial status, internal controls, and Audit Program, while systematically analyzing the results of the internal audit on a regular basis. Provide essential guidance to Management for taking suitable actions in this regard and make recommendations to the Board of Directors concerning the necessary measures to be implemented.
2. Review the issues outlined in the audit report provided by the external (statutory) auditors and commence the implementation of required corrective measures.
3. Review the reports provided by Nepal Rastra Bank during the Supervision and Inspection process and communicate to the Board of Directors whether the observations noted during such supervision have been adhered to.
4. Assists ensure annual reports be accurate and real.
5. Assure the Board of Directors that the financial accounts are both precise and equitable, accompanied by regular assessments of the sufficiency of provisions for contingencies and classified loans.
6. Review the compliance of the regulations issued by Nepal Rastra Bank to the Bank and include the same in its report.
7. Evaluate the Bank's activities concerning their compliance, cost-effectiveness, rationality, and overall efficiency, and provide appropriate recommendations to the Board of Directors.
8. To carry out any additional responsibilities or obligations as outlined in the Companies Act, 2063, the Bank and Financial Institution Act, 2073, and the directives issued by the Nepal Rastra Bank.

The following is the composition, attendance and allowance details of the Audit Committee for FY 2081-82:

• Upto 2081-04-15

Members of Committee	Designation	Position	Attendance	Sitting Fees
Shyam Sundar Sharma	Director	Coordinator	1/1	10,000
Narayan Kumar Shrestha	Director	Member	1/1	9,000
Ishwar Budhathoki	Head- Internal Audit Department	Member Secretary	1/1	Nil

• From 2081-04-16

Members of Committee	Designation	Position	Attendance	Sitting Fees
Umesh Kumar Acharya	Director	Coordinator	7/7	70,000
Narayan Kumar Shrestha	Director	Member	7/7	63,000
Ishwar Budhathoki	Head- Internal Audit Department	Member Secretary	7/7	Nil

**Activities of the Committee during the year**

1. Reviewed the initiatives implemented by the Internal Audit Department to enhance the Internal Control Monitoring process and the overall effectiveness of the internal audit was closely observed.
2. The Bank's Audit Committee discussed the reports of the Internal Audit Department and forwarded its reports to the Board for further discussion.
3. Approved the internal audit plan for effective execution of the branch and departmental audits during the FY.
4. Reviewed the independence, objectivity, and performance of the internal audit function as well as the adequacy of the Department's resources.
5. The committee recommended the name and remuneration for appointment of Statutory Auditor for FY 2081-82.
6. The committee reviewed the quarterly interim financial statement and annual financial statements of the Bank.
7. The observations provided by the External Auditors regarding the internal control system were examined throughout the year, and necessary measures have been implemented to address them. The suggestions put forth by the External Auditors concerning internal control will be attended to in the future.
8. Reviewed the observations and suggestions made by the Nepal Rastra Bank's inspection and monitored the progress made.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been formed pursuant to the Clause 7(3) of the NRB Unified Directives. The committee is constituted by the

Board of Directors to assist them in the identification, evaluation and mitigation of risks. The Committee has overall responsibility for monitoring

and approving the risk policies and associated practices of the Bank.

Terms of Reference

The terms of reference of this Committee are as follows:

1. Report to the Board on the adequacy and appropriateness of current Risk Management Procedures of the Bank and make suggestions and recommendations for improving and strengthening Risk Management practice of the Bank.
2. Comprehensive evaluation of the Bank risk exposure based on Risk Appetite and Risk Tolerance set by the Board.
3. Ensure the procedure and procedural adequacy for identifying, measuring, monitoring and controlling inherent risk within business operation.
4. Recommend the Board on the adequacy of existing policies in regard to the business strategy and Bank's Risk Tolerance.
5. Report to the Board with recommendations on the appropriateness of the authorities delegated by the Board.
6. Recommend the Board on any possible significant impact on the Bank's financial position arising from macro-economic environment.
7. Providing suggestion to the Board concerning the Business strategy aligned with the Risk Weighted Assets as stipulated by the Capital Adequacy Requirement set by Nepal Rastra Bank and Internal Capital Adequacy Assessment Process.
8. Review stress testing carried out by the Bank on regular basis and offer suggestions to the Board for appropriate policies and decision making.
9. Recommend the Board for the formation of policies and structures in line with the provision of NRB Directives.
10. Monitor and review non-compliance, limit breaches, Audit/Regulatory findings and policy exceptions with respect to Risk Management Procedures.

Composition, meeting, attendance and allowance

The committee comprises of four members in total including two directors nominated by Board of Directors one being the coordinator of the Audit Committee, Chief Operating Officer and Head of Integrated Risk Management Department as Member Secretary. The Risk Management Committee meets at least on a quarterly basis to discharge its responsibilities.

Members of Committee	Designation	Position	Attendance	Sitting Fees
Binod Kumar Sharma	Director	Coordinator	9/9	90,000
Umesh Kumar Acharya	Director	Member	9/9	81,000
Til Bahadur Gurung	Chief Operating Officer	Member	9/9	-
Pragaly Neupane	Head- Integrated Risk Management Department	Member Secretary	9/9	-

Activities of the Committee during the year

1. Reviewed Credit Risk, Operation Risk, Market Risk, Legal Risk, Reputation Risk, Strategic Risk and Environment, Social and Climate Change Risk and other reports prepared by Integrated Risk Management Department.
2. Reviewed Credit and Operation Risk Rating of the Branches, Region and Bank as a whole.
3. Reviewed and suggested various frameworks and policies whenever deemed necessary.
4. Review the assets quality of the Bank including the detailed analysis on the non-performing, watchlist, overdue and loan loss provision accounts.
5. Monitored and reviewed the likelihood of the impact of the various risk imposed by macroeconomic factors in the industry.
6. Reviewed the agendas discussed in the Assets Liability Committee (ALCO) and its effectiveness.
7. Reviewed the risk associated with the various human factors within the Bank.
8. Discussed interest risk of deposit portfolio of the Bank, cost of fund and suggested to improve the composition of retail deposit and improve CASA and cost control.
9. Reviewed and suggested on amendment of product paper.
10. The committee presented risk-related reports at least on quarterly basis to the Board for its consideration.

AML/CFT COMMITTEE

AML/CFT Committee of the Board has been formed in line with the provision of Unified Directives of Nepal Rastra Bank. The Committee oversees

implementation of Assets (Money) Laundering Prevention Act, 2064, Assets (Money) Laundering Prevention Rules, 2073, NRB Unified Directives and other

legal and regulatory requirements related to Money Laundering Prevention and Combating financing of Terrorism.

Terms of Reference

The terms of reference of this Committee are as follows:

1. Review quarterly reports on implementation status of AML/CFT framework in the bank
2. Implementation status of NRB-FIU issued FATF Recommendations, Internal Policies and procedures for better control measures
3. Issues Review relating to AML/CFT and discuss on assessment, measurement, monitoring and control of various related risks along with use of our AML vendor i-Care for various automatic monitoring purposes.
4. To perform any other tasks as governed by Bank and Financial Institution Act 2073, Asset Money Laundering Prevention Act 2064, Asset Money Laundering Prevention Rules 2073, NRB Directives and Board of the bank from time to time.
5. The committee should provide a quarterly report to the Board after due assessment of activities carried out by the AML/CFT department.

Composition, Meeting, Attendance and Allowance of Committee:

The Committee comprises of four members in total which includes one director, Head of Integrated Risk Management Department, Head of Compliance Department and Head of AML/CFT Department as Member Secretary. The Committee meets at least on a quarterly basis to discharge its duties.

The following is the composition, attendance and allowance details of the AML/ CFT Committee for FY 2081-82:

Members of Committee	Designation	Position	Attendance	Sitting Fees
Bharat Prasad Lamsal	Director	Coordinator	8/8	80,000
Pragalv Neupane	Head- Integrated Risk Management Department	Member	8/8	-
Dandapani Dhakal*	Head-Compliance Department	Member	3/3	-
Subash Dhakal	Head-AML/Department	Member-Secretary	8/8	-

*Appointed with effect from 18th Falgun 2081

Activities of the Committee during the year

1. Annual review of know your customer (KYC) status.
2. Review and Revision of AML/CFT Policy of the Bank.
3. Conducted a comprehensive review of AML/CFT banking reports from national and international regulators. Performed detailed risk assessments to identify vulnerabilities and authored a plan to implement mitigating controls.
4. Reviewed the report regarding status of Customer Due Diligence (CDD), Suspicious Transaction Report (STR) and Transaction Threshold Report (TTR as per regulators.
5. Discussion on various control measures in line with implementation of internal and external policies, NRB directives, as per regulations of various governing bodies of Nepal.
6. Reviewed the reports of the internal auditors, external auditors and NRB on the AML issues.

EMPLOYEE SERVICE AND FACILITIES COMMITTEE

The formation of the Employee Service and Facilities Committee is in line with the provisions set forth in the "Employee Service Bylaws, 2079" of the Bank. The Happiness & Recognition Department is responsible for managing the administrative function of this committee.

Terms of Reference

1. Assists the Board in forming the "Remuneration Policies and Practices" of the Bank.
2. Report to the board on its periodical assessment and analysis of the Bank's employee remuneration structure, as well as that of the industry, and its possible implications on the Bank.
3. Recommends the Board with the necessary rationales and explanations to revise the existing remuneration of all the employees including that of the Chief Executive Officer in accordance with the Bank's "Remuneration Policies and Practices".
4. Develop and revise the metrics and procedures for assessing the work performance of the Bank's employees.
5. Develop and submit to the Board plans, guidelines, and policies on hiring, posting, transferring, promoting, and other labor-related issues as well as performance reviews, rewards, and penalties for employees.
6. Present the Board for its approval of the succession planning on the employees.

Composition, Meeting, Attendance, and Allowance of Committee:

The committee is composed of four people: the non-executive director, the Chief Executive Officer, the Chief Financial Officer, and the Head of Happiness & Recognition Department. It meets as needed to accomplish its responsibilities as outlined in its Terms of Reference.

The following is the composition, attendance, and allowance details of the Employee Service and Facilities Committee for FY 2081-82:

Members of Committee	Designation	Position	No. of Meetings	Sitting Fees
Saroja Shrestha (Koirala)	Director	Co-ordinator	4/4	40,000
Pradyuman Pokharel	Chief Executive Officer	Member	4/4	Nil
Sanjiv Poudel	Chief Financial Officer	Member	4/4	Nil
Shankar Prasad Baral	Head- Happiness & Recognition Department	Member Secretary	4/4	Nil

Activities of the Committee during the year

1. Recommended to the Board for its approval, the revision on the staff's compensation and benefits.
2. Recommended to the Board for its approval, the corporate position wise additional staff enrollment for FY 2081-82.
3. Review the position wise recruitment during the year.
4. Reviewed the nature and the adequacy of the training conducted for the staff.
5. Evaluated turnover metrics to determine primary factors influencing employee departure.

Risk Management



Approach to Risk Management

In today's dynamic and uncertain financial environment, effective risk management is critical to the Bank's survival, growth, and sustained long-term success. The Board and management are fully committed to enhancing the Bank's risk framework to protect the interests of both shareholders and stakeholders. As a fundamental component of our operational structure, the Risk Management function empowers us to confidently navigate uncertainties, proactively address emerging challenges, and capitalize on opportunities.

Through robust governance, ongoing risk assessments, and adaptive strategies, we continuously refine our practices to respond effectively to macroeconomic shifts, reinforcing our commitment to resilience and sustained success in a changing financial landscape.

To this end, the Bank has implemented an Integrated Risk Management Framework that adopts a holistic approach to managing various risk dimensions while proactively safeguarding daily operations and strategic goals. This framework clearly delineates the Bank's governance,

policies, processes, and procedures, enabling the effective management of unforeseen risks.

Key areas within the framework include credit risk management, which emphasizes rigorous evaluation of borrower creditworthiness and portfolio composition to mitigate default exposure. By regularly reviewing risk controls in light of external developments, the framework provides timely alerts on emerging risks, allowing the Bank to implement appropriate measures to navigate the ongoing volatile macroeconomic environment.

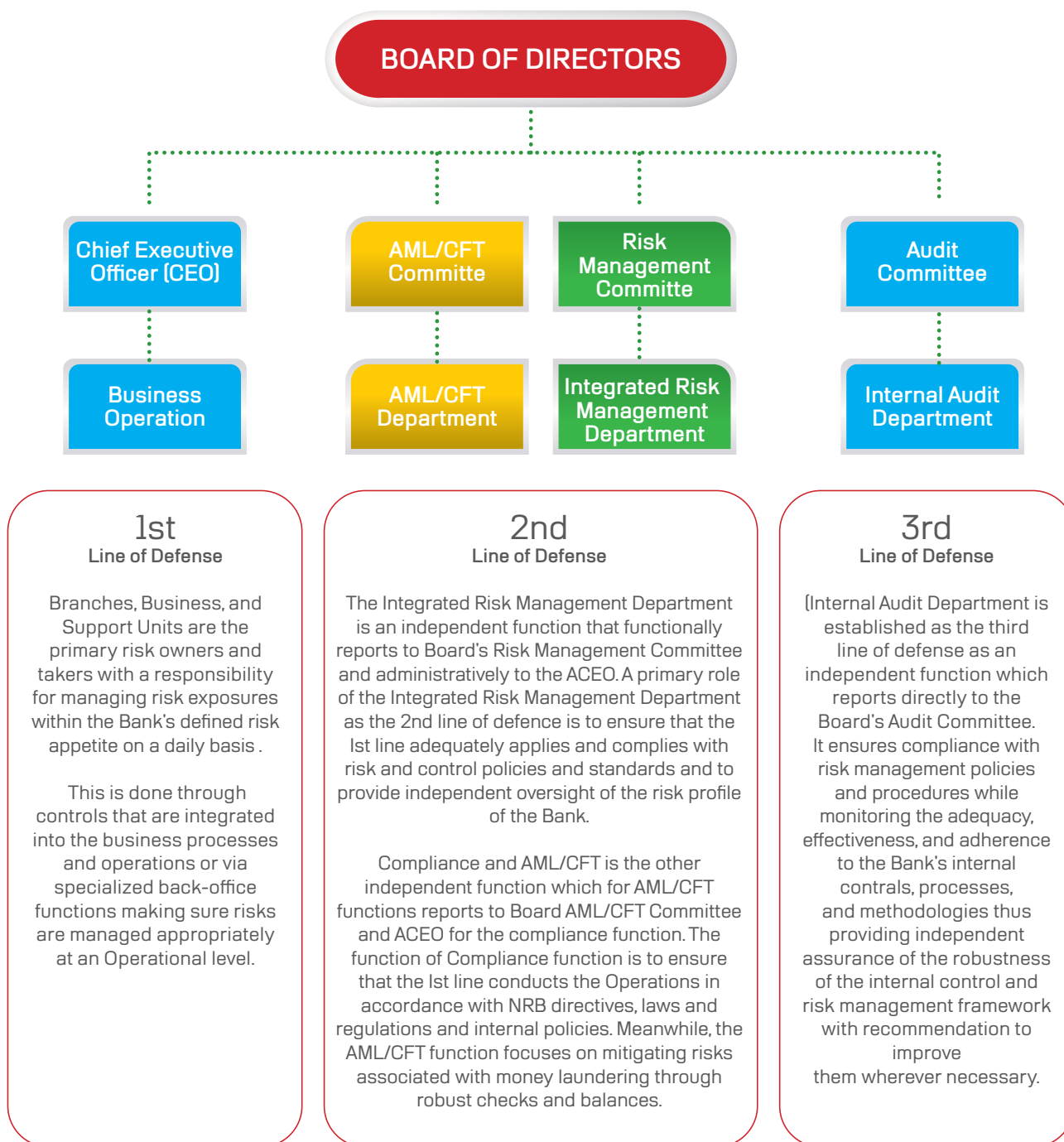
Risk Governance Structure

The Board of Directors holds ultimate accountability for the Bank's overall risk management and is responsible for approving the risk management strategies and guiding principles. The Risk Management Policy, endorsed by the Board, establishes

a robust governance framework that supports the systematic identification, assessment, monitoring, reporting, and mitigation of risks across the Bank. The primary objective of the risk management platform is to foster a strong risk-aware culture within

the organization while ensuring the implementation of effective systems and tools for the timely identification, measurement, and reporting of risks, thereby enabling proactive risk management.

The Bank operates under the following Risk Management Structure:



Risk Management Process

The Board has established a dedicated Risk Management Committee tasked with the vital responsibility of identifying, assessing, and managing risks across the Bank, reporting directly to the Board of Directors. The Risk Management Policy is effectively implemented through a well-defined organizational structure, ensuring comprehensive governance. Risk oversight is centrally coordinated by the Integrated Risk Management Department, which works closely with all Department Heads, including the Bank's Asset-Liability Committee (ALCO). The Board conducts a thorough review of risk status and the effectiveness of the risk management framework on a quarterly basis through the Audit Committee and Risk Management Committee, reflecting a steadfast commitment to vigilance and control.

As the first line of defense, individual departments are accountable for the rigorous implementation of the risk management framework, policies, systems, and methodologies as approved by the Board. Department Heads ensure that their respective

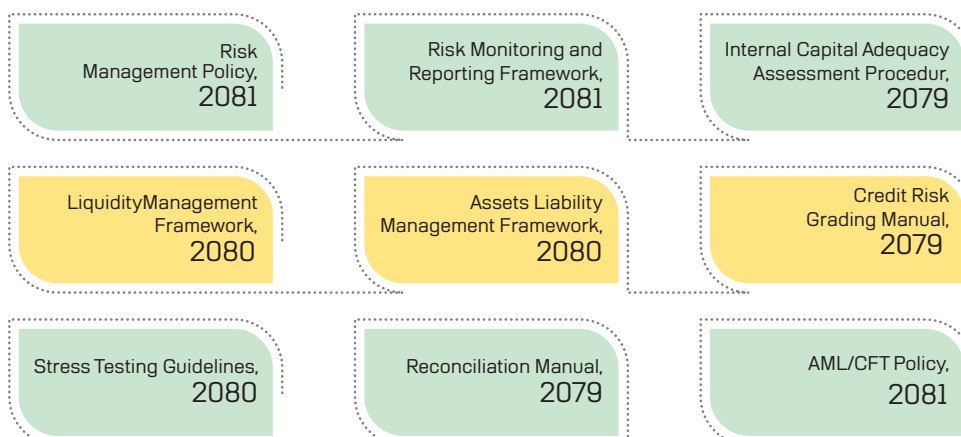
branches, units, and the Bank operate strictly within the defined risk tolerance levels within the defined risk appetite. They are also charged with the continuous identification and management of emerging risks within their areas, recognizing that risk exposure evolves in response to an ever-changing business environment. While departments maintain focus on their specialized functions, the Integrated Risk Management Department collaborates across the Bank to aggregate critical information and confirm adherence to the Bank's articulated risk appetite as outlined in the Risk Management Policy. Further strengthening the risk framework, a specialized unit is tasked with identifying and mitigating risks related to money laundering and financial terrorism (ML/TF). Complementing this, the Compliance Department ensures strict adherence to all applicable laws and regulations, upholding the Bank's commitment to regulatory excellence.

The Internal Audit Department conducts audits in accordance with the approved audit plan by the Audit Committee,

rigorously assessing both procedural adequacy and compliance. Results and recommendations from these assessments are communicated transparently to management and reported to the Audit Committee, reinforcing a culture of accountability and continuous improvement. In addition to internal audits, the Bank undergoes external audits by independent auditors, in compliance with the Companies Act, 2063, and Banks and Financial Institution Act, 2073. These audits provide assurance that the Bank's financial statements accurately represent its financial position and performance. To safeguard critical information assets, specialized external firms conduct comprehensive Information System Audits. These evaluations rigorously review the Bank's information systems and controls, ensuring the confidentiality, integrity, and availability of data.

Together, these layered and robust risk management processes exemplify the Bank's unwavering dedication to sound governance, operational resilience, and regulatory compliance.

Policies and Manual for Effective Risk Management



Risk Culture

At Muktinath, Risk Management transcends traditional departmental boundaries, seamlessly woven into every stratum of the organizational structure. This comprehensive, integrated approach embeds risk mitigation directly into daily operations,

ensuring it is a core responsibility rather than a standalone task. By cultivating a culture rooted in vigilance and ownership, we empower every employee to actively identify and manage risks at their origin. To sustain and strengthen this culture, we

implement ongoing, targeted training programs that enhance risk awareness and equip our teams with the expertise and tools necessary to effectively navigate and mitigate risks within their specific roles.

Key Risk Areas and its Measurement

Credit Risk

Our Credit Risk Management framework delivers a robust and flexible solution designed to accurately measure and report regulatory credit risk metrics across the Bank's portfolio. This advanced system enables the Bank to optimize credit risk mitigation strategies by providing precise calculations of credit risk exposures. It offers full configurability of all regulatory parameters and options affecting

these calculations, supporting multiple configuration sets to adapt to evolving regulatory requirements and business needs.

Credit risk remains a fundamental challenge in banking, representing the primary risk faced in routine lending and credit underwriting activities. Beyond traditional lending, the Bank encounters credit risk across a broad spectrum of financial instruments, including acceptances, inter-bank

transactions, trade finance, foreign exchange dealings, the extension of commitments and guarantees, as well as transaction settlements. Our comprehensive risk management approach encompasses the identification, measurement, continuous monitoring, and effective control of all credit risk exposures, ensuring that the Bank maintains resilience and soundness in an ever-changing financial landscape.

a. Credit Concentration based on NRB Threshold

Particulars	Regulatory	Bank
Maximum Loan to single Obligor	25% of core capital	7.17%
Maximum Margin lending	40% of core capital	35.56%
Maximum Real Estate Loans	25% of total loans	8.64%

b. Sector Wise Loan and Advances

Sectors	NPR in 'Mn	
	Amount	%
Agriculture and Forest Related	2,619.98	2.61%
Fishery Related	45.34	0.05%
Mining Related	4.74	0.00%
Agriculture, Forestry & Beverage Production Related	1,111.51	1.11%
Non-food Production Related	3,597.78	3.59%
Construction	574.18	0.57%
Power, Gas and Water	2,995.43	2.99%
Metal Products, Machinery & Electronic Equipment & Assemblage	218.95	0.22%
Transport, Communication and Public Utilities	1,341.51	1.34%
Wholesaler & Retailer	12,443.35	12.40%
Finance, Insurance and Real Estate	12,314.29	12.27%
Tourism Service	6,131.71	6.11%
Other Services	1,930.16	1.92%
Consumption Loans	21,504.44	21.43%
Local Government	-	0.00%
Others	33,495.58	33.39%
Total	100,328.95	100%

c. Measurement of Credit Risks

The table depicts the 11 categories of Risks and the risk weighted exposure measured in line with on the Standardized Approach prescribed by the NRB's Capital Adequacy Framework, 2015:

NPR in 'Mn

Categories	Current Year	Previous Year
Claims on Government and Central Bank	-	-
Claims on Other Official Entities	-	-
Claims on Banks	744.69	791.83
Claims on Domestic Corporates and Securities Firms	15,872.10	12,622.98
Claims on Regulatory Retail Portfolio	35,895.20	36,599.74
Claims Secured by Residential Properties	9,386.15	8,638.99
Claims Secured by Commercial Real Estate	2,226.45	2,214.62
Past Due Claims	4,233.92	3,034.87
High Risk Claims	9,161.61	9,636.21
Other Assets	8,488.98	6,855.16
Off Balance Sheet Items	1,630.22	775.01
Total	87,639.33	81,169.41

Operation Risk

Operational Risk Management (ORM) at the Bank embodies a disciplined and comprehensive approach to identifying, assessing, monitoring, and mitigating risks inherent in our daily operations. This proactive framework is designed to safeguard the Bank's financial integrity, uphold its reputation, and ensure stringent compliance with regulatory mandates.

Recognizing that operational risks can originate from diverse sources ranging from human error and technological disruptions to fraud, legal challenges, compliance breaches, and unforeseen external events, our Operation Risk Management strategy focuses on minimizing the likelihood and impact of such risks. By embedding robust controls and continuous oversight, we fortify our operational resilience

and reinforce the Bank's commitment to sustainable and secure business practices.

The following capital allocation, based on Basel III's Basic Indicator Approach, has been outlined to ensure that sufficient capital is set aside to effectively address operational risk

Particulars	Financial Year		
	2078-79	2079-80	2080-81
Net Interest Income	3,329,779.38	4,239,341.31	4,104,093.96
Commission and Discount Income	497,493.26	548,579.78	592,895.44
Other Operating Income	46,878.50	48,035.47	19,972.60
Exchange Fluctuation Income	8,444.76	533.94	2,788.08
Addition/Deduction in Interest Suspense during the period	-	-	-
Gross income (a)	4,719,750	3,882,596	4,836,490
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	707,963	582,389	725,474
Capital Requirement for operational risk (d) [average of c]			671,942
Risk Weight [reciprocal of capital requirement of 11%] in times (e)			9
Equivalent Operational Risk Weight Exposure [f=(d×e)]			6,107,951

Liquidity Risk Management

Liquidity risk is the risk that a company or Bank may be unable to meet its short-term financial obligations due to the inability to convert assets into cash without incurring a loss. It arises from mismatches in the timing of cash flows, especially during stress situations, when the Bank cannot

secure necessary funding for liquid assets on acceptable terms. To manage liquidity risk, Banks use financial ratios to assess liquidity and ensure effective liquidity management policies. The Asset and Liability Committee (ALCO) plays a crucial role in overseeing these strategies within the Asset and

Liability Management (ALM) framework, which ensures proper balance between assets, liabilities, and liquidity. The Treasury Department monitors liquidity daily, ensuring compliance with regulatory requirements and mitigating potential risks.

a. Liquidity Profile

The following table depicts the maturity profile of the assets and liabilities as at the closing date which is closely monitored to determine the liquidity level.

In 000's

Particulars	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
Assets						
Cash and Cash Equivalent	6,583,140	-	-	-	-	6,583,140
Due from Nepal Rastra Bank	12,874,425	-	-	-	-	12,874,425
Loans and Advances	9,471,643	4,857,241	3,163,529	3,133,570	78,219,192	98,845,177
Investment Securities	6,250,000	-	-	-	8,316,722	14,566,722
Current Tax Assets	-	-	-	17,184	-	17,184
Investment in Subsidiaries	-	-	-	-	244,046	244,046
Investment in Associates	-	-	-	-	155,550	155,550
Investment Property	-	-	-	-	428,785	428,785
Property and Equipment	-	-	-	-	2,101,433	2,101,433
Goodwill and Intangible Assets	-	-	-	-	10,618	10,618
Deferred Tax Assets	-	-	-	-	124,762	124,762
Other Assets	4,408	-	-	-	563,954	568,362
Total Assets	35,183,616	4,857,241	3,163,529	3,150,755	90,165,062	136,520,203
Liabilities						
Due to BFIs	3,718,026	-	-	-	-	3,718,026
Due to Nepal Rastra Bank	-	-	-	-	415,630	415,630
Deposits from Customers	2,105,732	3,597,868	5,213,407	6,463,660	100,050,052	117,430,719
Provisions	-	-	-	-	-	-
Debt Securities Issued	-	-	-	-	1,248,017	1,248,017
Other Liabilities	109,518	216,776	-	-	1,571,448	1,897,742
Total Liabilities	5,933,277	3,814,643	5,213,407	6,463,660	103,285,147	124,710,133
Net Assets	29,250,339	1,042,598	(2,049,877)	(3,312,905)	(13,120,085)	11,810,070
Cumulative Assets	29,250,339	30,292,937	28,243,060	24,930,155	11,810,070	(0.00)

b. Concentration of Deposits:

The concentration of the deposit below implies that the liquidity risk is proactively managed by the bank.

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	11.32%	10.81%
b. As per individual customers	3.80%	3.22%

Market Risks

Market Risk refers to the risk a Bank faces due to fluctuations in market prices, including interest rates, foreign exchange (FX) rates, and equity prices. The goal is to manage market risk exposures within acceptable levels in line with the Bank's risk appetite. The Bank employs a comprehensive market risk management framework with limits,

key risk indicators (KRIs), and stress testing for the following risks:

Transaction Risk:

Changes in exchange rates affecting future cash flows from foreign currency denominated assets or liabilities.

Translation Risk:

The impact of currency fluctuations on the consolidation of foreign subsidiaries or foreign-denominated assets.

Economic Risk:

The long-term effect of currency changes on a Bank's competitive position

a. Foreign Exchange Risk

The net open position including the capital allocation for market risk is mentioned below:

In 000's

Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
Indian Rupee	25,000.00	1.60	40,019	40,019
United States Dollar	457,004.45	137.40	62,792,411	62,792,411
Great Britain Pound	1,337.33	186.48	249,385	249,385
Euro	44,988.92	160.25	7,209,249	7,209,249
Thai Baht	174,790.00	4.23	739,362	739,362
Swiss Franc	3,540.00	172.26	609,783	609,783
Australian Dollar	8,966.71	91.71	822,292	822,292
Canadian Dollar	34,605.00	100.15	3,465,691	3,465,691
Singapore Dollar	12,233.00	107.04	1,309,359	1,309,359
Japanese Yen	1,930,000.00	0.93	1,793,935	1,793,935
Hong Kong Dollar	55,160.00	17.48	963,921	963,921
Danish Kroner	-	-	-	-
Swedish Kroner	-	-	-	-
Saudi Arabian Riyal	41,570.00	36.36	1,511,485	1,511,485
Qatari Riyal	5,621.00	37.49	210,703	210,703
Emirati Dirham	88,580.00	37.44	3,315,992	3,315,992
Malaysian Ringgit	1,800.00	32.01	57,618	57,618
South Korean Won	2,162,000.00	0.10	214,687	214,687
Chinese Yuan	23,560.00	19.13	450,585	450,585
Kuwaiti Dinar	510.00	447.64	228,294	228,294
Bahraini Dinar	321.00	363.83	116,789	116,789
(a) Total Open Position			86,101,561	86,101,561
(b) Fixed Percentage				5%
(c) Capital Charge for Market Risk (=a×b)				4,305,078
(d) Risk Weight (reciprocal of capital requirement of 10%) in times				9.09
(e) Equivalent Market Risk Weight Exposure (=c×d)				39,133,159

b. Interest Rate Risks

Interest rate risk for Bank refers to the potential impact that fluctuations in interest rates can have on a Bank's profitability and financial stability. Banks hold a portfolio of assets, such as loans, and liabilities, such as deposits, which may be sensitive to changes in interest rates. When interest rates rise or fall, the value of these assets and liabilities can change, affecting the Bank's net interest income and the overall balance sheet. So, managing interest rate risk is crucial for the Bank to ensure profitability and maintain financial stability in changing market conditions. The interest rate risk is being measured and managed appropriately by using the difference between the rate sensitive assets (RSA) and rate sensitive liabilities (RSL) which shows the impact of interest changes on the net interest income.

Environment and Social Risk Management

The Bank's Environmental and Social Risk Management Policy underscores its steadfast commitment to proactively identifying, assessing, and managing the environmental and social risks inherent in its financial activities. This policy embodies the Bank's dedication to advancing sustainability and social

responsibility across all operations, recognizing its pivotal role in fostering long-term positive impact. Central to this commitment is strict adherence to all relevant environmental and social regulations and standards, with a proactive approach to monitoring and adapting to evolving regulatory

requirements. Through this policy, the Bank reinforces its responsibility to integrate sustainable practices into its risk management framework, ensuring resilience and accountability in every aspect of its business.

Legal Risk Management

The Bank's Legal Risk Management Policy establishes a comprehensive framework dedicated to the identification, assessment, and management of legal risks inherent in its operations. This policy is fundamental to safeguarding the Bank's

compliance with all applicable local, regional, national, and regulations and regulations, thereby protecting the institution from potential legal liabilities. It also fosters a strong culture of legal and regulatory risk awareness throughout the organization.

The Bank has established a separate Legal Department as the first line of defense against legal risks. Regular reporting and approvals from the Board are in place to ensure effective monitoring and mitigation of such risks.

Reputation Risk Management

The Bank's Reputation Risk Management Policy defines a strategic framework to identify, assess, monitor, and mitigate risks that could impact its reputation. Committed to protecting its brand integrity, the Bank promotes ethical conduct, transparency, and a proactive approach to managing reputational risks. This comprehensive strategy integrates proactive

communication, unwavering adherence to regulatory standards, and robust crisis management to safeguard public trust. Key elements include establishing clear and transparent communication channels, enforcing stringent process controls, and regularly evaluating customer satisfaction. The Bank actively monitors public sentiment through systematic tracking of social media and

other media platforms, enabling swift and effective responses to any negative developments. Through continuous grievance management and real-time market sentiment analysis, the Bank ensures its reputation remains resilient and positively perceived.

Strategic Risk Management

The Bank is committed to actively managing strategic risk through a comprehensive framework that includes robust strategic planning, scenario analysis, and continuous monitoring of the external environment. This approach ensures agility and responsiveness to dynamic market conditions. Advanced stress testing models are regularly employed to evaluate potential strategic risks within the banking sector, reinforcing the Bank's resilience.

The Strategic Risk Management Policy is meticulously designed to systematically identify, assess, and

manage risks that may threaten the Bank's strategic objectives and financial performance. Emphasizing strategic planning and execution, the policy incorporates continuous monitoring, transparent reporting, and effective mitigation strategies to foster a proactive risk culture. Regular reviews and updates ensure the policy remains adaptable to an evolving business landscape.

The Integrated Risk Management Department plays a critical role by conducting quarterly evaluations of the Bank's market share and competitive positioning against peer

development banks nationwide. Based on these insights, the department recommends strategic risk mitigation measures to the Board via the Risk Management Committee. Furthermore, an annual comprehensive review compares budgeted versus actual deposits, lending volumes, and profits. This analysis, accompanied by recommended mitigation strategies, is presented to the Board through the Risk Management Committee as necessary, ensuring informed oversight and strategic alignment.

Information Security

At Muktinath Bikas Bank, IT Risk Management is a cornerstone of our operational resilience, with a prime focus on safeguarding information security and defending against cyber threats. We have implemented a robust and multi-layered cybersecurity framework designed to proactively identify, assess, and mitigate potential

risks that could compromise the confidentiality, integrity, and availability of our data and systems. Our comprehensive approach includes continuous monitoring, advanced threat detection, and incident response capabilities, supported by stringent access controls and regular security audits. By fostering a culture

of cybersecurity awareness and leveraging cutting-edge technology, We are committed to maintaining the highest standards of information security, ensuring the protection of our customers' assets and trust in an increasingly digital banking landscape.

AML/CFT Risks

As a responsible financial institution, the Bank remains fully committed to preventing its operations from being used, intentionally or unintentionally, for money laundering or terrorist financing activities.

The Bank has adopted a Board-approved Know Your Customer (KYC) and Anti-Money Laundering (AML) Policy, in line with the Asset (Money) Laundering Prevention Act, 2064, Asset (Money) Laundering Prevention

Rules, 2081 and Directives issued by Nepal Rastra Bank. The Policy outlines the Bank's framework for customer identification, due diligence, transaction monitoring, and reporting obligations under the prevailing regulatory regime. The AML/CFT Committee of the Board oversees the implementation of the Bank's KYC and AML Policy. The policies and related procedures are periodically reviewed by this independent function and form part of regular reporting to the Board.

All employees are required to complete mandatory AML and KYC training during induction and undertake annual refresher programs to ensure continuous awareness and compliance. In addition, the Bank's AML/CFT framework is subject to periodic independent reviews to evaluate its effectiveness and identify areas for further enhancement.

Key AML Practices

Maintaining Records

The Bank maintains customer identification records and transaction records as per the FATF and NRB recommendations the date of closure of the account or end of business relationship and from the date of transaction respectively.

Politically Exposed Persons (PEPs)

Enhanced due diligence is conducted for PEPs and their close associates prior to account opening and on an annual basis. Such accounts are placed under enhanced and continuous monitoring.

Customer Due Diligence (CDD)

The Bank adheres to the prescribed norms for collecting and verifying KYC documents from reliable and independent sources, where applicable. Beneficial ownership is identified and verified in the case of legal entities. CDD information is periodically updated at least once every year for high-risk customers, once every five years for medium-risk customers and once every seven years for low-risk customers.

Name Screening

The Bank adheres to the prescribed norms for collecting and verifying KYC documents from reliable and independent sources, where applicable. Beneficial ownership is identified and verified in the case of legal entities. CDD information is periodically updated at least once every year for high-risk customers, once every five years for medium-risk customers and once every seven years for low-risk customers.

Transaction Monitoring and Reporting

A robust transaction monitoring mechanism is in place to ensure that customer transactions align with their declared profile, business activities, and source of funds by. Any suspicious or unusual transaction identified is reported to the Financial Information Unit (FIU) in accordance with regulatory requirements.

Internal Control

Mukthinath Bikas Bank has established a comprehensive Internal Control System designed to strengthen the reliability and integrity of information, ensure compliance with laws and applicable laws and regulations and safeguard assets and promote the efficient use of resources. These controls are systematically implemented

across front offices, back offices and IT infrastructure to ensure that all operational processes are closely monitored, risks are mitigated and transactions are executed accurately and securely.

These controls are periodically tested to ensure their effectiveness. They are

continuously reviewed by the Bank's internal auditors, information security auditors and external auditors to ensure they remain relevant and responsive to changing banking dynamics and technological advancements.

In line with these principles, the Bank has established the following controls:



Preventive Controls

To deter issues

- Segregation of Duties
- Dual Control & Custody
- Checker and Maker
- Authorization & Approval Limits
- Physical Security
- Access Controls
- Policies & Procedures
- System Access Passwords & Biometrics
- Network Security
- Deak Leakage Prevention



Detective Controls

To identify issues

- Reconciliations
- Internal Audits
- Exception Reports
- Transaction Monitoring
- Trial Balance Reviews
- Compliance Monitoring
- Credit Surveillance
- Privileged Access Monitoring
- Network Monitoring
- Budgetary Control
- Root Cause Analysis



Corrective Controls

To rectify issues

- Incident Response Plan
- Disaster Recovery & Business Continuity Plans
- Disciplinary Action
- Patch Management
- Revoking Access

In summary, the Bank's strength lies in a multi-layered system of controls designed to prevent, detect and correct issues. The independent validation provided by internal, information technology and external audits ensures this system remains reliable forming the essential foundation for trust and stability in our system.

Cybersecurity and Data Privacy



With rising cybersecurity threats, we have evolved with robust defense systems and continuous monitoring to not only excel in safeguarding data but also to ensure seamless access to Banking and total digital resilience.

In the modern digital era, organizations like Banks increasingly rely on sophisticated IT systems to manage operations, process transactions and deliver services. While these systems offer efficiency and connectivity, they also introduce significant risks if not

properly managed. Cybersecurity extends beyond a technical challenge and is a fundamental business risk that affects stakeholder trust, reputation and the ability to deliver services effectively. Acknowledging its strategic importance, the Bank's Board has embedded

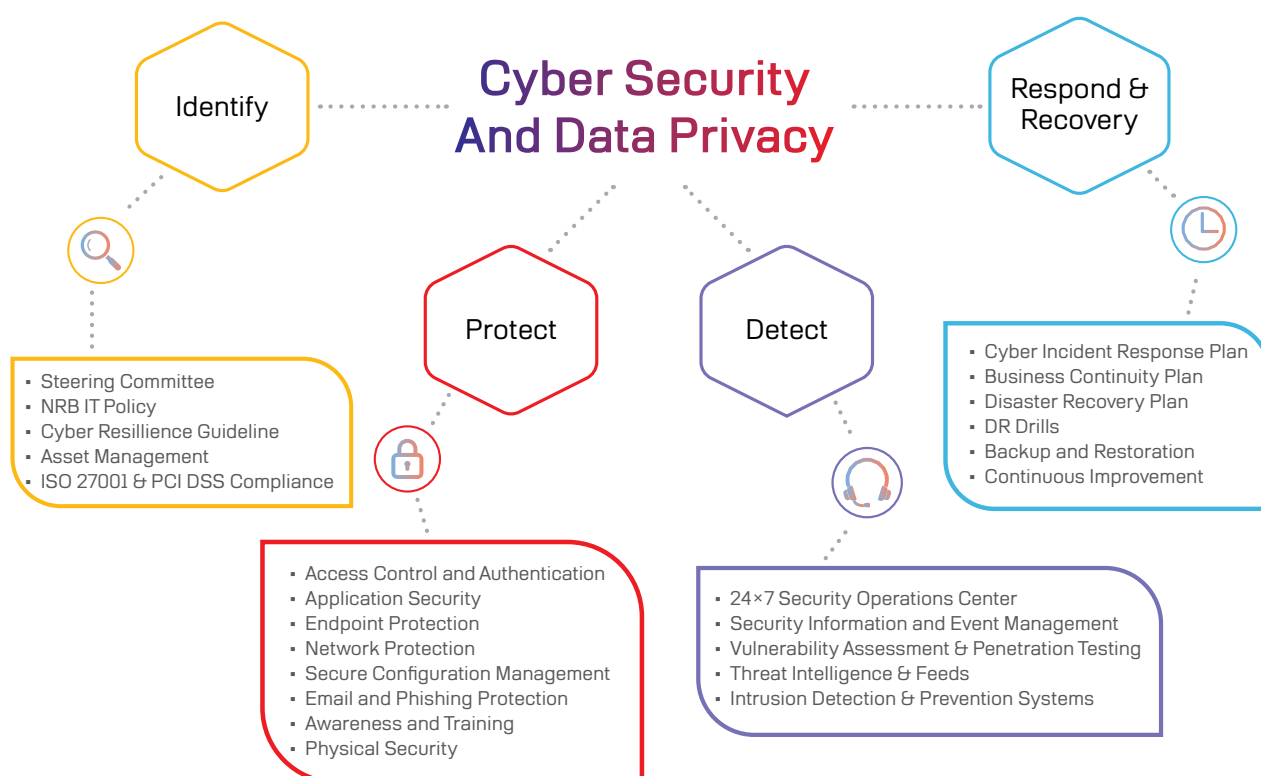
cybersecurity as a regular component of its risk oversight responsibilities, ensuring that IT systems and controls, coupled with cybersecurity and data privacy, remain critical components of organizational resilience.

Understanding IT Systems and Controls

IT systems and controls encompass structured policies, procedures and technologies designed to ensure that information systems operate securely, reliably and in alignment with Bank objectives. These controls

are vital for preventing operational disruptions, protecting sensitive data and maintaining trust with stakeholders such as customers, partners and regulators. Effective IT controls include measures like access management, system monitoring and regular updates to ensure systems remain secure

and functional. By implementing these controls, Banks can mitigate risks associated with system failures, cyberattacks, or data breaches, ensuring seamless operations and stakeholder confidence.



Cybersecurity Measures

Cybersecurity is the practice of protecting IT systems and networks from unauthorized access, cyberattacks and data breaches. Threats today are more sophisticated than ever, ranging from phishing attacks and malware to ransomware and insider threats. To mitigate these risks, the Bank has adopted multi-layered defenses, including firewalls, intrusion detection systems, endpoint security and multi-

factor authentication. These measures work together to reduce the Bank's exposure to cyber threats and enhance its overall security posture.

Disaster Recovery and Resilience

The Bank has established a comprehensive Disaster Recovery Plan (DRP), which serves as a single repository for all information describing the Bank's ability to withstand a

disaster and the processes required to achieve recovery. A dedicated Disaster Recovery Team is responsible for making all decisions related to disaster recovery efforts, evaluating the disaster and determining the steps needed to restore normal business operations. To ensure preparedness, the Bank conducts regular Disaster Recovery (DR) drills to test the continuity of critical operations and minimize disruptions in the event of a disaster.

Security Audits and Vulnerability Assessments

To maintain a robust cybersecurity posture, the Bank conducts regular security audits to assess its IT systems, applications and infrastructure against established security policies and standards. These audits help identify vulnerabilities, ensure compliance with regulatory requirements and strengthen the overall security framework. Additionally, the Bank performs Vulnerability Assessment and Penetration Testing (VAPT) to proactively identify weaknesses in IT systems, applications and network infrastructure. VAPT involves two key activities:

1. **Vulnerability Assessment:**
Systematic scanning of IT assets to detect known vulnerabilities, misconfigurations, or outdated components that could be exploited by attackers.
2. **Penetration Testing:**
Simulated cyberattacks performed by security experts to evaluate the effectiveness of existing controls and identify potential attack vectors.

These proactive measures ensure that the Bank remains vigilant in addressing potential weaknesses before they can be exploited.

Continuous Monitoring

Continuous monitoring is a proactive approach that involves tracking system activities, network traffic and user behavior in real time. This enables the Bank to detect suspicious activities promptly, respond to potential threats and prevent breaches before they escalate. By combining regular audits with continuous monitoring, the Bank creates a robust framework for safeguarding data, maintaining operational resilience and upholding stakeholder trust.

Ensuring Data Privacy

Data privacy focuses on safeguarding personal and sensitive information from

misuse or unauthorized disclosure. For Banks handling financial and customer data, privacy is not only a regulatory requirement but also a critical trust factor. The Bank implements robust policies and guidelines, supported by technical measures such as encryption, access controls and secure data storage, to ensure that customer information remains confidential and protected from breaches. The Bank adheres to ISO 27001 standards and other relevant guidelines for data security, ensuring that sensitive customer and Bank information is protected.

To further strengthen its security posture, the Bank conducts regular cybersecurity awareness and training programs for all staff, emphasizing best practices to mitigate risks. Throughout the year, the Bank experienced no significant security breaches or data loss, underscoring the effectiveness of its cybersecurity measures.

Board Oversight and Strategic Alignment

The Bank's Board plays a pivotal role in overseeing cybersecurity, engaging closely with the risk management department and management team throughout the year. Regular briefings are provided through the risk management committee, covering emerging threats, the effectiveness of defense measures and the readiness of incident response plans. These briefings enable the Board to gain a clear understanding of how the Bank safeguards sensitive information and ensures operational resilience. Board members actively participate in discussions, posing questions and offering insights to ensure that cybersecurity is viewed not only as a risk to mitigate but also as a catalyst for innovation.

The Board also supports management's initiatives to enhance security awareness across the Bank, recognizing that people are as vital as technology in defending against cyber threats. This support includes

ongoing training programs for all staff on cybersecurity best practices, ensuring that employees are equipped to identify and respond to potential threats. Additionally, the Bank conducts proactive awareness campaigns to educate customers on safe practices when using digital channels. These campaigns are delivered through regular articles and awareness posts on social media, the mobile Banking app and the Bank's website, ensuring that customers are informed about emerging threats and best practices for staying secure.

As digitalization continues to expand, IT systems, cybersecurity and data privacy are not optional elements but they form the backbone of secure operations. By implementing comprehensive IT controls, conducting regular audits and VAPT and fostering a culture of security awareness, the Bank protects critical information, sustains business continuity and maintains stakeholder confidence. The Bank remains steadfast in prioritizing data security with the same commitment as the quality of its Banking services.

Through active Board engagement, strategic alignment of cybersecurity initiatives and a commitment to ongoing training and customer education, the Bank demonstrates its dedication to safeguarding its operations. This integrated approach ensures that the Bank is well-prepared to face evolving cyber risks while continuing to deliver secure and reliable services. By embedding cybersecurity into strategic decision-making, supporting management initiatives and promoting a culture of awareness across the Bank, the Bank enhances operational resilience and upholds the trust and confidence of its customers, partners and communities.

Our Commitment to ESG Excellence

At Muktinath, sustainability is the foundation of our operations and strategic vision. Integrating environmental, social and governance (ESG) considerations into every facet of our Banking activities allows us to create lasting value for clients, communities and the nation at large. Nepal's journey toward the Sustainable Development Goals (SDGs) and its climate commitments requires significant financial resources. Recognizing this need, we have strategically positioned itself to channel funds into initiatives that accelerate low-carbon growth, foster social inclusion and promote robust governance practices. Through proactive ESG integration, we have is not only aligning its business with global best practices but also setting a benchmark for responsible Banking in Nepal. Our approach emphasizes measurable impact, rigorous risk management and collaboration with diverse stakeholders.



Environmental Responsibility: Financing a Low-Carbon Future

The Bank actively supports initiatives that reduce carbon emissions, promote renewable energy and foster environmentally responsible practices across sectors.

Renewable Energy Investments:

We continue to invest in hydropower, solar and other renewable energy projects, recognizing their crucial role in reducing greenhouse gas emissions and fostering sustainable development. The Bank has also organized capacity development programs for credit staff, including comprehensive training on Hydropower Project Financing, to

enhance their expertise in evaluating and managing renewable energy investments. As of this reporting year, total financing for hydropower projects stands at NPR 2,922 million, marking a significant increase from previous year. This growth demonstrates our strong commitment to promoting clean energy financing and advancing SDG

7 (Affordable and Clean Energy) and SDG 13 (Climate Action). These initiatives directly contribute to SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action) by supporting the expansion of clean energy infrastructure and fostering climate-resilient development.



Sustainable Agriculture:

sustainable practices that enhance productivity while conserving natural resources. This year, our financing for agriculture loan reached

NPR 2,953.66 million. The consistent year-on-year increases highlights growing commitment to promoting sustainable agriculture,

strengthening rural livelihoods and advancing SDG 2 (Zero Hunger) and SDG 13 (Climate Action) through environmentally responsible lending practices.



Green Transportation:

The Bank provides financing for electric vehicles under its Auto Loan and Hire Purchase Loan categories, as outlined in the Unified Lending Product Paper 2081. Through the "Own

Your Vehicle" program to staffs, the Bank offers 10% higher financing for electric vehicles, promoting the transition to cleaner urban mobility. This initiative supports SDG

11: Sustainable Cities and Communities by encouraging environmentally friendly transportation and helping reduce urban pollution levels.

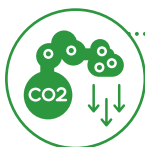


On-Site Water Recycling at Our Central Office

This year, we took a significant step towards water independence by commissioning a new Sewage Treatment Plant (STP) at our Central Office. This initiative is a cornerstone of our water stewardship strategy and

supports UN Sustainable Development Goal 6 (Clean Water and Sanitation). The plant treats our office wastewater to a high standard, transforming it into recycled water for non-potable uses like toilet flushing and irrigation.

We ensured that 1.87 million litres of purified water free of harmful contaminants, was returned to the ecosystem. We ensured 100% of our central office's wastewater is now treated and repurposed on-site.



Supporting the Low-Carbon Transition: Employee EV Charging

In line with our commitment to reduce Scope 3 emissions and support employee sustainability choices, we installed electric vehicle (EV) charging stations at our central office. Our installation of EV charging

stations directly supports SDG 7 (Affordable and Clean Energy) by providing the infrastructure needed to shift from fossil fuels to clean electricity for transportation, promoting energy efficiency and a modern,

sustainable energy system. This also provides a valuable employee benefit enhancing our value proposition and supporting a modern and sustainable workplace.

Our Environmental and Social Risk Management (ESRM) framework ensures that all financing decisions are carefully evaluated for their environmental impact. This robust assessment process aligns us with SDGs 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities) and 13 (Climate Action).

Our robust Environmental and Social Risk Management (ESRM) framework

underscores its commitment to integrating sustainability principles into every lending decision. Aligned with NRB's 2022 ESRM Guidelines, the Bank maintains strong governance through approved policies, a dedicated E&S Officer and continuous capacity-building initiatives engaging over 450 employees in ESG training programs during FY 2081/82. Throughout the year, 96 transactions underwent Environmental and Social Due Diligence (ESDD). These results reflect our

sound risk management, adherence to national standards and proactive efforts to enhance sustainability performance, while also identifying opportunities to strengthen post-assessment monitoring and expand financing for green and socially beneficial projects. A summary of our key ESRM activities and performance indicators for FY 2081/82 is presented in the table below.

Key Area	Indicator	FY 2081/82 Performance
Policy & Governance	ESRM Policy	Approved in 2022 and updated in 2024
	ESRM Procedure	Formulated and approved
Capacity Building	ESRM Budget Allocation	Included in all four quarters
	No. of ESRM Trainings Conducted	4 sessions (Q1–Q4)
	Total Participants	457 employees
Environmental & Social Risk Integration	Loan Applications Screened under E&S Due Diligence (ESDD)	96 transactions
	Share of ESDD in Commercial Loan Portfolio	52.91%
	Disbursed Transactions by Risk Rating	96 (Low Risk)
	Total Value of Low-Risk Disbursed Loans	NPR 4,631 million
	Transactions Rejected on E&S Grounds	None

We are actively improving internal sustainability practices. The Bank is committed to calculating and reporting GHG Scope emissions in its annual report, reflecting a rigorous approach to understanding and reducing its operational carbon footprint. This demonstrates a holistic commitment to environmental sustainability by combining external investments with internal initiatives.

Social Impact: Promoting Inclusion, Equity and Resilience

We believe that social responsibility is inseparable from sustainable growth. The Bank contributes directly to building a more equitable society, by fostering financial inclusion and empowering marginalized communities:



Collaborative Rural Programs:

We collaborated with organizations such as SNV and the DFCD to develop bulk lending products for rural cooperatives, enhancing climate resilience, climate-smart

agriculture and cooperative enterprise development. The partnerships with UC Davis, BFA Global and the Bill & Melinda Gates Foundation under the Resilience and

Innovation Facility provide risk management solutions to farmers, advancing SDG 17 (Partnerships for the Goals).



Workforce Diversity and Gender Equality:

Workforce Diversity and Gender Equality: Currently, 42.22% of our workforce are women, reflecting the Bank's strong commitment to SDG 5 (Gender Equality). Beyond gender balance, we

emphasize inclusivity for all underrepresented groups and upholds social due diligence standards that cover labor conditions, non-discrimination and health and safety,

contributing to SDG 8 (Decent Work and Economic Growth) and SDG 3 (Good Health and Well-being).



Financial Inclusion:

We maintain a strong inclusive Banking portfolio that provides small-scale loans to individuals with limited access to formal financial services. As part of its inclusive Banking initiatives, the Bank also offers wholesale lending to cooperatives and microfinance institutions, enabling them to extend financial support to underserved communities. These initiatives empower rural communities to access formal Banking services, save securely and invest in income-generating activities, thereby contributing to SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities). Social due diligence is embedded in our credit and

operational processes. Labor conditions, anti-discrimination measures and health and safety standards are evaluated for all employees and borrowers. By doing so, we directly advance SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities). Collaboration is central to our social impact strategy. We extend risk management and resilience-building solutions to farming communities by partnering with global organizations such as UC Davis, BFA Global and the Bill & Melinda Gates Foundation. These partnerships amplify impact, improve access to

resources and strengthen community capacity, aligning with SDG 17 (Partnerships for the Goals). In addition to financing initiatives, we actively promote climate awareness among youth. The Bank organized the "Art for Earth" competition, inviting students from Class 8 to 10 across Nepal to create artwork addressing climate change and global warming, with recognition and prizes awarded to regional winners and a grand winner. This initiative complements broader environmental strategy by fostering awareness, creativity and engagement on climate issues at the community level.

Governance: Upholding Integrity, Transparency and Accountability

Strong governance forms the foundation of our sustainable Banking model. Ethical conduct, transparency and inclusivity guide every decision and action across the organization. To ensure effective governance, the Bank has established several key committees, including the Audit Committee, Risk Management Committee, AML/CFT Committee and Employee Service and Facilities Committee among others which provide oversight and strategic guidance. The Bank also maintains prudent operational safeguards, such as the Business Continuity Plan, 2079 and Disaster Recovery Plan 2079, to ensure resilience and preparedness in all circumstances.



Leadership Diversity:

The Board and Executive Committee integrate diverse perspectives, enhancing decision-making and promoting a culture of accountability.

The Bank also demonstrates a commitment to gender diversity, with several women in managerial positions. Our workforce consists of 876 male

(57.8%) and 640 female (42.2%) employees, reflecting the Bank's continuous efforts to achieve gender balance and inclusive representation.



Responsible Borrower Assessment:

In line with NRB's ESRM Guidelines 2022, we have integrated environmental and social risk assessment into its credit appraisal process. The Bank evaluates borrowers'

governance, labor practices, health and safety, community impact and environmental compliance and applies due diligence and action plans for high- and moderate-risk

projects. This ensures lending to borrowers with ethical conduct, compliance with regulations and sustainable business practices.

These governance initiatives not only strengthen our risk management but also establish the Bank as a model of responsible and resilient finance in Nepal. We support SDG 8 (Decent Work), 16 (Peace, Justice and Strong Institutions) and 17 (Partnerships for the Goals), by integrating ESG principles into governance.

We continue to embed ESG principles across all Banking operations, ensuring that sustainability is at the heart of strategic decision-making. Muktinath contributes meaningfully to Nepal's sustainable development trajectory by considering environmental stewardship, social equity and governance excellence. Looking forward, we remain committed to innovation, collaboration

and leadership in sustainable Banking. As Nepal moves toward a greener, more inclusive and ethically governed economy, we stand ready to deliver impactful solutions, support communities and advance sustainable growth for generations to come.

Evolving Talent for a Smarter Tomorrow



Our employees have always been the driving force of our success!!

The past years have continued to demonstrate the pace of transformation across industries, driven by digital innovation, evolving business models and a rapidly changing global landscape. At the heart of this transformation lies our employee who demonstrates the resilient, adaptable and future-focused traits. At Muktinath, we view change not as a disruption, but as a powerful catalyst for opportunity. Our HR strategy remains committed to building a workforce that is agile, digitally skilled and aligned with the

needs of tomorrow, blended with the value of our culture.

Recognizing the pivotal role of digital capability, we have invested significantly in upskilling and reskilling our teams. Through targeted learning programs, leadership development initiatives and enhanced digital literacy training, we are equipping our employees with the tools they need to thrive in a dynamic environment. From cloud platforms to data analytics and AI integration, our people are not only

embracing new technologies — they are driving their adoption across the organization.

Our commitment to workforce resilience has been foundational. We always have focused on employee wellbeing and inclusive workplace culture. This holistic approach ensures that our people are not only technically equipped but also emotionally supported and engaged, enabling sustained performance and innovation.


The Team of
1,516 Individuals


Our Dynamic Team of
32.7 Years


Retention Ratio of
91.09%

We proudly welcomed 80 new members to our team this fiscal year, strengthening our journey ahead.

Rewards and Recognition: Celebrating Excellence, Inspiring Performance

We believe that recognizing and rewarding our people is not only a reflection of our values but a vital driver of employee engagement and organizational success. Our Rewards and Recognition (R&R) framework is designed to celebrate achievements, foster a culture of appreciation and motivate high performance

across all levels of the organization. Special emphasis was placed on recognizing innovation, adaptability and contributions that supported our digital transformation goals. Employees who demonstrated exceptional commitment in times of change, embraced new technologies, or delivered customer-centric solutions were spotlighted

through targeted campaigns and leadership acknowledgments. As we look ahead, we remain committed to evolving our recognition approach to be more inclusive, data-driven and aligned with our business goals. By celebrating the achievements, we continue to empower our people and strengthen our culture of excellence.



Leave Facility: Supporting Work-Life Balance and Employee Wellbeing

Muktinath wants to be more than just a workplace, we wish to be a part where people feel valued, supported and inspired!!

At Muktinath, we recognize that a healthy work-life balance is essential to the overall wellbeing, productivity and satisfaction of our employees. Our leave policies are thoughtfully designed to provide flexibility, support diverse life needs and promote a culture of care and trust within the organization. Our comprehensive leave facility includes a range of paid and unpaid leave such as annual leave, sick leave, maternity and paternity leave, bereavement leave and other special categories to address personal, family, or medical needs. These policies are compliant with all

applicable labor laws and regularly reviewed to ensure they remain relevant and employee centric.

We foster a culture that values balance, care and togetherness by offering 24 days of Home Leave, 12 days each of Sick and Casual Leave and 10 days of Force Leave every year to ensure rest, flexibility and well-being. With 98 days of Maternity Leave and 15 days of Paternity Leave, both provided twice during service, we proudly support our colleagues in cherishing family milestones. In moments of loss,

we stand beside our team with 15 days of Mourning Leave, reinforcing our commitment to compassion and humanity at every stage of life.

During the year, 70 of our colleagues availed Maternity Leave and we are proud to share that not a single resignation was received thereafter reflecting our supportive environment where returning mothers feel valued, empowered and encouraged to continue their journey with us.

Job Rotation

We are committed to developing a versatile, agile workforce that can adapt to evolving business needs. Our **Job Rotation** program plays a pivotal role

in this strategy by offering employees opportunities to expand their skill sets, gain cross-functional exposure and enhance their career development.

This has not only supported individual growth but also contributed to optimal workforce planning and internal mobility.

Succession Planning

We recognize that **succession planning** is a critical component of sustainable growth and business continuity. By identifying and developing future leaders within our organization, we ensure that key roles are filled with capable, confident

and culturally aligned talent—ready to lead us through the challenges and opportunities ahead. Our succession planning framework is closely integrated with performance management, leadership development and workforce planning. To ensure

alignment with evolving business needs, succession plans are regularly reviewed by senior leadership and HR. These reviews help us stay agile and responsive in an increasingly dynamic business environment.

Occupational Health and Safety

The health and safety of our employees is a paramount priority. We are dedicated to maintaining a workplace environment that safeguards the physical and mental wellbeing of every team member while complying with all regulatory standards and

best practices. Over the past years, we have continued to strengthen our occupational health and safety programs through comprehensive risk assessments, proactive hazard management and ongoing employee training. Our commitment extends

beyond compliance, focusing on mental health support and ergonomic practices to enhance overall employee wellbeing. We strive to create a supportive and resilient workforce.



Spirituality

We recognize that employee wellbeing extends beyond physical and mental health to include a sense of purpose, meaning and connection. Integrating spirituality into our workplace culture supports holistic wellness, encourages mindfulness and nurtures

values that unite and inspire our people. We have embraced initiatives that foster reflection, empathy and ethical leadership key elements that contribute to a harmonious and inclusive environment. Programs such as mindfulness workshops, gratitude

practices, yoga and meditation sessions have been introduced to help employees cultivate inner balance, resilience and alignment with our company's mission.

Strategic Workforce Planning

The ability to anticipate and respond to future talent needs is essential for sustainable growth and competitive advantage. Our Strategic Workforce Planning framework enables us to proactively align our human capital with long-term business priorities,

ensuring we have the right people, in the right roles, at the right time. We strengthened our workforce planning capabilities by integrating data-driven insights, scenario modeling and close collaboration between HR and business leaders. This has allowed us

to identify critical skill gaps, forecast future workforce demands and develop targeted strategies to close those gaps through hiring, reskilling, or redeployment.

Commitment to Diversity, Equity & Inclusion

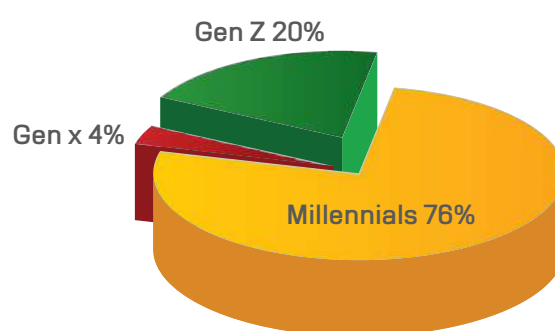
At Muktinath, we firmly believe that diversity, equity and inclusion (DEI) are foundational to building a thriving, innovative and resilient organization. Our commitment to DEI goes beyond compliance it is embedded in our

culture, values and business strategy, driving better decision-making and fostering a workplace where every individual feels valued, respected and empowered to contribute their best. By fostering a culture of belonging and

openness, we are not only enriching our workplace but also enhancing our capacity to innovate, collaborate and respond effectively to the evolving needs of our customers and markets.

Ethnicity	Nos	%
Brahmin	804	53.03%
Chhetri	253	16.69%
Dalit	27	1.78%
Gurung	52	3.43%
Kirat	20	1.32%
Madhesi	72	4.75%
Magar	49	3.23%
Muslim	6	0.40%
Newar	171	11.28%
Other	2	0.13%
Sanyashi	17	1.12%
Tamang	17	1.12%
Tharu	26	1.72%
Grand Total	1516	100.00%

Gender	Ashad 2082		Ashad 2081	
Male	876	57.78%	913	58.34%
Female	640	42.22%	652	41.66%
Total Staff	1,516		1,565	



Employee Engagement

We understand that employee engagement is a critical driver of productivity, innovation and organizational success. A highly engaged workforce reflects a culture where people feel valued, heard and inspired to contribute their best and we are proud to continue building that culture every day. We have taken deliberate steps to deepen employee engagement through open communication, recognition, career development and a renewed focus on wellbeing through various programs,

sports and recreational activities. We launched new initiatives that foster collaboration, celebrate achievements and support personal and professional growth. These included leadership connect sessions, virtual town halls, peer recognition programs and cross-functional projects — all designed to keep employees informed, aligned and connected, especially in a hybrid work environment.

Moreover, we emphasized transparency, inclusivity and purpose-driven work

to ensure that employees feel part of something larger. Engagement scores improved year-over-year, reflecting increased trust, motivation and alignment with our values and mission.

Looking forward, we remain committed to enhancing employee engagement through continuous dialogue, data-driven strategies and a strong focus on belonging and wellbeing. Because when our people thrive, our business thrives.



Continuous Learning & Development

Continuous learning is essential to building a future-ready, high-performing workforce. Our **Learning & Development (L&D)** initiatives are designed to empower employees at every level by enhancing their skills, strengthening leadership capabilities and fostering

a culture of curiosity and innovation. Our L&D strategy align with business priorities and the evolving needs of our workforce. Through a mix of in-person workshops, virtual learning platforms and on-the-job development, we provided employees with flexible,

personalized and impactful learning experiences. Key focus areas included digital skills, leadership development, project management, customer-centricity and behavioral competencies.

In House Training	90
External Training	116
International Training	2
Total Training Hours	1,863

Total Amount spent in training	21.77 Mn
Total No. of Participants	7,679
Investment per Employee	14,359.69



Women in Leadership Roles

The Bank continues to promote a culture of inclusion where women play an integral role in leadership and decision-making. Female leaders across various levels are driving meaningful progress, inspiring teams and contributing to the Bank.

Following are our managerial level female leaders:

- Namrata Shrestha
- Malina Shrestha
- Sarmila Lamsal
- Shristi Pokhrel
- Binju Dahal

Compensation and Benefits

A well-structured compensation and benefits program is fundamental to attracting and retaining top talent, fostering employee satisfaction and driving organizational performance. Our approach is designed to be competitive, equitable and aligned with both market standards and our company values. We conducted comprehensive market benchmarking to ensure our compensation packages remain attractive and fair across all

levels and geographies. Our salary structures are regularly reviewed to reflect evolving economic conditions, industry trends and internal equity. In addition to competitive base salaries, our total rewards program includes performance-based incentives, long-term benefits and recognition schemes that reward individual and team contributions. We have been providing various staff loan facilities to ensure the financial needs of staff are well taken

care of. We have always prioritized the **financial growth and stability of our staff members** as a cornerstone of our people strategy. We understand that empowering our employees with secure and rewarding financial opportunities is essential not only for their personal wellbeing but also for fostering a motivated and committed workforce.

- | | |
|--|--|
| • Salary | as per required by job nature |
| • Allowances | • Career growth and advancement |
| • Bonus | • Opportunities for learning and development |
| • Festival Bonus | • Reward and recognition |
| • Leave fare allowance | • Long-term and short-term staff loans |
| • Transportation facility for late working hours | • Medical and Accidental insurance benefits |
| • Telecommunication and Data facility | • Accommodation for staff working outstation |

HR as a Business Partner

Human Resources is not just a support function, it is a strategic business partner integral to driving growth, innovation and competitive advantage. Our HR team works closely with leadership and business units to align talent strategies with organizational

goals, ensuring that people initiatives fuel performance and long-term success. By embedding HR deeply into business planning and decision-making, we proactively identify workforce needs, anticipate challenges and co-create solutions that enhance

agility and resilience. This partnership approach enables us to attract, develop and retain the right talent, optimize workforce capabilities and foster a culture that supports transformation.

Evolving with Purpose,
Excelling with Impact!!



"Our journey from responsibility to real impact."

At Muktinath Bikas Bank, we believe progress is only meaningful when it uplifts communities, hence Bank is deeply committed create impact and sustainable change through Corporate Social Responsibility (CSR) in such evolving times of today. Bank, with a purpose want to drive collective progress with comprehensive approach and focusing on key areas of impact such as promoting quality education, promoting healthcare, environmental stewardship, community development

and financial inclusion. Our unwavering commitment lies in building the nation and shaping a more equitable and inclusive Nepal.

With vision to promote sustainable development, Bank draws inspiration from the United Nations' Sustainable Development Goals, ensuring that CSR initiatives also contribute to broader global development objectives. Each CSR initiative is thought for and advocated with sincerest expectations

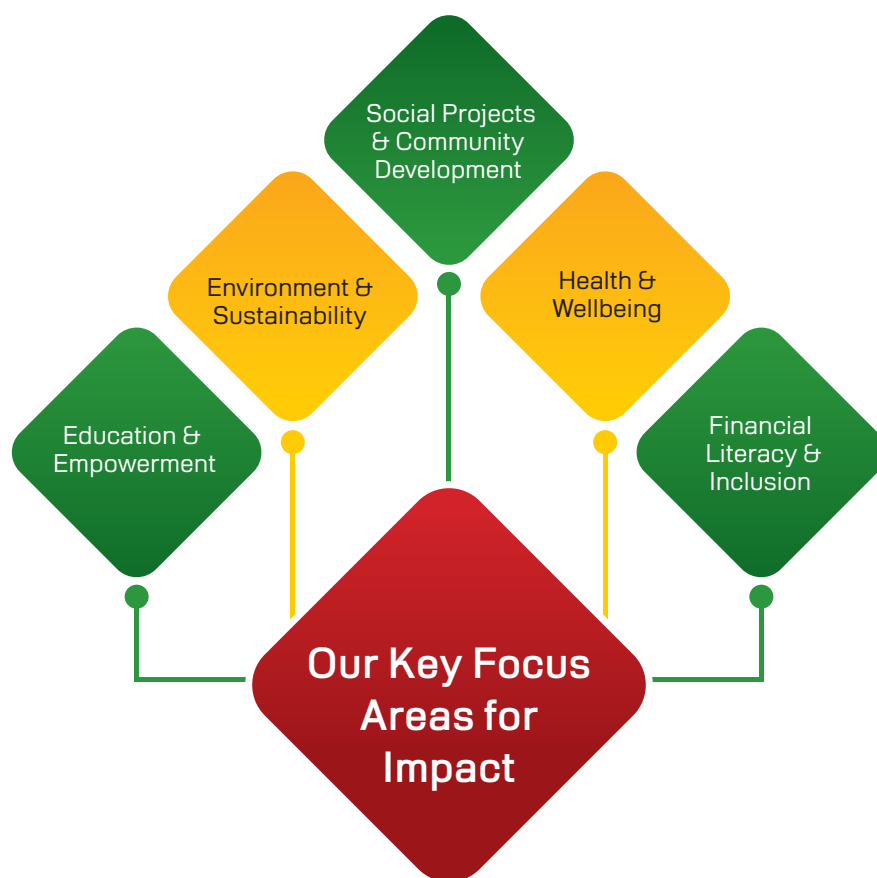
of exceling impact and empowering communities. Collaboration with various partners such as non-governmental organizations (NGOs), social institutions, local government bodies, corporate entities, affiliated companies, and dedicated employee volunteers is taken as priority while designing the initiatives, each milestone reflects the power of collaboration, the spirit of courage, and the promise of change.

Overall Outlook on CSR Fund Utilization

Every fiscal year 1% of net profit is set as budget in CSR Fund of the Bank which is utilized across the provinces of nation under various headings.

Considerable contributions of NPR 10.32 Million have been made in various CSR headings including sustainable goals for FY 2081-82. The unspent

amount has been carried forward to the next financial year for our upcoming CSR initiatives.



Education & Empowerment

Bank believes that education is a bridge to opportunity, dignity, and empowerment in addition to being a right, particularly for people coming and living in the isolated and underprivileged areas. From promoting innovation and research in higher

education to bolstering basic education in rural villages, our initiatives aim to guarantee inclusive, equitable, and high-quality learning. Bank's initiatives under education and empowerment includes scholarships, financial support, integration of FSM models educational

items support and infrastructural support for schools & students specially to elevate the standard of education in government schools of Nepal.

○ Scholarships

A. Muktinath Utkrishta Scholarship

It is a flagship CSR initiative initiated from FY 2079/80 and is one such program that provides scholarship to various students of GRADE 11 & 12 at various government/ community colleges who came from weak economic

background, marginalized communities across various provinces of Nepal. As of today 38 students have already benefitted from the program. This year alone 16 students have benefitted from the program across the nation.



SDGs Covered:

B. Scholarships through Collaboration with Social Organizations

Apart from Muktinath Utkrishta Scholarship, Bank also provided scholarships to students through collaboration with various social organizations. The collaboration was done to support the students

coming low economic background or underprivileged communities. Total 5 students benefitted through the collaboration.



○ Financial Stimulation Model (FSM) integration

With the aim to increase attendance of students in government school, Bank collaborated with social organization to include Financial Simulation Model (FSM) in their daily routine, a month-long program was organized at a school for students of Grade 4 to 6 where the students were given token numbers equal to

their academic and non-academic performance such as attendance, their cleanliness, classroom interaction. At the end of the month-long period, the token numbers were added up and they could exchange it for various items with equal value such as pen, toys, sport items, etc from a marketplace organized. In

case, the student doesn't want to spend their token number, they could save it on a token Bank for next month and get interest rate on it as well. This indirectly also taught the students about savings, banking system and money concept. Total 45 students benefitted from this initiative.



○ Handover of School essentials for Students & Infrastructure to Schools

To motivate more students at government schools, Bank handed over school bags, uniforms, warm clothes as sweaters, stationery items to various students of government schools at various locations across

the country. 391 students have benefitted directly from the program across the nation. Also, Bank have supported 5 government schools by handover of 4 set of computers & 1 set of smart LED TV financially

supported for development of infrastructure to different schools for purchase of books for their libraries.



Financial Literacy & Inclusion

A significant portion of Nepal's population remains excluded from the formal economy, limiting access to its benefits. Recognizing this gap, Muktinath Bikas Bank is committed to promoting financial literacy and

inclusion. Through outreach programs targeting unbanked and underbanked individuals in rural and semi-urban areas and in some city areas, the Bank aims to create awareness and empower communities to make informed financial

decisions. Initiatives employ multiple models, including classroom sessions, and mass media campaigns, ensuring that financial literacy becomes a key driver of inclusive economic growth.

Financial Literacy Programs targeted for Entrepreneurs, Farmers, Women, Youth

Bank have conducted various financial literacy programs across nation targeting entrepreneurs, farmers, women, youth. The target of such programs to create more awareness about banking knowledge and bring change in behavior of the participants. Over 4,100 have benefitted from the programs conducted.



Celebration of GLOBAL MONEY WEEK

This year Global Money Week 2025 theme was "Think before you follow, wise money tomorrow". Bank have celebrated the occasions by participation in various rallies and programs conducted along with regulatory body. Bank also organized Banking literacy programs for students of various colleges and schools as the week is celebrated especially for bring more awareness about financial literacy among students. Total 398 have benefited from the programs.

Digital Awareness through Bank's Social Media

The Bank actively utilized its social media platforms to deliver consistent, targeted messages on responsible borrowing, effective savings, scam prevention, and other essential financial practices. Through this initiative, the Bank aims to broaden its outreach, raise awareness, and equip a larger audience with fundamental financial literacy skills, fostering informed and empowered communities.



Financial Literacy Partnership Programs

The Bank also collaborated with various related parties to amplify the reach about Banking literacy. For that collaboration was done

for organizing literacy programs at different locations, promoting and development of content regarding financial and digital literacy

through various channels. Total of 1,376 People benefitted directly from such collaborations.

Milestones Achieved for Financial Literacy

Provinces Covered
7

No. of Programs
64

Individual Beneficiaries
4,100+

Participants reached: Women, Entrepreneurs, Farmers, Youth & Students

Environment & Sustainability

Nepal's unique environmental challenges, including climate change, glacier melt, deforestation, air pollution, and inadequate waste management, demand responsible corporate action. Recognizing the critical role of the

environment in supporting livelihoods and enhancing quality of life, the Bank is deeply committed to ecological conservation and climate resilience. Bank integrates environmental considerations into its CSR strategy

to create maximum awareness regarding the matter. Different unique initiatives are made under this key area of focus for impact.

The Bank organized and participated in various tree plantation programs to take a step towards combatting climate change. 234 plants samplings (fruit bearing & non fruit bearing) have been planted under the program by the Bank. The program was organized on various locations.



The Bank also wanted to create awareness regarding the textile waste, had contributed for the donation box for clothes collection. For waste management, Bank also handover dustbins to local organizations.



Combining Creativity and Art to create awareness about Climate Change



To raise awareness about climate change and global warming, Bank had organized **Mukthinath Art for Earth Competition 2081** for students from Class 8 to 10. The competition was aimed This competition focused to engage the community and encourage participants to express their thoughts on these critical environmental issues through art. It was specifically dedicated to sync with two of the Sustainable Development Goals(SDGs) to create awareness on Climate Action (SDG 13), Affordable, and Clean Energy (SDG 7).

476 students registered to participate in the competition from all over the nation while **403 students** participated. A grand competition was organized on Poush 06, 2081 (Saturday) for all the participants to come and create their imagination. Colors and creativeness filled the 11 event centers where Bank organized the competition. After the designated competition time was over, the art paper was handed over by the participants and were sent to Central Office for screening and evaluation. Bank appointed two very talented and well-experienced artists as JURY and

a volunteer secretariat to evaluate and judge the arts collected. On various criteria, markings were done, and 11 **REGIONAL WINNERS** were selected.

Among the 11 Regional winners further evaluation was done and One **GRAND WINNER** was also chosen. So overall, 10 **REGIONAL WINNERS** and 1 **GRAND WINNER** were selected an announced-on Poush 19, 2081. The winners can be viewed from the website

<https://mukthinathbank.com.np/award-winners>



Health & Wellbeing

The Bank adopts a holistic approach to health and well-being. CSR initiatives include organizing health camps, facilitating blood donation drives and

collaborating with organizations to raise awareness about critical health issues such as cancer. Additionally, the Bank supports for various infrastructure

needed for smooth administration of health-related institutions.

Blood Donation Program

The Bank self-organized and collaborated for various blood donation drive programs in the nation. In a program organized by the Bank. Over 660 blood pints were collected by the Bank directly and through collaboration from local clubs and social organizations.

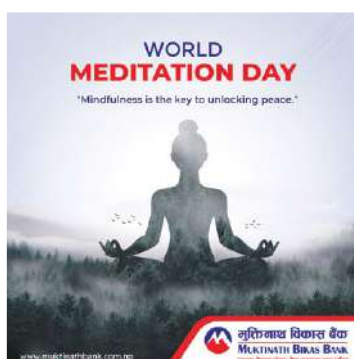


Eye Camps & Health Camps

The Bank also supported for various eye and health camps to facilitate good health and wellbeing of people in remote areas. Total 2,062 had benefited from eye camps and 448 had been benefited from health camp.

Health Related materials and Infrastructure Support

Bank has support two provincial hospitals, one with wheelchairs for easy management of patients who have difficulty in walking while availing the medical services, another with proper seating arrangement infrastructure for smooth flow of administration that will provide relied to patients visiting the hospital. Both initiatives is believed to have brought certain level of comfort thus increasing the wellbeing of the patients visiting the hospital. Bank also supported for maintenance of water filter system to a local organization to supply the water to many households. Also, Bank handed over dustbins for waste collection supporting hygiene which directly impact health.



Social Media Awareness Campaign

Various messages on social media platforms of the Bank are posted on important days such as World Meditation Day, World Health Day, World Donor Day, etc to create awareness of the subject matter. Additionally, Bank collaborates with various organization for programs to create cancer awareness.

Social Projects & Community Development

Muktinath Bikas Bank strives to make a lasting social impact through self-initiated and collaborative CSR projects with government bodies and social organizations. These initiatives are

aligned with Sustainable Development Goals (SDGs) and are aimed at promoting inclusive growth for all and community empowerment. A community is represented by all, Bank have placed

the best approach to create inclusive development for all residing in a community.

The Bank collaborated with Police force & local organization and supported for cameras for better surveillance and security to reduce crimes.



The Bank handed over 3D printed prosthetic hands to 5 children from various places across nation.



Bank also handover over 38 crutches for person with disability.



Bank also supported old age homes, orphanages through food materials distribution and materials needed for reconstruction for rehabilitation.



Bank also supported for construction of community building of Nepal Red Cross Society.



Bank also installed solar water heater at old age home for sustainable use of energy and for the well being of the elderly.

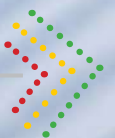


SDGs Covered:





STATUTORY REPORTS



उन्नाइसौं वार्षिक साधारण सभा सम्बन्धी सूचना

आदरणीय सेयरधनी महानुभावहरू,

मुक्तिनाथ विकास बैंक लि.को सञ्चालक समितिको मिति २०८२ असोज १० गते शुक्रवार बसेको ३५९ औं बैठकको निर्णय अनुसार यस विकास बैंकको उन्नाइसौं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा, देहायका विषय उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण सेयरधनी महानुभावहरूको जानकारी एवं उपस्थितिका लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, समय र स्थान :

मिति : २०८२ कार्तिक १५ गते, शनिवार (नोभेम्बर १, २०२५)

समय : बिहान १०:०० बजे ।

स्थान : होटल पोखरा ग्राण्ड, पार्दी, बिरौटा, पोखरा, कास्की ।

छलफलका विषयहरू :

सामान्य प्रस्तावहरू :

- सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको आ.व. २०८१/८२ को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
- लेखापरीक्षकको प्रतिवेदन सहित आ.व. २०८१/८२ आषाढ मसान्तको वासलात, नाफा नोक्सान हिसाब, नगद प्रवाह लगायतका विवरणहरू पारित गर्ने ।
- यस विकास बैंकको सहायक कम्पनी मुक्तिनाथ क्यापिटल लि.को आ.व. २०८१/८२ को वित्तीय विवरण सहितको एकीकृत वित्तीय विवरण उपर छलफल गरी पारित गर्ने ।
- लेखापरीक्षक समितिको सिफारिस बमोजिम आ.व. २०८२/८३ को लागि लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने । (हालका लेखापरीक्षक श्री ए. पी. षण्ड शोसिस्ट्रस, चाटर्ड एकाउण्टेन्ट्स पुनः नियुक्ति हुनका लागि चोपच हुनुहुन्छ ।)
- सञ्चालक समितिले प्रस्ताव गरे बमोजिम हाल कायम साधारण सेयर तर्फको चुक्ता पूँजी रु.७,०४,६९,३८,०४९.०८ (अक्षरेपी सात अर्ब चार करोड उनान्सतरी लाख अठ्तीस हजार उनन्चास रुपैयाँ आठ पैसा मात्र) को ४.६७ प्रतिशतले हुने रकम रु.३२,९०,९२,००६.८९ (अक्षरेपी बत्तीस करोड नब्बे लाख बयानब्बे हजार छ रुपैयाँ उनान्नब्बे पैसा मात्र) (बोनस सेयर र नगद लाभांशको कर सहित) नगद लाभांश वितरण गर्ने प्रस्ताव पारित गर्ने ।

विशेष प्रस्तावहरू :

- सञ्चालक समितिले प्रस्ताव गरे बमोजिम साधारण सेयर तर्फको हाल कायम चुक्ता पूँजी रु.७,०४,६९,३८,०४९.०८ (अक्षरेपी सात अर्ब चार करोड उनान्सतरी लाख अठ्तीस हजार उनन्चास रुपैयाँ आठ पैसा मात्र) को १३.५३ प्रतिशतले हुने रकम रु.९५,३४,५०,७१८.०३ (अक्षरेपी पन्चानब्बे करोड चौतीस लाख पचास हजार सात सय अठार रुपैयाँ तीन पैसा मात्र) बोनस सेयर वितरण गर्ने प्रस्ताव पारित गर्ने ।
- विकास बैंकको साधारण सेयर तर्फको चुक्ता पूँजी रु.७,०४,६९,३८,०४९.०८ (अक्षरेपी सात अर्ब चार करोड उनान्सतरी लाख अठ्तीस हजार उनन्चास रुपैयाँ आठ पैसा मात्र) को १३.५३ प्रतिशतले हुने रकम रु.९५,३४,५०,७१८.०३ (अक्षरेपी पन्चानब्बे करोड चौतीस लाख पचास हजार सात सय अठार रुपैयाँ तीन पैसा मात्र) बोनस सेयर वितरण पश्चात साधारण सेयर तर्फ रु.८,००,०३,८८,७६७.११ (अक्षरेपी आठ अर्ब तीन लाख अठ्तीस हजार सात सय सतसठ्ठी रुपैयाँ छघार पैसा मात्र) र गत वर्ष पारित भएको रु.१,००,००,००,०००.०० (अक्षरेपी एक अर्ब मात्र) को अविमोच्य असञ्चिति अग्राधिकार सेयर जारी भए पश्चात बैंकको जारी तथा चुक्ता पूँजी रु.९,००,०३,८८,७६७.११ (अक्षरेपी नौ अर्ब तीन लाख अठ्तीस हजार सात सय सतसठ्ठी रुपैयाँ छघार पैसा मात्र) पुन्याउने प्रस्ताव पारित गर्ने र सोही बमोजिम प्रबन्धपत्रको सम्बन्धित दफा संशोधन गर्ने ।
- विकास बैंकको १९ औं साधारण सभामा प्रस्ताव भए बमोजिम पूँजी वृद्धि पश्चात, नेपाल राष्ट्र बैंकले तोकेको प्रावधान अनुसार यस विकास बैंकलाई वाणिज्य बैंकमा स्तरोन्नतिको लागि आवश्यक प्रकृया अगाडि बढाउन सञ्चालक समितिलाई अस्तित्वारी प्रत्यायोजन गर्ने प्रस्ताव पारित गर्ने ।
- सञ्चालक समितिका अध्यक्ष तथा सञ्चालकहरूको सेवा सुविधा पुनरावलोकन गरी सोही बमोजिम नियमावलीको सम्बन्धित दफा संशोधन गर्ने ।
- यस मुक्तिनाथ विकास बैंक लि. र अन्य उपयुक्त बैंक तथा वित्तीय संस्थाहरू एक आपसमा प्राप्ति/समाहित (Acquisition/Merger) प्रयोजनका लागि उपयुक्त बैंक तथा वित्तीय संस्थाको पहिचान गर्ने, सहमतिपत्र (Memorandum of Understanding) मा हस्ताक्षर गर्ने, सोको आधारमा सैद्धान्तिक स्वीकृतिका लागि नेपाल राष्ट्र बैंकमा निवेदन दिने, सम्पति दायित्वको मूल्याङ्कन (Due Diligence Audit) गर्ने परामर्शदाता, मूल्याङ्कनकर्ता, लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक तोक्ने तथा प्राप्ति/समाहितसंग सम्बन्धित अन्य आवश्यक कार्यहरू गर्नका लागि सञ्चालक समितिलाई अस्तित्वारी दिने प्रस्ताव पारित गर्ने ।
- विकास बैंकको प्रबन्धपत्र तथा नियमावली संशोधन गर्ने सम्बन्धमा नियमनकारी निकायबाट फेरबदल गर्ने निर्देशन भएमा आवश्यकता अनुसार सोमा थपघट, परिमार्जन, संशोधन तथा सच्याउनको लागि सञ्चालक समिति वा समितिले तोकेको व्यक्तिलाई अस्तित्वारी दिने ।
- विविध :

द्रष्टव्य: उन्नाइसौं वार्षिक साधारण सभा प्रयोजनार्थ मिति २०८२ असोज ३१ गते, शुक्रवार (१ दिन) यस विकास बैंकको सेयर दाखिल खारेज बन्द (Book Closed) हुने व्यहोरा सेयरधनी महानुभावहरूलाई जानकारी गराइन्छ ।

सञ्चालक समितिको आज्ञाले

इण्डपानी ढकाल

(कम्पनी सचिव)

उन्नाइसौं वार्षिक साधारण सभा सम्बन्धी अन्य जानकारीहरू

१. उन्नाइसौं वार्षिक साधारण सभालाई ध्यानमा राखी मिति २०८२ असोज ३१ गते (१ दिन) विकास बैंकको सेयरधनी दर्ता किताब बन्द (Book Closed) रहने छ । नेपाल स्टक एक्सचेञ्ज लिमिटेडमा मिति २०८२ असोज ३० गतेसम्म कारोबार भई प्रचलित कानून बमोजिम यस विकास बैंकको सेयर रजिष्ट्रार मुक्तिनाथ क्यापिटल लि. (Muktinath Capital Ltd.) नारायणचौर, नक्साल, काठमाण्डौमा प्राप्त सेयर नामसारीको लिखतको आधारमा सेयरधनी दर्ता किताबमा कायम सेयरधनीहरूले सो सभामा भाग लिन सक्नेछन् ।
२. वार्षिक साधारण सभामा भाग लिन आउनुहुने सम्पूर्ण सेयरधनी महानुभावहरूले आफ्नो परिचय खुल्ने प्रमाणपत्र वा सोको प्रतिलिपि अनिवार्य रूपमा साथमा लिई आउनुहुन अनुरोध छ ।
३. सेयरधनी महानुभावहरूको उपस्थिति पुस्तिकामा दस्तखत गर्न सेयरधनी उपस्थिति पुस्तिका साधारण सभा हुने दिन बिहान ८:०० बजेदेखि खुल्ला रहनेछ ।
४. छलफलका विषयहरू मध्ये, विविध शिर्षक अन्तर्गत कुनै प्रस्ताव भएमा छलफल गर्न इच्छुक सेयरधनीले साधारण सभा हुनुभन्दा ७ (सात) दिन अगावै छलफलको विषयको जानकारी कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा दिनु पर्नेछ ।
५. साधारण सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्ति गर्न चाहने सेयरधनीहरूले प्रचलित कम्पनी कानूनले तोकेको ढाँचामा प्रतिनिधि पत्र (प्रोक्सी) फारम भरी सभा शुरू हुनु भन्दा कमिन्तमा ४८ घण्टा अगावै अर्थात् मिति २०८२ कार्तिक १३ गते बिहान १०:०० बजे भित्र बैंकको केन्द्रीय कार्यालय लाजिम्पाट, काठमाण्डौमा दर्ता गराई सक्नु पर्नेछ । बैंकको सेयरधनी बाहेक अरुलाई प्रोक्सी दिन र एक भन्दा बढी ब्यक्तिलाई आफ्नो सेयर विभाजन गरी, तथा अन्य कुनै किसिमबाट छुट्याई प्रोक्सी दिन पाइने छैन । यसरी दिएको प्रोक्सी बदर हुने छ ।
६. प्रोक्सी नियुक्त गरी सक्नु भएको सेयरधनी आफैँ सभामा उपस्थित भई हाजिर पुस्तिकामा दस्तखत गर्नु भएमा निजले दिईसकेको प्रोक्सी स्वतः बदर हुने छ ।
७. एकै सेयरधनीले एक भन्दा बढी प्रोक्सीहरू दिईसकेको अवस्थामा यस अघि दिइएका सबै प्रोक्सी बदर गरी पछिल्लो प्रोक्सीलाई मान्यता दिइयोस भनी छुट्टै पत्र लेखी ४८ घण्टा अगावै अर्थात् २०८२ कार्तिक १३ गते बिहान १०:०० बजे भित्र दर्ता गराएको अवस्थामा, अघिल्ला प्रोक्सीहरू स्वतः बदर भएको मानी, पछिल्लो प्रोक्सीलाई मान्यता दिइने छ ।
८. नाबालक सेयरधनीको सन्दर्भमा, सेयरधनी दर्ता किताबमा संरक्षकको रूपमा नाम लेखिएको व्यक्तिले मात्र संरक्षकको हैसियतले सभामा भाग लिन, छलफल गर्न, प्रतिनिधि नियुक्त गर्न र मतदान गर्न समेत सक्नु हुनेछ ।
९. साधारण सभा सम्बन्धमा थप जानकारी आवश्यक परेमा कार्यालय समय भित्र विकास बैंकको केन्द्रीय कार्यालय काठमाण्डौ महानगरपालिका-३, लाजिम्पाट, काठमाण्डौमा सम्पर्क राख्न समेत अनुरोध छ ।

पुनश्च: कम्पनीको आर्थिक विवरण, सेयरधनी महानुभावहरूले उपलब्ध गराएको ठेगानामा पठाइने छ । साथै कम्पनी ऐन, २०६३ अनुसारको वार्षिक आर्थिक विवरण, संचालक समितिको प्रतिवेदन र लेखापरीक्षकको प्रतिवेदन, सेयरधनी महानुभावहरूले कम्पनीको केन्द्रीय कार्यालय लाजिम्पाट, काठमाण्डौमा तथा यस विकास बैंकको सेयर रजिष्ट्रार मुक्तिनाथ क्यापिटल लि. नारायणचौर, नक्साल, काठमाण्डौमा आई, अध्ययन गर्न र प्राप्त गर्न सक्ने ब्यहोरा समेत जानकारीका गराईन्छ । आर्थिक विवरण लगायत वार्षिक साधारणसभामा पेश हुने सम्पूर्ण प्रस्तावहरू बैंकको Website: www.muktinathbank.com.np मा हेर्न सक्नुहुनेछ ।

सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको मन्तव्य

आदरणीय सेयरधनी महानुभावहरू, तथा सम्पूर्ण आमन्त्रित अतिथि ज्यूहरूमा सञ्चालक समिति तथा मेरो व्यक्तिगत तर्फबाट हार्दिक नमस्कार ।

मुक्तिनाथ विकास बैंकको १९ औं वार्षिक साधारण सभामा यहाँहरू सबैलाई हार्दिक स्वागत गर्न चाहन्छु । विगतका वर्षहरू जस्तै यस वर्ष पनि यो साधारण सभाले विगतका उपलब्धीहरूलाई समीक्षा गर्ने र आगामी लक्ष्य तथा मार्गलाई स्पष्ट गर्ने एउटा महत्वपूर्ण मञ्चको रूपमा मैले लिएको छु ।

नेपालको अर्थतन्त्र बारे तथ्याङ्कहरू प्रस्तुत गर्ने विभिन्न निकायहरूले प्रकाशित गरेको पछिल्लो प्रतिवेदनहरू अनुसार नेपालको अर्थतन्त्रमा क्रमिक रूपमा सुधारको संकेतहरू देखा परेका छन् । मुद्रास्फीतिलाई नेपाल राष्ट्र बैंकले अपेक्षा गरे अनुसार नै कायम राख्न सफल भएको छ भने रेमिट्यान्स र निर्यातमा क्रमशः बृद्धि भएको देखिन्छ । समयमै विकास बजेटको उपयोग र सरकारी बचतौताहरू भुवतानी हुने हो भने यस वर्ष आर्थिक गतिविधिहरू अझै चलायमान हुने अनुमान गर्न सकिन्छ । यसले सार्वजनिक तथा निजी लगानीलाई हौसला प्रदान गर्नेछ भने बैंकिङ्ग गतिविधिहरू पनि सोही बमोजिम गतिशील हुने अपेक्षा गर्न सकिन्छ ।

नेपाल राष्ट्र बैंकका गभर्नर ज्यूबाट प्रस्तुत आ.व. २०८२/८३ को मौद्रिक नीतिहरूमा निजी क्षेत्रहरूलाई प्रोत्साहन गर्ने गरी सहज र लगानी मैत्री व्यवस्थाहरू समेटिएको छ । ब्याजदर कोरिडोर, व्यक्तिगत घर कर्जाको सीमा बढाई तीन करोडसम्म, फाईनान्स कम्पनीहरूको निक्षेप संकलन सीमा हटाईनु, बैदेशिक भ्रमणमा जाँदा ३ हजार डलरसम्म नगद लैजान पाउने व्यवस्था, सुन आयात र बिन्ती व्यवस्थालाई पुनरावलोकन, सेयर कर्जाको सीमा हटाईनु, आदि व्यवस्थाहरूले पनि बैंकिङ्ग प्रणालीको दायरा फारकिलो पारेको छ ।

नेपाल तथा विश्वमा घटेका घटनाहरू जस्तै २०७२ सालको भूकम्प, कोभिड-१९, रुस र युक्रेन तथा ईजरायल र गाजाको द्वन्द्वले विश्वमा मन्दी र महंगी बढ्नुको साथै लगानी गर्ने वातावरण विगारेको छ । हालै, २०८२ भाद्र २३ र २४ गतेको Gen-Z युवाहरूको आन्दोलनले नेपालमा थुप्रै भौतिक संरचनाहरू ध्वस्त भएको र निजी क्षेत्रमा भएको आक्रमणले व्यवसायीहरूको मनोबल उच्च राख्न अझै पनि बैंक तथा वित्तीय संस्थाहरूलाई थप संघर्ष गर्नु पर्ने देखिन्छ ।

हालै भारतको केन्द्रीय बैंक “रिजर्व बैंक अफ इन्डिया”ले नेपालमा नेपाली तथा नेपाली व्यवसायीहरूलाई लगानी गर्ने मन्त्रे व्यवस्था गरेको मन्त्रे कुरा आएको छ । यसले बैंकिङ्ग क्षेत्रमा के कति असर पार्दछ मन्त्रे अझै हेर्न बाँकी नै छ ।

नियमकीय निकायले जारी गर्ने निर्देशनहरूले बैंकिङ्ग क्रियाकलापमा तत्काललाई केही असर परे पनि दीर्घकालमा त्यस्ता निर्देशनहरूले समग्र वित्तीय प्रणालीलाई जोखिम प्रतिरोधी बनाउँदै सबलता बृद्धि गरेको हामीले महशुस गरेका छौं । पछिल्लो समयमा वित्तीय कारोबारमा विद्युतीय प्रविधिको प्रयोगमा विस्तार भएकोले, यसले एकातर्फ बैंकिङ्गलाई सहज बनाएको छ भने अर्को तर्फ बैंकहरूले आफ्नो प्रविधिमा अझै लगानी बृद्धि गर्नु पर्ने अवस्था आएको छ । ग्राहकहरूको न्यून वित्तीय तथा प्रविधि साक्षरताले गर्दा भ्रमपूर्ण लोभलालचमा सोभसाभ्सा ग्राहकहरू पर्ने सक्ने जोखिमलाई बैंकले विभिन्न माध्यमबाट सचेतना बढाउँदै लगेको छ भने समग्र संस्थाको जोखिम व्यवस्थापन गर्न बैंक व्यवस्थापन सक्रिय रहेको व्यहोरा अनुरोध गर्दछु ।

यस विकास बैंकले नेपाली माटो र परिवेश सुहाउँदो वित्तीय सेवाहरूमा जोड दिँदै आएको छ । कृषि, लघु, साना र मझौला उद्यमहरूलाई उत्पन्न प्राथमिकतामा राखी

सेवामा विविधिकरण गरेको छ भने सरकारी, गैरसरकारी र निजी क्षेत्रसंगको सहकार्यमा लक्षित वर्गसम्म पुग्ने गरी कार्यहरू गर्दै आएको छ । नेपालको आर्थिक समृद्धिको नेरुदण्डको रूपमा रहेका अन्य क्षेत्रहरूमा पनि लगानीको दायरा विस्तार गरेको छ । संभावना र सिर्जनशीलता (नवप्रवर्द्धन) को खोजी गरी यो विकास बैंकले वित्तीय सेवाहरूलाई समावेशी बनाउने प्रयास जारी राखेको छ ।

विगत करिव दुई महिनाको अवधिमा हामीले युवाहरूको अग्रसरतामा अकल्पनीय राजनीतिक परिवर्तन देखी सकेका छौं भने हिन्दूहरूको महान पर्वहरू (दर्शन, तिहार र छठ) मनाई सकेका छौं । यदि सबै परिस्थिति अनुकूल भएमा अबको करिव पाँच महिना भित्रमा देशले नयाँ सरकार पाउने छ । यी सबै अवस्थाले देशको आर्थिक गतिविधिहरू चलायमान हुनेछन् र सोको प्रत्यक्ष लाभ बैंकिङ्ग क्षेत्रले पनि लिने नै छ । पुस्ता र प्रविधिको सामञ्जस्यता मिलाउँदै अझै सबल र दरिलो बैंक बनाउन समग्र बैंक परिवार प्रतिवद्ध रहेको जानकारी गराउन चाहन्छु ।

आजको यस विशेष दिनमा नेपालको विकास बैंकको इतिहासमा हामीले एउटा पृथक प्रस्ताव पनि समावेश गरेका छौं । हामी वाणिज्य बैंकमा स्तरोन्नति हुनको लागि आवश्यक पर्ने एउटा मुख्य सूचक (पूँजी) आज यस साधारण सभाले पारित गरे पश्चात पुरा हुनेछ । त्यस पछि, नेपाल राष्ट्र बैंकसंग आवश्यक परामर्श गरी यो प्रकृया पनि अघि बढाउने र यो विकास बैंकलाई वाणिज्य बैंकको रूपमा उभ्याउने परिकल्पना छिट्टै साकार पर्ने नै छौं ।

हामी सञ्चालक समितिका सदस्य ज्यूहरूले हरेक प्रस्तावको विषय वस्तुहरूमा आआफ्ना अनुभव, विचार र दृष्टीकोण राखी व्यापक छलफल मार्फत हरेक निर्णयहरूमा पारदर्शिता अपनाई बैंकलाई पार्न सक्ने दीर्घकालिन असर समेतको आँकलन गरेर एकमतले टुङ्गोमा पुग्दछौं । त्यसै गरी, यस सभामा पेश भएका प्रस्तावहरू उपर पनि बृहत रूपमा छलफल गरी एक मतले पारित गरी दिनुहुन सबै सेयरधनी महानुभावहरूलाई हार्दिक अनुरोध गर्दछु । यहाँहरूले प्रत्यक्ष र अप्रत्यक्ष रूपमा दिनु भएका तथा दिनुहुने अमूल्य सुझावहरू भविष्यको लागि हाम्रो मार्ग दर्शन हुने छन् ।

अन्त्यमा, यस विकास बैंकको यात्रामा प्रत्यक्ष र परोक्ष रूपमा सहयोग, साथ र हौसला दिनुहुने सम्पूर्ण नियमक निकायहरू, अन्य सरकारी कार्यालयहरू, गैरसरकारी संघसंस्थाहरू, निजी क्षेत्र र शुभ चिन्तकहरू सबैमा हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु । यस विकास बैंकको प्रगतिमा अहोरात्र मेहनत गर्नु भएका विभिन्न तहको नेतृत्वमा रहनु भएका प्रमुख तथा सम्पूर्ण कर्मचारीहरू प्रशंसनीय हुनु हुन्छ । हामीलाई विश्वास गर्नु भएका सम्पूर्ण आदरणीय ग्राहक महानुभावहरूलाई कोटीकोटी नमन गर्न चाहन्छु । यहाँहरू कै स्नेहले नै हामी अगाडि बढेका छौं । वित्तीय समावेशीता, प्रविधिकृत सेवामा विविधिकरण, वातावरण तथा समाज मैत्री ग्राहक संरक्षणको मूल मर्मलाई आत्मसाथ गर्दै अझै उत्कृष्ट सेवा प्रदान गर्ने प्रतिवद्धता पनि व्यक्त गर्दछौं ।

धन्यवाद ! जय मुक्तिनाथ !

सिम प्रकाश मल्ल

अध्यक्ष

मिति: २०८२ कार्तिक १५ गते, शनिवार (नोभेम्बर १, २०२५)

संचालक समितिको वार्षिक प्रतिवेदन

मुक्तिनाथ विकास बैंक लि.को संचालक समितिले आ.व. २०८१/८२ को वित्तीय प्रगति र मुख्य गतिविधिहरू समावेश गरी यो प्रतिवेदन तयार पारी उन्नाइसौं वार्षिक साधारण सभामा पेश गरेको छ । यहाँ समेटिएका तथ्य र क्रियाकलापहरूको गहन अध्ययन गरी यहाँबाट महत्वपूर्ण सुझावहरू प्राप्त गर्ने अपेक्षा राखेका छौं । कतिपय विषय वस्तुहरूलाई महत्व र प्राथमिकताको आधारमा संक्षेपमा मात्रै उल्लेख गरिएको छ । यहाँहरूको थप जिज्ञासाहरू भएमा यस सभा बाहेक पनि आवश्यक जानकारी उपलब्ध गराइने व्यहोरा पनि सम्पूर्ण सेयरधनी महानुभावहरूलाई अनुरोध गर्न चाहन्छौं ।

क. आ.व. २०८१/८२ मा देशको समग्र आर्थिक अवस्था

विश्व आर्थिक एवं राजनीतिक परिदृश्यमा देखिएको अस्थिरता र अनिश्चितताको कारण आर्थिक गतिशीलतामा सुस्ती आई सन् २०२५ मा विश्व अर्थतन्त्रको वृद्धिदर कम भएको छ । ठूला अर्थतन्त्रबीच एकआपसमा भन्सार दर बढाउने होडबाजीले विश्व अर्थतन्त्रमा बहुआयामिक प्रभाव परेको देखिएको छ । यसैगरी, विश्व व्यापार मन्दी, न्यून लगानी र उच्च सार्वजनिक ऋण लगायत कारणहरूले आपूर्ति शृङ्खलामा अवरोध उत्पन्न भई विश्व आर्थिक वृद्धिदरमा प्रतिकूल प्रभाव परेको छ । फलस्वरूप, सन् २०२४ मा विश्व अर्थतन्त्र ३.३ प्रतिशतले विस्तार भएकोमा सन् २०२५ मा विश्व अर्थतन्त्र २.८ प्रतिशतले मात्र विस्तार हुने अन्तर्राष्ट्रिय मुद्रा कोषले प्रक्षेपण गरेको छ । उदीयमान तथा विकासशील प्रसियाको अर्थतन्त्र अन्य अर्थतन्त्रको तुलनामा उच्च दरमा विस्तार भएको छ । सन् २०२५ मा यस क्षेत्रको आर्थिक वृद्धि ४.५ प्रतिशतले विस्तार हुने प्रक्षेपण गरिएको छ ।

विश्व मुद्रास्फीति दर क्रमशः घट्दो छ । मुद्रास्फीति घट्दै जाँदा विश्वका अधिकांश मुलुकहरूले लघिलो मौद्रिक नीति अवलम्बन गर्न थालेका छन् । विकसित, उदीयमान तथा विकासशील अर्थतन्त्रको मुद्रास्फीति घट्दै गएकोले समग्र मूल्यस्तरमा कमि आएको छ । पेट्रोलियम पदार्थको मूल्यमा आएको गिरावटका कारण इन्धनजन्य वस्तुको मूल्य घट्दो छ । यद्यपि, ठूला अर्थतन्त्रबीचको व्यापार युद्धका कारण आयातित वस्तुको मूल्य वृद्धि भई समग्र मूल्यस्तर बढ्न सक्ने जोखिम रहेको छ ।

रुस-युक्रेन युद्ध, मध्य प्रसियाको द्वन्द, शक्तिशाली राष्ट्रहरूको सम्बन्ध र कूटनीति आदिले आयात-निर्यात, पेट्रोलियम पदार्थको मूल्य र वैदेशिक मुद्राको सदृही दरमा उतार-चढाव ल्याई नेपाली अर्थतन्त्रमा प्रत्यक्ष र अप्रत्यक्ष रूपमा महत्वपूर्ण भूमिका खेलेको छ ।

आर्थिक वर्ष २०८१/८२ को वार्षिक तथ्याङ्क मा आधारित नेपाल राष्ट्र बैंकले प्रकाशन गरेको देशको वर्तमान आर्थिक तथा वित्तीय स्थिति यस प्रकारको रहेको छ :

१. वास्तविक क्षेत्र

राष्ट्रिय तथ्याङ्क कार्यालयका अनुसार आर्थिक वर्ष २०८१/८२ मा आर्थिक वृद्धि ४.६१ प्रतिशत रहेको अनुमान छ । कृषि क्षेत्रको वृद्धि ३.२८ प्रतिशत, उद्योग क्षेत्रको ४.५३ प्रतिशत र सेवा क्षेत्रको वृद्धि ४.२१ प्रतिशत रहेको अनुमान छ । आर्थिक वर्ष २०८१/८२ मा कुल गार्हस्थ्य उत्पादनमा कृषि, उद्योग र सेवा क्षेत्रको अंश क्रमशः २५.१६ प्रतिशत, १२.८३ प्रतिशत र ६२.०१ प्रतिशत रहेको छ ।

२. मुद्रास्फीति

आर्थिक वर्ष २०८१/८२ मा वार्षिक औसत उपभोक्ता मुद्रास्फीति ४.०६ प्रतिशत रहेको छ । अधिल्लो आर्थिक वर्ष यस्तो मुद्रास्फीति ५.४४ प्रतिशत रहेको थियो । २०८२ असारमा वार्षिक विन्दुगत उपभोक्ता मुद्रास्फीति २.२० प्रतिशत रहेको छ । २०८१

असार महिनामा यस्तो मुद्रास्फीति ३.५७ प्रतिशत रहेको थियो । आर्थिक वर्ष २०८१/८२ मा वार्षिक औसत थोक मुद्रास्फीति ३.८४ प्रतिशत रहेको छ । अधिल्लो आर्थिक वर्ष यस्तो मुद्रास्फीति ३.९२ प्रतिशत रहेको थियो ।

३. वैदेशिक व्यापार

आर्थिक वर्ष २०८१/८२ मा कुल वस्तु निर्यात ८१.८ प्रतिशतले वृद्धि भई रु.२७७ अर्ब ३ करोड पुगेको छ । अधिल्लो वर्ष यस्तो निर्यातमा ३.० प्रतिशतले कमी आएको थियो । गन्तव्यका आधारमा भारत, चीन र अन्य मुलुकतर्फको निर्यात क्रमशः ११७.८ प्रतिशत, १.६ प्रतिशत र ६.७ प्रतिशतले वृद्धि भएको छ । वस्तुगत आधारमा भटमासको तेल, पोलिस्टरको धागो, जुटका सामान, चिया, जूता तथा चप्पल लगायतका वस्तुको निर्यात बढेको छ भने पाम तेल, जिङ्ग सिट, जुस, अदुवा, तयारी पोसाक लगायतका वस्तुको निर्यात घटेको छ ।

आर्थिक वर्ष २०८१/८२ मा कुल वस्तु आयात १३.३ प्रतिशतले वृद्धि भई रु.१८० अर्ब १२ करोड पुगेको छ । अधिल्लो वर्ष यस्तो आयातमा १.२ प्रतिशतले कमी आएको थियो । वस्तु आयात गरिने मुलुकका आधारमा भारत, चीन र अन्य मुलुकबाट भएको आयात क्रमशः ७.५ प्रतिशत, १४.२ प्रतिशत र ३१.७ प्रतिशतले वृद्धि भएको छ । वस्तुगत आधारमा भटमासको कच्चा तेल, यातायातका उपकरण, सवारी साधन तथा स्पेयर पार्ट्स, चामल/धान, खाने तेल, स्पन्ज आइरन लगायतका वस्तुको आयात बढेको छ भने पेट्रोलियम पदार्थ, हवाईजहाजका स्पेयर पार्ट्स, सुन, रासायनिक मल, विद्युतीय उपकरणलगायतका वस्तुको आयात घटेको छ ।

४. विप्रेषण आप्रवाह

आर्थिक वर्ष २०८१/८२ मा विप्रेषण आप्रवाह १९.२ प्रतिशतले वृद्धि भई रु.१७२ अर्ब २७ करोड पुगेको छ । अधिल्लो वर्ष विप्रेषण आप्रवाह १६.५ प्रतिशतले बढेको थियो । २०८२ असार महिनाको विप्रेषण आप्रवाह रु.१८९ अर्ब ११ करोड रहेको छ । अधिल्लो वर्षको सोही महिनामा यस्तो आप्रवाह रु.११७ अर्ब ७८ करोड रहेको थियो । अमेरिकी डलरमा विप्रेषण आप्रवाह १६.३ प्रतिशतले वृद्धि भई १२ अर्ब ६४ करोड पुगेको छ । अधिल्लो वर्ष यस्तो आप्रवाह १५.५ प्रतिशतले बढेको थियो ।

५. चालु खाता एवम् शोधनान्तर स्थिति

आर्थिक वर्ष २०८१/८२ मा चालु खाता रु.४०९ अर्ब २० करोडले बचतमा रहेको छ । अधिल्लो वर्ष चालु खाता रु.२२१ अर्ब ७१ करोडले बचतमा रहेको थियो । अमेरिकी डलरमा अधिल्लो वर्षमा रु.१ अर्ब ६७ करोडले बचतमा रहेको चालु खाता समीक्षा वर्षमा रु.३ अर्ब १ करोडले बचतमा रहेको छ ।

समीक्षा वर्षमा शोधनान्तर स्थिति रु.५९४ अर्ब ५४ करोडले बचतमा रहेको छ । अधिल्लो वर्ष शोधनान्तर स्थिति रु.५०२ अर्ब ४९ करोडले बचतमा रहेको थियो । अमेरिकी डलरमा अधिल्लो वर्ष रु.३ अर्ब ७७ करोडले बचतमा रहेको शोधनान्तर स्थिति समीक्षा वर्षमा रु.४ अर्ब ३७ करोडले बचतमा रहेको छ ।

६. कुल विदेशी विनिमय सञ्चिति र पर्याप्तता सूचक

२०८१ असार मसान्तमा रु.२,०४१ अर्ब १० करोड बराबर रहेको कुल विदेशी विनिमय सञ्चिति ३१.२ प्रतिशतले वृद्धि भई २०८२ असार मसान्तमा रु.२,६७७ अर्ब ६८ करोड पुगेको छ । अमेरिकी डलरमा यस्तो सञ्चिति २०८१ असार मसान्तमा रु.१५ अर्ब २७ करोड रहेकोमा २०८२ असार मसान्तमा २७.७ प्रतिशतले वृद्धि भई रु.१९ अर्ब ५० करोड पुगेको छ । आर्थिक वर्ष २०८१/८२ को आयातलाई आधार मान्दा बैकिङ क्षेत्रसँग रहेको विदेशी विनिमय सञ्चिति १८.२ महिनाको वस्तु आयात र १५.४ महिनाको वस्तु तथा सेवा आयात धान्न पर्याप्त रहने देखिन्छ ।



७. विनिमय दर

२०८१ असार मसान्तको तुलनामा २०८२ असार मसान्तमा अमेरिकी डलरसँग नेपाली रुपैयाँ २.६६ प्रतिशतले अवमूल्यन भएको छ । अघिल्लो वर्षको सोही अवधिमा नेपाली रुपैयाँ १.६४ प्रतिशतले अवमूल्यन भएको थियो । २०८२ असार मसान्तमा अमेरिकी डलर भएको खरिद विनिमय दर रु.१३७ पुगेको छ ।

८. सरकारी वित्त स्थिति

आर्थिक वर्ष २०८१/८२ मा बैकिङ कारोबारमा आधारित सरकारको वित्त स्थिति रु.४०४ अर्ब ४२ करोडले घाटामा रहेको छ । अघिल्लो वर्षको सोही अवधिमा सरकारी वित्त स्थिति रु.३७९ अर्ब ३८ करोडले घाटामा रहेको थियो । आर्थिक वर्ष २०८१/८२ मा तीनै तहका सरकारको एकीकृत वित्त स्थिति भने रु.१३० अर्ब ७३ करोडले बचतमा रहेको छ ।

नेपाल सरकार, अर्थ मन्त्रालय, महालेखा नियन्त्रक कार्यालयका अनुसार आर्थिक वर्ष २०८१/८२ मा नेपाल सरकारको कुल खर्च रु.१,५२३ अर्ब ११ करोड रहेको छ । यस मध्ये चालु खर्च रु.९८० अर्ब ३८ करोड, पुँजीगत खर्च रु.२२२ अर्ब ६८ करोड र वित्तीय व्यवस्था खर्च रु.३२० अर्ब ४ करोड रहेको छ ।

समीक्षा अवधिमा नेपाल सरकारको कुल राजस्व परिचालन (प्रदेश सरकार तथा स्थानीय सरकारमा बाँडफाँट हुने रकम समेत) रु.१,१७८ अर्ब ८२ करोड पुगेको छ । यस अन्तर्गत कर राजस्व रु.१,०४९ अर्ब ८८ करोड र गैरकर राजस्व रु. १२८ अर्ब ९४ करोड परिचालन भएको छ ।

९. निक्षेप परिचालन

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूको निक्षेप १२.६ प्रतिशत (रु.८११ अर्ब ४९ करोड) ले बढेको छ । अघिल्लो वर्ष यस्तो निक्षेप १३ प्रतिशत (रु.७४२ अर्ब ३७ करोड) ले बढेको थियो । २०८२ असार मसान्तमा बैंक तथा वित्तीय संस्थाहरूको कुल निक्षेपमा चलती, बचत र मुद्दती निक्षेपको अंश क्रमशः ७.१ प्रतिशत, ३६.८ प्रतिशत र ४८.३ प्रतिशत रहेको छ भने कुल निक्षेपमा संस्थागत निक्षेपको अंश ३६.१ प्रतिशत रहेको छ ।

१०. कर्जा प्रवाह

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जा ८.४ प्रतिशत (रु.४२३ अर्ब ७३ करोड) ले बढेको छ । अघिल्लो वर्ष यस्तो कर्जा ५.८ प्रतिशत (रु.२७६ अर्ब ९४ करोड) ले बढेको थियो । निजी क्षेत्रतर्फ प्रवाहित कर्जामध्ये वाणिज्य बैंकहरूको कर्जा प्रवाह ८.६ प्रतिशतले, विकास बैंकहरूको ६.१ प्रतिशतले र वित्त कम्पनीहरूको ८.४ प्रतिशतले बढेको छ ।

११. ब्याजदर

२०८१ असारमा ९१-दिने ट्रेजरी बिलको भारित औसत ब्याजदर ३.०० प्रतिशत रहेकोमा २०८२ असारमा २.९५ प्रतिशत रहेको छ । बैंक तथा वित्तीय संस्थाहरूबीचको अन्तर-बैंक कारोबारको भारित औसत ब्याजदर २०८१ असारमा २.९९ प्रतिशत रहेकोमा २०८२ असारमा २.९६ प्रतिशत रहेको छ ।

१२. पुँजी बजार

२०८१ असार मसान्तमा २,२४०.४१ रहेको नेप्से सूचकाङ्क २०८२ असार मसान्तमा २,७९४.७९ कायम भएको छ । २०८२ असार मसान्तमा धितोपत्र बजार पुँजीकरण रु.४,६५६ अर्ब ९९ करोड कायम भएको छ । २०८१ असार मसान्तमा बजार पुँजीकरण रु.३,५५३ अर्ब ६८ करोड रहेको थियो । २०८१ असार मसान्तमा बजार पुँजीकरण कुल गार्हस्थ्य उत्पादनको ६२.२५ प्रतिशत रहेकोमा २०८२ असार मसान्तमा ७६.२५ प्रतिशत रहेको छ । २०८२ असार मसान्तमा नेपाल स्टक एक्सचेंज लिमिटेडमा सूचीकृत कम्पनीहरूको संख्या २७२ पुगेको छ । सूचीकृत कम्पनीहरूमध्ये १३२ बैंक तथा वित्तीय संस्था र बीमा कम्पनी रहेका छन् भने ९१ जलविद्युत कम्पनी, २३ उत्पादन तथा प्रशोधन उद्योग, ७ होटल, ७ लगानी कम्पनी, ४ व्यापारिक संस्था र ८ अन्य समूहका रहेका छन् । २०८१ असारमा सूचीकृत कम्पनीहरूको सङ्ख्या २७० रहेको थियो ।

स. विगत ५ वर्षको वित्तीय अवस्था

वित्तीय अवस्थाको विवरण

आषाढ मसान्त

रकम रु. मा

विवरण	२०८१/८२	२०८०/८१	२०७९/८०	२०७८/७९	२०७७/७८
सम्पति					
नगद तथा नगद समान	६,५८३,१३९,५८२	३,१३४,५३९,७०४	५,२६८,५३९,७४८	८,१०१,००९,८१२	६,२६९,७२१,४८४
नेपाल राष्ट्र बैंकमा रहेको मौज्दात	१२,८७४,४२५,२०२	९,६०६,१४२,१९४	३,७३२,१३२,१३३	२,८६५,४४०,३९९	२,५६४,७४८,५९२
बैंक तथा वित्तीय संस्थामा रहेको मौज्दात	-	-	-	-	-
व्युत्पन्न वित्तीय उपकरण	-	-	-	-	-
अन्य व्यापारिक सम्पत्तिहरू	-	-	-	-	-
बैंक तथा वित्तीय संस्थालाई कर्जा तथा सापट	१,६२१,९३३,८४९	२,१३९,६२६,५३४	२,५३६,४३९,२७०	२,७२६,७९९,७७३	३,४८३,६१३,३६५
ग्राहकलाई कर्जा सापटी	९७,२२३,२४२,६५५	९१,९०७,३०९,०२५	९४,४५६,९६५,९५२	८६,८११,९४८,४१५	७२,९१९,२४९,८७३
सुरक्षणपत्रमा लगानी	१४,५६६,७२१,५१४	१४,२४९,२४८,१०६	२२,०८४,६०९,५००	१७,९३६,३८१,६५९	१४,५१३,४०२,९२६
चालु वर्षको कर सम्पति	१७,१८४,४४१	४०,७२२,०९२	४८,१७६,७८७	१६,४७२,४४७	४४,२९८,४६७
सहायक कम्पनीमा लगानी	२४४,०४५,९०५	२४४,०४५,९०५	२४४,०४५,९०५	११७,५००,०००	११७,५००,०००
सम्बद्ध कम्पनीमा लगानी	१५५,५५०,०००	१५५,५५०,०००	१५५,५५०,०००	१००,०००,०००	१००,०००,०००
सम्पत्तिमा लगानी	४२८,७८५,०२८	४३२,५०४,२४४	२५६,०८०,७८२	५१,०५०,८५२	-
सम्पति तथा उपकरण	२,१०१,४३३,३१४	२,२४९,४२२,३२१	१,९१९,८५१,१६३	१,८९५,०६१,४९८	८१३,७८०,४०९
स्थिति तथा अमूर्त सम्पति	१०,६१७,७९६	११,७६७,६४६	१४,५३७,३१६	१९,९३७,६१०	८,३४८,६००
स्थगन कर सम्पति	१२४,७६२,३५४	११६,११५,३०९	८४,६८३,३२४	९२,४५०,५८८	५५,०१८,००४
अन्य सम्पत्तिहरू	५६८,३६१,७६५	६६७,७७०,९७६	८०९,५९५,१७६	३४९,४१५,३६९	२३७,१३५,०८४
जम्मा सम्पत्तिहरू	१३६,५२०,२०३,३२५	१२४,९४७,७६४,०५६	१३१,६११,२०७,०५५	१२१,०८३,४६८,४२२	१०१,१२६,८१६,८०४
दायित्वहरू					
बैंक तथा वित्तीय संस्थालाई तिर्न बाँकी	३,७१८,०२६,२९६	७६९,६२१,७९८	१,९९९,५४७,१८९	३,७५०,२८४,११०	५,४१९,५८६,९२५
नेपाल राष्ट्र बैंकलाई तिर्न बाँकी	४१५,६२९,५८१	४१५,६२९,५८१	२१५,८७४,८४८	१,०३२,९७९,५५६	८३२,४४६,४१८
व्युत्पन्न वित्तीय उपकरण	-	-	-	-	-
ग्राहकबाट निक्षेप	११७,४३०,७८८,८७७	१०९,७५८,८७६,१३३	११६,४४९,८७०,९५४	१०४,६७५,०७२,२६३	८६,९०२,९१४,३७३
तिर्न बाँकी सापटी	२,०८३,३३३	१०,४१६,६६७	१८,७५०,०००	२५,०१६,४३८	-
यस वर्षको कर दायित्व	-	-	-	-	-
व्यवस्थाहरू	-	१,३००,०००	१४,८०६,०३०	३,५०६,०३०	३,७३२,०७०
स्थगन कर दायित्व	-	-	-	-	-
अन्य दायित्वहरू	१,८९५,६५८,३३०	२,३१४,९६८,५३१	२,३०२,३८१,९३४	२,२७३,५२९,६६०	१,१४१,४७९,८७७
जारी गरिएको ऋण पत्र	१,२४८,०१६,७४२	१,२४७,४४३,५८२	१,२४६,९१७,७८२	१,२४६,४८९,२९२	-
सुरक्षण नराखिएको सहायक आवधिक दायित्व	-	-	-	-	-
जम्मा दायित्वहरू	१२४,७१०,१३३,१५९	११४,५१८,२५६,२९२	१२२,२४८,१४८,७३७	११३,००६,८७७,३४८	९४,३००,१५९,६६२
इतिवृत्ति					
सेयर पूँजी	७,०४६,९३८,०४९	७,०४६,९३८,०४९	६,४२०,९००,२७३	५,६५७,१८०,८५७	४,८११,५५०,८०३
सेयर प्रिमियम	-	-	-	-	-
संचित मुनाफा	१,३५४,१०१,७४७	१९४,७०१,४१८	६७३,९३८,०६१	८०८,३७६,६५७	८९६,३१५,६५१
जोडो कोष	३,४०९,०३०,३७०	३,१८८,८८८,२९७	२,२६८,२१९,९८४	१,६११,०३३,५५९	१,११८,७९०,६८८
सेयर धनीहरूलाई बाँडफाँट योग्य पूँजी	११,८१०,०७०,१६६	१०,४२९,५०७,७६४	९,३६३,०५८,३१८	८,०६६,५९१,०७४	६,८२६,६५७,१४२
गैर नियन्त्रण स्वार्थ	-	-	-	-	-
कुल पूँजी	११,८१०,०७०,१६६	१०,४२९,५०७,७६४	९,३६३,०५८,३१८	८,०६६,५९१,०७४	६,८२६,६५७,१४२
कुल दायित्व तथा पूँजी	१३६,५२०,२०३,३२५	१२४,९४७,७६४,०५६	१३१,६११,२०७,०५५	१२१,०८३,४६८,४२२	१०१,१२६,८१६,८०४
समभावित दायित्व र प्रतिबद्धता	४,२००,१२३,२१६	३,२५५,९३६,४६१	३,३४३,६९४,३७४	४,०८८,३६०,६०२	४५९,६१८,८४५
प्रति सेयर खुद सम्पति मूल्य	१६७.५९	१४८.००	१४५.८२	१४२.७७	१४१.८८

नाफा वा नोक्सान विवरण

श्रावण १ गतेदेखि आषाढ मसान्तसम्मको

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विवरण	२०८१/८२	२०८०/८१	२०७९/८०	२०७८/७९	२०७७/७८
व्याज आम्दानी	११,०४८,८७०,७३६	१३,७७२,४९५,९२२	१५,४७५,२३६,३१२	११,५६३,२१६,२९८	७,५८३,६५२,४६९
व्याज खर्च	६,४७१,३८०,९५२	९,५३३,१५४,६१४	११,३७१,१४२,३५३	८,२३३,४३६,९२१	४,७९५,०११,३३०
खुद व्याज आम्दानी	४,५७७,४८९,७८४	४,२३९,३४१,३०८	४,१०४,०९३,९५९	३,३२९,७७९,३७६	२,७८८,६४१,१३८
शुल्क तथा कमिशन आम्दानी	६४८,२९१,९५७	५४८,५७९,७८२	५९२,८९५,४४४	४९७,४९३,२६४	६०५,०१९,०२०
शुल्क तथा कमिशन खर्च	९०,११९,९३४	८५,७१४,९३४	६७,१९८,६१९	४९,९५१,५२९	३२,०६७,६३३
खुद शुल्क तथा कमिशन आम्दानी	५५८,१७२,०२३	४६२,८६४,८४८	५२५,६९६,८२५	४४७,५४१,७३५	५७२,९५१,३८६
खुद व्याज, शुल्क तथा कमिशन आम्दानी	५,१३५,६६१,८०७	४,७०२,२०६,१५६	४,६२९,७९०,७८४	३,७७७,३२१,१११	३,३६१,५९२,५२४
खुद व्यापारिक आम्दानी	९,१५८,९२२	८,८०८,४७०	११,३४०,९११	८,४४४,७६२	६,२४२,५३६
अन्य संचालन आम्दानी	५१,०४४,७३०	३९,७६०,९३४	११,४१९,७६५	४६,८७८,५०१	४२२,०१८,०७९
कुल संचालन आम्दानी	५,१९५,८६५,४५९	४,७५०,७७५,५६०	४,६५२,५५१,४६०	३,८३२,६४४,३७३	३,७८९,८५३,१४०
कर्जा तथा अन्य नोक्सानीको जोखिम व्यवस्था/(फिल्टर)	७९३,५६६,५३५	७७६,७८२,२१५	६९८,६७५,८०९	७४,७१२,१८८	४९५,२७३,०२१
खुद संचालन आम्दानी	४,४०२,२९८,९२४	३,९७३,९९३,३४५	३,९५३,८७५,६५१	३,७५७,९३२,१८५	३,२९४,५८०,११९
संचालन खर्च					
कर्मचारी खर्च	१,६४६,२६५,१३३	१,५५५,४०८,०३१	१,४३८,१५९,३५८	१,२१६,३५४,५१९	१,११०,८६३,५६९
अन्य संचालन खर्च	४४५,९२२,१९८	४३७,०४०,६०७	४६१,०३४,६३७	३९४,२९८,९१६	३९७,४०७,३५७
ह्रासकट्टी र परिशोधन	२९५,०५७,८९६	२७३,०९८,६३२	२३४,१०८,८८०	२१३,९०५,२७७	१४४,७१५,३७५
संचालन नाफा	२,०१५,०५३,६२७	१,७०८,४४६,०७५	१,८२०,५७२,७७६	१,९३३,३७३,४७३	१,६४१,५९३,८१८
गैर संचालन आम्दानी	१,४६६,६६४	१५५,५५४	–	–	१४,१८०,०००
गैर संचालन खर्च	६५,५४०,६५६	२६,३८८,२४२	१०,२५६,१०२	२,२८१,८२२	–
आयकर अधिको मुनाफा	१,९५०,९७९,७०५	१,६८२,२१३,३८७	१,८१०,३१६,६७४	१,९३१,०९१,६५०	१,६५५,७७३,८१८
आयकर खर्च					
चालु आयकर	६१४,६८२,७३१	५३४,८१४,९८५	५८७,९३८,८८५	६००,३०३,२३६	५२६,७२१,२८०
स्थगन कर आम्दानी/खर्च	(१४,०६३,४०१)	(२८,९३६,५१५)	(२५,८४८,४८०)	(११,०१६,८७३)	(२७,२०३,९६०)
यस वर्षको नाफा	१,३५०,३६०,३७५	१,१७६,३३४,९१७	१,२४८,२२६,२६८	१,३४१,८०५,२८७	१,१५६,२५६,४९८
खुद नाफा/(नोक्सान)मा हिस्सा:					
बैंकको सेयरधनी	१,३५०,३६०,३७५	१,१७६,३३४,९१७	१,२४८,२२६,२६८	१,३४१,८०५,२८७	१,१५६,२५६,४९८
गैर नियन्त्रित स्वार्थ	–	–	–	–	–
यस वर्षको मुनाफा	१,३५०,३६०,३७५	१,१७६,३३४,९१७	१,२४८,२२६,२६८	१,३४१,८०५,२८७	१,१५६,२५६,४९८

अन्य विस्तृत आम्दानीको वितरण
 श्रावण १ गतेदेखि आषाढ मसान्तसम्मको

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वितरण	२०८१/८२	२०८०/८१	२०७९/८०	२०७८/७९	२०७७/७८
यस वर्षको नाफा	१,३५०,३६०,३७५	१,१७६,३३४,९१७	१,२४८,२२६,२६८	१,३४१,८०५,२८७	१,१५६,२५६,४९८
आयकर पछिको अन्य विस्तृत आम्दानी					
क) नाफा/(नोक्सान) मा पुनःवर्गीकरण नगरिने बुँदाहरू					
फेयर भ्याल्यूमा मूल्याङ्कन गरिएका इक्विटी उपकरणको लगानीबाट भएका नाफा/(नोक्सान)	४९,५०९,८०९	(२५,५२७,९०७)	५६,३८८,८६४	(७४,३७१,८७८)	३८,७३५,८८४
पुनर्मुल्याङ्कनबाट भएको नाफा/(नोक्सान)	-	-	-	-	-
परिभाषित लाभ योजनाबाट विमाङ्कित नाफा/(नोक्सान)	(३१,४५५,२८९)	१७,२०९,६७४	५५,६६३,६१४	(१३,६८०,४९३)	१९,५५२,७७७
माथि उल्लेख गरिएका बुँदाको आयकर	(५,४१६,३५६)	२,४९५,४७०	(३२,९७७,६७९)	२६,४१५,७११	(१७,४८६,५९८)
नाफा/(नोक्सान) मा पुनः वर्गीकरण नगरिने अन्य खुद विस्तृत आम्दानी	१२,६३८,१६४	(५,८२२,७६३)	७८,४३६,७३५	(६१,६३६,६६०)	४०,८०२,०६३
ख) नाफा/(नोक्सान)मा पुनःवर्गीकरण गरिएका वा गर्न सकिने बुँदाहरू					
नगद प्रवाहको हेजिङबाट गरिएका नाफा/(नोक्सान)	-	-	-	-	-
विदेशी विनिमय संचालनको वित्तीय सम्पत्ति विनिमयबाट भएको सट्टी नाफा/(नोक्सान)	-	-	-	-	-
माथि उल्लेख गरिएका बुँदाको आयकर	-	-	-	-	-
नाफा/(नोक्सान) को पुनर्वर्गीकरण	-	-	-	-	-
नाफा/(नोक्सान) मा पुनः वर्गीकरण गरिएका वा गर्न सकिने अन्य खुद विस्तृत आम्दानी	-	-	-	-	-
ग) इक्विटी तरिकाबाट लेखांकन गरिएको सम्बद्ध संस्थाको अन्य विस्तृत आम्दानीमा हिस्सा	-	-	-	-	-
यस वर्षको आयकर पछिको अन्य विस्तृत आम्दानी	१२,६३८,१६४	(५,८२२,७६३)	७८,४३६,७३५	(६१,६३६,६६०)	४०,८०२,०६३
कुल विस्तृत आम्दानी	१,३६२,९९८,५३९	१,१७०,५१२,१५४	१,३२६,६६३,००३	१,२८०,१६८,६२७	१,१९७,०५८,५६१
कुल विस्तृत आम्दानीको बाँडफाँट					
बैंकको इक्विटी सेयरधनी	१,३६२,९९८,५३९	१,१७०,५१२,१५४	१,३२६,६६३,००३	१,२८०,१६८,६२७	१,१९७,०५८,५६१
गैर नियन्त्रित स्वार्थ	-	-	-	-	-
यस वर्षको जम्मा विस्तृत आम्दानी	१,३६२,९९८,५३९	१,१७०,५१२,१५४	१,३२६,६६३,००३	१,२८०,१६८,६२७	१,१९७,०५८,५६१



प्रमुख वित्तीय सूचकाङ्कहरू

विवरण	ईकाई	२०८१/८२	२०८०/८१	२०७९/८०	२०७८/७९	२०७७/७८
प्राथमिक पुँजीकोष (हजारमा)	रु.	१०,४६६,८०९	८,५४२,६७४	८,१५७,८३६	७,४५२,४५४	६,४८१,६१९
पुरक पुँजीकोष (हजारमा)	रु.	१,९७३,४१४	२,०१७,३६५	२,७११,९१०	२,५०२,५७४	८१७,३८५
जम्मा पुँजीकोष (हजारमा)	रु.	१२,४४०,२२३	१०,५६०,०३९	१०,८६९,७४६	९,९५५,०२८	७,२९९,००४
जोखिम भारित सम्पति (हजारमा)	रु.	९६,५७९,५५०	९०,३०१,६३९	९२,३१६,९२९	८४,३८६,५७७	६५,२३७,४१२
प्रति सेयर आम्दानी	रु.	१९.१६	१६.६९	१९.४४	२३.७२	२४.०३
प्रति सेयर बजार मूल्य	रु.	४०५.९२	३६७	४०७	४४०	६५७
प्रतिसेयर किताबी मूल्य	रु.	१६७.५९	१४८.००	१४५.८२	१४२.७७	१४१.९८
साधारण सेयर (संस्थापक)	संख्या	३५,९३९,३८७	३५,९३९,३८७	३२,७४६,५९४	२८,८५१,६२२	२४,५३८,९११
साधारण सेयर (सर्वसाधारण)	संख्या	३४,५२९,९९४	३४,५२९,९९४	३१,४६२,४०९	२७,७२०,१८४	२३,५७६,५९७
स्थायी कर्मचारी	संख्या	१,४२९	१,५६५	१,६६३	१,५५५	१,५४७
मूल्य आम्दानी अनुपात	अनुपात	२१.१८	२१.९९	२०.९४	१८.५५	२७.३४
बोनस लाभांश	प्रतिशत	१३.५३	-	९.७५	१३.५०	१७.५८
नगद लाभांश	प्रतिशत	४.६७	-	०.५१	०.७१	०.९३
खुद नाफा/कुल आम्दानी	प्रतिशत	२५.९९	२४.७६	२६.८३	३५.०१	३०.५१
ब्याज आम्दानी/कर्जा	प्रतिशत	९.८०	१२.७६	१३.०४	१०.७९	८.३७
सट्टी घटबढ आम्दानी/कुल आम्दानी	प्रतिशत	०.२३	०.२०	०.३०	०.२१	०.१४
ब्याज खर्च/कुल निक्षेप	प्रतिशत	५.५१	८.६८	९.७६	७.८६	५.५२
कुल सञ्चालन खर्च/कुल सम्पति	प्रतिशत	१.७५	१.८१	१.६२	१.५१	१.६३
कुल कर्मचारी खर्च/कुल सञ्चालन खर्च	प्रतिशत	६६.४५	६६.१५	६५.३६	६४.८९	६५.९२
कर्मचारी बोनस/कुल कर्मचारी खर्च	प्रतिशत	१३.१७	१२.०२	१३.९९	१७.६४	१६.५६
कुल कर्जा/कुल निक्षेप	प्रतिशत	८१.५९	८५.०९	८१.८९	८२.५८	८२.७६
निष्क्रिय कर्जा/कुल कर्जा	प्रतिशत	२.९७	२.३७	०.९८	०.२१२	०.२३
कुल निष्क्रिय कर्जा/कुल कर्जा	प्रतिशत	०.७६	१.०२	०.३८	०.११	०.१२
आधार दर	प्रतिशत	७.१०	८.७८	११.६८	११.१५	८.०५
ब्याज दर अन्तर	प्रतिशत	३.८७	४.५९	४.५९	४.५१	४.४८
खुद नाफा/कुल कर्जा	प्रतिशत	१.३७	१.२५	१.२९	१.५०	१.५१
खुद नाफा/कुल सम्पति	प्रतिशत	०.९९	०.९४	०.९५	१.११	१.१४
तरलता अनुपात	प्रतिशत	२५.५७	२४.०१	२५.६७	२६.३२	२४.०७
कोष लागत	प्रतिशत	४.९०	६.५४	९.५२	९.२४	६.२६
कर्जाको औषत ब्याजदर	प्रतिशत	८.८२	११.१६	१४.१८	१३.७६	१०.७८
खुद नाफा/कुल सम्पति	प्रतिशत	१.०३	०.९४	०.९५	१.११	१.१४
खुद नाफा/कुल पुँजी	प्रतिशत	१२.१४	११.२८	१३.३३	१६.६१	१६.९४
शाखा (विस्तारित काउन्टर सहित)	संख्या	१७९	१७९	१७८	१७७	१५८

ग. चालु अवधिको बैंकको वित्तीय अवस्था

आ.व. २०८१/८२ मा बजारको अवस्था र आर्थिक वृद्धिलाई दृष्टिगत गर्दा कारोबार सन्तोषजनक देखिँदा तापनि, समग्र आर्थिक गतिविधि सुस्त रहेको कारणले कर्जा असुली सहज हुन सकेन । व्यवसायिक मनोबलमा आएको कमीले ऋणको माग निरन्तर न्यूनतम रह्यो, जसका कारण वित्तीय प्रणाली भित्र अधिक तरलता संचित हुँदा उपलब्ध स्रोतको उपयोग गर्न सकिएको थिएन । देशको अर्थतन्त्रमा देखिएको मन्दीका कारण बजारमा संकुचन आई नयाँ लगानीका लागि मार्ग प्रशस्त हुन नसक्दा र भएको लगानीमा असुलीको समस्या देखा परी रहँदा पनि बैंकले आफ्ना वित्तीय सूचकांकहरूमा उल्लेख्य प्रगति हासिल गर्न सफल भएको छ । यसबाट आगामी रणनीतिहरू तय गर्न र व्यवस्थापकीय निर्णयहरू लिँदा थप सहयोग पुग्ने देखिन्छ ।

यस विकास बैंकले आर्थिक वर्ष २०८१/८२ र आर्थिक वर्ष २०८०/८१ मा हासिल गरेको वित्तीय उपलब्धीहरूको प्रमुख सूचकाङ्कहरू देहाय बमोजिम रहेका छन् ।

१. कुल पूँजी

आर्थिक वर्ष २०८१/८२ मसान्तमा यस विकास बैंकको साधारण सेयरको चुक्ता पूँजी रु.७ अर्ब ८ करोड रहेको छ । अठारौँ साधारण सभाबाट स्वीकृत रु.१ अर्बको अग्राधिकार जारी हुने क्रममा रहेको छ । कुल चुक्ता पूँजी मध्ये ५१ प्रतिशत सेयर संस्थापक र ४९ प्रतिशत सेयर सर्वसाधारणको रहेको छ ।

आर्थिक वर्ष २०८०/८१ मसान्तमा जगेडा तथा कोषहरू रु.३ अर्ब ३८ करोड रहेकोमा यस वर्षको नाफाले गर्दा आ.व. २०८१/८२ को असर मसान्तसम्ममा ४०.८१ प्रतिशतले वृद्धि भई रु.४ अर्ब ७६ करोड पुगेको छ ।

रु. दश लाखमा

विवरण	२०८१/८२	२०८०/८१	वृद्धि %
सेयर पूँजी	७,०४६.९४	७,०४६.९४	०.००%
संचित मुनाफा	१,३५४.१०	१९४.७०	५९५.४८%
जगेडा कोषहरू	३,४०९.०३	३,१८७.८७	६.९४%
वैधानिक जगेडा कोष	१,९८५.९८	१,७१२.४०	१५.९८%
सटही समिकरण कोष	३.३९	२.७५	२३.५६%
सामाजिक उत्तरदायित्व कोष	१५.२७	१२.०९	२६.३३%
नियमनकारी कोष	८२५.२४	१,१५३.३५	(२८.४५%)
उचित मूल्य कोष	७.१५	(२७.५०)	(१२६.०१%)
ऋणपत्र फिर्ता जगेडा कोष	५००.००	२५०.००	१००.००%
विमाङ्किक नाफा नोक्सान	४१.४५	६३.४७	-३४.६९%
कर्मचारी वृत्ति विकास कोष	३०.५५	२१.३२	४३.२८%
कुल पूँजी	११,८१०.०७	१०,४२९.५१	१३.२४%
सेयर संस्था	७०.४७	७०.४७	०.००%
प्रति सेयर नेटवर्थ (रु.)	१६७.५९	१४८.००	१३.२४%

२. कर्जा तथा सापट

यस आर्थिक वर्ष कर्जामा ५.१० प्रतिशतले वृद्धि भई गत वर्षको अन्त्यमा रहेको कुल कर्जा रु. ९४ अर्ब ४ करोडबाट बढेर रु. ९८ अर्ब ८ करोड पुगेको छ ।

यस विकास बैंकले आफ्नो कर्जा तथा सापटीलाई विविधिकरण गर्ने हेतुले साना तथा मझौला व्यवसाय कर्जा, लघु उद्यम कर्जा, कृषि तथा उत्पादनशील कर्जा, विपन्न वर्ग कर्जा, व्यक्तिगत कर्जा, आदिलाई लगानीमा प्राथमिकता दिएको छ । साथै, बैंकको कर्जा जोखिम न्यूनीकरणको लागि सानो आकारको कर्जाहरूलाई ग्राह्यता दिएको छ । नेपाल राष्ट्र बैंकले तोके बमोजिमका क्षेत्र र सीमा अनुसार कर्जाहरू प्रवाह भएका छन् ।

रु. दश लाखमा

विवरण	२०८१/८२	२०८०/८१	वृद्धि %
बैंक तथा वित्तीय संस्थालाई कर्जा तथा सापट	१,६२१.९३	२,१३९.६३	-२४.२०%
ग्राहकलाई कर्जा सापटी	९७,२२३.२४	९१,९०७.३१	५.७८%
कुल कर्जा परिचालन	९८,८४५.१७	९४,०४६.९४	५.१०%

३. लगानी

आ.व. २०८०/८१ मा रु.१४ अर्ब २५ करोड रहेको कुल लगानी आ.व. २०८१/८२ मा २.२३ प्रतिशतले वृद्धि (रु.३१ करोड ७५ लाख) भई रु.१४ अर्ब ५७ करोड पुगेको छ । नेपाल सरकारको विकास ऋणपत्रमा रु.१३ अर्ब ८६ करोड लगानी गरेको र सेयर तथा म्युचुल फन्डमा रु.७० करोड ९९ लाख लगानी रहेको छ । यस विकास बैंकले सहायक कम्पनी मुक्तिनाथ क्यापिटल लिमिटेडमा रु.२४ करोड ४० लाख र समबद्ध कम्पनी मुक्तिनाथ कृषि कम्पनी लिमिटेडमा रु.१५ करोड ५५ लाख लगानी गरेको छ ।

सन्तुलित रूपमा तरलता व्यवस्थापन गर्दै उपलब्ध स्रोतहरूबाट उच्चतम प्रतिफल आर्जन गर्ने उद्देश्यले नेपाल सरकार तथा नेपाल राष्ट्र बैंकद्वारा निष्कासित जोखिम रहित सम्पत्तिहरूमा (ट्रेजरी बिल, विकास ऋण पत्र आदि) लगानी गर्ने बैंकको नीतिलाई निरन्तरता दिईएको छ । यस विकास बैंकले लगानीमा निहित प्रतिफल र संभावित जोखिमहरूको अर्धवार्षिक रूपमा पुनरावलोकन गर्ने गरेको छ । विकास बैंकको सम्पूर्ण लगानीहरू नेपाल राष्ट्र बैंकले तोकेको सीमा भित्र रहेको छ ।

४. निक्षेप परिचालन :

आर्थिक वर्ष २०८०/८१ मा रु.१ सार्ब १० अर्ब रहेको बैंकको कुल निक्षेप ६.९९ प्रतिशतले (रु.७ अर्ब ६७ करोड) वृद्धि भई यस आर्थिक वर्षको अन्त्यमा रु.१ सार्ब १८ अर्ब रहेको छ । बैंकको सम्पति तथा दायित्व व्यवस्थापनको रणनीति अनुरूप अधिक तरलता व्यवस्थापन गर्न निक्षेप संकलनलाई सार्ब बमोजिम व्यवस्थापन गरिएको थियो । यसबाट बैंकको कर्जा-निक्षेप अनुपात गत वर्षको ८५.०९% बाट सुधार भई ८५.७२% मा पुगेकोले ब्याज सार्ब घटन गार्ब सुद ब्याज आम्दानीमा टेवा पुगेको छ ।

२०८२ असार मसान्तमा यस विकास बैंकको कुल निक्षेपमा चलती, बचत, कल निक्षेप र मुद्दतीको अंश क्रमशः ३ प्रतिशत, ३८ प्रतिशत, ७ प्रतिशत र ५२ प्रतिशत रहेको छ । बैंकको कुल बचत तथा निक्षेपको आधा भन्दा धेरै हिस्सा मुद्दती निक्षेपले ओगटेको छ । गत वर्ष रु.६६ अर्ब ७६ करोड रहेको मुद्दती निक्षेप यस वर्षको अन्त्यमा रु.६१ अर्ब ८१ करोड रहेको छ । अधिक व्याजदर भएको मुद्दती निक्षेपमा आएको कमी र तुलनात्मक रुपमा कम व्याजदर भएको चलती, कल र बचत निक्षेपमा हुन गएको वृद्धिले २०८१ असार मसान्तमा रहेको कोषको लागत ६.५४% बाट घटेर २०८२ असार मसान्तमा ४.९०% मा आएको छ । सार्ब निक्षेपको विविधिकरण गरी निक्षेपको लागतलाई कम गर्दै जाने योजना अनुरूप बैंकले सनीक्षा वर्षमा बचत निक्षेप परिचालन गरेको थियो ।

रु. दश लाखमा

विवरण	२०८१/८२	२०८०/८१	वृद्धि %
ग्राहकबाट निक्षेप	११७,४३०.७२	१०९,७५८.८८	६.९९%
बैंक तथा वित्तीय संस्थाबाट निक्षेप	७१.०३	७६९.६२	-६.७०%
कुल निक्षेप	११८,१४८.७५	११०,५२८.५०	६.८९%

करिब १४ लाख निक्षेप ग्राहक सहित यो विकास बैंक निक्षेपकर्ताहरुको प्रथम रोजाईको बैंक बन्न सफल भएको छ । नेपाल राष्ट्र बैंकको निर्देशन अनुसार कुल निक्षेपमा संस्थागत निक्षेपको अनुपात बढीमा ५० प्रतिशत कायम राख्नु पर्नेमा बैंकले व्यक्तिगत तथा संस्थागत निक्षेप अनुपात क्रमशः ७८ प्रतिशत तथा २२ प्रतिशत कायम गर्न सफल भएको छ ।

आर्थिक वर्ष २०८१/८२ मा बजारमा कर्जा वृद्धिदर न्यून भएको र निक्षेप वृद्धिदर बढ्न गएकोले बैंकिङ क्षेत्र अधिक तरलताको चापबाट गुजिरहेको छ । तसर्थ, समग्र बैंकिङ क्षेत्रको औषत निक्षेपको ब्याजदर गत वर्षको ५.७७% बाट घटेर ४.१९% मा पुगेको छ ।

५. ब्याज आम्दानी तथा सार्ब :

• ब्याज आम्दानी

सनीक्षा अवधिमा बैंकको कुल ब्याज आम्दानी रु.११ अर्ब ४ करोड रहेको छ । ब्याज आम्दानी घट्नुको मुख्य कारण कर्जाको आधार दर घट्दा कर्जाबाट हुने ब्याज आम्दानीमा कमी आएकोले हो । यस आ.व.मा कर्जाको ब्याज आम्दानी २०.६९ प्रतिशतले ह्रास भई रु.९ अर्ब ८८ करोड रहेको छ । कर्जा बाहेकको अन्य लगानी तर्फको ब्याज आम्दानी ११.०६ प्रतिशतले ह्रास भई रु.१ अर्ब १६ करोड थियो । आधार दर र सरकारी ऋणपत्रको ब्याजदर घटेकाले व्याज आम्दानीमा पनि कमी आएको हो ।

• ब्याज सार्ब

आ.व. २०८१/८२ मा बैंकको ब्याज सार्ब ३२.१२ प्रतिशतले कमी भई रु.६ अर्ब ४७ करोडमा सिमित भएको छ । बैंकको निक्षेपमा दिने व्याज सार्ब ३२.८९ प्रतिशतले ह्रास भई रु.६ अर्ब २५ करोड रहेको छ भने अन्य ब्याज सार्ब रु. १ लाख ६५ हजार बढेर रु.२२ करोड पुगेको छ । यस अवधिमा निक्षेपको ब्याजदरमा भएको गिरावट र मुद्दती निक्षेपको अंशमा आएको ह्रासले ब्याज सार्ब ३२.१२ प्रतिशतले घटाउन सकिएको हो ।

रु. दश लाखमा

विवरण	२०८१/८२	२०८०/८१	वृद्धि %
ब्याज आम्दानी	११,०४८.८७	१३,७७२.५०	-१९.७८%
ब्याज सार्ब	६,४७१.३८	९,५३३.१५	-३२.१२%
सुद ब्याज आम्दानी	४,५७७.४९	४,२३९.३४	७.९८%
सुद ब्याज आम्दानी/ब्याज आम्दानी	४१.४३%	३०.७८%	१०.६५%

• सुद ब्याज आम्दानी

कर्जा परिचालनमा आएको वृद्धि, निक्षेपको लागतमा कमी र उचित सम्पत्ति-दायित्व व्यवस्थापनले गर्दा बैंकले सुद ब्याज आम्दानी अधिल्लो वर्षको तुलनामा ७.९८ प्रतिशतले वृद्धि भई रु.४ अर्ब ५७ करोड गर्न सफल भएको छ । सार्ब, सुद ब्याज आम्दानी र ब्याज आम्दानीको अनुपात गत आ.व. मा ३०.७८ प्रतिशत रहेकोमा यस आ.व.मा ४१.४३ प्रतिशत रहेको छ ।

६. गैर ब्याज आम्दानी

गैर ब्याज आम्दानीमा शुल्क तथा कमिशन आम्दानी, सुद व्यापारिक आम्दानी र अन्य संचालन आम्दानी शीर्षकमा भएको आम्दानीलाई समावेश गरिएको छ । शुल्क तथा कमिशन आम्दानी, सुद व्यापारिक आम्दानी र अन्य संचालन आम्दानी क्रमशः रु.६४ करोड ८३ लाख, रु.९१ लाख र रु.५ करोड १० लाख गरी जम्मा रु.७० करोड ८४ लाख गैर ब्याज आम्दानी आर्जन गर्न सफल भएको छ ।

गत वर्ष सोही अवधिमा यस बैंकले शुल्क तथा कमिशन आम्दानी, सुद व्यापारिक आम्दानी र अन्य संचालन आम्दानी क्रमशः रु.५८ करोड ८६ लाख, रु.८८ लाख ३ करोड र रु.३ करोड १८ लाख गरी जम्मा रु.६९ करोड ७१ लाख आम्दानी आर्जन गरेको थियो । गत वर्षको तुलनामा कर्जाको वृद्धि सकरात्मक रहेकोले गैर ब्याज आम्दानीमा पनि उल्लेखनीय सुधार भएको हो ।

७. कर्जा जोखिम व्यवस्था :

सनीक्षा अवधिमा बैंकको सम्भावित नोक्सानी व्यवस्था २८.७० प्रतिशतले वृद्धि भई रु.३ अर्ब ५६ करोड पुगेको छ, जुन अधिल्लो वर्ष रु.२ अर्ब ७७ करोड रहेको थियो । देशको प्रतिकूल आर्थिक अवस्थाको कारणले कर्जा असुलीमा चुनौतिहरु थपिएका छन् । यो वर्षमात्र बैंकले कर्जा तथा अन्य नोक्सानीको जोखिम व्यवस्था शीर्षकमा रु.७९ करोड ३६ लाख अतिरिक्त व्यवस्था छुट्टयाएको छ, जुन गत वर्ष रु.७७ करोड ६७ लाख थियो ।

२०८१ असार मसान्तमा निष्कृय कर्जाको अनुपात २.३७ प्रतिशत रहेको थियो भने २०८२ असार मसान्त आइपुग्दा सो बढेर ३.०३ प्रतिशत पुगेको छ । यस अवधिमा समग्र बैंकिङ क्षेत्रको औषत निष्कृय कर्जाको अनुपात ३.८६ प्रतिशतबाट बढेर ४.६२ प्रतिशत पुगेको छ । यो विकास बैंकको निष्कृय कर्जा अनुपात नेपालको समग्र बैंकिङ क्षेत्रको औषत निष्कृय कर्जाको अनुपात भन्दा न्यून रहेको छ ।

८. कर्मचारी व्यवस्थापन र अन्य खर्च

रु. दश लाखमा

• शुल्क तथा कमिशन खर्च

बैंकले विभिन्न सेवाहरु लिएर वापत तिरेको शुल्क र कमिशन यो शिर्षकमा समावेश गरिएको छ, जस्तै: कार्डसँग सम्बन्धित शुल्क, ज्यारेन्टी कमिशन, ब्रोकरेज खर्च आदि । बैंकको शुल्क तथा कमिशन खर्च ५.१५ प्रतिशतले वृद्धि भई रु.९ करोड १ लाख पुगेको छ, जुन अघिल्लो वर्ष रु.८ करोड ५७ लाख रहेको थियो ।

विवरण	२०८१/८२	२०८०/८१	वृद्धि	वृद्धि %
शुल्क तथा कमिशन खर्च	९०.१२	८५.७१	४.४१	५.१५%
कर्मचारी खर्च	१,६४६.२७	१,५५५.४१	९०.८६	५.८४%
अन्य संचालन खर्च	४४५.९२	४३७.०४	८.८८	२.०३%
मूल्याङ्कन र परिशोधन	२९५.०६	२७३.१०	२१.९६	८.०४%
कुल खर्च	२,४७७.३७	२,३५१.२६	१२६.११	५.३६%

• कर्मचारी खर्च

आ.व. २०८१/८२ मा बैंकको कुल कर्मचारी खर्च ५.८४ प्रतिशतले वृद्धि भई रु.१ अर्ब ६५ करोड (कर्मचारी बोनस रकम रु. २१ करोड ६७ लाख) रहेको छ भने अघिल्लो आर्थिक वर्षमा रु.१ अर्ब ५५ करोड (कर्मचारी बोनस रकम रु. १८ करोड ६९ लाख) रहेको थियो । आ.व. २०८०/८१ को अन्त्यसम्ममा बैंकको कुल कर्मचारी संख्या १,५६५ रहेकोमा यस आ.व.को अन्तिममा कुल कर्मचारी संख्या १,५१६ रहेको छ । बैंकले खर्च कटौती गर्ने रणनीति बमोजिम विभिन्न शाखा तथा विभागहरुमा उत्पादकत्व वृद्धि गर्न प्रविधिको प्रयोग तथा जनशक्ति समायोजन र व्यवस्थापन गरिएको छ ।

बैंकले कर्मचारीहरुको क्षमता अभिवृद्धि तथा नियमित तालिममा विशेष जोड दिएको छ । कर्मचारीहरुको तालिम तथा क्षमता वृद्धिका लागि उक्त अवधिमा रु.२ करोड १८ लाख खर्च गरेको छ, जुन सो आर्थिक वर्षको कर्मचारीको तलव तथा भत्ता खर्चको २.१३ प्रतिशत हुन आउँछ । कुल तलबभत्ता खर्चको

न्यूनतम ३ प्रतिशत रकम तालिममा खर्च गर्नु पर्ने प्रावधान बमोजिम बैंकले रकम कर्मचारी वृत्ति विकास कोषमा संचित राखिएको छ ।

• अन्य संचालन खर्च

आ.व. २०८१/८२ मा बैंकको अन्य संचालन खर्च २.०३ प्रतिशतले वृद्धि भई रु.४४ करोड ५९ लाख रहेको छ भने गत आर्थिक वर्षमा २०८०/८१ मा रु.४३ करोड ७० लाख रहेको थियो ।

• ह्रासकट्टी र परिशोधन

समीक्षा अवधिमा बैंकको ह्रासकट्टी र परिशोधन खर्च ८.०४ प्रतिशतले वृद्धि भई रु.२९ करोड ५० लाख पुगेको छ । सो खर्च अघिल्लो वर्ष रु.२७ करोड ३१ लाख रहेको थियो । सम्पत्ति तथा उपकरणमा रु.१५ करोड २ लाख, प्रयोग अधिकार सम्पत्तिमा रु.१३ करोड ९७ लाख र स्याती तथा अमूर्त सम्पत्तिमा रु.४९ लाख ह्रास तथा परिशोधन खर्च लेखाङ्कन गरिएको छ ।

९. खुद मुनाफा

समीक्षा वर्षमा बैंकको समग्र व्यवसाय र आम्दानीका क्षेत्रहरुमा भएको वृद्धिसँगै खुद मुनाफा, गत वर्षको रु.१ अर्ब १८ करोडबाट १४.७९ प्रतिशत वृद्धि भई रु.१ अर्ब ३५ करोड भएको छ ।

१०.प्रति सेयर आम्दानी

आ.व. २०८१/८२ को अन्त्यमा बैंकको प्रति सेयर आम्दानी रु.१९.१६ कायम भएको छ । अघिल्लो आ.व.को अन्त्यमा यो रु.१६.६९ थियो । यो गत आ.व. भन्दा २ रुपैयाँ ४७ पैसाले बढी हो ।

११.सम्पत्तिमा प्रतिफल

बैंकको सम्पत्तिमा प्रतिफल समीक्षा अवधिमा १.०३ प्रतिशत पुगेको छ, जुन अघिल्लो वर्ष ०.९४ प्रतिशत रहेको थियो ।

१२.पूँजीकोष अनुपात तथा पूँजीकोष पर्याप्तता

नेपाल राष्ट्र बैंकले राष्ट्रिय स्तरका विकास बैंकहरुलाई Basel III कार्यान्वयनमा ल्याएको छ । गत वर्ष ११.६९ प्रतिशत रहेको पूँजीकोष अनुपात यस वर्षको अन्त्यमा १२.८८ प्रतिशत रहेको छ । नेपाल राष्ट्र बैंकको नियमकीय व्यवस्था र आन्तरिक पूँजीकोष पर्याप्तता मूल्याङ्कनको आधारमा बैंकले यथेष्ट पूँजीकोष कायम गरेको छ ।

बैंकसँग पर्याप्त पूँजी रहेको सुनिश्चितता गर्न सञ्चालक समितिबाट स्वीकृत आन्तरिक पूँजीकोष पर्याप्तता मूल्याङ्कन (ICAAP) पद्धति तयार गरी लागू गरेको छ । वर्तमानमा जोखिमको अवस्था तथा भविष्यको कार्य योजनाको तुलना गरी बैंकको पूँजीकोष पर्याप्तता भए नभएको मूल्याङ्कन तथा अनुगमन गर्न बैंकको जोखिम व्यवस्थापन समितिबाट त्रैमासिक रुपमा आन्तरिक पूँजी विश्लेषण गरी सञ्चालक समितिको बैठकमा पेश गर्ने गरिएको छ । साथै वार्षिक बजेट र पञ्चवर्षीय योजना तर्जुमा गर्दा पूँजीकोष पर्याप्ततामा विशेष ध्यान दिइएको छ ।

घ. चालु वर्षको उपलब्धि र भावी योजनाहरू :

१. कारोबार सम्बन्धमा

यस विकास बैंकले चालु आर्थिक वर्षको पहिलो दुई महिनामा (२०८२ श्रावण १ गतेदेखि भाद्र मसान्तसम्म) वासलातको आकार तथा कारोबार रकममा सामान्य वृद्धि गरेको छ । २०८२ आषाढ मसान्तमा रु.१ खर्ब ३६ अर्ब रहेको वासलातको आकारमा सामान्य वृद्धि भई रु.१ खर्ब ३८ अर्ब पुगेको छ । यस अवधिमा कर्जा लगानी रु.९८ अर्ब ८५ करोडमा १.०९% ले वृद्धि भई रु.९९ अर्ब ९३ करोड पुगेको छ । निक्षेप संकलन यस अवधिमा रु.२ अर्ब ११ करोड घट्न गई कुल निक्षेप रु.१ खर्ब १६ अर्ब पुगेको छ ।

रु. दश लाखमा

विवरण	२०८२ भाद्र मसान्त	२०८२ आषाढ मसान्त	वृद्धि	
			रकम	प्रतिशत
कर्जा तथा सापट	९९,९२५.४४	९८,८४५.१८	१,०८०.२६	१.०९%
लगानी	१४,८०७.१३	१४,९६६.३२	-१५९.२-१९	-१.०६%
निक्षेप	११६,०३४.३२	११८,१४८.७३	-२,११४.४	-१.७९%
कुल सम्पत्ति	१३७,५७४.३०	१३६,५२०.२०	१,०५४.१	०.७७%

२०८२ भाद्र मसान्त सम्ममा बैंकले रु.३६ करोड १७ लाख सञ्चालन मुनाफा आर्जन गरेको छ जुन गत वर्ष रु.३२ करोड ५९ लाख रहेको थियो । सञ्चालक समितिले यस आ.व.को लागि स्वीकृत गरेको वार्षिक लक्ष्य बमोजिम यस विकास बैंकले प्रगति गरेको छ ।

यस विकास बैंकको २०८२ भाद्र मसान्तको अपरिष्कृत वित्तीय विवरणको मुख्य सूचकहरू देहाय बमोजिम रहेका छन्:

विवरण	२०८२ भाद्र मसान्त	२०८२ आषाढ मसान्त
पूँजीकोषको पर्याप्तता	१२.७४%	१२.८८%
आधार दर	६.६५%	७.१०%
कोष लागत दर	४.६९%	४.९०%
कर्जाको औषत ब्याज दर	९.२४%	८.८२%
औषत ब्याज दरको अन्तर	४.५९%	३.८७%

२. शाखा तथा सञ्जाल विस्तार सम्बन्धमा

यस विकास बैंकले आफ्नो १७९ ओटा शाखाहरू मार्फत सेवा विस्तार गर्ने क्रम जारी राखेको छ । आर्थिक वर्ष २०८१/८२ मा बैंकले नयाँ शाखा खोल्नुभन्दा पनि विद्यमान शाखाहरूबाट सेवा सुधारमा ध्यान केन्द्रित गरेको थियो । प्रदेश स्तरीय कार्यालयहरूको सबलीकरण गर्ने कार्य पनि जारी रहेको छ । बैंकको समग्र व्यवसाय बृद्धि तथा गुणस्तरीयता कायम गर्ने कार्यहरूमा स्थापना गरिएका कार्यालयहरूले प्रत्यक्ष टेवा पुऱ्याइरहेका छन् ।

३. सूचना प्रविधि विस्तार सम्बन्धमा

अहिलेको युवा पुस्ताको चाहना र आवश्यकता बमोजिम सूचना प्रविधिमा यो विकास बैंकले आफूलाई स्तरोन्नति गर्दै आएको छ । सूचना प्रविधिमा भएको विकाससँगै बैंकिङ्ग प्रणालीमा भित्रिएका नवीनतम प्रविधिहरूको प्रयोगलाई आत्मसाथ गरेको छ । AI and Machine Learning Technology, Robotics, Process Automation, API, Online KYC Update, Online Account Opening, Online Fixed Deposit Application, Online Loan Application, E-Teller, NFC ATM Card, QR

Payment, Muktinath Faída App, NCHL's Corporate Pay, आदिको प्रयोगलाई वृद्धि गर्दै लगेएको छ । यसले कारोबारमा सुरक्षा, विश्वसनीयता र सहजता थपेको छ । प्रविधिमा भएको विकासले सुरक्षा चुनौतीहरू पनि थप हुने संभावनाहरूमा यो विकास बैंक सचेत रहेको छ भने त्यस्ता चुनौतीहरूको सामना गर्न आवश्यक सुरक्षा संयन्त्रहरूको विकास र सोको नियमित अनुगमन गर्ने व्यवस्था गरेको छ ।

सम्पूर्ण शाखा कार्यालयहरूलाई आगलागी, चोरी, शंकास्पद जातिविधि लगायतका सुरक्षा सम्बन्धी जोखिम न्यूनीकरण गर्न २४ सै घण्टा केन्द्रीय कार्यालयबाट अनुगमन गर्ने प्रणालीको प्रयोग गरिएको छ । यो प्रणाली प्रभावकारी पनि देखिएको छ ।

बैंक भित्र दैनिक रुपमा हुने कारोबार तथा कागजी कामकाजहरूलाई प्रविधिमा आधारित रही डिजिटलाईज्ड गर्ने कार्य गरिएको छ । कर्जा स्वीकृति प्रकृया, स्वर्ण स्वीकृति प्रकृया, दैनिक काम कारोबार सम्बन्धी टिप्पणी तथा आदेशहरू र सम्पत्ति शुद्धिकरण अनुगमन आदि कार्यहरू डिजिटल माध्यमबाट गर्ने गरिएको छ । यस प्रणालीबाट समय र कागजी सर्चको अत्यधिक बचत भएको छ ।

४. संस्थाको स्तरोन्नति तथा अन्य संस्थासँग गाभ्ने/गाभिने सम्बन्धमा

यस विकास बैंकको १९औँ साधारण सभाले प्रस्ताव पारित गरेमा, वाणिज्य बैंकमा स्तरोन्नति हुन न्यूनतम पूँजीको मापदण्ड पुग्ने भएकोले सोको लागि आवश्यक प्रकृया थालनी गरिने छ । साथै, नेपाल राष्ट्र बैंकको प्राथमिकता बमोजिम यो विकास बैंक पनि Acquisition/Merger को लागि सकारात्मक रहेको छ । यो विकास बैंकसँग गाभिइर व्यवसाय विस्तार गर्न ईच्छुक उपयुक्त बैंक तथा वित्तीय संस्था आधमा गाभ्ने/गाभिने कार्यलाई प्राथमिकता दिइनेछ ।

५. मानव संसाधनको व्यवस्थापन र विकास

सञ्चालक समितिबाट स्वीकृत संगठनात्मक ढाँचा तथा दरबन्दी बमोजिम यथेष्ट मात्रामा कर्मचारी व्यवस्थापन गरिएको छ । २०८२ भाद्र मसान्त सम्ममा जम्मा १,५२० जना कर्मचारीहरू कार्यरत रहनु भएको छ । योग्य र उपयुक्त कर्मचारीको छनौट, नियुक्ति, क्षमता अभिवृद्धि र बृत्ति विकासलाई उच्च प्राथमिकता दिइएको छ । उच्च स्तरको ग्राहक सेवा, सेवामा तत्परता, चुस्त आन्तरिक नियन्त्रण प्रणाली, नियमन र अनुपालनामा प्रतिवद्ध जनशक्ति तयार गर्न हरेक तहका कर्मचारीहरूलाई निरन्तर तालिम तथा प्रशिक्षणको कार्यक्रमहरू आन्तरिक तथा बाह्य प्रशिक्षकहरूबाट प्रदान गर्दै आएको छ ।

बढ्दै गएको शाखा सञ्जाल र भौगोलिक क्षेत्र अनुसार क्षेत्रीय तथा उपक्षेत्रीय कार्यालयहरू र सोसँगै अनुगमन कार्यालयहरूको स्थापना गरी सेवामा शीघ्रता तथा गुणस्तर ल्याउने कोशिस गरिएको छ । विकास बैंकलाई नेतृत्व तहमा आवश्यक पर्ने जनशक्ति सकेसम्म संस्थाभित्र कार्य गरी सकेका र अनुभवी तथा योग्य व्यक्तिलाई जिम्मेवारी दिने रणनीति लिएको छ । आन्तरिक रुपमा परिपूर्ति हुन नसक्ने अवस्था भएमा अन्य बैंक तथा वित्तीय संस्थाहरूमा पर्याप्त योग्यता र अनुभव भएका जनशक्तिलाई नियुक्त गर्ने गरिएको छ । कर्मचारीहरूको मनोबल सधैं उच्च बनाई संस्थाको लक्ष्य तथा उद्देश्य बमोजिम परिचालन गर्न विभिन्न प्रकारका वित्तीय तथा गैर वित्तीय प्रोत्साहनका कार्यक्रमहरू सञ्चालन गरेको छ । यस विकास बैंकको हरेक कर्मचारी संस्था प्रति प्रतिवद्ध र अनुशासित बनाउन विभिन्न व्यवस्थापकीय नीतिहरू अवलम्बन गरिएको छ ।

६. सामाजिक उत्तरदायित्व

यो विकास बैंकले समाज तथा समुदायको लागि सहयोग पुग्ने कार्यहरूमा सक्रियतापूर्वक जिम्मेवारी निर्वाह गरेको छ । समाजमा ब्याप्त समास्याहरूको समाधान गर्ने वा साधन र स्रोतको अभावमा रहेका सामाजिक संघ संस्था, समुदाय तथा व्यक्तिहरूलाई सहयोग गर्ने कार्य गरेको छ । सामाजिक उत्तरदायित्व सम्बन्धी सहयोगलाई सकेसम्म सबै प्रदेश, क्षेत्र र भूगोलमा विभिन्न विधाहरूमा सहयोग गर्ने रणनीति बैंकले लिएको छ ।

७. गुनासो सुनुवाइ

बैंकको सेवाग्राहीहरूलाई सहज, सरल र स्तरीय सेवाको सुनिश्चितता प्रदान गर्न गुनासो सुनुवाई तथा पृष्ठपोषण इकाईको व्यवस्था गरेको छ । यो इकाईले सेवाग्राहीबाट विभिन्न माध्यमहरूबाट प्राप्त हुने गुनासो र सुझावहरूको संकलन र समाधान गर्ने गर्दछ । हरेक कार्यालयहरूमा सुझाव पेटिका राखिएको छ । उक्त पेटिकामा संकलन भएको सुझावलाई उक्त कार्यालय भन्दा माथिल्लो निकायले संकलन गर्ने र केन्द्रीय कार्यालयमा पठाउने, ईमेल मार्फत संकलनको लागि grievance@muktinathbank.com.np, फोन मार्फत संकलन तथा सुनुवाई गर्न फोन नं ०१-५९७०८८५, बैंकको वेवसाईटमा राखिएको Feedback Collection Form, Customer Satisfaction Form बाट सुझावहरू प्राप्त गर्ने माध्यमहरू रहेका छन् । समीक्षा अवधिमा कुल १,४३४ वटा गुनासो/सुझावहरू प्राप्त भएकोमा २५ वटा गुनासाहरू समाधानको क्रममा रहेको छ । बैंकको गुनासो सुन्ने अधिकारीको विवरण बैंकको वेवसाईट तथा बैंकका शाखा कार्यालयहरूमा समेत राखिएको छ ।

गुनासो सुन्ने अधिकारीको विवरण देहाय बमोजिम रहेको छ ।

नाम	: इण्डपानी ढकाल
पद	: कम्पनी सचिव
फोन नं	: ०१-५९७०८८५
मोबाईल नम्बर	: ९८०२३०६०१३

८. सम्पति शुद्धिकरण (Anti-Money Laundering) निवारण

सम्पति शुद्धिकरण निवारण सम्बन्धी राज्य, नियामक निकाय, राष्ट्रिय तथा अन्तर्राष्ट्रिय निकायले लिएको नीति तथा मान्यतालाई यस विकास बैंकले अक्षरशः पालना गर्दै वार्षिक कार्ययोजना बनाई कडाईका साथ लागू गरेको छ । यसका अलवा विकास बैंकले नियमित गर्ने कार्यलाई एकरूपकता दिन र सबै सरोकारवालाहरूको बुझाइमा समानता ल्याउन ग्राहक पहिचान तथा अनुपालना नीति २०८१ तयार गरी कार्यान्वयनमा ल्याएको छ । साथै, उक्त नीति समय सापेक्ष परिमार्जन गर्दै ल्याएको छ । सम्पति शुद्धिकरण निवारण कार्यलाई नियमित रुपमा अनुगमन गर्न छुट्टै कम्प्युटर सफ्टवेयरमा आधारित स्वचालित प्रणाली (i-care) प्रयोग गरी ग्राहक तथा ग्राहकको कारोबारहरू अनुगमन गर्ने व्यवस्था गरिएको छ । उल्लेखित कार्य प्रभावकारी तवरमा कार्य भए नभएको नियमित अनुगमन गरी बैंकको संचालक समितिलाई आवश्यक सुझाव तथा जानकारी दिने गरी गैर कार्यकारी संचालकको संयोजकत्वमा सम्पति शुद्धिकरण निवारण समिति गठन गरिएको छ । उक्त समिति मार्फत सम्पति शुद्धिकरण निवारण सम्बन्धी कार्यको प्रतिवेदन तयार गरी त्रैमासिक रुपमा संचालक समितिलाई सुझाव दिने गरेको छ । बैंकले संस्थाका कार्यरत नयाँ तथा पुराना कर्मचारीहरूको दक्षता अभिवृद्धि गर्न यस सम्बन्धी तालिम प्रदान गर्दै आएको छ । साथै, ज्ञानको स्तर जाँच गर्ने पनि गरिएको छ ।

९. संस्थागत सुशासन :

बैंकले संस्थागत सुशासनलाई सदैव उत्तम महत्व दिँदै आएको र आगामी दिनहरूमा संस्थागत सुशासन तथा अनुपालनाको अवस्थालाई थप सवल र सुदृढ बनाउँदै जानेमा बैंक प्रतिवद्ध रहेको छ । सञ्चालक समिति तथा बैंकबाट सम्पादित कार्यहरू पारदर्शी रुपमा सञ्चालन गरी संस्थागत सुशासनलाई सुदृढ गर्दै लैजान बैंक क्रियाशील रही आएको छ । नेपाल राष्ट्र बैंक एवं अन्य सम्बद्ध नियामक निकायहरूबाट समय समयमा जारी भएका नीति एवं निर्देशनहरूलाई बैंकले पूर्णरुपमा कार्यान्वयन गर्दै आएको छ । संस्थागत स्वनिर्णयन, असल अभ्यासहरू, पारदर्शिता, सूचना तथा जानकारीमा पहुँच लगायतको विषय वस्तुहरूमा समिति तथा बैंक व्यवस्थापन प्रतिवद्ध रहेको छ ।

कम्पनी ऐन, २०६३ को दफा १०८ अनुसारको अतिरिक्त विवरण (आर्थिक वर्ष २०८१/८२)

क. विगत वर्षको कारोबारको सिंहावलोकन

सञ्चालक समितिको प्रतिवेदनमा संलग्न गरिएको ।

ख. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर

चालु आर्थिक वर्षमा नेपालको समष्टिगत अर्थतन्त्रले बैकिङ्ग कारोबारमा प्रत्यक्ष दबाव सिर्जना गरेको छ । आर्थिक वृद्धिदर ८.६१ प्रतिशतमा सीमित हुँदा सोको कारक उत्पादन, निर्माण, पर्यटन तथा ऊर्जा जस्ता प्रमुख क्षेत्रहरू अपेक्षित रूपमा विस्तार हुन सकेनन् । निजी क्षेत्रको लगानीमा आएको कमी र अर्थतन्त्रमा आएको मन्दी कारण कर्जा लगानी र असूली असहज भएको छ । देशको आर्थिक गतिविधिहरू चलायमान नहुँदा कर्जा असूली बैकिङ्ग क्षेत्रको लागि ठूलो चुनौतीको रूपमा देखिएको छ । गैर बैकिङ्ग सम्पति बिक्रिमा समस्या देखा पर्दै गएको छ ।

वार्षिक औषट मुद्रास्फीति ८.०६ प्रतिशत रहे तापनि उपभोक्ताको ऋणशक्ति उल्लेखनीय रूपमा नबढेकाले आन्तरिक मागमा ठोस सुधार देखिएन । भुक्तानी सन्तुलन सकारात्मक रहनुका साथै विदेशी मुद्रा सञ्चिति उच्च स्तरमा पुगेकाले तरलता सहज भए पनि, यसले कर्जा प्रवाहमा अपेक्षित वृद्धि ल्याउन सकेन । विशेषण आप्रवाह १९.२ प्रतिशतले वृद्धि हुँदा आयात १३.३ प्रतिशतले र निर्यात ८१.८ प्रतिशतले वृद्धि भएको छ जसका कारण समीक्षा अवधिमा तरलताको अधिक हुनपुग्यो । अधिक तरलता भएकोले सरकारी ऋणपत्र र देजरी बिलको दरपनि घट्न गएकोले बैंकको ब्याजदर पनि क्रमशः घट्दै गएको छ ।

अन्तर्राष्ट्रिय परिदृश्य पनि चुनौतीपूर्ण देखिएको छ । प्रमुख अर्थतन्त्रहरूको वृद्धि दर मध्यम स्तरमै सीमित रहँदा, भू-राजनीतिक तनाव, अन्तर्राष्ट्रिय व्यापारमा अनिश्चितता र वित्तीय बजारमा निरन्तर उतार-चढावले विश्वव्यापी वातावरणलाई जटिल बनाइरहेको छ । तेल तथा आयात-निर्भर वस्तुहरूको मूल्य अस्थिरताले आयात-निर्भर मुलुकहरूको भुक्तानी सन्तुलनमा दबाव सिर्जना गर्ने जोखिम कायम छ ।

ग. प्रतिवेदन तयार भएको मितिसम्म वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा संचालक समितिको धारणा

सञ्चालक समितिको प्रतिवेदनमा संलग्न गरिएको ।

घ. कम्पनीको औद्योगिक वा व्यवसायिक सम्बन्ध

यस विकास बैंकले आफ्नो कारोबार विस्तार तथा आपसी सहकार्यको लागि सोही प्रकृतिका विभिन्न सरकारी, गैरसरकारी संस्था, व्यवसायिक एवं औद्योगिक प्रतिष्ठानहरू, सामाजिक संघ-संस्थाहरू, अन्तर्राष्ट्रिय संघ संस्थाहरू, शैक्षिक तथा अनुसन्धान संस्था, निजी क्षेत्र र नियमक निकायहरूसँग सौहार्दपूर्ण तथा व्यवसायिक सम्बन्ध कायम राख्दै तथा विस्तार गर्दै आएको छ । त्यसै गरी बैंकको व्यवसायमा प्रत्यक्ष सहकार्य गर्ने विभिन्न रेमिट्यान्स सेवा प्रदायकहरू, जीवन तथा निर्जीवन बीमा कम्पनीहरू, सूचना प्रविधि प्रदायक कम्पनीहरू लगायत सेवा प्रदायक कम्पनीहरूसँग पनि समन्वय गरी आपसी हितका कार्यहरू जारी रहेको छ ।

ङ. सञ्चालक समितिमा भएको हेरफेर र सोको कारण

यस विकास बैंकको सञ्चालक समितिमा ६ जनाको प्रतिनिधित्व रहेको छ । समितिमा संस्थापक सेयरधनीको तर्फबाट ३ जना, सर्वसाधारण सेयरधनीको तर्फबाट २ जना र १ जना स्वतन्त्र सञ्चालक रहनु भएको छ । हालको सञ्चालक समितिलाई दि.सं. २०८० पौष २८ गते सम्पन्न भएको यस विकास बैंकको १७ औं वार्षिक साधारण सभाले छनौट गरेको थियो ।

दि.सं. २०७७ साल श्रावण १६ गते सञ्चालक समितिले नियुक्त गरेको स्वतन्त्र सञ्चालकमा श्री श्यामसुन्दर शर्माको ८ वर्षको कार्यकाल समाप्ति पश्चात मिति २०८१ श्रावण १५ गते बसेको संचालक समितिको ३३२औं बैठकबाट श्री उमेश कुमार आर्चायलाई स्वतन्त्र सञ्चालकको रूपमा नियुक्त गरिएको छ ।

साथै निवर्तमान अध्यक्ष श्री भरत राज ढकालले मिति २०८१ फागुन २१ गते आफ्नो व्यक्तिगत कारणले बैंकको सञ्चालकको रूपमा रही कार्य गर्न असमर्थ रहेको व्यवहारा अनुरोध गर्दै राजिनामा दिनुभएको र मिति २०८१ फागुन २२ गते बसेको संचालक समितिले श्री रश्मि प्रकाश मल्ललाई बैंकी अवधिको लागि अध्यक्षको रूपमा सञ्चालक नियुक्त गरेको छ ।

यस विकास बैंकको सञ्चालकहरूको विवरण निम्न बमोजिम रहेको छ ।

नाम	पद	नियुक्ति मिति
श्री रश्मि प्रकाश मल्ल	अध्यक्ष	२२/११/२०८१
श्री नारायण कुमार श्रेष्ठ	सञ्चालक	२८/०९/२०८०
श्री भरत प्रसाद लम्साल	सञ्चालक	२८/०९/२०८०
श्री बिनोद कुमार शर्मा	सञ्चालक	२८/०९/२०८०
श्री सरोजा श्रेष्ठ (कोईराला)	सञ्चालक	२८/०९/२०८०
श्री उमेश कुमार आर्चाय	स्वतन्त्र सञ्चालक	१५/०८/२०८१

च. कारोबारलाई असर गर्ने मुख्य कुराहरू

बैंक तथा वित्तीय संस्थाहरूको कारोबारलाई विभिन्न आन्तरिक तथा वाह्य तत्वहरूले असर गरी रहेको हुन्छ । विशेष गरी वाह्य तत्वको रूपमा अर्थतन्त्रका अंगहरू र राज्य तथा नियमक निकायका नीतिगत व्यवस्थाहरूले प्रत्यक्ष प्रभाव पारी रहेका हुन्छन् । यस आ.व. मा देशको प्रतिकूल आर्थिक अवस्थाको कारणले अधिक तरलताको दबाव, कर्जा लगानी, र असूलीमा चुनौती देखिएको छ ।

आन्तरिक कारोबारको सिलसिलामा सिर्जना हुन सक्ने विविध संभावित जोखिमहरू आउन नदिन बैंक व्यवस्थापन सजग र सक्रिय रहेको छ । यस प्रकारका जोखिमहरूको पूर्वअनुमान गरी सोको व्यवस्थापन तथा न्यूनीकरण गर्न विभिन्न तहगत संरचना र जिम्मेवारीहरू तोकिएका छन् ।

छ. लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिका प्रतिक्रियाहरू

यस विकास बैंकको सञ्चालकको नेतृत्वमा गठन भएको लेखापरीक्षण समितिले आन्तरिक लेखापरीक्षण विभागले तयार गरेको लेखापरीक्षण प्रतिवेदनलाई अध्ययन गरी त्रैमासिक रूपमा प्रतिवेदन सञ्चालक समिति समक्ष पेश गर्ने गर्दछ । आन्तरिक तथा वाह्य लेखापरीक्षणको क्रममा देखा परेका त्रुटी तथा कैफियतहरूलाई संभव भएसम्म निरीक्षण कै क्रममा, तत्काल संभव नभए शीघ्र सुधार गरी सोको प्रमाण अद्यावधिक गरिन्छ । यसरी सुधार गरेको प्रमाण लेखापरीक्षण प्रतिवेदनको प्रतिउत्तरमा समेत समावेश गर्ने गरिन्छ । हाल सम्म उल्लेख्य र गम्भीर प्रकृतिका त्रुटी तथा कैफियतहरू फेला परेका छैनन् । सामान्य कमजोरी र कार्य गर्दा भएका छुटहरूलाई नियमित गरी सफिएको छ । यस सम्बन्धमा समितिले व्यवस्थापनलाई निर्देशन दिएको छ भने व्यवस्थापनले सुधार गर्दै आईरहेको छ ।

ज. लाभांश बॉण्डफॉड गर्न सिफारिस गरिएको रकम

रु.१,२८२,५४२,७२५/-

अ. सेयर जफत भएको भए जफत भएको सेयर संस्था, त्यस्तो सेयरको अङ्कित मूल्य, त्यस्तो सेयर जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो सेयर जफत भएपछि सो सेयर बित्ती गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको सेयरबापत रकम फिर्ता गरेको भए सोको विवरण

यस विकास बैंकले आ.व. २०८१/८२ मा कुनै पनि सेयर जफत गरेको छैन ।

अ. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन यस विकास बैंक तथा यसको सहायक कम्पनीको प्रगति विवरण यही वार्षिक प्रतिवेदनकोमा छुट्टै खण्डमा उल्लेख गरिएको छ ।

क. कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन यस विकास बैंकले आ.व. २०८१/८२ मा नियमित बैकिङ्ग कारोबारहरू गरेको र सोको विवरण यसै प्रतिवेदनको विभिन्न खण्डहरूमा उल्लेख गरिएको छ । यस विकास बैंकको सहायक कम्पनी मुक्तिनाथ क्यापिटल लि.ले पनि आफ्नो व्यवसायको दायरा भित्र रहेर नियमित कारोबारहरू गर्दै आएको छ । उक्त क्यापिटलको मुख्य कार्यहरू पोर्टफोलियो व्यवस्थापन, संस्थागत परामर्श, धितोपत्र प्रत्याभुती, सेयर रजिष्ट्रार र निष्काशन तथा बित्ती प्रबन्धक, आदि रहेका छन् । यस अवधिमा कुनै महत्वपूर्ण परिवर्तन भएको छैन ।

क. विगत आर्थिक वर्षमा कम्पनीको आधारभूत सेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी केही नभएको ।

ख. विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको सेयरको स्वामित्वको विवरण र कम्पनीको सेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी केही नभएको ।

ग. विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा केही नभएको ।

घ. कम्पनीले आफ्नो सेयर आफैले खरिद गरेको भए त्यसरी आफ्नो सेयर खरिद गर्नुको कारण, त्यस्तो सेयरको संस्था र अङ्कित मूल्य तथा त्यसरी सेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम कम्पनीले आफ्नो सेयर आफैले खरिद गरेको छैन ।

च. आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण यस विकास बैंकले नियमक निकायहरूले तोकेको, बैकिङ्ग क्षेत्रका विभिन्न अभ्यासहरूले उत्कृष्ट मानिएका र आफ्नै अनुभवहरूले प्रभावकारी देखिएका आन्तरिक नियन्त्रण प्रणालीलाई नीति र व्यवहारमा लागू गरेको छ । बैंकको

संगठनात्मक ढाँचाको सर्वोच्च निकाय सञ्चालक समितिले विभिन्न माध्यमबाट आन्तरिक नियन्त्रण प्रणालीको अनुगमन गरी सुधारात्मक कार्यको लागि सुझाव दिने गरेको छ ।

सञ्चालकहरूको संयोजकत्वमा गठन गरिएका समितिहरू, व्यवस्थापन अन्तर्गत गठन भएका उपसमितिको, विभिन्न विभाग र निजहरूलाई तोकिएको जिम्मेवारी, कार्यालयहरूको तहगत संरचना, कार्यालय भित्र पनि विभिन्न पद र जिम्मेवारीका कर्मचारीहरूलाई तोकिएको काम, कर्तव्य र अधिकारहरूले दैनिक कार्य सञ्चालनलाई सहज र शीघ्रता प्रदान गर्नुको साथै कार्य प्रणालीमा पारदर्शिता ल्याउने प्रयास गरिएको छ ।

साथै, संस्थामा निर्देशनहरू, आन्तरिक नीतिहरू, कार्यविधिहरू र परिपत्रहरूको पालना भए नभएको जाँच गर्न संगठनात्मक संरचना तयार गरिएको छ भने भए गरेको अवस्थाको नियमित व्यवस्थापन समक्ष सूचना तथा जानकारी आउने प्रणालीको विकास गरिएको छ ।

च. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण

कर्मचारी खर्च (कर्मचारी बेनस बाहेक)	: रु. १,४२९,४८९,६१०/-
कार्यालय सञ्चालन खर्च	: रु. ८३१,१००,०२८/-
कुल व्यवस्थापन खर्च	: रु. २,२६०,५८९,६३८/-

द. लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :

नाम	पद	बैठक भत्ता (रु.)	उपस्थिति/कुल बैठक संख्या
श्री श्याम सुन्दर शर्मा	संयोजक	१०,०००/-	१/१
श्री उमेश कुमार आचार्य	संयोजक	७०,०००/-	७/७
श्री नारायण कुमार श्रेष्ठ	सदस्य	७२,०००/-	८/८
जम्मा		१,५२,०००/-	

आ.व. २०८१/८२ मा लेखापरीक्षण समितिको बैठक ८ पटक बसेको छ र समितिका पदाधिकारीहरूलाई बैठक भत्ता वापत कुल रु. १,५२,०००/- भुक्तानी गरिएको छ । समितिले आन्तरिक लेखापरीक्षण विभागको वार्षिक कार्य योजना स्वीकृत गरी सोही बमोजिम आन्तरिक लेखापरीक्षकहरूलाई कारोबारको निरीक्षण र जाँच गर्न परिचालन गर्ने, नेपाल राष्ट्र बैंक तथा वाह्य लेखापरीक्षकले दिएको प्रतिवेदनको अध्ययन र विश्लेषण गर्ने, बैंकको नीति नियम तथा सञ्चालन सम्बन्धी भए गरेको काम कुराहरूको पुनरावलोकन गर्ने, कमी कमजोरीहरू पहिचान गर्ने, सुधारात्मक सुझावहरू सञ्चालक समिति मार्फत व्यवस्थापनलाई निर्देशन दिने व्यवस्था रहेको छ । साथै, नेपाल राष्ट्र बैंक तथा वाह्य लेखापरीक्षकले दिएका प्रतिवेदन उपर विस्तृत रुपमा छलफल गरी सञ्चालक समितिलाई आवश्यक सुझाव दिएको छ । त्यसरी दिएको सुझाव उपर व्यवस्थापनले गरेको सुधारहरूको प्रमाण सहित प्रतिउत्तर लिने र सोको अध्ययन गर्ने गरेको छ ।

घ. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत सेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा केही नभएको ।

न. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम

सञ्चालकको नाम	पद	बैठक भत्ता (रु.)	उपस्थिति/कुल बैठक संख्या
श्री भरत राज ढकाल	अध्यक्ष	२,४०,०००/-	१६/१६
श्री रिम प्रकाश मल्ल	अध्यक्ष	१,३५,०००/-	२/२
श्री नारायण कुमार श्रेष्ठ	सञ्चालक	३,३८,०००/-	२६/२६
श्री भरत प्रसाद लम्साल	सञ्चालक	३,३८,०००/-	२६/२६
श्री बिनोद कुमार शर्मा	सञ्चालक	२,९९,०००/-	२३/२६
श्री सरोजा श्रेष्ठ (कोईराला)	सञ्चालक	२६०,०००/-	२०/२६
श्री श्यामसुन्दर शर्मा	स्वतन्त्र सञ्चालक	२६,०००/-	२/३
श्री उमेश कुमार आचार्य	स्वतन्त्र सञ्चालक	२,९९,०००/-	२२/३३
जम्मा		१९,३५,०००/-	

आ.व. २०८१/८२ मा बैठक भत्ता स्वरूप सञ्चालकहरूलाई कुल रु.१९ लाख ३५ हजार र यातायात, टेलिफोन, इन्टरनेट, पत्रपत्रिका तथा अन्य खर्च स्वरूप रु. ७ लाख ७४ हजार ५ सय भुक्तानी गरिएको छ ।

प. प्रमुख कार्यकारी अधिकृतलाई वार्षिक रुपमा प्रदान गरिएको पारिश्रमिक, भत्ता तथा सुविधाहरू

क्र. सं.	विवरण	प्रमुख कार्यकारी अधिकृतको तलब, भत्ता तथा सुविधा
१.	आधारभूत तलबमान	वार्षिक रु. ६०,००,०००/-
२.	भत्ता रकम	वार्षिक रु. ३०,००,०००/-
३.	संचय कोष	वार्षिक रु. ६,००,०००/-
४.	दर्शन भत्ता	रु.७,५०,०००/-
५.	कर्मचारी बोनस	रु.१९,८१,९३६/४२
६.	वार्षिक बिदा बापत	रु.३,७५,०००/-
७.	पोशाक बापत	रु.२५,०००/-
८.	घर बिदा बापत	रु.६,००,०००/-
९.	सवारी साधन	रु.८० लाख सम्मको सवारी, चालक, ईन्धन, सर्भिसिङ्ग, मर्मत खर्च सहित सवारी साधन सुविधा
१०.	मोवाइल तथा टेलिफोन सुविधा	बारस्तविक विल अनुसार ।
११.	अवास कर्जा सुबिधा	रु.५९,२४,९२५/-
१२.	दुर्घटना बीमा	रु.२५,००,०००/-
१३.	औषधोपचार बीमा	रु.५,००,०००/-
१४.	दैनिक तथा भ्रमण भत्ता	स्वदेशमा प्रति दिन रु.३,५००/-, साकं राष्ट्रहरूमा १०० अमेरिकी डलर, अन्य राष्ट्रहरूमा १५० अमेरिकी डलर, होटल तथा खानाको बिल अनुसार, यातायात खर्च टिकट अनुसार ।

फ. सेयरधनीहरूले बुकिगलिन बाँकी रहेको लाभशुका रकम रु. १४,५२९,९१४/-

ब. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेका कुराको विवरण यस आर्थिक वर्षमा बैंकले कम्पनी ऐन, २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको छैन ।

ग. दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएका कारोबारको विवरण यस सम्बन्धी विवरण वार्षिक प्रतिवेदनको वित्तीय विवरणको नोटमा उल्लेख गरिएको छ ।

घ. यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा सुलाउनु पर्ने अन्य कुनै कुरा यसै प्रतिवेदनको विभिन्न खण्डहरूमा उल्लेख गरिएको छ ।

च. अन्य आवश्यक कुराहरू प्रचलित ऐन तथा कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा सुलाउनु पर्ने अन्य विवरणहरू यसै प्रतिवेदनमा उल्लेख गरिएका छन् ।

धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को अनुसूची-१५

(नियम २६ को उपनियम २ सँग सम्बन्धित)

१. सञ्चालक समितिको प्रतिवेदन

यसै प्रतिवेदनसँग संलग्न रहेको ।

२. लेखापरीक्षकको प्रतिवेदन

यसै प्रतिवेदनसँग संलग्न रहेको ।

३. लेखापरीक्षण भएको वित्तीय विवरण

वासलात, नाफा तथा नोक्सान, नगद प्रवाह विवरण तथा सम्बन्धित अनुसूचीहरू यसै प्रतिवेदनसँग संलग्न गरिएको ।

४. कानूनी कारवाही सम्बन्धी विवरण

क. गत आर्थिक वर्षमा बैंकले तथा बैंकका विरुद्धमा सामान्य व्यवसायिक कारोबार सम्बन्धी मुद्दा बाहेक अन्य मुद्दा नरहेको ।

ख. बैंकको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा मुद्दा दायर भएको कुनै जानकारी प्राप्त नभएको ।

ग. कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा मुद्दा दायर भएको कुनै जानकारी प्राप्त नभएको ।

५. संगठित संस्थाको सेयर कारोबार तथा प्रगतिको विवरण

क. धितोपत्र बजारमा भएको संगठित संस्थाको सेयर कारोबार सम्बन्धमा व्यवस्थापनको धारणा

यस विकास बैंकको सेयरहरू नेपाल स्टक एक्सचेंजमा सूचिकृत भई नेपाल धितोपत्र बोर्डको रेखदेखमा खुल्ला बजारले निर्धारण गरेको मूल्य बमोजिम कारोबार भई रहेका छन् । सेयर कारोबारमा हुने उतार चढाव खुल्ला बजारले निर्धारण गरेको मूल्य अनुरूप हुने भएकाले यस सम्बन्धमा व्यवस्थापनको धारणा तटस्थ रहेको ।

ख. गत वर्षको त्रैमासिक रुपमा सेयरको विवरण

आ.व. २०८१/८२ मा यस विकास बैंकको सेयर कारोबारको विवरण नेपाल स्टक एक्सचेंज लिमिटेडको वेबसाइट www.nepalstock.com.np बाट साभार गरिएको छ । सो वेबसाइटमा उल्लेख भए अनुसार कारोबारको विवरण निम्न बमोजिम रहेको छ ।

विवरण	प्रथम त्रैमास	द्वितीय त्रैमास	तृतीय त्रैमास	चौथो त्रैमास
अधिकतम मूल्य (रु.)	४८२	४२८	३९६	४०८
न्यूनतम मूल्य (रु.)	३६५	३६५.२	३५९.२	३४९
अन्तिम मूल्य (रु.)	४९६	३६८.९	३६०.५५	४०५.९२
कारोबार सेयर संख्या	८,३९६,४९२	२,७९३,९७५	२,२९४,७९३	२,४८९,७९०
कारोबार संख्या	४३,९५४	९४,५०२	९२,७०९	९२,२३८
कारोबार भएको दिन	५७	५५	५६	६३

६. समस्या तथा चुनौतीहरू

क. आन्तरिक समस्या तथा चुनौतीहरू:

- बढ्दो सञ्चालन खर्च
- कर्जा विश्लेषण र व्यवस्थापन गर्न दक्षता अभिवृद्धि
- स्थलगत रुपमा शाखाहरूको नियमित अनुगमन गर्न कठिनाई
- कर्मचारीहरूको क्षमता अभिवृद्धि र सेवामा निरन्तरता
- सम्पत्तिहरूको मर्मत, उपयोग, र संरक्षण ।

ख. बाह्य समस्या तथा चुनौतीहरू

- देशका समग्र अर्थतन्त्रमा आएको शिथिलताको कारण व्यवसाय विस्तार र कर्जा असुली परेको प्रभाव ।
- लगानी क्षेत्र र अवसरहरूको सीमितता ।
- बैंक तथा वित्तीय संस्था बीचको तीव्र प्रतिस्पर्धा ।
- नियमनकारी निकायबाट जारी हुने नीति तथा निर्देशनहरूको परिवर्तनबाट उत्पन्न हुन सक्ने जोखिमहरू ।

ग. रणनीतिहरू

उल्लेखित आन्तरिक तथा बाह्य समस्या र चुनौतीहरूलाई व्यवस्थापनले उचित तवरले समाधान गरेको छ । कतिपय समस्या तथा चुनौतिहरू पूर्वअनुमान गरिए बमोजिम भएकोले त्यस्ता समस्याहरूले खासै असर गरेको छैन । तर, अनपेक्षित घटना तथा परिघटनाहरूबाट हुन सक्ने जोखिम र क्षति न्यूनीकरणको लागि व्यवस्थापनले तत्काल विभिन्न वैकल्पिक अपावहरूको खोजी गरी समाधान गरिएको छ । बैंकमा सकेसम्म दीगोरुपमा नै समस्याहरू नआउने गरी कार्य गर्ने परिपाटीको विकास गरिएको छ । संभावित समस्या तथा चुनौतीहरूको आँकलन गरी त्यसबाट पर्न सक्ने असरलाई न्यूनीकरण गर्न व्यवस्थापनले पूर्व तयारी गर्ने गरेको छ । संस्था भित्र भए गरेका कार्यहरूको नियमित र निरन्तर अनुगमन, विश्लेषण तथा सोको रिपोर्टिङ गर्ने संयन्त्र विकास गरेकोले समस्या तथा चुनौतिहरूको समयमै पहिचान गरी उचित समाधानहरू खोजिएको छ ।

७. संस्थागत सुशासन

संस्थागत सुशासन अभिवृद्धिका लागि व्यवस्थापनद्वारा चालिएका कदमहरू सम्बन्धी विवरणहरू

- यस विकास बैंकमा सञ्चालक समिति, तथा सो अन्तर्गत लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, कर्मचारी सेवा सुविधा समिति र सम्पत्ति शुद्धिकरण निवारण समिति रहेको छ । बैंकको लेखापरीक्षण समितिले संस्थागत सुशासन सम्बन्धमा अनुगमन गरी प्रचलित नियम कानूनहरूको अनुपालना आदि बारे निरीक्षण गरी आवश्यक सुझाव समेत संचालक समितिलाई दिने गरेको छ ।
- नियमनकारी निकायहरूद्वारा जारी गरिएका निर्देशनहरूको पूर्ण पालना, सञ्चालक समिति लगायत उच्च व्यवस्थापन र अन्य व्यवस्थापकीय कर्मचारीहरूद्वारा पालना र अनुगमन, सहभागितात्मक निर्णय प्रकृया, पारदर्शिता र सम्पूर्ण कर्मचारीहरूमा यसको अभ्यास यस विकास बैंकले अवलम्बन गरेको छ ।
- संस्थागत सुशासन पालना र कार्यान्वयनमा मात्र सीमित नराखी यसको मापन र अनुगमन गर्ने परिपाटी लेखापरीक्षण समितिद्वारा हुने व्यवस्था गरिएको छ ।
- सञ्चालक समिति तथा सम्पूर्ण कर्मचारीहरू बीच आपसी दोहोरो सञ्चारको संरचना रहेको छ ।

संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन

आ.व. २०८१/८२

(सूचीकृत सङ्गठित संस्थाहरूको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७४ बमोजिम)

सूचीकृत सङ्गठित संस्थाको संक्षिप्त विवरण :

संस्थाको नाम : मुक्तिनाथ विकास बैंक लि.

संस्थाको ठेगाना : काठमाडौं महानगरपालिका-३, लाजिम्पाट, काठमाडौं ।

वेबसाइट : www.muktinathbank.com.np

फोन नम्बर : +९७७-१-५९७०८८७

१) सञ्चालक समिति सम्बन्धी विवरण :

क) सञ्चालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति:

नाम : श्री भरत राज ढकाल, वि.सं. २०८०/०९/२८ देखि २०८१/११/२१ सम्म

: श्री खिम प्रकाश मल्ल, वि.सं. २०८१/११/२२ देखि हालसम्म

ख) संस्थाको सेयर संरचना सम्बन्धी विवरण (संस्थापक, सर्वसाधारण तथा अन्य)

सेयरधनीहरू	साधारण सेयर संख्या	पूँजी संरचना (%)
संस्थापक सेयरधनीहरू	३,५९,३९,३८४	५१
सर्वसाधारण सेयरधनीहरू	३,४५,२९,९९६	४९
जम्मा	७,०४,६९,३८०	१००

ग) सञ्चालक समिति सम्बन्धी विवरण

क्र.सं.	सञ्चालकहरूको नाम तथा ठेगाना	प्रतिनिधित्व भएको समूह	सेयर संख्या र प्रतिशत	नियुक्ति भएको मिति	सञ्चालक नियुक्तिको तरिका
१	श्री भरत राज ढकाल ठेगाना : आँधिखोला गा.पा.-६, स्याङ्गजा	संस्थापक	१,११०,९४५ १.५६%	२०८०/०९/२८ (२०८१/११/२१मा राजिनामा दिनुभएको)	बैंकको १७ औं वार्षिक साधारणसभाबाट सर्वसम्मत निर्वाचित
२	श्री खिम प्रकाश मल्ल ठेगाना : चापाकोट न.पा.-५, स्याङ्गजा	संस्थापक	८५०,४२१ १.२१%	२०८१/११/२२	बैंकको सञ्चालक समितिको ३४७ औं बैठकबाट (श्री भरत राज ढकालले दिइएको राजिनामा स्वीकृत भएकोले)
३	श्री नारायण कुमार श्रेष्ठ ठेगाना : जाँगाजमुना गा.पा.-७, धादिङ्ग	संस्थापक	९०७,५३६ १.२९%	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारणसभाबाट सर्वसम्मत निर्वाचित
४	श्री भरत प्रसाद लम्साल ठेगाना : पुतलीबजार न.पा.-१, स्याङ्गजा	संस्थापक	५१८,३०९ ०.७४%	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारणसभाबाट सर्वसम्मत निर्वाचित
५	श्री विनोद कुमार शर्मा ठेगाना : बुढानीलकण्ठ न.पा.-८, काठमाडौं	सर्वसाधारण	३,२९६ ०.००%	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारणसभाबाट सर्वसम्मत निर्वाचित
६	श्रीमती सरोजा श्रेष्ठ (कोईराला) काठमाडौं न.पा.-१६, काठमाडौं	सर्वसाधारण	१,६४६ ०.००%	२०८०/०९/२८	बैंकको १७ औं वार्षिक साधारणसभाबाट सर्वसम्मत निर्वाचित
७	श्री उमेश कुमार आचार्य ठेगाना : पोखरा न.पा.-५, कास्की	स्वतन्त्र	-	२०८१/०८/१५	सञ्चालक समितिको ३३२औं बैठकबाट

घ) आ.व. २०८१/८२ मा भएको सञ्चालक समितिको बैठक सम्बन्धी विवरण :

बैठक नं.	बैठक बसेको मिति	बैठकको किसिम (भौतिक / भर्चुअल)	उपस्थित सञ्चालक संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने सञ्चालकको संख्या
३३०	२०८१/०८/०२	भौतिक	५	भिन्न मत नभएको
३३१	२०८१/०८/११	भौतिक	४	भिन्न मत नभएको
३३२	२०८१/०८/१५	भौतिक	६	भिन्न मत नभएको
३३३	२०८१/०८/२८	भौतिक	६	भिन्न मत नभएको
३३४	२०८१/०५/०६	भौतिक	६	भिन्न मत नभएको
३३५	२०८१/०५/२५	भौतिक	६	भिन्न मत नभएको
३३६	२०८१/०६/०९	भौतिक	६	भिन्न मत नभएको
३३७	२०८१/०६/२१	भौतिक	६	भिन्न मत नभएको
३३८	२०८१/०७/२१	भौतिक	५	भिन्न मत नभएको
३३९	२०८१/०८/१७	भौतिक	६	भिन्न मत नभएको
३४०	२०८१/०९/०१	भौतिक	६	भिन्न मत नभएको
३४१	२०८१/०९/०७	भौतिक	६	भिन्न मत नभएको
३४२	२०८१/०९/२३	भौतिक	६	भिन्न मत नभएको
३४३	२०८१/१०/२०	भौतिक	६	भिन्न मत नभएको
३४४	२०८१/१०/२८	भौतिक	६	भिन्न मत नभएको
३४५	२०८१/११/१८	भौतिक	६	भिन्न मत नभएको
३४६	२०८१/११/२१	भौतिक	४	भिन्न मत नभएको
३४७	२०८१/११/२२	भौतिक	५	भिन्न मत नभएको
३४८	२०८१/१२/१२	भौतिक	६	भिन्न मत नभएको
३४९	२०८१/१२/२१	भौतिक	६	भिन्न मत नभएको
३५०	२०८२/०१/०७	भौतिक	४	भिन्न मत नभएको
३५१	२०८२/०१/२८	भौतिक	६	भिन्न मत नभएको
३५२	२०८२/०२/२७	भौतिक	५	भिन्न मत नभएको
३५३	२०८२/०३/०४	भौतिक	५	भिन्न मत नभएको
३५४	२०८२/०३/२२	भौतिक	६	भिन्न मत नभएको
३५५	२०८२/०३/२७	भौतिक	६	भिन्न मत नभएको

- कुनै सञ्चालक समितिको बैठक आवश्यक गाणपूरक संख्या नपुगी स्थगित भएको भए सोको विवरण : नभएको ।
- सञ्चालक समितिको बैठक सम्बन्धी अन्य विवरण :

सञ्चालक समितिको बैठकमा सञ्चालक वा वैकल्पिक सञ्चालक उपस्थित भए/नभएको (नभएको अवस्थामा बैठकको मिति सहित कारण सुलाउने)	भएको
सञ्चालक समितिको बैठकमा उपस्थित सञ्चालकहरु, छलफल भएको विषय र तत्सम्बन्धमा भएको निर्णयको विवरण (माइन्चुट) को छुट्टै अभिलेख राखे/नराखेको	राखेको
सञ्चालक समितिको लगातार बसेको २ वटा बैठकको अधिकतम अन्तर (दिनमा)	बढीमा ३० दिन सम्म रहेको
सञ्चालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको वार्षिक साधारण सभाको मिति	२०८०/०९/२८
सञ्चालक समितिको प्रति बैठक भत्ता	अध्यक्ष: रु.१५,०००/- सञ्चालक: रु.१३,०००/-
आ.व.२०८१/८२ को सञ्चालक समितिको कुल बैठक खर्च	रु.१,९३५,०००/-

२) सञ्चालकहरूको आचरण तथा अन्य विवरण:

क) सञ्चालकको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचार संहिता भए/नभएको :

विकास बैंकको सञ्चालकहरू कै लागि छुट्टै आचारसंहिता नभएको, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, नेपाल राष्ट्र बैंकको एकीकृत निर्देशन, कम्पनी ऐन, धितोपत्र सम्बन्धी ऐन र विकास बैंकको नियमावलीमा उल्लेख भए बमोजिमको आचरण सम्बन्धी व्यवस्थाहरूको पालना भएको ।

ख) एकाधर परिवारको एक भन्दा बढी सञ्चालक भए सो सम्बन्धी विवरण:

नभएको ।

ग) सञ्चालकहरूको वार्षिक रुपमा सिकाई तथा पुनर्ताजगी कार्यक्रम सम्बन्धी विवरण:

क्र.सं.	विषय	मिति	सहभागी सञ्चालकको संख्या	तालिम सञ्चालन भएको स्थान
१.	सञ्चालक समिति तथा उच्च व्यवस्थापनका कर्मचारीहरूलाई पुनर्ताजगी तथा AML/CFT सम्बन्धी अभिमुक्तिकरण	२०८१/१२/२१	६	केन्द्रीय कार्यालय, लाजिम्पाट, काठमाण्डौ

घ) प्रत्येक सञ्चालकले आफू सञ्चालक पदमा नियुक्त वा मनोनयन भएको पन्ध्र दिनभित्र देहायका कुराको लिखित जानकारी गराएको/नगाराएको र नगाराएको भए सोको विवरण:

संस्थासंग निज वा निजको एकाधरको परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वा गर्न लागेको भए सोको विवरण,	उल्लेखित विवरणहरू उपलब्ध गराएको र प्राप्त विवरण अनुसार कुनै कैफियत नरहेको ।
निज वा निजको एकाधरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिइएको सेयर वा डिभेन्चर को विवरण,	
निज अन्य कुनै संगठित संस्थाको आधारभूत सेयरधनी वा सञ्चालक रहेको भए त्यसको विवरण,	
निजको एकाधरको परिवारको कुनै सदस्य संस्थाको पदाधिकारी वा कर्मचारीको हैसियतमा काम गरिरहेको भए सोको विवरण,	
सञ्चालकले उस्तै प्रकृतिको उद्देश्य भएको सूचीकृत संस्थाको सञ्चालक, तलबी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सोको विवरण,	
सञ्चालकहरूलाई नियमनकारी निकाय तथा अन्य निकायहरूबाट कुनै कारवाही गरिएको भए सोको विवरण,	

३) संस्थाको जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रण प्रणाली सम्बन्धी विवरण:

क) जोखिम व्यवस्थापनको लागि कुनै समिति गठन भए/नभएको, गठन नभएको भए सोको कारण:

गठन भएको ।

ख) जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी:

समितिको संरचना (संयोजक तथा अन्य सदस्यहरूको नाम र पद):

अ) मिति २०८१/०८/०१ देखि मिति २०८१/०८/१५ सम्म

श्री विनोद कुमार शर्मा- संयोजक

श्री श्याम सुन्दर शर्मा - सदस्य

श्री तिल वहादुर गुरुङ्ग- सदस्य

श्री प्रगल्भ न्यौपाने - सदस्य सचिव, प्रमुख-एकीकृत जोखिम व्यवस्थापन विभाग

आ) मिति २०८१/०८/१५ देखि मिति २०८२/०३/३२ सम्म

श्री विनोद कुमार शर्मा- संयोजक

श्री उमेश कुमार आचार्य - सदस्य

श्री तिल वहादुर गुरुङ्ग- सदस्य

श्री प्रगल्भ न्यौपाने - सदस्य सचिव, प्रमुख-एकीकृत जोखिम व्यवस्थापन विभाग

इ) समितिको कुल बैठक संख्या : ९

ग) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको:

विकास बैंकले आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउनको लागि कार्यको प्रकृति अनुसार आन्तरिक रुपमा कार्यविधिहरू बनाई लागु गरेको छ । ती कार्यविधिहरूको वार्षिक रुपमा पुनरावलोकन गरी आवश्यकतानुसार संशोधन र परिमार्जन गर्ने गरिएको छ ।

घ) आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको, गठन नभएको भए सोको कारण : आन्तरिक लेखापरीक्षण समिति लगायत अन्य समितिहरू गठन भएको

ड) आन्तरिक लेखापरीक्षण समिति सम्बन्धी विवरण

समितिको संरचना (संयोजक तथा अन्य सदस्यहरूको नाम र पद)

अ) मिति २०८१/०८/०१ देखि मिति २०८१/०८/१५ सम्म

श्री श्याम सुन्दर शर्मा : संयोजक

श्री नारायण कुमार श्रेष्ठ : सदस्य

श्री ईश्वर बुढाथोकी : सदस्य सचिव, प्रमुख-आन्तरिक लेखापरीक्षण विभाग

आ) मिति २०८१/०८/१५ देखि मिति २०८२/०३/३२ सम्म

श्री उमेश कुमार आचार्य : संयोजक

श्री नारायण कुमार श्रेष्ठ : सदस्य

श्री ईश्वर बुढाथोकी : सदस्य सचिव, प्रमुख-आन्तरिक लेखापरीक्षण विभाग

इ) समितिको कुल बैठक संख्या: ८

(च) आर्थिक प्रशासन विनियमावली भए/नभएको : भएको

३.१) आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरण

आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउनको लागि विकास बैंकमा सञ्चालक स्तरीय विभिन्न समितिहरू गठन भएका छन् । ती समितिहरू आ-आफ्नो जिम्मेवारी अनुसार सक्रिय रहेका छन् । समितिको समय समयमा बैठकहरू बस्ने र सो बैठकको निर्णय तथा आवश्यक सुझावहरू सञ्चालक समितिलाई दिने गरेको छ ।

समितिको नाम	समिति संयोजक	बैठक संख्या	समितिको कार्य सम्बन्धी छोटो विवरण
लेखापरीक्षण समिति	श्री श्याम सुन्दर शर्मा श्री उमेश कुमार आचार्य (हाल)	८	बैंकको वित्तीय रिपोर्टिङ्गको अनुगमन, लेखापरीक्षण प्रक्रियामा सहजीकरण, लेखापरीक्षकको नियुक्तिको सिफारिस र संस्थाको आन्तरिक नियन्त्रण कार्यलाई प्रभावकारी बनाउने तथा सञ्चालक समिति समक्ष सिफारिस गर्ने ।
कर्मचारी सेवा सुविधा समिति	श्रीमती सरोजा श्रेष्ठ (कोइराला)	४	कर्मचारीसँग सम्बन्धित सेवा सुविधाहरूको समयानुकूल संशोधन तथा परिमार्जनको लागि सञ्चालक समिति समक्ष सुझाव पेश गर्ने ।
जोखिम व्यवस्थापन समिति	श्री विनोद कुमार शर्मा	९	व्यवसाय सञ्चालनको क्रममा उत्पन्न हुनसक्ने आर्थिक तथा गैर-आर्थिक जोखिमहरूलाई न्यूनीकरणका लागि आवश्यक रणनीति तयार गर्ने तथा सञ्चालक समिति समक्ष सुझाव पेश गर्ने ।
सम्पति शुद्धीकरण निवारण समिति	श्री भरत प्रसाद लम्साल	८	सम्पति शुद्धीकरणलाई नियन्त्रण तथा आतंककारी क्रियाकलापमा वित्तीय लगानी निरुत्साहित गर्नका लागि रणनीति तयार गर्ने तथा सञ्चालक समितिमा सुझाव तथा सिफारिस पेश गर्ने ।

४) सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण

क) संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण

विषय	माध्यम	सूचना प्रकाशन मिति
वार्षिक साधारण सभाको सूचना	राष्ट्रिय स्तरको पत्रिका, र वेवसाईट	२०८१/०९/०८ र २०८१/०९/०९
वार्षिक प्रतिवेदन	वेवसाईट	२०८१/०९/०९
त्रैमासिक प्रतिवेदन	राष्ट्रिय स्तरको पत्रिका, र वेवसाईट	२०८१/०९/०९, २०८१/१०/०९, २०८२/०१/०९ र २०८२/०८/३०
धितोपत्रको मूल्यमा प्रभाव पार्ने मूल्य संवेदनशील सूचना (आ.व. २०८०/८१ को लाभांश वितरण सम्बन्धी सूचना)	सम्बन्धित नियमनकारी निकायहरूमा पत्र मार्फत	२०८१/०९/०९

ख) सूचना सार्वजनिक नगरेको वा अन्य कारणले धितोपत्र बोर्ड तथा अन्य निकायबाट कारवाहीमा परेको भए सो सम्बन्धी जानकारी : नपरेको

ग) पछिल्लो वार्षिक तथा विशेष साधारण सभा सम्पन्न भएको मिति : पछिल्लो वार्षिक साधारण सभा (१८ औं) मिति २०८१/०९/२९ गते सम्पन्न भएको तथा बैंकले आ.व २०८१/८२ मा विशेष साधारण सभा नगरेको ।

५. संस्थागत संरचना र कर्मचारी सम्बन्धी विवरण:

क) कर्मचारीहरूको संरचना, पदपूर्ति, वृत्ति विकास, तालिम, तलब, भत्ता तथा अन्य सुविधा, हाजिर र विदा, आचारसंहिता लगायतका कुराहरु समेटिएको कर्मचारी सेवा शर्त विनियमावली/व्यवस्था भए नभएको :

भएको ।

ख) सांठानिक संरचना संलग्न गर्ने :

संलग्न गरिएको ।

ग) उच्च व्यवस्थापन तहका कर्मचारीहरूको नाम, शैक्षिक योग्यता तथा अनुभव सम्बन्धी विवरण:

क्र.सं.	नाम	पद	शैक्षिक योग्यता	अनुभव
१	श्री प्रद्युमन पोखरेल	प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	३३ वर्ष (बैंकिङ्ग)
२	श्री समिर शेरर बज्राचार्य	नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	२७ वर्ष (विकास आयोजना तथा बैंकिङ्ग)
३	श्री तिल बहादुर गुरुङ्ग	सहायक नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	२६ वर्ष (बैंकिङ्ग)
४	श्री गोबिन्द वहादुर राउत	सहायक प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	३१ वर्ष (लघुवित्त, विकास आयोजना तथा बैंकिङ्ग)

घ) कर्मचारी सम्बन्धी अन्य विवरण :

संरचना अनुसार कर्मचारी पदपूर्ति गरे/नगरेको	गरेको
नयाँ कर्मचारीहरूको पदपूर्ति गर्दा अपनाएको प्रक्रिया	राष्ट्रियस्तरको पत्रिका वा अनलाईन पोर्टलमा विज्ञापन प्रकाशित गरी आवश्यकता अनुसार लिखित तथा मौखिक परिक्षा मध्ये दुवै वा कुनै एक माध्यमबाट पदपूर्ति गर्ने गरिएको । द्यालेन्ट हण्ड कर्मचारीको सन्दर्भमा मौखिक परिक्षाको माध्यमबाट पदपूर्ति गर्ने गरिएको ।
व्यवस्थापन स्तरका कर्मचारीको संख्या	४०
कुल कर्मचारी संख्या	१,५१६
कर्मचारीहरूको सक्सेसन प्लान भए/नभएको	भएको
आ.व. २०८१/०८२ मा कर्मचारीहरूलाई दिईएको तालिम संख्या तथा सहभागी कर्मचारीको संख्या	२०८ ओटा तालिममा कुल ७,६७९ जना कर्मचारीहरूको सहभागिता रहेको ।
आ.व.२०८१/०८२ को कर्मचारी तालिम खर्च	रु.२,१७,७६,३४८/-
कुल खर्चमा कर्मचारी खर्चको प्रतिशत	६६.७४%
कुल कर्मचारी खर्चमा कर्मचारी तालिम खर्चको प्रतिशत	१.३२%

६. संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण

क) लेखा सम्बन्धी विवरण

संस्थाको पछिल्लो आ. व. को वित्तीय विवरण NFRS अनुसार तयार गरे/नगरेको, नगरेको भए सोको कारण	तयार गरेको
संचालक समितिबाट पछिल्लो वित्तीय विवरण स्वीकृत भएको मिति	२०८१/०९/०१
त्रैमासिक वित्तीय विवरण प्रकाशन गरेको मिति	
• प्रथम त्रैमास	२०८१/०७/०७
• द्वितीय त्रैमास	२०८१/१०/०७
• तेश्रो त्रैमास	२०८२/०१/०७
• चौथो त्रैमास	२०८२/०४/३०
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति	२०८१/०९/०२
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति	२०८१/०९/२९
संस्थाको आन्तरिक लेखापरीक्षण सम्बन्धी विवरण	
अ) आन्तरिक रुपमा लेखापरीक्षण गर्ने गरिएको वा बाह्य विज्ञ नियुक्त गर्ने गरिएको	अ. आन्तरिक रुपमा लेखापरीक्षण गरिएको
आ) बाह्य विज्ञ नियुक्त गरिएको भए सोको विवरण	आ. नगरिएको
इ) आन्तरिक लेखापरीक्षण कति अवधिको गर्ने गरिएको (त्रैमासिक, चौमासिक वा अर्धवार्षिक)	इ. त्रैमासिक रुपमा

ख) लेखापरीक्षण समिति सम्बन्धी विवरण

अ) मिति २०८१/०८/०१ देखि मिति २०८१/०८/१५ सम्म					
क्र.सं.	नाम	पद	योग्यता	अनुभव	बैठक उपस्थिति
१	श्री श्याम सुन्दर शर्मा	संयोजक	एम.बि.ए. / एम.पि.ए.	मिजामती सेवा	१/१
२	श्री नारायण कुमार श्रेष्ठ	सदस्य	एम.बि.ए.	वित्तीय क्षेत्र, विज्ञापन क्षेत्र, पूँजीबजार	१/१
३	श्री ईश्वर बुढाथोकी	सदस्य सचिव	सि.ए	प्रमुख-आन्तरिक लेखापरीक्षण विभाग	१/१
आ) मिति २०८१/०८/१५ देखि मिति २०८२/०३/३२ सम्म					
१	श्री उमेश कुमार आचार्य	संयोजक	एम.बि.ए.	वित्तीय क्षेत्र	७/७
२	श्री नारायण कुमार श्रेष्ठ	सदस्य	एम.बि.ए.	वित्तीय क्षेत्र, विज्ञापन क्षेत्र, पूँजीबजार	७/७
३	श्री ईश्वर बुढाथोकी	सदस्य सचिव	सि.ए	प्रमुख-आन्तरिक लेखापरीक्षण विभाग	७/७
प्रति बैठक भत्ता रु. :			संयोजक रु.१०,०००/- र सदस्य रु.९,०००/-		
लेखापरीक्षण समितिले आफ्नो काम कारवाहीको प्रतिवेदन संचालक समितिमा पेश गरेको मिति :			२०८१/०५/०९, २०८१/०९/२३, २०८१/१२/२९, २०८२/०५/१२		

७. अन्य विवरण

संस्थाले सञ्चालक तथा निजको एकाधरका परिवारको वित्तीय स्वार्थ भएको व्यक्ति, बैङ्क तथा वित्तीय संस्थाबाट ऋण वा सापटी वा अन्य कुनै रूपमा रकम लिए/नलिएको	नलिएको
प्रचलित कानून बमोजिम कम्पनीको सञ्चालक, सेयरधनी, कर्मचारी, सल्लाहकार, परामर्शदाताको हैसियतमा पाउने सुविधा वा लाभ बाहेक सूचीकृत सङ्गठित संस्थाको वित्तीय स्वार्थ भएको कुनै व्यक्ति, फर्म, कम्पनी, कर्मचारी, सल्लाहकार वा परामर्शदाताले संस्थाको कुनै सम्पत्ति कुनै किसिमले भोगचलन गरे/नगरेको	नगरेको
नियमनकारी निकायले इजाजतपत्र जारी गर्दा तोकेको शर्तहरूको पालना भए/नभएको	भएको
नियमनकारी निकायले संस्थाको नियमन, निरीक्षण वा सुपरीवेक्षण गर्दा संस्थालाई दिइएको निर्देशन पालना भए/नभएको	भएको
संस्था वा संचालक विरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सोको विवरण	नियमित बैकिङ्ग व्यवसाय, कार्य संचालन र कर्जा कारोबारको सिलसिलामा दायर भएको मुद्दा बाहेक अन्य कुनै उल्लेखनीय मुद्दा नरहेको ।

अनुपालना अधिकृत

इण्डियानी ढकाल

प्रमुख अनुपालना विभाग

नेपाल राष्ट्र बैंकको स्वीकृति पत्र



नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग



केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन नं.: ९७७ ०१-४७९९६५३
Site: www.nrb.org.np
Email: nrbfsd@nrb.org.np
पोष्ट बक्स: ७३

पत्रसंख्या: वि.सं.सु.वि./गैरस्थलगत/मुक्तिनाथ/०८२/८३
च.नं.: ४४...

मिति: २०८२/०६/०९

श्री मुक्तिनाथ विकास बैंक लिमिटेड,
लाजिम्माट, काठमाण्डौ ।

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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वित्तीय विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैर-स्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेयरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा अनुरोध छ । साथै, संस्थाले प्रस्ताव गरे अनुसार आ.व. २०८१/८२ सम्मको सञ्चित मुनाफाबाट २०८२ असार मसान्तमा कायम रहेको चुक्ता पुँजी रु ७,०४,६९,३८,०४९।- को १३.५३ प्रतिशतले हुन आउने रु.९५,३४,५०,७१८।०३ (अक्षरेपी पन्चानब्बे करोड चौतीस लाख पचास हजार सात सय अठार रुपैयाँ र पैसा तिन मात्र) बराबरको बोनस शेयर र ४.६७ प्रतिशतले हुन आउने रकम रु.३२,९०,९२,००६।८९ (अक्षरेपी बत्तीस करोड नब्बे लाख बयानब्बे हजार छ रुपैयाँ र पैसा उनान्बे मात्र) बराबरको नगद लाभांश (बोनस शेयर तथा नगद लाभांशको कर प्रयोजनको लागि समेत) गरी कुल १८.२० प्रतिशतले हुने लाभांश रु.१,२८,२५,४२,७२४।९२ (अक्षरेपी एक अर्ब अठ्ठाइस करोड पच्चीस लाख बयालीस हजार सात सय चौबीस रुपैयाँ र पैसा बयानब्बे मात्र) वितरण गर्ने प्रस्ताव अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

- (१) कर्जा प्रवाह पश्चात अनिवार्य रूपमा कर्जा सदुपयोगिताको सुनिश्चितता गर्नुहुन ।
- (२) आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,

(राकेश प्रजापति)

उप-निर्देशक

बोधार्थ:

१. श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
२. श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई-१ ।
३. श्री IBS (Individual Bank Supervisor) Officer

नेपाल राष्ट्र बैंकबाट प्राप्त निर्देशनहरू उपर सञ्चालक समितिको प्रतिक्रिया

यस मुक्तिनाथ विकास बैंक लिमिटेडको आ.व. २०८१/८२ को वित्तीय विवरण प्रकाशनको स्वीकृति गर्ने क्रममा नेपाल राष्ट्र बैंकको पत्रसंख्या वि.सं.सु.वि./गैरस्थलगत/मुक्तिनाथ/०८२/८३ च.नं.४४ बाट दिइएका निर्देशनहरूलाई मिति २०८२ असोज १० गते शुक्रवार बसेको ३५९ औं सञ्चालक समितिको बैठकमा छलफल गरी निर्देशन बमोजिम गर्ने गराउने निर्णय भएको व्यवहारा जानकारीको लागि अनुरोध छ ।

Never share your

PIN, OTP, or passwords with anyone

Beware of fraud calls, emails, and messages



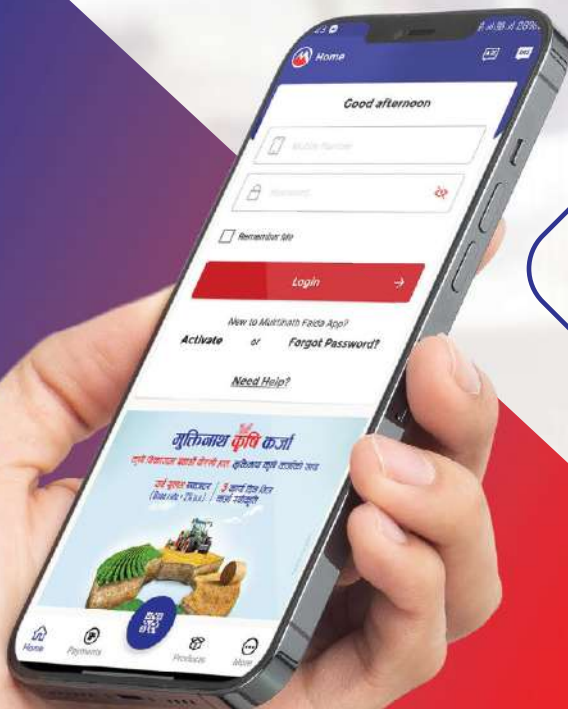
Use strong passwords



Enable two-factor authentication



Only use official banking apps & websites





FINANCE



Having the perfect timing with your activities
to fit your customer's buying cycles
will help you save money and maximize sales.

FINANCIAL STATEMENTS



Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of Muktinath Bikas Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of Muktinath Bikas Bank Limited (hereafter referred to as the "Bank") and its subsidiary (hereafter referred to as the "Group"), which comprise the Consolidated Statement of Financial Position as at Ashad 32, 2082 (July 16, 2025), the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity for the year then ended and Notes to the Consolidated Financial Statements including a summary of significant accounting policies and explanatory information (referred to as the "Consolidated Financial Statements").

In our opinion, to the best of our information and according to the explanations given to us and based on consideration of report of other auditor on separate financial statements and on the other financial information of subsidiary and based on consideration of financial information on separate financial information of the associate provided by the management, the aforesaid Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as at Ashad 32, 2082, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Institute of Chartered Accountants of Nepal's (ICAN's) Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Identification of non-performing assets (NPA) on Loan and Advances and assessment of impairment loss allowance based on expected credit loss (ECL) and Nepal Rastra Bank (NRB) Unified Directive on Loans and Advances (Refer note no. 4.35, 4.6 and 4.7 of the Consolidated Financial Statements)

Key Audit Matters	How our audit expressed the key audit matters
As at Ashad 32, 2082, the outstanding balances of Loans and Advances granted by the Bank aggregated to Rs. 102,404,106,650 and the associated	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income



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Key Audit Matters	How our audit expressed the key audit matters
impairment loss allowance recognised in the books aggregated to Rs. 3,558,930,146. The impairment loss allowance is recognised on credit exposures as the higher of total ECL calculated as per NFRS 9 and existing regulatory provisions in Unified Directives. Expected Credit Loss (ECL) model specified under NFRS 9 'Financial Instruments' carve-outs issued by ICAN on NFRS-9, Expected Credit Loss Related Guidelines, 2024 issued by Nepal Rastra Bank (NRB) and relevant prudential norms issued by the NRB in respect of income recognition, asset classification and provisioning pertaining to advances (hereinafter referred as "NRB Directives") involves exercise of judgement by the management in estimating the expected losses and income. The ECL methodology requires management to apply significant judgement in estimating expected losses, considering factors such as Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD), staging of loans, and expected drawdowns. Both quantitative indicators (such as days past due, portfolio behaviour, historical default trends, macroeconomic variables, and recovery rates) and qualitative considerations (such as the nature and credit quality of exposures, macroeconomic correlations, probability weighting of scenarios and applicable carve-outs or regulatory guidance) are factored into the computation. In view of the significant management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.	recognition, asset classification and provisioning pertaining to Loans and Advances. In particular: • We evaluated and understood the Bank's internal control system in adhering to the relevant NRB Directives regarding income recognition, asset classification and provisioning pertaining to advances. • We analyzed and understood key IT systems/ applications used and tested the operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification and provisioning pertaining to advances. • We checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances; and • We evaluated past trends of management judgment, governance process and review controls over impairment provision calculations and discussed the provisions made with senior management Our audit procedures related to the allowance for ECL included the following, among others: • Assessed the Bank's accounting policy in respect of loans and related ECL provisioning for compliance with NFRS 9 'Financial Instruments' and its carve-outs. • With the assistance of auditor's experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of NFRS 9 'Financial Instruments' and ECL policy of the Bank. • Tested, on a sample basis, the completeness and accuracy of the source data used; • Evaluated the reasonableness of the assumptions and judgements involved in management overlays forming part of the impairment loss allowance, and the related approvals;



Key Audit Matters	How our audit expressed the key audit matters
	Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements. Our Result: We considered the identification of Non-Performing Advances and their provisioning to be acceptable.

2. Information Technology Systems and Controls Impacting Financial Reporting

Key Audit Matters	How our audit expressed the key audit matters
The Information Technology of the Bank is complex and involves a large number of independent and interdependent IT Systems used in the operations of the Bank for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank. Appropriate IT General Controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately, and consistently for financial reporting. We have considered this as a key audit matter as any control lapses, validation failures, incorrect input data and inaccurate extraction of data may result in inaccurate reporting of data to management, stakeholders, and regulators.	We conducted an assessment and identified key IT applications, databases and operating systems that was relevant to our audit and identified Central Banking System (CBS) and Treasury System primarily as relevant for financial reporting. Our audit approach was based on Information Technology Guidelines 2012 issued by NRB which involved testing of design and operating effectiveness of the internal controls and substantive testing as follows: - Obtained an understanding of the Bank's IT control environment, IT policies and key changes during the audit period. - Reviewed the design, implementation, and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical financial reporting on test check basis. - Tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit on test check basis. - Reviewed the IS Audit Reports and discussed with IT team on compliance to key IS Controls. Our Result: We considered the information technology systems and their relevant controls to be adequate.

Other Matter

We did not audit the financial statement of the subsidiary whose financial statement reflect total assets of Rs. 1,037,130,016 as at Ashad 32, 2082 (July 16, 2025), total revenues of Rs. 102,851,999 and net positive cash flows of Rs. 413,979,836 for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management.

Our opinion on the Consolidated Financial Statements in so far as it relates to accounts and disclosures included in respects of this subsidiary is based solely on the reports of the other auditors.

The Consolidated Financial Statements also include the Group's share of net profit of Rs. 22,339,850 for the year ended Ashad 32, 2082 (July 16, 2025), as considered in the Consolidated Financial Statements,



in respect of one associate whose financial information have been provided to us by the Management. This financial information is unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report, in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The management is responsible for the other information presented in the Bank's Annual Report including the report of the Board of Directors. The annual report, including the report of the Board of Directors, is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

The management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with Nepal Financial Reporting Standards (NFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Report on the other Legal and Regulatory Requirements

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Consolidated Financial Statements have been prepared in the format prescribed by the Nepal Rastra Bank's Unified Directives no. 4 and in accordance with the provisions of Companies Act, 2063 and Section 59 of the Bank and Financial Institution Act, 2073, and are in agreement with the books of accounts of the Bank, and the accounts and records are properly maintained in accordance with the prevailing laws. We have not come across any accounting fraud so far as it appeared from our examination of the books of accounts.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed that the Bank has taken actions for protection of the interest of depositors and investors, the capital fund and risk bearing fund were adequately maintained; loans have been written off as specified; the business of the Bank was conducted satisfactorily, and the Bank's transactions were found to be within the scope of its authority. We did not come across to the cases where the board of directors or any director or any office bearer of the Bank has acted contrary to the provisions of law or has caused loss or damage to the Bank or committed any misappropriation or violation of directive of Nepal Rastra Bank.



CA Anil Paudel
Proprietor
A.P. & Associates,
Chartered Accountants
UDIN: 250918CA00784x2nYe
Place: Kathmandu, Nepal
Date: September 16, 2025 (Bhadra 31, 2082)

Consolidated Statement of Financial Position

As on 32nd Asar 2082

Figures in NPR

	Note	Group		Bank	
		32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Assets					
Cash and Cash Equivalent	4.1	7,210,366,692	3,382,291,381	6,583,139,582	3,134,539,704
Due from Nepal Rastra Bank	4.2	12,874,425,202	9,606,142,194	12,874,425,202	9,606,142,194
Placement with Bank and Financial Institutions	4.3	-	-	-	-
Derivative Financial Instruments	4.4	-	-	-	-
Other Trading Assets	4.5	170,818,862	102,940,286	-	-
Loans and Advances to BFIs	4.6	1,621,933,849	2,139,626,534	1,621,933,849	2,139,626,534
Loans and Advances to Customers	4.7	97,223,242,655	91,907,309,025	97,223,242,655	91,907,309,025
Investment Securities	4.8	14,609,822,135	14,282,403,355	14,566,721,514	14,249,248,106
Current Tax Assets	4.9	4,805,862	36,927,739	17,184,441	40,722,092
Investment in Subsidiaries	4.10	-	-	244,045,905	244,045,905
Investment in Associates	4.11	161,723,322	139,383,300	155,550,000	155,550,000
Investment Property	4.12	461,900,708	465,619,924	428,785,028	432,504,244
Property and Equipment	4.13	2,107,915,593	2,253,247,253	2,101,433,314	2,242,422,321
Goodwill and Intangible Assets	4.14	11,562,048	12,110,169	10,617,716	11,767,646
Deferred Tax Assets	4.15	125,877,258	116,305,788	124,762,354	116,115,309
Other Assets	4.16	627,386,295	739,586,466	568,361,765	666,470,976
Total Assets		137,211,780,481	125,183,893,414	136,520,203,325	124,946,464,056
Liabilities					
Due to Banks and Financial Institutions	4.17	3,718,026,296	769,621,798	3,718,026,296	769,621,798
Due to Nepal Rastra Bank	4.18	415,629,581	415,629,581	415,629,581	415,629,581
Derivative Financials Instrument	4.19	-	-	-	-
Deposits from Customers	4.20	117,335,442,710	109,693,104,367	117,430,718,877	109,758,876,134
Borrowings	4.21	2,083,333	10,416,667	2,083,333	10,416,667
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	-	-	-	-
Deferred Tax Liabilities	4.15	-	-	-	-
Other Liabilities	4.23	2,462,960,184	2,424,777,199	1,895,658,330	2,314,968,531
Debt Securities Issued	4.24	1,248,016,742	1,247,443,582	1,248,016,742	1,247,443,582
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		125,182,158,846	114,560,993,194	124,710,133,159	114,516,956,292
Equity					
Share Capital	4.26	7,046,938,049	7,046,938,049	7,046,938,049	7,046,938,049
Share Premium		-	-	-	-
Retained Earnings		1,382,459,889	200,590,279	1,354,101,747	194,701,418
Reserves	4.27	3,418,410,902	3,195,076,839	3,409,030,370	3,187,868,297
Total Equity Attributable to Equity Shareholders		11,847,808,840	10,442,605,167	11,810,070,166	10,429,507,764
Non Controlling Interest		181,812,795	180,295,053	-	-
Total Equity		12,029,621,635	10,622,900,220	11,810,070,166	10,429,507,764
Total Equity and Liabilities		137,211,780,481	125,183,893,414	136,520,203,325	124,946,464,056
Contingent Liabilities and Commitments	4.28	4,200,123,216	3,255,936,461	4,200,123,216	3,255,936,461
Net Assets Value per share		170.71	150.74	167.59	148.00

As per our report of even date

Sanjiv Poudel
Chief Financial Officer

Pradyuman Pokharel
Chief Executive Officer

Khim Prakash Malla
Chairman

Narayan Kumar Shrestha
Director

Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

Bharat Prasad Lamsal
Director

Binod Kumar Sharma
Director

Saroja Shrestha (Koirala)
Director

Umesh Kumar Acharya
Independent Director

31st Bhadra, 2082 | Kathmandu, Nepal

Consolidated Statement of Profit or Loss

As on 32nd Asar 2082

Figures in NPR

	Note	Group		Bank	
		32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Interest Income	4.29	11,060,229,590	13,804,588,287	11,048,870,736	13,772,495,922
Interest Expense	4.30	6,469,708,845	9,530,877,908	6,471,380,952	9,533,154,614
Net Interest Income		4,590,520,745	4,273,710,379	4,577,489,784	4,239,341,308
Fees and Commission Income	4.31	718,180,524	606,285,343	648,291,957	548,579,782
Fees and Commission Expense	4.32	97,771,738	92,028,063	90,119,934	85,714,934
Net Fee and Commission Income		620,408,786	514,257,280	558,172,023	462,864,848
Net Interest, Fee and Commission Income		5,210,929,531	4,787,967,659	5,135,661,807	4,702,206,156
Net Trading Income	4.33	26,239,212	17,344,741	9,158,922	8,808,470
Other Operating Income	4.34	57,642,528	45,079,485	51,044,730	39,760,934
Total Operating Income		5,294,811,271	4,850,391,885	5,195,865,459	4,750,775,560
Impairment charge/(reversal) for loans and other losses	4.35	793,566,535	777,014,734	793,566,535	776,782,215
Net Operating Income		4,501,244,736	4,073,377,151	4,402,298,924	3,973,993,345
Operating Expense					
Personnel Expenses	4.36	1,673,485,862	1,581,504,102	1,646,265,133	1,555,408,031
Other Operating Expenses	4.37	456,675,300	447,063,445	445,922,198	437,040,607
Depreciation and Amortisation	4.38	299,824,064	278,633,243	295,057,896	273,098,632
Operating Profit		2,071,259,510	1,766,176,361	2,015,053,697	1,708,446,075
Non Operating Income	4.39	1,466,664	155,554	1,466,664	155,554
Non Operating Expenses	4.40	65,540,656	26,388,242	65,540,656	26,388,242
Profit before Income Tax		2,007,185,518	1,739,943,673	1,950,979,705	1,682,213,387
Income Tax Expenses	4.41				
Current Tax		632,208,873	549,576,078	614,682,731	534,814,985
Deferred Tax		(14,987,825)	(27,815,337)	(14,063,401)	(28,936,515)
Profit for the Period		1,389,964,470	1,218,182,932	1,350,360,375	1,176,334,917
Profit attributable to:					
Equity-holders of the Bank		1,376,192,902	1,203,471,253	1,350,360,375	1,176,334,917
Non-Controlling Interest		13,771,568	14,711,679	-	-
Profit for the Period		1,389,964,470	1,218,182,932	1,350,360,375	1,176,334,917
Earnings per Share					
Basic Earnings per Share		19.72	17.29	19.16	16.69
Diluted Earnings per Share		19.72	17.29	19.16	16.69

As per our report of even date

Sanjiv Poudel
Chief Financial Officer

Pradyuman Pokharel
Chief Executive Officer

Khim Prakash Malla
Chairman

Narayan Kumar Shrestha
Director

Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

Bharat Prasad Lamsal
Director

Binod Kumar Sharma
Director

Saroja Shrestha (Koirala)
Director

Umesh Kumar Acharya
Independent Director

31st Bhadra, 2082 | Kathmandu, Nepal

Consolidated Statement Other Comprehensive Income

As on 32nd Asar 2082

Figures in NPR

	Note	Group		Bank	
		32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Profit for the year		1,389,964,470	1,218,182,932	1,350,360,375	1,176,334,917
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		49,509,809	(25,527,907)	49,509,809	(25,527,907)
Gains/(losses) on revaluation		-	-	-	-
Actuarial gains/(losses) on defined benefit plans		(31,455,289)	17,209,674	(31,455,289)	17,209,674
Income tax relating to above items		(5,416,356)	2,495,470	(5,416,356)	2,495,470
Net Other Comprehensive Income that will not be reclassified to profit or loss		12,638,164	(5,822,763)	12,638,164	(5,822,763)
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		12,638,164	(5,822,763)	12,638,164	(5,822,763)
Total comprehensive income for the year		1,402,602,634	1,212,360,169	1,362,998,539	1,170,512,154
Total comprehensive income attributable to:					
Equity holders of the Bank		1,388,831,066	1,197,648,490	1,362,998,539	1,170,512,154
Non-controlling interest		13,771,568	14,711,679	-	-
Total comprehensive income for the period		1,402,602,634	1,212,360,169	1,362,998,539	1,170,512,154

As per our report of even date

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Director

Umesh Kumar Acharya
Independent Director

31st Bhadra, 2082 | Kathmandu, Nepal

Consolidated Statement of Cash Flows

As on 32nd Asar 2082

Figures in NPR

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest Received	8,966,158,461	11,310,432,603	8,954,799,607	11,278,340,238
Fee and Other Income Received	719,647,188	606,440,897	649,758,621	548,735,336
Dividend Received	-	-	-	-
Receipts from Other Operating Activities	68,699,505	55,289,677	27,633,211	41,434,855
Interest Paid	(6,360,333,697)	(9,421,502,910)	(6,362,005,804)	(9,423,779,616)
Commissions and Fees Paid	(97,771,738)	(92,028,063)	(90,119,934)	(85,714,934)
Cash Payment to Employees	(1,284,261,181)	(1,281,798,969)	(1,262,735,360)	(1,261,580,704)
Other Expenses Paid	(522,215,956)	(473,451,687)	(511,462,854)	(463,428,849)
Operating Cash Flows before Changes in Operating Assets and Liabilities	1,489,922,582	703,381,548	1,405,867,486	634,006,326
(Increase)/Decrease in Operating Assets				
Due from Nepal Rastra Bank	(3,268,283,008)	(5,874,010,061)	(3,268,283,008)	(5,874,010,061)
Placement with Bank and Financial Institutions	-	-	-	-
Other Trading Assets	(67,878,576)	(54,321,683)	-	-
Loans and Advances to BFIs	517,692,685	396,812,736	517,692,685	396,812,736
Loans and Advances to Customers	(5,010,395,326)	3,060,705,784	(5,010,395,326)	3,060,938,303
Other Assets	(202,263,464.8)	(53,917,294)	(41,977,107)	(37,226,277)
Increase/(Decrease) in Operating Liabilities				
Due to Banks and Financial Institutions	2,948,404,498	(1,229,925,391)	2,948,404,498	(1,229,925,391)
Due to Nepal Rastra Bank	-	199,754,733	-	199,754,733
Deposits from Customers	7,642,338,343	(6,604,074,565)	7,671,842,744	(6,690,994,821)
Borrowings	(8,333,334)	(8,333,333)	(8,333,334)	(8,333,333)
Other Liabilities	(184,287,446)	(212,457,209)	(636,085,723)	(187,832,032)
Net Cash Flow from Operating Activities before Tax Paid	4,038,954,072	(9,676,384,735)	3,578,732,915	(9,736,809,817)
Income Tax Paid	(617,221,048)	(521,760,741)	(600,619,330)	(505,878,470)
Net Cash Flow from Operating Activities	3,421,733,024	(10,198,145,476)	2,978,113,585	(10,242,688,287)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investment Securities	(190,224,579)	8,092,726,242	(157,939,185)	7,945,482,069
Receipts from Sale of Investment Securities	5,662,092	5,662,092	5,662,092	5,662,092
Purchase of Property and Equipment	(154,492,404)	(597,468,046)	(154,068,889)	(595,669,790)
Receipts from Sale of Property and Equipment	-	-	-	-
Purchase of Intangible Assets	-	-	-	-
Receipts from Sale of Intangible Assets	548,121	3,099,614	1,149,930	2,769,670
Purchase of Investment Properties	3,719,216	(176,423,462)	3,719,216	(176,423,462)
Receipts from Sale of Investment Properties	-	-	-	-
Interest Received	828,212,040	1,099,177,365	828,212,040	1,099,177,365
Dividend Received	15,182,235	7,134,549	32,570,441	7,134,549
Net Cash Used in Investing Activities	508,606,721	8,433,908,354	559,305,645	8,288,132,493
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	(915,169)	(32,949,357)	-	(32,949,357)
Interest Paid	(109,375,148)	(109,374,998)	(109,375,148)	(109,374,998)
Other Receipts/Payments	8,025,883	(37,231,927)	20,555,796	(37,119,896)
Net Cash from Financing Activities	(102,264,434)	(179,556,282)	(88,819,352)	(179,444,251)
Net Increase (Decrease) in Cash and Cash Equivalents	3,828,075,311	(1,943,793,403)	3,448,599,878	(2,134,000,044)
Cash and cash equivalents at Shrawan 1	3,382,291,381	5,326,084,785	3,134,539,704	5,268,539,748
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-	-	-
Cash and cash equivalents at Asar end	7,210,366,692	3,382,291,381	6,583,139,582	3,134,539,704

As per our report of even date

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Independent Director

Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

31st Bhadra, 2082 | Kathmandu, Nepal

Consolidated Statement of Changes in Equity

For the year ended 32nd Asar 2082

Figures in NPR

Particulars	Group											
	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, 2080	6,420,900,273	-	1,481,105,767	2,613,952	665,751,880	(9,076,882)	-	655,193,952	17,123,114	115,474,836	9,349,086,892	9,514,714,790
Adjustment/(Restatement)	-	-	-	-	-	-	-	(71,163,023)	-	-	(71,163,023)	(71,195,783)
Comprehensive Income for the year	-	-	-	-	-	-	-	1,203,471,253	-	-	1,203,471,253	1,218,182,932
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-	(17,869,535)	-	-	-	(17,869,535)	-	(17,869,535)
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	12,046,772	12,046,772	12,046,772
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(17,869,535)	-	1,203,471,253	-	12,046,772	1,197,648,490	1,212,360,169
Transfer to Reserves during the year	-	-	237,497,614	-	-	-	-	(237,497,614)	-	-	-	-
- Statutory General Reserve	-	-	-	-	-	-	-	(4,194,634)	4,194,634	-	-	-
- Staff Skill Development Fund	-	-	-	133,484	-	-	-	(133,484)	-	-	-	-
- Exchange Equalisation Reserve	-	-	-	-	-	-	-	(11,986,412)	-	11,986,412	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	(487,602,141)	-	(50,000,000)	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	487,602,141	-	-	50,000,000	-	250,000,000	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	(250,000,000)	-	-	-	-
- Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	13,489,516	-	(13,507,353)	(17,837)	(29,600)
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-
- Realised Gain on Derecognition of Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-
- Transaction Cost attributable on Equity Issue	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
- Bonus Shares Issued	626,037,777	-	-	-	-	-	-	(626,037,777)	-	-	-	-
- Cash Dividend Paid	-	-	-	-	-	-	-	(32,949,357)	-	-	(32,949,357)	(32,949,357)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and distributions	626,037,777	-	-	-	-	-	-	(659,987,133)	-	-	(32,949,357)	(32,949,357)
Balance at Asar End, 2081	7,046,938,049	-	1,718,603,381	2,747,436	1,153,354,021	(26,946,417)	-	200,590,279	21,317,748	326,000,668	10,442,605,167	10,622,900,220

Particulars	Group												
	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, 2081	7,046,938,049	-	1,718,603,381	2,747,436	1,153,354,021	(26,946,417)	-	200,590,279	21,317,748	326,000,668	10,442,605,166	180,295,054	10,622,900,220
Adjustment/(Restatement)	-	-	-	-	-	-	-	17,412,683	-	-	17,412,683	(99,822)	17,312,860
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	1,376,192,902	-	-	1,376,192,902	13,771,568	1,389,964,470
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	34,656,867	-	34,656,867
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	(22,018,702)	-	(22,018,702)
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	1,376,192,902	-	(22,018,702)	1,388,831,066	13,771,568	1,402,602,634
Transfer to Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
- Statutory General Reserve	-	-	275,672,935	-	-	-	-	(275,672,935)	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	(9,227,327)	9,227,327	-	-	-	-
- Exchange Equalisation Reserve	-	-	-	647,198	-	-	-	(647,198)	-	-	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	(13,712,413)	-	13,712,413	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	(328,118,471)	-	-	328,118,471	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Debenture Redemption Reserve	-	-	-	-	-	-	-	(250,000,000)	-	250,000,000	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	10,320,596	-	(10,445,502)	(124,906)	(82,379)	(207,285)
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised Gain on Derecognition of Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transaction Cost attributable on Equity Issue	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cash Dividend Paid	-	-	-	-	-	-	-	(915,169)	-	-	(915,169)	(12,071,625)	(12,986,794)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	-	-	-	-	-	-	-	(915,169)	-	-	(915,169)	(12,071,625)	(12,986,794)
Balance at Asar End, 2082	7,046,938,049	-	1,994,276,317	3,394,634	825,235,550	7,710,450	-	1,382,459,889	30,545,075	557,248,876	11,847,808,840	181,812,795	12,029,621,635

As per our report of even date

Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

Umesh Kumar Acharya
Independent Director

Saroja Shrestha (Koirala)
Director

Binod Kumar Sharma
Director

Bharat Prasad Lamsal
Director

Narayan Kumar Shrestha
Director

Khim Prakash Malla
Chairman

Pradyuman Pokharel
Chief Executive Officer

Sanjiv Poudel
Chief Financial Officer

31st Bhadra, 2082 | Kathmandu, Nepal

Consolidated Statement of Changes in Equity

For the year ended 32nd Asar 2082

Figures in NPR

Particulars	Bank												
	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, 2080	6,420,900,273	-	1,477,131,305	2,613,952	665,751,880	(9,633,757)	-	673,938,061	17,123,114	115,233,490	9,363,058,318	-	9,363,058,318
Adjustment/Restatement	-	-	-	-	-	-	-	(71,113,352)	-	-	(71,113,352)	-	(71,113,352)
Comprehensive Income for the year													
Profit for the year	-	-	-	-	-	-	-	1,176,334,917	-	-	1,176,334,917	-	1,176,334,917
Other Comprehensive Income, Net of Tax													
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(17,869,535)	-	-	-	-	(17,869,535)	-	(17,869,535)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	12,046,772	12,046,772	-	12,046,772
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(17,869,535)	-	1,176,334,917	-	12,046,772	1,170,512,153	-	1,170,512,153
Transfer to Reserves during the year													
- Statutory General Reserve	-	-	235,266,983	-	-	-	-	(235,266,983)	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	(4,194,634)	4,194,634	-	-	-	-
- Exchange Equalisation Reserve	-	-	-	133,484	-	-	-	(133,484)	-	-	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	(11,763,349)	-	11,763,349	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	487,602,141	-	-	(487,602,141)	-	(50,000,000)	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	50,000,000	-	250,000,000	-	-	-
- Debenture Redemption Reserve	-	-	-	-	-	-	-	(250,000,000)	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year													
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	13,489,516	-	(13,489,516)	-	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised Gain on Derecognition of Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transaction Cost attributable on Equity Issue	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity													
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bonus Shares Issued	626,037,777	-	-	-	-	-	-	(626,037,777)	-	-	-	-	-
- Cash Dividend Paid	-	-	-	-	-	-	-	(32,949,357)	-	-	(32,949,357)	-	(32,949,357)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and distributions	626,037,777	-	-	-	-	-	-	(659,987,133)	-	-	(32,949,357)	-	(32,949,357)
Balance at Asar end, 2081	7,046,938,049	-	1,712,398,288	2,747,436	1,153,354,021	(27,503,292)	-	194,701,417	21,317,748	325,554,095	10,429,507,764	-	10,429,507,764

Particulars	Bank											
	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, 2081	7,046,938,049	-	1,712,398,288	2,747,436	1,153,354,021	(27,503,292)	-	194,701,417	21,317,748	325,554,095	10,429,507,764	10,429,507,764
Adjustment/Restatement	-	-	-	-	-	-	-	17,563,865	-	-	17,563,865	17,563,865
Comprehensive Income for the year	-	-	-	-	-	-	-	1,350,360,375	-	-	1,350,360,375	1,350,360,375
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-	34,656,866	-	-	-	-	34,656,866	34,656,866
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	34,656,866	-	1,350,360,375	-	(22,018,702)	1,362,998,539	1,362,998,539
Transfer to Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
- Statutory General Reserve	-	-	273,584,848	-	-	-	-	(273,584,848)	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	(9,227,327)	9,227,327	-	-	-
- Exchange Equalisation Reserve	-	-	-	647,198	-	-	-	(647,198)	-	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	(13,503,604)	-	13,503,604	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	(328,118,471)	-	-	328,118,471	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Debenture Redemption Reserve	-	-	-	-	-	-	-	(250,000,000)	-	250,000,000	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
- Corporate Social Responsibility Reserve	-	-	-	-	-	-	-	10,320,596	-	(10,320,596)	-	-
- Regulatory Reserve as per NRB Directive	-	-	-	-	-	-	-	-	-	-	-	-
- Share of Profit of Associates	-	-	-	-	-	-	-	-	-	-	-	-
- Realised Gain on Derecognition of Equity Instrument	-	-	-	-	-	-	-	-	-	-	-	-
- Transaction Cost attributable on Equity Issue	-	-	-	-	-	-	-	-	-	-	-	-
- Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Staff Skill Development Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
- Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
- Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	-	-	-	-	-	-	-	-	-	-	-	-
Balance at Asar End, 2082	7,046,938,049	-	1,985,983,136	3,394,634	825,235,550	7,153,574	-	1,354,101,747	30,545,075	556,718,401	11,810,070,166	11,810,070,166

As per our report of even date

Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

Umesh Kumar Acharya
Independent Director

Saroja Shrestha (Koirala)
Director

Binod Kumar Sharma
Director

Bharat Prasad Lamsal
Director

Narayan Kumar Shrestha
Director

Khim Prakash Malla
Chairman

Pradyuman Pokharel
Chief Executive Officer

31st Bhadra, 2082 | Kathmandu, Nepal

Notes to the Consolidated Financial Statement

1. Reporting Entity

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 Lazimpat, Kathmandu, Nepal.

The bank's principal offerings include comprehensive range of financial services encompassing accepting of deposits, corporate and retail credit, project financing, hire purchase financing, micro credit, trade financing, personal and corporate banking, foreign currency operations, issuing of debit cards, internet banking, mobile banking, remittance facilities, dealing in government securities and treasury products, agency services and others ancillary services permitted by the Banking and Financial Regulation Act, 2073.

The Bank has Muktinath Capital Limited (formerly known as Vibor Capital Limited) and Muktinath Krishi Company Limited as its subsidiary and associate respectively. Muktinath Capital Limited is engaged in merchant banking business and provides the services of registrar to shares, issue management, underwriting, depository participants, portfolio management services and other advisory services. Muktinath Krishi Company Limited is engaged in the business of agricultural products which includes the production, manufacturing, trading and marketing of the agricultural products.

Muktinath Bikas Bank Limited and Muktinath Capital Limited are hereinafter referred to as "The Group".

2. Basis of Preparation

2.1. Going Concern

The financial statements are prepared on a going concern basis, as the Bank has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cashflows and capital resources.

2.2. Statement of Compliance

The financial statements have been prepared on going concern basis and under historical cost conventions except where the standards require otherwise. The financial statements of the Group have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) developed by the Accounting Standards Board, Nepal (ASB, Nepal) and pronounced for application by the Institute of Chartered Accountants of Nepal (ICAN).

The financial statements comprise of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income, Statement in Changes in Equity, Statement of Cashflows and Notes to the Accounts. These financial statements comply with the regulations of Nepal Rastra Bank, requirements of the Companies Act and also provide appropriate disclosures required under regulations of the Securities Board of Nepal (SEBON).

2.3. Reporting Period and Approval of Financial Statements

Reporting Period:

The Group follows the Nepalese financial year based on Nepali calendar starting from 1st Shrawan 2081 and ending on 32nd Asar 2082. (16th July 2024 to 16th July 2025).

Approval of Financial Statements:

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held 31st Bhadra 2082 and have been recommended for approval by shareholders in the Annual General Meeting.

2.4. Functional and Presentation Currency

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

The financial information presented has been rounded off to nearest rupee except where otherwise stated.

2.5. 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 recognized prospectively.

Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

Reporting Pronouncement

The Bank has, for the preparation of financial statements, adopted the NFRS (updated 2018) pronounced by Accounting Standards Board of Nep (ASB). The NFRS

conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.6. Changes in Accounting Policies

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.7. New Standards Issued but not yet effective

The financial statement is prepared applying all the accounting standards along with carve outs, issued by the Institute of Chartered Accountants of Nepal (ICAN).

IASB has issued certain amendments to the Standards and the applicability of the new Standards has been notified for IFRS. However, such amendments and new Standards become applicable in Nepal only when they are formally pronounced by ASB-Nepal. The Standards issued but not yet effective as the date of issuance of these financial statements are outlined below. The Bank will adopt these Standards once they become effective.

2.8. Discounting

The Group determines amortized cost of a financial asset or a financial liability using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of a financial asset or a financial liability to the net carrying amount of the financial asset or liability. If expected life cannot be determined reliably, then the contractual life is used.

In case where the Group assesses that the transaction amount of a financial asset or a financial liability does not represent its fair value, the related future cash flows are discounted at prevailing interest rate to determine the initial fair value.

3. Significant Accounting Policies

3.1. Basis of Measurement

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

Item	Basis of Measurement
Investment Securities through SOCI	Fair Value
Employees Defined Benefit Obligation	Present value of defined benefit obligation less the fair value of the plan assets

3.2. 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 recognized 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 is generally recognized 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 recognized in profit or loss.

b. Non-Controlling Interest

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

c. Subsidiaries

Subsidiaries are the entities controlled by the bank. The Bank controls an entity if it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Consolidate Financial Statement includes the financials of the subsidiary from the date the control commences until the date 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.

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. Special Purpose Entity (SPE)

Special purpose entities are created to achieve a narrow and well-defined objective with restrictions around their activities. Special purpose entities are

consolidated when the substance of the relationship between the Bank and the special purpose entity indicates the Bank has power over the contractual relevant activities of the special purpose entity, is exposed to variable returns, and can use that power to affect the variable return exposure.

The Bank does not have any interest on special purpose entities during the reporting period.

f. 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 as per the provision of NFRS 10- Consolidated Financial Statement. 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.

3.3. Cash & Cash Equivalent

Cash and cash equivalent comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value and carried at amortised cost.

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 and financial assets with original maturity less than 3 months from the date of acquisition.

3.4. Financial Assets and Financial Liabilities

a. Recognition

The Group 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.

b. Classification

The financial assets and liabilities are subsequently measured at amortized cost or fair value based on 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:

i. Financial Assets 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.

ii. Financial Assets 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).

iii. Financial Assets measured at fair value through profit or loss:

The Group classifies the financial 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 two categories as required by NFRS 9, namely:

i. 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 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.

ii. 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.

c. De-recognition

The Group 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.

d. 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 Group follow 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.

e. Impairment

Impairment has been calculated higher of the regulatory loss provisioning requirement and the excepted credit loss as per NFRS 9 in line with the carve-out issued by the Institute of Chartered Accountants of Nepal.

1. Regulatory impairment

As per Nepal Rastra Bank's directive loans and advances are broadly categorized into performing and non-performing loans, primarily based on past due period of interest or principal receivable. Pass and watchlist categories fall under performing loans whereas non-performing loans include substandard, doubtful, loss and restructured/rescheduled loans. The fixed percentage is applied to the loans outstanding to arrive at the impairment allowances.

The details is as follows:

Class	Nature	General Criteria	Impairment	Other Criterion
Pass	Performing	1-month days past due	1%	Loans against fixed deposits, government bonds and gold loans amounting to less than NPR 1 million are classified as Pass irrespective of days past due.
Watchlist	Performing	1 to 3 months days past due	5%	Additionally, loans with following indicators are categories as watchlist irrespective of days past due: • Negative net worth or net loss for 3 consecutive years except relaxation is provided separately. • Debt equity ratio greater than 80:20 • Inadequate Debt to income ratio • Single borrower exposure of more than 2 billion in multiple banks not through the consortium. • Non-performing loans at other banks and financial institutions • If mandated by the central bank inspection report.
Restructured or rescheduled	Performing	-	5%	Restructuring and rescheduling of accounts carried out in accordance with the circulars issued by the NRB from time to time.
Sub-Standard	Non-Performing	3 to 6 months past due	25%	-
Doubtful	Non-Performing	6 to up to 1-year days past due	50%	-
Bad	Non-Performing	Greater than 1 year	100%	Apart from 1-year days past due, accounts with following criteria are classified as bad. • Borrower not in contact with the Bank • Misuse of Credit facilities • Business/Project not in operation • Force Loans, Credit card and purchased/ discounted bills with more than 90 days past due. • Loans to blacklisted people • Diversion of Loan to related person • Inadequate security coverage over loan • If required by the central bank inspection report.
Restructured or rescheduled	Non-Performing	-	12.50%	Restructuring and rescheduling of performing loans carried out outside the scope of regulatory relaxation

: Exemptions/concessions on above rates exist for projects with longer grace period, loans insured with deposit and credit guarantee fund and others. Furthermore, additional 20% in addition to existing provision, is applicable for loans without adequate security and loans with security of personal guarantee only, with some exceptions.

II. Expected Credit Loss

Impairment allowances based on ECLs, are measured on a forward-looking basis using a broad range of financial metrics and application of complex judgements. The Bank is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortised cost and financial guarantee contracts. Expected credit losses are a probability-weighted estimate of credit losses - i.e., the present value of cash shortfalls over the expected life of the financial instrument.

i. Portfolio Segmentation

The bank has adopted a portfolio-based approach for the development of its credit risk models, ensuring that the methodology aligns with the unique characteristics and risk profiles for its loan portfolios which are as follows:

- Corporate Loans
- Micro Wholesale Loans
- Micro Loan
- Personal (Retail) Loans
- SME Loans

At the reporting date, an allowance is required for the 12-month (Stage 1) ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

ii. Stage Assessment

The following criteria shall be considered while categorizing the loans into Stage 1, Stage 2 and Stage 3:

Stage 1

It includes the following:

- a. Initially recognized financial instruments, unless it is purchased or originated credit-impaired financial assets.
- b. Financial instruments that do not have significant increase in credit risk since initial recognition.
- c. Financial instruments that have low credit risk at the reporting date.
- d. Financial assets for which contractual payments are not overdue or are overdue for up to 30 days.

Stage 2

It includes the following:

- a. Financial Instruments having significant increase in credit risk since initial recognition
- b. Financial instruments having contractual payments overdue for more than 30 days but not exceeding 90 days.
- c. Loans classified under 'Watchlist' as per NRB Directive on prudential provisioning.

d. Loans without approved credit line or with credit line revoked by the bank

e. Loans that have been restructured/rescheduled but not classified as non-performing loans as per existing provisions of NRB directives. However, rescheduling installment/EMI based loans resulting in reduction in number of installments due to prepayments or change in number of installments due to change in interest rates under floating interest rates are not applicable.

Stage 3

It includes the following:

- a. Financial Instruments having contractual payments overdue for more than 90 days.
- b. The bank considers that the borrower is unlikely to pay its credit obligations to the bank in full, without realizing security (if held).
- c. Loan is classified as non-performing as per the NRB prudential provisioning directive.
- d. Credit impaired financial instruments with objective evidence of impairment.

iii. Significant increase in Credit Risk

To determine if the risk of default of a financial instrument has increased significantly since initial recognition, the current risk of default at each reporting date is compared with the risk of default at initial recognition. An asset is moved into and out of the lifetime expected credit losses category (Stage 2 and 3) based on a predefined pattern obtained from the historical default rates or delinquency status of accounts across various internal rating grades, products or sectors.

The following instances are considered as indicators of significant increase in credit risk.

- More than 30 days past dues
- Absolute lifetime PD is 5% or more
- Relative lifetime PD is increased by 100% or more.
- Risk rating downgraded by 2 notches since initial recognition.
- Risk rating downgraded to non-investment grade by external credit rating agency.
- Deterioration of relevant determinants of credit risk
- Expectation of forbearance or restructuring due to financial difficulties
- Deterioration of prospects for sector or industries within which a borrower operates
- Borrower affected by macroeconomic conditions based on reasonable and supportable forecasts.
- Modification of terms resulting in restructuring/ rescheduling.
- Credit Quality Indicators determined as per internal credit assessment of performing loans which are subject to individual monitoring and review, are weaker than that in the initial recognition.

- Management decision to strengthen collateral and/or covenant requirements for credit exposures because of changes in the credit risk of those exposures since initial recognition.

iv. ECL Calculations

The measurement of ECL is calculated using three main components: probability of default (PD), loss given default (LGD) and exposure at default (EAD). The 12-month and lifetime ECLs are calculated by multiplying the respective PD, LGD and the EAD.

Probability of Default

Probability of Default (PD) is the likelihood that a borrower will default on their financial obligation within a specified time horizon, usually within 12 months (for 12-month expected credit losses) or over the lifetime of the loan (for lifetime expected credit losses). The 12-month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. Observed Default rates are analyzed to identify the series of trends of the default history for the bank and statistical methods are used to compute the Probability of Default (PD).

Loss given default

Loss given default (LGD) is usually defined as the amount of credit that is lost by a financial institution when an obligor default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Exposure at default

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities calculated based on Credit Conversion Factor (CCF) and utilization ratio.

3.5. 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.

3.6. Derivative Assets and Derivative Liabilities

Derivative instruments include 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 Group does not have any derivative instrument during the reporting period.

3.7. Property and Equipment

Recognition and measurement: The Group applies the cost model to all property and equipment and recognise these at the cost of acquisition plus expenditures directly attributable to the acquisition of the asset, less accumulated depreciation and any accumulated impairment losses, if any. Cost also include the cost of replacing part of the equipment when the recognition criteria are met.

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

The Group has not measured the any property and plant at revaluation model and at fair value. 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.

3.8. Goodwill/Intangible Assets

a. Goodwill

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. The Group follows the partial goodwill method for the computation of goodwill in business combinations. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

b. Intangible Assets:

Intangible assets are recognised when the cost of the asset can be measured reliably, there is control over the asset as a result of past events, future economic are expected from the asset. These intangible assets are recognised at historical cost less impairment less amortisation over their estimated useful life.

Amortisation of the intangible assets is calculated using the straight-line method over the useful life of 5 years.

3.9. Investment Property

Investment properties are land or building or both other than those classified as property and equipment under NAS 16 – "Property, Plant and Equipment"; and assets classified as non-current assets held for sale under NFRS 5 – "Non-Current Assets Held for Sale and Discontinued Operations". Land and Building acquired as non-banking assets are recognized as investment property.

Investment properties are initially measured at cost, including transaction costs. Subsequently all investment properties are reported at fair value with any gains or losses in fair value reported in the statement of profit and loss as they arise. No depreciation is charges in investment property as they are not intended for the owner-occupied use.

3.10. 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.

3.11. 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 interest method except where the Bank designates liabilities at fair value through profit or loss.

c. Subordinated 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.

3.12. Provisions

A provision is recognized if as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount 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.

3.13. 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 is recognized as per the Guidance Note on Interest Income Recognition, 2025 issued by the Nepal Rastra Bank and carve-out provided by the Institute of Chartered Accountants of Nepal. For all financial instruments measured at amortized cost and interest-bearing financial assets through other comprehensive income interest income or expense is recorded using the Effective Interest Rate (EIR) except for those recognized as per Cash Basis (Incremental) Approach. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation of effective interest rate includes all charges and fees paid or received that are integral part of the effective interest only if considered material. Such immaterial charges are not amortized over the life of the loan and advances as the income so recognized closely approximates the income that would have derived under effective interest method and are recognized directly in statement of profit and loss.

The interest income recognised in the statement of profit and loss includes the following:

- Interest income on financial assets measured at amortized cost calculated on an effective interest rate method, except for Stage 3 loans where the interest income has been determined using the incremental cash approach Under this approach, for stage 3 or purchase or credit purchased or originated credit-impaired financial assets, interest income recognized on accrual basis (coupon rate or effective rate) shall be adjusted against the movement in accrued interest receivable during the current quarter and interest suspense at beginning of quarter and only cash based interest income during the current quarter shall be recognized.
- As per carve out on NFRS 9, the Bank has not included the fees and paid or received in loans and advances that are immaterial or impracticable to determine reliably the effective interest rate and have recognized them directly as revenue in the Statement of Profit or Loss.
- Interest in investment securities is calculated on effective interest rate.

- Income on discounted instruments like bills purchased, documents negotiation is recognized over the period of discounting on accrual basis using effective interest rate.
- Interest income on all trading assets is considered to be incidental to the Group's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

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 through profit and loss. 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. Grant Income

Government grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Income approach is followed in recording grant income. Government grants related to the assets including non-monetary grants at fair value is presented in the statement of financial position by setting up Deferred Grant Income.

Grant received towards purchase of fixed assets has been recognised to asset account. Any depreciation on the assets, in the income statement will be reduced pro rata in accordance with grant relative to the asset value.

Grant received as reimbursements of operating expenses incurred or to be incurred are recognized in profit or loss as and when the cost is incurred. Grants related to income are presented as part of profit or loss under other operating income.

3.14. Interest Expenses

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

3.15. Employee Benefits

a. Short term employee benefits

The Group'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

• 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 Group has no further obligations under these plans beyond its periodic contributions.

• 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.

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

3.16. Leases

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset in case of any modification that is not accounted for as a separate lease. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Lease liability and ROU assets have been separately presented in the Statement of Financial Position and interest expenses on lease liability and depreciation of the ROU assets are provided on the Statement of the Profit or loss.

3.17. Foreign Currency Translation

The financial statements are presented in Nepalese Rupees which is the functional and presentation currency of the Company. Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency

at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss as the gain/losses on the revaluation of foreign currencies. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity. An amount equivalent to the net exchange gain /loss during the year is transferred to/other operating Income.

3.18. Financial Guarantee and Loan Commitments

Financial Guarantees are contingent liabilities that arise out of the contract that the Bank might make specified payments to reimburse the holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with terms of debt instrument. Guarantee liabilities being the off-balance items are disclosed if the outflow of economic resources is probable.

Loan commitment is the commitment where the Bank has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not, or letters of credit and the Bank has not made payments at the reporting date, those instruments are included in these financial statements as commitments.

3.19. Share Capital and Reserves

Equity is the residual interest in the total assets of the Bank after deducting all of its liability. 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.

3.20. Earnings per Share (EPS) including diluted EPS

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

3.21. Segment Reporting

The Bank's operating segments are organized and managed separately through the respective department/business managers according to the nature of products and services provided with each segment representing a strategic business unit. These business units are reviewed by Chief Executive Officer of the Bank.

The Bank has identified three segments namely: Modern Banking, Small and Micro Banking, Treasury Operations as operating segments and the segment report is set out in Notes 5.4.

Segment report include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The income, expenses, assets & liabilities that cannot be allocated to aforesaid segment or those related to head office are unallocated are included in Modern Banking. The unallocated items generally comprise of head office assets, head office expenses, and tax assets and liabilities.

The geographical segment has been identified on the basis of the location of the branches in 7 different provinces of the country.

3.22. Investment in Associates

For the purpose of consolidation, the Bank applies NAS 28 - Investments in Associates. Associates are entities in which the Bank has significant influence, but not control, over the operating and financial policies. Generally, the Bank holds more than 20%, but less than 50%, of their voting shares.

The investments in associates are initially recognised at cost and increased (or decreased) each year by the Bank's share of the post-acquisition profit/(loss) using equity method. The Bank ceases to recognise its share of the losses of equity accounted using associates when its share of the net assets and amounts due from the entity have been written off in full, unless it has a contractual or constructive obligation to make good its share of the losses.

Notes Forming Part of the Financial Statements

Cash and Cash Equivalent

Note 4.1

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Cash in Hand	1,495,601,453	1,334,065,402	1,495,592,368	1,334,058,220
Balance with Bank and Financial Institutions	1,160,037,323	398,355,956	533,048,830	150,966,652
Money at Call and Short Notice	1,554,484,316	1,649,496,175	1,554,484,316	1,649,496,175
Other	3,000,243,600	373,848	3,000,014,068	18,657
Total	7,210,366,692	3,382,291,381	6,583,139,582	3,134,539,704

1. Cash and Cash Equivalent includes the cash, bank balance, money at call and treasury bill with maturity of three months or less from the date of acquisition and is carried at amortised cost. The cash and balance with BFIs are maintained to manage the liquidity at the branch level. The money at call and other cash and cash equivalents are the highly liquid assets made by the bank.
2. Cash at vault and cash transit are adequately secured for the physical loss. The foreign convertible currency held in hand and banks are subject to price fluctuation due to market movement. The Bank continuously monitors and manages the market risk involved in foreign currency thus they are considered to be exposed to insignificant risks.
3. The Bank entered into a reciprocal loan arrangement with another domestic banks amounting to NPR 3 billion with recourse and obtained exposure to loans of an equivalent amount from the counterparty banks. As substantially all risks and rewards of ownership of the transferred loans were retained, the Bank has continued to recognise the transferred loans under "Loans and advances to customers" in accordance with IFRS 9 as the arrangement does not meet the derecognition criteria. Corresponding interbank receivable has been presented under "Other" section of "Cash and cash equivalents" as the arrangement has a maturity of less than 90 days, while the related payable has been recognised under "Others" of "Due to Banks and Financial Institutions" amounting to NPR 3 billion each in the Statement of Financial Position.

Due from Nepal Rastra Bank

Note 4.2

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Statutory Balances with NRB	4,549,614,295	3,353,627,243	4,549,614,295	3,353,627,243
Securities Purchased under Resale Agreement	-	-	-	-
Other Deposit and Receivable from NRB	8,324,810,907	6,252,514,951	8,324,810,907	6,252,514,951
Total	12,874,425,202	9,606,142,194	12,874,425,202	9,606,142,194

Other Deposit and Receivable from NRB includes:

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Placement in Standing Deposit Facility	5,700,936,986	6,250,000,000.00	5,700,936,986	6,250,000,000.00
Placement in Deposit Auction	2,605,087,233	-	2,605,087,233	-
Balances in Foreign Currency Accounts	18,786,688	2,514,951	18,786,688	2,514,951

Statutory Balance with Nepal Rastra Bank represent the cash balance that is required to be held as the Cash Reserve Ratio as per the regulatory norms. The foreign convertible currency deposit are subject to price fluctuation due to market movement.

Placement with Bank and Financial Institutions

Note 4.3

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Placement with domestic B/FIs	-	-	-	-
Placement with foreign B/FIs	-	-	-	-
Less: Allowances for impairment	-	-	-	-
Total	-	-	-	-

Derivative Financial Instruments

Note 4.4

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	-	-	-	-
Others	-	-	-	-
Held for Risk Management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

A significant part of the derivatives in the portfolio are related to servicing corporate clients in their risk management to hedge. Mostly, foreign currency exposures. However, bank does not have any derivative financial instruments as on reporting date.

Other Trading Assets

Note 4.5

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Treasury Bills	-	-	-	-
Government Bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate bonds	-	-	-	-
Equities	170,818,862	102,940,286	-	-
Other	-	-	-	-
Total	170,818,862	102,940,286	-	-
Pledged	-	-	-	-
Non-pledged	170,818,862	102,940,286	-	-

Other trading assets includes the non derivative financial assets that are primarily held of trading purpose. The other trading assets are recognised at fair value through profit and loss and includes the securities, the Group, has acquired for generating the short term profit.

Loans and Advances to BFIs

Note 4.6

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Loans to Microfinance Institutions	1,638,293,129	2,165,571,339	1,638,293,129	2,165,571,339
Other	-	-	-	-
Less: Allowances for Impairment	(16,359,280)	(25,944,805)	(16,359,280)	(25,944,805)
Total	1,621,933,849	2,139,626,534	1,621,933,849	2,139,626,534

Loans and Advances to BFIs has been carried at amortised cost and includes following accrued interest receivable.

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Accrued Interest	2,365,110	3,504,266	2,365,110	3,504,266

4.6.1: Allowances for impairment

Impairment as per NRB Directives

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Balance at Shrawan 1	25,944,805	33,316,893	25,944,805	33,316,893
Impairment loss for the year:				
Charge for the year	16,359,280	25,944,805	16,359,280	25,944,805
Recoveries/reversal	(25,944,805)	(33,316,893)	(25,944,805)	(33,316,893)
Amount written off	-	-	-	-
Balance at Asar end	16,359,280	25,944,805	16,359,280	25,944,805

Loans and Advances to Customers

Note 4.7

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Loan and advances measured at amortized cost	100,765,813,521	94,646,727,830	100,765,813,521	94,646,727,830
Less: Impairment allowances				
Collective Impairment	(983,378,005)	(1,463,262,532)	(983,378,005)	(1,463,262,532)
Individual Impairment	(2,559,192,861)	(1,276,156,273)	(2,559,192,861)	(1,276,156,273)
Net amount	97,223,242,655	91,907,309,025	97,223,242,655	91,907,309,025
Loan and advances measured at FVTPL	-	-	-	-
Total	97,223,242,655	91,907,309,025	97,223,242,655	91,907,309,025

The loans and advance to customers are carried at the amortised cost. After the initial recognition, loans and advances are subsequently measured at gross carrying amount using effective interest rate less the provision for impairment. The loan administration charges charged from the customer are considered immaterial thus are not considered while calculating the effective interest rate.

As per the regulatory backstop measures prescribed under NFRS 9- Expected Credit Loss Related Guidelines, 2024 issued by NRB, the Bank has measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Unified Directives for loan loss provision and total ECL calculated as per NFRS 9. The losses arising from impairment are recognised in 'Impairment charge for loans and other losses' in the Statement of Profit or Loss.

4.7.1: Analysis of Loan and Advances - By Product

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Product				
Term Loans	47,932,722,888	44,928,474,709	47,932,722,888	44,928,474,709
Overdraft	2,389,072,321	3,145,601,822	2,389,072,321	3,145,601,822
Trust Receipt/Import Loans	-	-	-	-
Demand And Other Working Capital Loans	12,535,985,421	9,338,326,033	12,535,985,421	9,338,326,033
Personal Residential Loans	15,196,352,389	13,918,920,818	15,196,352,389	13,918,920,818
Real Estate Loans	8,675,420,411	7,813,714,410	8,675,420,411	7,813,714,410
Margin Lending Loans	3,722,353,615	2,805,439,551	3,722,353,615	2,805,439,551
Hire Purchase Loans	1,859,671,093	2,165,384,256	1,859,671,093	2,165,384,256
Deprived Sector Loans	3,682,077,298	4,048,834,014	3,682,077,298	4,048,834,014
Bills Purchased	-	-	-	-
Staff Loans	976,050,817	843,934,061	976,050,817	843,934,061
Other	2,699,367,540	4,353,538,832	2,699,367,540	4,353,538,832
Sub total	99,669,073,792	93,362,168,505	99,669,073,792	93,362,168,505
Interest Receivable*	1,096,739,729	1,284,559,325	1,096,739,729	1,284,559,325
Grand total	100,765,813,521	94,646,727,830	100,765,813,521	94,646,727,830

Out of total interest receivable of NPR 1,096,739,729 the amount of NPR 75,139,387 pertains to staff's loans and advances.

4.7.2: Analysis of Loan and Advances - By Currency

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Nepalese Rupee	100,765,813,521	94,646,727,830	100,765,813,521	94,646,727,830
Indian Rupee	-	-	-	-
United State Dollar	-	-	-	-
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	100,765,813,521	94,646,727,830	100,765,813,521	94,646,727,830

4.7.3: Analysis of Loan and Advances - By Collateral

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Secured				
Movable/immovable assets	86,360,717,110	82,127,724,533	86,360,717,110	82,127,724,533
Gold and silver	946,281,376	634,824,558	946,281,376	634,824,558
Guarantee of domestic B/FIs	-	-	-	-
Government guarantee	-	-	-	-
Guarantee of international rated bank	-	-	-	-
Collateral of export document	-	-	-	-
Collateral of fixed deposit receipt	699,151,706	953,095,934	699,151,706	953,095,934
Collateral of Government securities	-	-	-	-
Counter guarantee	-	-	-	-
Personal guarantee	3,704,314,304	4,434,953,368	3,704,314,304	4,434,953,368
Other collateral	9,055,349,025	6,496,129,438	9,055,349,025	6,496,129,438
Subtotal	100,765,813,521	94,646,727,830	100,765,813,521	94,646,727,830
Unsecured	-	-	-	-
Grand Total	100,765,813,521	94,646,727,830	100,765,813,521	94,646,727,830

4.7.4: Allowances for Impairment

Impairment as per NRB Directives	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Specific allowances for impairment				
Balance at Shrawan 1	1,276,156,273	751,917,761	1,276,156,273	751,917,761
Impairment loss for the year:				
Charge for the year	1,348,577,244	550,626,754	1,348,577,244	550,626,754
Recoveries/reversal during the year	-	-	-	-
Write-offs	[65,540,656]	[26,388,242]	[65,540,656]	[26,388,242]
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	2,559,192,861	1,276,156,273	2,559,192,861	1,276,156,273
Collective allowances for impairment				
Balance at Shrawan 1	1,463,262,532	1,203,346,742	1,463,262,532	1,203,346,742
Impairment loss for the year:				
Charge/(reversal) for the year	[479,884,527]	259,915,790	[479,884,527]	259,915,790
Exchange rate variance on foreign currency impairment	-	-	-	-
Other movement	-	-	-	-
Balance at Asar end	983,378,005	1,463,262,532	983,378,005	1,463,262,532
Total allowances for impairment	3,542,570,866	2,739,418,805	3,542,570,866	2,739,418,805

Investment Securities

Note 4.8

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Investment securities measured at amortized cost	13,899,940,559	13,890,181,038	13,856,839,938	13,857,025,789
Investment in equity measured at FVTOCI	709,881,576	392,222,317	709,881,576	392,222,317
Total	14,609,822,135	14,282,403,355	14,566,721,514	14,249,248,106

Investment Securities measured at Amortized Cost:

The investment made in government bonds and treasury bills with original maturities of more than three months from the acquisition date measured at the amortised cost using the effective interest rate and are presented under this head. It includes accrued interest receivable as presented below:

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Accrued Interest Receivable	154,039,938	154,045,789	154,039,938	154,045,789

The details of the investment made in these securities are presented in Note 4.8.1.

Investment in Equity measured at FVTOCI

The Bank's investment in shares and mutual fund are carried at fair value through other comprehensive income. The bonus share received is accounted by increasing the number of shares without changing the cost of the shares. Investment in unquoted equity securities have been valued at face value. Further, investment in Promoter shares has been valued at intrinsic value as of latest reporting dates. The details of the investment made in these securities are presented in Note 4.8.3.

4.8.1: Investment securities measured at amortized cost

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Debt Securities	4,100,621	13,155,249	-	-
Government Bonds	13,856,839,938	13,857,025,789	13,856,839,938	13,857,025,789
Government Treasury Bills	-	-	-	-
Nepal Rastra Bank Bonds	-	-	-	-
Nepal Rastra Bank Deposits Instruments	-	-	-	-
Other	39,000,000	20,000,000	-	-
Less: specific allowances for impairment	-	-	-	-
Total	13,899,940,559	13,890,181,038	13,856,839,938	13,857,025,789

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

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Equity instruments				
Quoted Equity Securities	692,060,689	389,127,517	692,060,689	389,127,517
Unquoted Equity Securities	17,820,887	3,094,800	17,820,887	3,094,800
Total	709,881,576	392,222,317	709,881,577	392,222,317

4.8.3: Information relating to investment in equities

Investment Securities measured at fair value through other comprehensive income:	Group				Bank			
	32nd Asar 2082		31st Asar 2081		32nd Asar 2082		31st Asar 2081	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
In Quoted Equity Instruments:								
Arun Kabeli Power Ltd. 2 equity shares of Rs 100 each PY: 2 equity shares of Rs 100 each	-	526	200	370	-	526	200	370
Himalayan Everest Insurance Limited 15,000 equity shares of Rs 100 each PY: 15,000 equity shares of Rs 100 each	9,629,216	9,245,400	9,629,216	9,480,000	9,629,216	9,245,400	9,629,216	9,480,000
Himalayan Reinsurance Limited 11,990 equity shares of Rs 100 each	10,735,646	11,064,132	-	-	10,735,646	11,064,132	-	-
Nepal Insurance Co. Ltd. 21,700 equity shares of Rs 100 each PY: 14,000 equity shares of Rs 100 each	12,784,867	14,000,406	12,224,867	12,320,000	12,784,867	14,000,406	12,224,867	12,320,000
Ngadi Group Power Ltd. 21,000 equity shares of Rs 100 each PY: 10,000 equity shares of Rs 100 each	4,680,807	8,372,070	3,114,400	3,410,000	4,680,807	8,372,070	3,114,400	3,410,000
Sanima Reliance Life Insurance Limited 5,992 equity shares of Rs 100 each PY: 3,996 equity shares of Rs 100 each	2,341,891	2,457,858	1,802,875	1,887,710	2,341,891	2,457,858	1,802,875	1,887,710
Suryajyoti Life Insurance Company Limited 6,001 equity shares of Rs 100 each PY: 5,308 equity shares of Rs 100 each	2,784,104	2,680,587	2,446,845	2,281,909	2,784,104	2,680,587	2,446,845	2,281,909
Taragaon Regency Hotel Limited 12,000 equity shares of Rs 100 each	9,840,835	11,353,440	9,840,835	9,684,000	9,840,835	11,353,440	9,840,835	9,684,000
Mountain Energy Nepal Limited 23,258 equity shares of Rs 100 each PY: 19,004 equity shares of Rs 100 each	12,460,095	14,866,281	11,617,504	11,345,388	12,460,095	14,866,281	11,617,504	11,345,388
National Life Insurance Co. Ltd. 1,400 equity shares of Rs 100 each PY: 3,000 equity shares of Rs 100 each	690,417	873,012	1,593,270	1,785,000	690,417	873,012	1,593,270	1,785,000
Neco Insurance Limited 17,584 equity shares of Rs 100 each PY: 3,490 equity shares of Rs 100 each	11,808,780	12,490,970	2,661,998	2,917,640	11,808,780	12,490,970	2,661,998	2,917,640
Sanima Mai Hydropower Ltd. 2,200 equity shares of Rs 100 each PY: 22,000 equity shares of Rs 100 each	-	1,379,202	6,451,200	7,469,000	-	1,379,202	6,451,200	7,469,000
Siddhartha Premier Insurance Limited 10,000 equity shares of Rs 100 each PY: 9,303 equity shares of Rs 100 each	9,491,700	8,403,500	8,810,592	7,999,650	9,491,700	8,403,500	8,810,592	7,999,650
Chilime Hydropower Company Limited 880 equity shares of Rs 100 each PY: 5,000 equity shares of Rs 100 each	327,740	469,436	2,048,400	2,325,000	327,740	469,436	2,048,400	2,325,000
Life Insurance Corporation (Nepal) Limited 3,817 equity shares of Rs 100 each PY: 2,000 equity shares of Rs 100 each	3,097,046	3,394,191	2,798,900	2,876,000	3,097,046	3,394,191	2,798,900	2,876,000
Sanima GIC Insurance Limited 78,321 equity shares of Rs 100 each PY: 72,857 equity shares of Rs 100 each	7,285,700	23,887,513	7,285,700	21,019,245	7,285,700	23,887,513	7,285,700	21,019,245
Bottlers Nepal (Terai) Limited 100 equity shares of Rs 100 each PY: 100 equity shares of Rs 100 each	1,405,440	1,280,000	1,405,440	1,300,000	1,405,440	1,280,000	1,405,440	1,300,000

Investment Securities measured at fair value through other comprehensive income:	Group				Bank			
	32nd Asar 2082		31st Asar 2081		32nd Asar 2082		31st Asar 2081	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Api Power Company Ltd. 1,536 equity shares of Rs 100 each PY: 23,047 equity shares of Rs 100 each	322,918	454,533	4,719,500	4,401,977	322,918	454,533	4,719,500	4,401,977
CEDB Hydropower Development Company Limited 1 equity share of Rs 100 each PY: 1,275 equity shares of Rs 100 each	-	2,642	907,826	1,477,725	-	2,642	907,826	1,477,725
Himalayan Distillery Limited 16012 equity shares of Rs 100 each PY: 880 equity shares of Rs 100 each	19,558,427	19,799,478	1,630,807	1,217,920	19,558,427	19,799,478	1,630,807	1,217,920
Rastriya Beema Company Limited* 100 equity shares of Rs 100 each PY: 100 equity shares of Rs 100 each	1,467,699	1,511,000	1,467,699	1,349,000	1,467,699	1,511,000	1,467,699	1,349,000
Arun Valley Hydropower Development Co. Ltd. 10,011 equity shares of Rs 100 each PY: 9,720 equity shares of Rs 100 each	2,224,714	2,920,109	2,224,714	1,729,188	2,224,714	2,920,109	2,224,714	1,729,188
Sahas Urja Limited 18,230 equity shares of Rs 100 each PY: 3,000 equity shares of Rs 100 each	10,423,604	11,667,929	1,538,100	1,557,000	10,423,604	11,667,929	1,538,100	1,557,000
Universal Power Company Limited 1,899 equity shares of Rs 100 each PY: 1,899 equity shares of Rs 100 each	404,012	766,949	404,012	391,384	404,012	766,949	404,012	391,384
Citizen Investment Trust 27,903 equity shares of Rs 100 each PY: 20,417 equity shares of Rs 100 each	53,261,966	55,128,515	42,399,097	39,711,065	53,261,966	55,128,515	42,399,097	39,711,065
Nepal Doorsanchar Company Limited 25,500 equity shares of Rs 100 each PY: 7,500 equity shares of Rs 100 each	25,002,165	22,370,385	7,557,750	6,337,500	25,002,165	22,370,385	7,557,750	6,337,500
Shivam Cements Limited 28,648 equity shares of Rs 100 each PY: 11,285 equity shares of Rs 100 each	17,669,917	15,327,826	8,225,861	5,668,456	17,669,917	15,327,826	8,225,861	5,668,456
Nepal Life Insurance Co. Ltd. 18,222 equity shares of Rs 100 each PY: 16,565 equity shares of Rs 100 each	28,730,867	14,085,059	28,730,867	10,253,735	28,730,867	14,085,059	28,730,867	10,253,735
Nepal Reinsurance Company Limited 2,000 equity shares of Rs 100 each PY: 5,368 equity shares of Rs 100 each	2,156,286	2,520,220	6,118,365	3,746,864	2,156,286	2,520,220	6,118,365	3,746,864
Asian Life Insurance Co. Limited 32,021 equity shares of Rs 100 each PY: 20,783 equity shares of Rs 100 each	13,741,284	15,957,986	12,100,794	12,947,809	13,741,284	15,957,986	12,100,794	12,947,809
Shikhar Insurance Co. Ltd. 28,295 equity shares of Rs 100 each PY: 25,722 equity shares of Rs 100 each	36,202,943	21,887,031	36,202,943	18,597,006	36,202,943	21,887,031	36,202,943	18,597,006
Bishal Bazar Company Limited* 500 equity shares of Rs 100 each PY: 500 equity shares of Rs 100 each	3,620,000	2,691,995	3,620,000	2,043,500	3,620,000	2,691,995	3,620,000	2,043,500
Sub-total	314,151,085	313,310,183	241,580,578	209,531,040	314,151,085	313,310,183	241,580,578	209,531,040
In Unquoted Equity Instruments:								
Nepal Clearing House Ltd. 23,962 equity shares of Rs. 100 each PY: 15,670 equity shares of Rs 100 each	300,000	5,185,137	300,000	3,094,800	300,000	5,185,137	300,000	3,094,800
National Banking Institute 25,000 equity shares of Rs. 100 each	2,500,000	2,635,750	-	-	2,500,000	2,635,750	-	-

Investment Securities measured at fair value through other comprehensive income:	Group				Bank			
	32nd Asar 2082		31st Asar 2081		32nd Asar 2082		31st Asar 2081	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Reliable Private Equity and Venture Capital 10,000 equity shares of Rs.100 each	10,000,000	10,000,000	-	-	10,000,000	10,000,000	-	-
Sub-total	12,800,000	17,820,887	300,000	3,094,800	12,800,000	17,820,887	300,000	3,094,800
In Mutual Funds:								
NIBL Stable Fund 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,472,500	2,500,000	2,500,000	2,500,000	2,472,500	2,500,000	2,500,000
NIC Asia Growth Fund-2 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,380,000	2,500,000	2,050,000	2,500,000	2,380,000	2,500,000	2,050,000
NMB Sulav Investment Fund - 2 200,000 units of Rs 10 each PY: 200,000 units of Rs 10 each	20,000,000	22,580,000	20,000,000	20,120,000	20,000,000	22,580,000	20,000,000	20,120,000
Nabil Flexi Cap Fund 300,000 unit of Rs 10 each PY: 300,000 unit of Rs 10 each	3,000,000	3,501,000	3,000,000	3,192,000	3,000,000	3,501,000	3,000,000	3,192,000
Sanima Growth Fund 200,000 units of Rs 10 each PY: 200,000 units of Rs 10 each	2,000,000	2,064,000	2,000,000	2,028,000	2,000,000	2,064,000	2,000,000	2,028,000
Sunrise Focused Equity Fund 300,000 units of Rs 10 each PY: 300,000 units of Rs 10 each	3,000,000	3,012,000	3,000,000	2,472,000	3,000,000	3,012,000	3,000,000	2,472,000
Prabhu Smart Fund 600,000 units of Rs 10 each PY: 600,000 units of Rs 10 each	6,000,000	6,882,000	6,000,000	5,766,000	6,000,000	6,882,000	6,000,000	5,766,000
Kumari Sunaulo Lagani Yojana 300,000 units of Rs 10 each PY: 300,000 units of Rs 10 each	3,000,000	3,693,000	3,000,000	3,552,000	3,000,000	3,693,000	3,000,000	3,552,000
NIBL Growth Fund 300,000 units of Rs 10 each PY: 300,000 units of Rs 10 each	3,000,000	2,958,000	3,000,000	3,192,000	3,000,000	2,958,000	3,000,000	3,192,000
Citizens Super 30 Mutual Fund 100,000 units of Rs 10 each PY: 100,000 units of Rs 10 each	1,000,000	1,008,000	1,000,000	1,000,000	1,000,000	1,008,000	1,000,000	1,000,000
Siddhartha Investment Growth Scheme 3 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,610,000	2,500,000	2,362,500	2,500,000	2,610,000	2,500,000	2,362,500
RBB Mutual Fund 2 100,000 units of Rs 10 each PY: 100,000 units of Rs 10 each	1,000,000	1,008,000	1,000,000	950,000	1,000,000	1,008,000	1,000,000	950,000
Shubha Laxmi Kosh 500,000 units of Rs 10 each PY: 500,000 units of Rs 10 each	5,000,000	6,190,000	5,000,000	5,380,000	5,000,000	6,190,000	5,000,000	5,380,000
Global IME Balanced Fund-1 500,000 units of Rs 10 each PY: 500,000 units of Rs 10 each	5,000,000	5,455,000	5,000,000	4,550,000	5,000,000	5,455,000	5,000,000	4,550,000
Kumari Equity Fund 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,487,500	2,684,725	2,632,350	2,500,000	2,487,500	2,684,725	2,632,350
Laxmi Unnati Kosh 100,000 units of Rs 10 each PY: 100,000 units of Rs 10 each	1,000,000	1,039,000	1,000,000	900,000	1,000,000	1,039,000	1,000,000	900,000
NIC Asia Flexi CAP Fund 3,000,000 units of Rs 10 each PY: 3,000,000 units of Rs 10 each	30,000,000	30,450,000	30,006,288	27,757,400	30,000,000	30,450,000	30,006,288	27,757,400
Sunrise First Mutual Fund 150,000 equity shares of Rs 10 each PY: 150,000 equity shares of Rs 10 each	1,500,000	1,602,000	1,730,055	1,816,477	1,500,000	1,602,000	1,730,055	1,816,477
Citizens Mutual Fund -1 PY: 250,000 equity shares os Rs 10 each	-	-	2,500,000	2,410,000	-	-	2,500,000	2,410,000

Investment Securities measured at fair value through other comprehensive income:	Group				Bank			
	32nd Asar 2082		31st Asar 2081		32nd Asar 2082		31st Asar 2081	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Nabil Balanced Fund-2 250,000 equity shares of Rs 10 each PY: 250,000 equity shares of Rs 10 each	2,500,000	2,527,500	2,500,000	2,250,000	2,500,000	2,527,500	2,500,000	2,250,000
NIBL Sahabagita Fund 200,000 units of Rs 10 each PY: 200,000 units of Rs 10 each	2,000,000	2,284,000	2,000,000	2,108,000	2,000,000	2,284,000	2,000,000	2,108,000
NIBL Samriddhi Fund -2 1,000,000 units of Rs 10 each PY: 1,000,000 units of Rs 10 each	10,000,000	8,830,000	10,000,000	8,250,000	10,000,000	8,830,000	10,000,000	8,250,000
NIC Asia Dynamic Debt Fund 200,000 units of Rs 10 each PY: 200,000 units of Rs 10 each	2,000,000	2,132,000	2,000,000	2,218,000	2,000,000	2,132,000	2,000,000	2,218,000
NIC Asia Balanced Fund 150,000 units of Rs 10 each PY: 150,000 units of Rs 10 each	1,500,000	1,465,500	1,500,000	1,440,000	1,500,000	1,465,500	1,500,000	1,440,000
NIC Asia Growth Fund PY: 100,000 units of Rs 10 each	-	-	1,000,000	990,000	-	-	1,000,000	990,000
NIC Asia Select Fund 30 750,000 units of Rs 10 each PY: 750,000 units of Rs 10 each	7,500,000	6,967,500	7,500,000	7,200,000	7,500,000	6,967,500	7,500,000	7,200,000
Prabhu Select Fund 1,468,090 units of Rs 10 each PY: 1,468,090 units of Rs 10 each	14,680,900	16,574,736	14,680,900	14,372,601	14,680,900	16,574,736	14,680,900	14,372,601
RBB Mutual Fund 1 1,000,000 units of Rs 10 each PY: 1,000,000 units of Rs 10 each	10,000,000	9,960,000	10,000,000	8,160,000	10,000,000	9,960,000	10,000,000	8,160,000
Sunrise Bluechip Fund 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,500,000	2,500,000	2,067,500	2,500,000	2,500,000	2,500,000	2,067,500
Siddhartha Equity Fund 150,000 units of Rs 10 each PY: 150,000 units of Rs 10 each	1,500,000	1,543,500	1,500,000	1,258,500	1,500,000	1,543,500	1,500,000	1,258,500
Siddhartha Investment Growth Scheme - 2 1,000,000 units of Rs 10 each PY: 1,000,000 units of Rs 10 each	10,000,000	10,500,000	10,000,000	9,490,000	10,000,000	10,500,000	10,000,000	9,490,000
Sanima Large Cap Fund 250,000 units of Rs 10 each PY: 250,000 units of Rs 10 each	2,500,000	2,557,500	2,500,000	2,322,500	2,500,000	2,557,500	2,500,000	2,322,500
Mega Mutual Fund -1 436,340 units of Rs 10 each PY: 436,340 units of Rs 10 each	4,363,400	4,180,137	4,363,400	3,368,545	4,363,400	4,180,137	4,363,400	3,368,545
Kumari Dhanabridhi Yojana 2,000,000 units of Rs 10 each PY: 2,000,000 units of Rs 10 each	20,000,000	20,100,000	20,000,000	19,340,000	20,000,000	20,100,000	20,000,000	19,340,000
Nabil Balanced Fund-3 16,680 units of Rs 10 each PY: 16,680 units of Rs 10 each	166,800	166,633	166,800	130,104	166,800	166,633	166,800	130,104
Garima Samriddhi Yojana 2,000,000 units of Rs 10 each	20,000,000	19,900,000	-	-	20,000,000	19,900,000	-	-
Muktinath Mutual Fund 1 16,250,000 units of Rs 10 each	162,500,000	160,875,000	-	-	162,500,000	160,875,000	-	-
NMB Hybrid Fund L- II 200,000 units of Rs 10 each	2,000,000	1,812,000	-	-	2,000,000	1,812,000	-	-
Reliable Samriddhi yojana 250,000 units of Rs 10 each	2,500,000	2,482,500	-	-	2,500,000	2,482,500	-	-
Sub-total	372,711,100	378,750,507	189,632,168	179,596,477	372,711,100	378,750,507	189,632,168	179,596,477
Total	699,662,185	709,881,577	431,512,746	392,222,317	699,662,185	709,881,577	431,512,746	392,222,317

*Investment not yielding dividend in last 3 financial year.

Current Tax Assets

Note 4.9

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Current tax assets				
Current year income tax assets	635,637,785	592,439,145	630,503,387	579,527,867
Tax assets of prior periods	-	-	-	-
Current tax liabilities				
Current year income tax liabilities	630,831,923	555,511,406	613,318,946	538,805,775
Tax liabilities of prior periods	-	-	-	-
Total	4,805,862	36,927,739	17,184,441	40,722,092

Current Tax Assets is the net of the advance tax plus Tax Deducted at Source (TDS) and the corporate income tax liability computed as per the provision of the Income Tax Act, 2058.

Investment in Subsidiaries

Note 4.10

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Investment in Quoted Subsidiaries	-	-	-	-
Investment in Unquoted Subsidiaries	-	-	244,045,905	244,045,905
Total investment	-	-	244,045,905	244,045,905
Less: Impairment allowances	-	-	-	-
Net carrying amount	-	-	244,045,905	244,045,905

4.10.1: Investment in Quoted Subsidiaries

	Group				Bank			
	32nd Asar 2082		31st Asar 2081		32nd Asar 2082		31st Asar 2081	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

4.10.2: Investment in Unquoted Subsidiaries

	Group				Bank			
	32nd Asar 2082		31st Asar 2081		32nd Asar 2082		31st Asar 2081	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Mukthinath Capital Limited 2,440,450 shares of Rs.100 each	-	-	-	-	244,045,905	244,045,905	244,045,905	244,045,905
Total	-	-	-	-	-	-	-	-

4.10.3: Information relating to subsidiaries of the Bank

	Group		Bank	
	Percentage of ownership held by the Bank		Percentage of ownership held by the Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Mukthinath Capital Limited	-	-	60.26%	60.26%

4.10.4: Non controlling interest of the subsidiaries

	Group	
	32nd Asar 2082	31st Asar 2081
	Mukthinath Capital Limited	
Equity interest held by NCI (%)	39.74%	39.74%
Profit/(loss) allocated during the year	13,771,568	14,711,679
Accumulated balances of NCI as on Asar end	181,812,795	180,295,053
Dividend paid to NCI	12,071,625	-

Investment in Associates

Note 4.11

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Investment in quoted associates	161,723,322	139,383,300	155,550,000	155,550,000
Investment in unquoted associates	-	-	-	-
Total Investment	161,723,322	139,383,300	155,550,000	155,550,000
Less: Impairment allowances	-	-	-	-
Net Carrying amount	161,723,322	139,383,300	155,550,000	155,550,000

Muktinath Krishi Company Limited is recognised as the Associates as the Bank holds 22.22% of the shares of the company and Board of Directors comprise of two Bank's nominees. Investment in associates is accounted for using the equity method as per NAS 28 "Investment in Associates" considering the management certified financial statement of the associates.

4.11.1: Investment in Quoted associates

	Group				Bank			
	32nd Asar 2082		31st Asar 2081		32nd Asar 2082		31st Asar 2081	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Muktinath Krishi Company Limited 15,55,500 Shares of Rs.100 each	155,550,000	2,326,110,255	155,550,000	2,162,145,000	155,550,000	2,326,110,255	155,550,000	2,162,145,000
Total	155,550,000	2,326,110,255	155,550,000	2,162,145,000	155,550,000	2,326,110,255	155,550,000	2,162,145,000

The shares of associate are subject to a promoter lock-in and cannot be sold until the lock-in period is released. The fair value has been arrived using the level 1 inputs however, this has been accounted for using the equity method as per NAS 28 "Investment in Associates" considering the management certified financial statement of the associate.

4.11.3: Information relating to Associates of the Bank

	Group		Bank	
	Percentage of ownership held by the Bank		Percentage of ownership held by the Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Muktinath Krishi Company Limited	22.22%	22.22%	22.22%	22.22%

4.11.4: Equity Value of Associates

	Group	
	32nd Asar 2082	31st Asar 2081
Muktinath Krishi Company Limited	161,723,322	139,383,300

Investment Property

Note 4.12

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Investment Properties measured at Fair Value				
Balance as on 1st Shrawan	-	-	-	-
Addition/(Disposal) during the year	-	-	-	-
Net Changes in fair value during the year	-	-	-	-
Adjustment/Transfer	-	-	-	-
Net Amount	-	-	-	-
Investment Properties measured at Cost				
Balance as on 1st Shrawan	465,619,924	289,196,462	432,504,244	256,080,781.56
Addition/(Disposal) during the year	(3,719,216)	176,423,462	(3,719,216)	176,423,462
Net Changes in fair value during the year	-	-	-	-
Adjustment/Transfer	-	-	-	-
Net Amount	461,900,708	465,619,924	428,785,028	432,504,244
Total	461,900,708	465,619,924	428,785,028	432,504,244

Refer notes 5.13 for the erstwhile borrowerwise details of Investment Property.

	Group									
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Right to Use Assets	32nd Asar 2082
Cost										
As on 1st Shrawan	348,927,378	9,653,385	383,398,289	106,651,364	153,693,058	157,410,770	97,861,259	244,530,693	1,041,698,751	2,543,824,948
Addition during the year	-	-	22,060,722	7,107,332	652,800	11,739,875	6,043,097	28,695,245	129,723,963	206,023,034
Acquisition	-	631,217,701	-	-	-	435,700	31,016,783	48,731,748	-	711,401,933
Capitalization	-	-	[34,416,740]	[10,264,992]	[171,000]	[10,167,584]	[9,642,024]	[17,207,989]	[37,166,406]	[119,036,735]
Disposal during the year	-	-	-	-	-	-	[593,566]	593,566	[3,182,820]	[3,182,820]
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
Balance as on Asar end 2081	348,927,378	640,871,087	371,042,270	103,493,704	154,174,858	159,418,762	124,685,549	305,343,263	1,131,073,488	3,339,030,358
Addition during the year	-	-	-	-	-	-	-	-	-	-
Acquisition	-	10,639,454	7,385,482	4,421,375	4,960,199	42,704,552	2,773,239	20,372,505	100,927,342	194,184,150
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	[6,831,361]	[3,116,433]	[6,507,972]	[3,039,970]	[921,749]	[19,094,174]	[52,770,993]	[92,282,652]
Adjustment/Revaluation	-	[167,805]	-	-	-	-	-	167,805	8,484,724	8,484,724
Balance as on Asar end 2082	348,927,378	651,342,736	371,596,392	104,798,646	152,627,085	199,083,345	126,537,039	306,789,399	1,187,714,560	3,449,416,580
Depreciation and Impairment										
As on 1st Shrawan	-	636,922	213,148,558	73,151,155	85,567,022	112,242,870	69,434,847	164,923,220	169,634,882	888,739,476
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	1,484,649	35,243,731	13,558,183	20,540,421	17,850,805	12,130,241	36,933,284	135,328,920	273,070,234
Disposals	-	-	[29,451,446]	[10,207,668]	[170,999]	[9,720,981]	[9,604,103]	[16,871,407]	-	[76,026,606]
Adjustment	-	-	-	-	-	-	-	-	-	-
As on Asar end 2081	-	2,121,571	218,940,843	76,501,670	105,936,444	120,372,694	71,960,985	184,985,096	304,963,802	1,085,783,105
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	13,030,376	35,339,243	10,832,509	16,993,375	18,900,576	14,541,221	43,055,685	141,774,944	294,467,929
Disposals	-	-	[6,659,050]	[3,103,263]	[6,194,139]	[3,035,927]	[921,741]	[18,932,260]	-	[38,846,381]
Adjustment	-	-	-	-	-	-	-	-	96,333	96,333
As on Asar end 2082	-	15,151,947	247,621,035	84,230,916	116,735,680	136,237,343	85,580,465	209,108,521	446,835,079	1,341,500,986
Capital Work in Progress										
Balance as on Asar end 2081	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-
Capitalization during the year	-	-	-	-	-	-	-	-	-	-
Net Book Value										
As on Asar end 2080	348,927,378	288,343,442	170,249,730	33,500,209	68,126,036	45,167,901	28,426,412	79,607,474	872,063,868	1,934,412,450
As on Asar end 2081	348,927,378	638,749,516	152,101,428	26,992,034	48,238,414	39,046,068	52,724,564	120,358,167	826,109,686	2,253,247,253
As on Asar end 2082	348,927,378	636,190,789	123,975,357	20,567,730	35,891,405	62,846,001	40,956,574	97,680,878	740,879,481	2,107,915,593

Property and Equipment

Note 4.13

	Bank										32nd Asar 2082
	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Right to Use Assets		
Cost											
As on 1st Shrawan	348,927,378	9,653,385	378,052,869	103,563,562	150,294,158	152,675,362	96,859,160	242,512,073	1,029,517,792	2,512,055,739	
Addition during the year	-	-	22,010,776	6,768,032	-	11,633,043	6,043,097	28,677,245	129,590,929	204,723,121	
Acquisition	-	631,217,701	-	-	-	435,700	31,016,783	48,731,748	-	711,401,933	
Capitalization	-	-	[34,416,740]	[10,264,992]	[171,000]	[10,167,584]	[9,642,024]	[17,207,989]	[37,166,406]	[119,036,735]	
Disposal during the year	-	-	-	[35,350]	-	-	-	35,350	[3,182,820]	[3,182,820]	
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	
Balance as on Asar end 2081	348,927,378	640,871,086	365,646,905	100,031,252	150,123,158	154,576,521	124,277,016	302,748,426	1,118,759,495	3,305,961,237	
Addition during the year	-	-	-	-	-	-	-	-	-	-	
Acquisition	-	10,639,454	7,385,482	4,260,220	4,960,199	42,704,552	2,773,239	20,372,505	100,927,342	194,022,995	
Capitalization	-	-	-	-	-	-	-	-	-	-	
Disposal during the year	-	-	[6,831,361]	[3,116,433]	[6,507,972]	[3,039,970]	[921,749]	[19,094,174]	[52,770,993]	[92,282,652]	
Adjustment/Revaluation	-	[167,805]	-	-	-	-	-	167,805	8,484,724	8,484,724	
Balance as on Asar end 2082	348,927,378	651,342,736	366,201,026	101,175,039	148,575,385	194,241,104	126,128,505	304,194,563	1,175,400,567	3,416,186,303	
Depreciation and Impairment											
As on 1st Shrawan	-	636,922	211,824,504	70,731,316	83,576,332	107,917,439	69,026,314	162,977,844	164,840,882	871,531,553	
Impairment for the year	-	1,484,649	34,165,098	13,163,928	19,792,908	17,564,158	12,130,241	36,488,154	133,244,831	268,033,966	
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	[29,451,446]	[10,207,669]	[170,999]	[9,720,980]	[9,604,102]	[16,871,406]	-	[76,026,603]	
Adjustment	-	-	-	[35,350]	-	-	-	35,350	-	-	
As on Asar end 2081	-	2,121,571	216,538,156	73,652,225	103,198,241	115,760,617	71,552,453	182,629,941	298,085,714	1,063,538,916	
Impairment for the year	-	-	-	-	-	-	-	-	-	-	
Depreciation charge for the year	-	13,030,376	34,255,141	10,506,309	16,223,164	18,799,311	14,541,221	42,921,410	139,783,522	290,060,454	
Disposals	-	-	[6,659,050]	[3,103,264]	[6,194,139]	[3,035,927]	[921,741]	[18,932,260]	-	[38,846,380]	
Adjustment	-	-	-	-	-	-	-	-	-	-	
As on Asar end 2082	-	15,151,947	244,134,247	81,055,270	113,227,266	131,524,001	85,171,932	206,619,091	437,869,236	1,314,752,989	
Capital Work in Progress											
Balance as on Asar end 2081	-	-	-	-	-	-	-	-	-	-	
Addition during the year	-	-	-	-	-	-	-	-	-	-	
Capitalization during the year	-	-	-	-	-	-	-	-	-	-	
Net Book Value	-	-	-	-	-	-	-	-	-	-	
As on Asar end 2080	348,927,378	288,343,442	166,228,365	32,832,246	66,717,826	44,757,923	27,832,846	79,534,228	864,676,909	1,919,851,163	
As on Asar end 2081	348,927,378	636,749,515	149,108,749	26,379,027	46,924,917	38,815,905	52,724,563	120,118,485	820,673,781	2,242,422,321	
As on Asar end 2082	348,927,378	636,190,789	122,066,780	20,119,769	35,348,119	62,717,103	40,956,573	97,575,471	737,531,332	2,101,433,314	

Goodwill and Intangible Assets

Note 4.14

Group					
	Goodwill	Software		Other	32nd Asar 2082
		Purchased	Developed		
Cost					
As on 1st Shrawan	-	37,192,486	-	-	37,192,486
Addition during the year					-
Acquisition		2,463,398	-	-	2,463,398
Capitalization	-		-	-	-
Disposal during the year		(1,782,575)			(1,782,575)
Adjustment/Revaluation					-
Balance as on Asar end 2081	-	37,873,309	-	-	37,873,309
Addition during the Year					-
Acquisition		4,808,012			4,808,012
Capitalization					-
Disposal during the year		-			-
Adjustment/Revaluation					-
Balance as on Asar end 2082	-	42,681,321	-	-	42,681,321
Amortisation and Impairment					
As on 1st Shrawan	-	21,982,702	-	-	21,982,702
Amortisation charge for the year	-	5,563,008	-	-	5,563,008
Impairment for the year			-	-	-
Disposals		(1,782,570)			(1,782,570)
Adjustment					-
As on Asar end 2081	-	25,763,139	-	-	25,763,139
Impairment for the year					-
Amortisation charge for the year		5,356,134			5,356,134
Disposals		-			-
Adjustment					-
As on Asar end 2082	-	31,119,273	-	-	31,119,273
Capital Work in Progress	-	-	-	-	-
Net Book Value					-
As on Asar end 2081	-	12,110,169	-	-	12,110,169
As on Asar end 2082	-	11,562,048	-	-	11,562,048

Bank					
	Goodwill	Software		Other	32nd Asar 2082
		Purchased	Developed		
Cost					
As on 1st Shrawan	-	35,018,290	-	-	35,018,290
Addition during the year					-
Acquisition		2,295,000			2,295,000
Capitalization	-		-	-	-
Disposal during the year		(1,782,575)			(1,782,575)
Adjustment/Revaluation					-
Balance as on Asar end 2081	-	35,530,715	-	-	35,530,715
Addition during the Year					-
Acquisition		3,847,512			3,847,512
Capitalization					-
Disposal during the year		-			-
Adjustment/Revaluation					-
Balance as on Asar end 2082	-	39,378,227	-	-	39,378,227
Amortisation and Impairment					
As on 1st Shrawan	-	20,480,974	-		14,152,056
Amortisation charge for the year	-	5,064,665	-		5,064,665
Impairment for the year					-
Disposals		(1,782,570)			(1,782,570)
Adjustment					-
As on Asar end 2081	-	23,763,068	-	-	23,763,068
Impairment for the year					-
Amortisation charge for the year		4,997,442			4,997,442
Disposals					-
Adjustment					-
As on Asar end 2082	-	28,760,511	-	-	28,760,511
Capital Work in Progress	-	-	-	-	-
Net Book Value					-
As on Asar end 2081	-	11,767,646	-	-	11,767,646
As on Asar end 2082	-	10,617,716	-	-	10,617,716

Deferred Tax Assets/Liabilities

Note 4.15

	Group			Bank		
	32nd Asar 2082			32nd Asar 2082		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax (Assets)/ Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items						
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Investment Securities	-	259,396	(259,396)	-	3,065,818	(3,065,818)
Property and Equipment	2,022,100	-	2,022,100	1,477,377	-	1,477,377
Employees' Defined Benefit Plan	89,808,668	-	89,808,668	89,386,891	-	89,386,891
Lease Liabilities	257,628,326	221,097,111	36,531,215	257,628,326	221,259,400	36,368,926
Provisions	-	-	-	-	-	-
Other Temporary Differences	255,789	(594,977)	850,766	-	(594,977)	594,977
Deferred tax on temporary differences	349,714,883	220,761,530	128,953,353	348,492,593	223,730,240	124,762,354
Deferred tax on carry forward of unused tax losses	-	-	-	-	-	-
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of 2082			128,953,353			124,762,354
Recognised in profit or Loss			114,256,179			110,065,180
Recognised in other comprehensive income			14,697,174			14,697,174
Recognised directly in equity			-			-
Deferred Tax (Asset)/ Liabilities as on Shrawan 01			116,305,789			116,115,309
Origination/(Reversal) during the year			12,647,564			8,647,045
Deferred Tax expense (income) recognized in profit or loss			(18,063,920)			(14,063,401)
Deferred Tax expense (income) recognized in OCI			5,416,356			5,416,356
Deferred Tax expense (income) recognized directly in Equity			-			-

	Group			Bank		
	31st Asar 2081			31st Asar 2081		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax (Assets)/ Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items						
Loans and Advances to BFIs	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Investment Securities	10,591,489	-	10,591,489	11,787,129	-	11,787,129
Property and Equipment	5,503,249	-	5,503,249	4,888,894	-	4,888,894
Employees' Defined Benefit Plan	71,709,687	-	71,709,687	71,322,535	-	71,322,535
Lease Liabilities	273,551,960	246,032,194	27,519,766	273,551,960	246,202,134	27,349,826
Provisions	-	-	-	-	-	-
Other Temporary Differences	214,671	(766,925)	981,597	-	(766,925)	766,925
Deferred tax on temporary differences	361,571,058	245,265,269	116,305,789	361,550,518	245,435,209	116,115,309
Deferred tax on carry forward of unused tax losses	-	-	-	-	-	-
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of 2081			116,305,789			116,115,309
Deferred Tax (Asset)/ Liabilities as on Shrawan 01			85,994,981			84,683,324
Origination/(Reversal) during the year			30,310,807			31,431,985
Deferred Tax expense (income) recognized in profit or loss			(27,815,337)			(65,047,729)
Deferred Tax expense (income) recognized in OCI			(2,495,470)			33,615,743
Deferred Tax expense (income) recognized directly in Equity			-			-

Other Assets

Note 4.16

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Assets Held for Sale	-	-	-	-
Other Non-Banking Assets	-	-	-	-
Bills Receivable	-	-	-	-
Accounts Receivable	37,339,556	71,102,685	4,407,500	18,981,159
Accrued Income	-	-	-	-
Prepayments And Deposit	220,593,982	203,439,484	219,852,254	203,008,299
Income Tax Deposit	-	-	-	-
Deferred Employee Expenditure	329,888,622	418,215,925	329,888,622	418,215,925
Other Assets	39,564,135	46,828,372	14,213,389	26,265,593
Total	627,386,295	739,586,466	568,361,765	666,470,976

Due to Banks and Financial Institutions

Note 4.17

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Money Market Deposits	-	-	-	-
Interbank Borrowing	-	-	-	-
Other Deposits from BFls	718,026,296	769,621,798	718,026,296	769,621,798
Settlement and Clearing Accounts	-	-	-	-
Others	3,000,000,000	-	3,000,000,000	-
Total	3,718,026,296	769,621,798	3,718,026,296	769,621,798

Other deposits from BFls includes the balance maintained in the call and current account by B, C and D class financial institutions. The amount due to counterparty to the reciprocal loan arrangement as mentioned on Note 4.1 is presented under "Others".

4.17.1 Nature wise segregation of other deposits from BFls

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Current Deposits	5,131,538	6,957,056	5,131,538	6,957,056
Fixed Deposits	55,000,000	40,000,000	55,000,000	40,000,000
Call Deposits	657,894,757	722,664,742	657,894,757	722,664,742
Accrued Interest Payable	-	-	-	-
Total	718,026,296	769,621,798	718,026,296	769,621,798

Due to Nepal Rastra Bank

Note 4.18

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Refinance from NRB	-	-	-	-
Standing Liquidity Facility	-	-	-	-
Lender of Last Resort facility from NRB	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-
Other Payable to NRB	415,629,581	415,629,581	415,629,581	415,629,581
Total	415,629,581	415,629,581	415,629,581	415,629,581

The amount payable to NRB shall include amount of refinance facilities, standing liquidity facility, lender of last resort, sale and repurchase agreements, deposit from NRB etc. The other payable from the NRB includes the amount received in line with the tripartite agreement between KfW Development Bank, Germany, Nepal Rastra Bank, and Muktinath Bikas Bank under Sustainable Economic Development in Rural and Semi-Urban Areas- MSME Finance Phase II (SEDRA II). This facility is received for refinancing sustainable ad target group-oriented loans to micro, small and medium-sized enterprises in rural and semi-urban areas.

Derivative Financial Instruments

Note 4.19

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts	-	-	-	-
Others	-	-	-	-
Held for Risk Management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contracts.	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

The bank does not have any foreign currency exposures as on reporting date.

Deposits from Customers

Note 4.20

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Institutions Customers:				
Term Deposits	21,412,513,702	16,047,999,346	21,422,513,702	16,072,999,346
Call Deposits	7,591,502,272	5,753,616,957	7,676,778,438	5,794,388,723
Current Deposits	2,513,168,526	1,544,225,802	2,513,168,526	1,544,225,802
Other	151,070,675	163,090,259	151,070,675	163,090,259
Individual Customers:				
Term Deposits	40,144,929,531	51,014,983,011	40,144,929,531	51,014,983,011
Saving Deposits	44,612,611,663	34,496,837,970	44,612,611,663	34,496,837,970
Current Deposits	909,535,342	672,240,069	909,535,342	672,240,069
Other	111,001	110,953	111,001	110,953
Total	117,335,442,710	109,693,104,367	117,430,718,877	109,758,876,133

Deposits from customer is carried at amortised cost thus includes the accrued interest payable on the deposits.

4.20.1: Currency wise analysis of deposit from customers

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Nepalese Rupee	117,331,603,170	109,690,045,641	117,426,856,816	109,755,817,407
Indian Rupee	-	-	-	-
United State Dollar	3,839,540	3,058,726	3,862,061	3,058,726
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	117,335,442,710	109,693,104,367	117,430,718,877	109,758,876,133

The foreign currency deposit is converted to NPR equivalent by using closing rate of the reporting data as per NAS 21.

4.20.2: Nature wise segregation of other deposits from customers

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Current Deposits	3,327,427,700	2,150,694,105	3,422,703,867	2,216,465,871
Saving Deposits	44,652,293,748	34,553,259,228	44,652,293,748	34,553,259,228
Fixed Deposits	61,351,464,594	66,717,153,168	61,351,464,594	66,717,153,168
Call Deposits	7,676,778,438	5,794,388,727	7,676,778,438	5,794,388,727
Margin Deposits	92,316,024	74,281,168	92,316,024	74,281,168
Accrued Interest Payable	235,162,206	403,327,971	235,162,206	403,327,971.00
Total	117,335,442,710	109,693,104,367	117,430,718,877	109,758,876,133

Borrowings

Note 4.21

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Domestic Borrowing				
Nepal Government	2,083,333	10,416,667	2,083,333	10,416,667
Other Institutions	-	-	-	-
Other	-	-	-	-
Sub total	2,083,333	10,416,667	2,083,333	10,416,667
Foreign Borrowing				
Foreign Bank and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub total	-	-	-	-
Total	2,083,333	10,416,667	2,083,333	10,416,667

The borrowing includes the amount received from Nepal Government, Ministry of Youth and Sports as the refinancing for the concessional rate loan to be provided by the Bank to deprived community engaged in agriculture, animal husbandry, small and micro enterprises and other income generating activities. The outstanding amount as on year end amounts to 2,083,333.

Provisions

Note 4.22

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Provisions for redundancy	-	-	-	-
Provision for restructuring	-	-	-	-
Pending legal issues and tax litigation	-	-	-	-
Onerous contracts	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

4.22.1: Movement in provision

Note 4.22

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Balance at 1st Shrawn	-	14,806,030	-	14,806,030
Provisions made during the year	-	-	-	-
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	(14,806,030)	-	(14,806,030)
Unwind of discount	-	-	-	-
Balance at Asar end	-	-	-	-

Other Liabilities

Note 4.23

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Liability for employees Defined Benefit Obligations	169,148,250	135,947,317	169,148,250	135,947,317
Liability for long-service leave	130,464,550	99,492,692	128,673,165	98,005,176
Short-term employee benefits	3,365,976	3,775,965	3,187,278	3,698,059
Bills Payable	-	64,741	-	64,741
Creditors and Accruals	565,092,150	184,052,533	16,806,112	101,100,512
Interest payable on Deposit	-	-	-	-
Interest payable on Borrowing	-	-	-	-
Liabilities on Deferred Grant Income	-	-	-	-
Unpaid Dividend	1,124,484	1,124,484	1,124,484	1,124,484
Liabilities under Finance Lease	-	-	-	-
Employee Bonus Payable	222,646,990	192,966,963	216,952,082	187,089,157
Other	-	-	-	-
- Customer Protection Fund (Refer Notes)	217,168,516	546,223,146	217,168,516	546,223,146
- TDS Payable	92,915,037	88,423,286	92,711,731	87,966,205
- Lease Liability under NFRS 16	862,615,936	917,842,240	858,761,086	911,839,868
- Interest Payable on Debenture	56,809,524	56,761,714	56,809,524	56,761,714
- Others	141,608,771	198,102,117	134,316,102	185,148,152
Total	2,462,960,184	2,424,777,199	1,895,658,330	2,314,968,531

Liabilities relating to employees benefits like liabilities for defined benefit obligation gratuity and pension fund, liabilities for long-service leave, short-term employee benefits etc., Creditors and accruals, unearned income, unpaid dividend etc. are presented under this account head of other liabilities.

4.23.1: Defined benefit obligations

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

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Present value of unfunded obligations	297,821,415	233,952,493	297,821,415	233,952,493
Present value of funded obligations	134,888	3,789,289	134,888	3,789,289
Total present value of obligations	297,956,303	237,741,782	297,956,303	237,741,782
Fair value of plan assets	134,888	3,789,289	134,888	3,789,289
Present value of net obligations	297,821,415	233,952,493	297,821,415	233,952,493
Recognised liability for defined benefit obligations	297,821,415	233,952,493	297,821,415	233,952,493

4.23.2: Plan assets

Plan assets comprise :

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Equity securities	-	-	-	-
Government bonds	-	-	-	-
Bank deposit	-	-	-	-
Other	134,888	3,789,289	134,888	3,789,289
Total	134,888	3,789,289	134,888	3,789,289
Actual return on plan assets				

4.23.3: Movement in the present value of defined benefit obligations

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Defined benefit obligations at Shrawan 1	237,741,782	176,658,600	237,741,782	176,658,600
Actuarial losses	51,992,676	14,193,675	51,992,676	14,193,675
Benefits paid by the plan	(29,286,134)	(20,886,843)	(29,286,134)	(20,886,843)
Current service costs and interest	37,507,979	67,776,350	37,507,979	67,776,350
Defined benefit obligations at Asar end	297,956,303	237,741,782	297,956,303	237,741,782

4.23.4: Movement in the fair value of plan assets

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Fair value of plan assets at Shrawan 1	3,789,289	16,609,896	3,789,289	16,609,896
Adjustment to Opening Fund	-	-	-	-
Contributions paid into the plan	-	-	-	-
Benefits paid during the year	(3,951,855)	(14,299,658)	(3,951,855)	(14,299,698)
Actuarial (losses) gains	-	-	-	-
Expected return on plan assets	297,454	1,479,091	297,454	1,479,091
Fair value of plan assets at Asar end	134,888	3,789,329	134,888	3,789,289

4.23.5: Amount recognised in profit or loss

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Current service costs	35,648,048	33,982,238	35,648,048	33,982,238
Interest on obligation	19,260,593	15,331,543	19,260,593	15,331,543
Expected return on plan assets	20,403,136	30,822,962	20,403,136	30,822,962
Total	75,311,777	80,136,743	75,311,777	80,136,743

4.23.6: Amount recognised in other comprehensive income

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Actuarial (gain)/loss	31,455,289	(17,209,674)	31,455,289	(17,209,674)
Total	31,455,289	(17,209,674)	31,455,289	(17,209,674)

4.23.7: Actuarial assumptions

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Discount rate	8.00%	9.00%	8.00%	9.00%
Expected return on plan asset	8.00%	9.00%	8.00%	9.00%
Future salary increase	4.00%	4.00%	4.00%	4.00%
Withdrawal rate	4.00%	2.00%	4.00%	2.00%

4.23.8 Disclosure of Customer Protection Fund

Customer Protection Fund is established with a aim to provide the relief and work for the welfare to the customers availing non collateral based lending facilities from the Bank under the microfinance model with following salient features:

- The clients used to make the voluntary payment of 1% of the credit facilities availed to avail the facility of the this fund.
- The objective of the fund is :
 - to provide the financial relief to the customers in the inevitable circumstances from waiving off the loans to providing the financial support;
 - to improve the socio economic status of the customers with the skills development program and
 - to conduct various financial literacy programs to the backward community.
- Interest has been provided to the fund at the rate of call deposit.
- The separate committee under the coordination of the Chief Executive Officer has been formed for the operation and monitoring of the fund.

The movement to/from the fund during the year is as follows:

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Opening Balance of the fund	546,223,146	554,339,630	546,223,146	554,339,630
Add: Interest to fund	5,626,033	678,057	5,626,033	678,057
Add: Contribution to the fund	-	9,457,540	-	9,457,540
Less: Withdrawal from the fund	(334,680,662)	(18,252,081)	(334,680,662)	(18,252,081)
Closing Balance of the fund	217,168,516	546,223,146	217,168,516	546,223,146

Debt Securities Issued

Note 4.24

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Debt securities issued designated as at fair value through profit or loss	-	-	-	-
Debt securities issued at amortised cost	1,248,016,742	1,247,443,582	1,248,016,742	1,247,443,582
Total	1,248,016,742	1,247,443,582	1,248,016,742	1,247,443,582

Subordinated Liabilities

Note 4.25

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Redeemable preference shares	-	-	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Share Capital

Note 4.26

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Ordinary shares	7,046,938,049	7,046,938,049	7,046,938,049	7,046,938,049
Convertible preference shares (equity component only)	-	-	-	-
Irredeemable preference shares (equity component only)	-	-	-	-
Perpetual debt (equity component only)	-	-	-	-
Total	7,046,938,049	7,046,938,049	7,046,938,049	7,046,938,049

4.26.1: Ordinary shares

	Bank	
	32nd Asar 2082	31st Asar 2081
Authorized Capital		
100,000,000 Ordinary share of Rs. 100 each (Previous year : 80,000,000 Ordinary Shares of 100 each)	10,000,000,000	8,000,000,000
Issued capital		
70,469,380 Ordinary share of Rs. 100 each (Previous year : 70,469,380 Ordinary Shares of 100 each)	7,046,938,049	7,046,938,049
Subscribed and paid up capital		
70,469,380 Ordinary share of Rs. 100 each (Previous year : 70,469,380 Ordinary Shares of 100 each)	7,046,938,049	7,046,938,049
Total	7,046,938,049	7,046,938,049

The 18th Annual General Meeting (AGM) of the Bank has approved the issuance of 8.5% Muktinath Perpetual Non-Cumulative Preference Shares, totaling NPR 1 billion, which is currently in the process of being issued

The reconciliation of the number of share outstanding and the amount of share capital as at 32nd Asar 2082 and 31st Asar 2081 is as follows:

	32nd Asar 2082		31st Asar 2081	
	Numbers	Amount	Numbers	Amount
Number/ Amount of shares outstanding at the beginning of the period	70,469,380	7,046,938,049	64,209,003	6,420,900,273
Add: Bonus shares issued	-	-	6,260,378	626,037,777
Add: Right share issued	-	-	-	-
Add/(Less): Others adjustments	-	-	-	-
Number/ Amount of share at the end of the period	70,469,380	7,046,938,049	70,469,380	7,046,938,049

4.26.2: Ordinary share ownership

	32nd Asar 2082		31st Asar 2081	
	Percent	Amount	Percent	Amount
Domestic ownership				
Nepal Government	-	-	-	-
"A" Class Licensed Institutions	-	-	-	-
Other Licensed Institutions	-	-	-	-
Other Institutions	4.26%	300,377,634	3.53%	248,642,400
Public	95.74%	6,746,560,414	96.47%	6,798,295,649
Other	-	-	-	-
Foreign Ownership	-	-	-	-
Total	100.00%	7,046,938,048	100.00%	7,046,938,049

4.26.3: List of principal shareholders holding 0.5% or more share of the total share of the bank

Name	Nos. of Shares	% of Holding
1. Tulasi Ram Dhakal	1,618,501	2.30%
2. Krishna Man Shrestha	1,489,232	2.11%
3. Min Prasad Gurung	1,381,980	1.96%
4. Bharat Raj Dhakal	1,100,945	1.56%
5. Jagat Bandhu Aryal	985,457	1.40%
6. Gobind Gurung	947,205	1.34%
7. Narayan Kumar Shrestha	907,536	1.29%
8. Hari Bahadur Gurung	905,627	1.29%
9. Khim Prakash Malla	850,421	1.21%
10. Shanta Sharma	812,421	1.15%
11. Khagendra Raj Regmi	781,951	1.11%
12. Gajendra Man Shrestha	691,208	0.98%
13. Dil Kumari Regmi	691,032	0.98%
14. Sumit Kumar Agarwal	682,191	0.97%
15. NMB Saral Bachat Fund-E	621,075	0.88%
16. Narayan Prasad Sharma	518,728	0.74%
17. Bharat Prasad Lamsal	518,309	0.74%
18. Sandhya Poudel	497,959	0.71%
19. Naresh Kumar Sharma Pokhrel	466,247	0.66%
20. Rama Devi Sharma	444,522	0.63%
21. Shiba Kumar Adhikari	401,792	0.57%
22. Bimala Sharma Pokhrel	399,779	0.57%
23. Sher Bahadur Rana	390,869	0.55%
24. Sitaram Kaphle	376,276	0.53%
25. Punya Prasad Pokharel	354,242	0.50%

Reserves

Note 4.27

	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Statutory General Reserve	1,994,276,317	1,718,603,381	1,985,983,136	1,712,398,288
Exchange Equilisation Reserve	3,394,634	2,747,436	3,394,634	2,747,436
Corporate Social Responsibility Reserve	15,801,895	12,534,985	15,271,420	12,088,412
Capital Redemption Reserve	-	-	-	-
Regulatory Reserve	825,235,550	1,153,354,021	825,235,550	1,153,354,021
Investment Adjustment Reserve	-	-	-	-
Capital Reserve	-	-	-	-
Assets Revaluation Reserve	-	-	-	-
Fair Value Reserve	7,710,450	(26,946,416)	7,153,574	(27,503,292)
Dividend Equalisation Reserve	-	-	-	-
Debenture Redemption Reserve	500,000,000	250,000,000	500,000,000	250,000,000
Actuarial Gain	41,446,981	63,465,684	41,446,981	63,465,684
Special Reserve	-	-	-	-
Staff Skill Development Fund	30,545,075	21,317,748	30,545,075	21,317,748
Other Reserve	-	-	-	-
Total	3,418,410,902	3,195,076,839	3,409,030,370	3,187,868,297

The brief description of the reserves are as follows:

Statutory General Reserve

Pursuant to Section 44 of the Bank and Financial Institution Act, 2073 banks and financial institutions are required to allocate 20% of the net profits of each fiscal year to the general reserve until the reserve is twice the paid up capital and thereafter minimum 10% of the net profit as this reserve being made pursuant to the statute, is not available for distribution. In line with the legal requirement the Bank has appropriated following amount in the Statutory General Reserves:

Particulars	32nd Asar 2082	31st Asar 2081
Opening Balance of Statutory General Reserves	1,712,398,288	1,477,131,305
20% of Net Profit appropriated as per BAFIA	273,584,848	235,266,983
Closing Balance of Statutory General Reserves	1,985,983,136	1,712,398,288

Exchange Equilisation Reserve

Section 45 of the Bank and Financial Institution Act, 2073 requires every banks and financial institutions to set aside the 25% of the of the revaluation profits earned as a result of fluctuations in the exchange rates of foreign currencies, other than the Indian currency. Following is the movement of Exchange Equilisation Reserves:

Particulars	32nd Asar 2082	31st Asar 2081
Opening Balance of Exchange Equilisation Reserve	2,747,436	2,613,952
25% of revaluation gain appropriated as per BAFIA	647,198	133,484
Closing Balance of Exchange Equilisation Reserve	3,394,634	2,747,436

Corporate Social Responsibility Reserve

NRB Directive 6 requires BFIs to create Corporate Social Responsibility Fund and appropriate an amount equivalent to 1% of net profit annually into this fund for covering expenditure related to CSR activities in the subsequent year. Accordingly, the bank has allocated the amount of NPR 13,503,604 to corporate social responsibility reserves for this year.

Particulars	32nd Asar 2082	31st Asar 2081
Opening Balance of Corporate Social Responsibility Reserve	12,088,412	13,814,579
1% of net profit appropriated as per NRB Unified Directives	13,503,604	11,763,349
Less: CSR expenses during the year	(10,320,596)	(13,489,516)
Closing Balance of Corporate Social Responsibility Reserve	15,271,420	12,088,412

Regulatory Reserve

Regulatory Reserve is the statutory reserve made as per Directive No. 4 of the Nepal Rastra Bank. The regulatory reserve comprise of the interest income recognized against interest receivables, difference in loan loss provision as per NRB directive and impairment on loan and advance as per NFRS, amount equal to deferred tax assets, actuarial loss recognized in other comprehensive income, difference in provision on investment securities as per Directive No.8 and as per NFRS, amount of the non banking assets recognised and interest capitalized reserve created as per Unified Directive.

Particulars	32nd Asar 2082	31st Asar 2081	31st Asar 2080
Opening Balance of Regulatory Reserves	1,153,354,022	665,751,880	342,160,759
Interest Receivable on Loans and Advances	(236,701,338)	327,153,840	240,172,918
Change in Fair value on equity instrument	(27,503,292)	17,869,535	(37,983,389)
Deferred Tax Assets	(6,050,129)	31,431,985	(7,767,264)
Non Banking Assets	(59,071,365)	111,146,781	129,168,856
Actuarial Loss recognized	-	-	-
Interest Capitalized Reserve	1,207,653	-	-
Closing Balance of Regulatory Reserves	825,235,550	1,153,354,022	665,751,880

The component wise break-up of the regulatory reserve is as follows:

Particulars	Interest Receivable	Fair Value Loss	Deferred Tax Assets	Non Banking Assets	Interest Capitalized Reserve	Total
Balance as on Asar 31st, 2076	21,876,083	53,867,602	39,066,937	-	-	114,810,622
Addition during the year FY 2076-77	4,306,836	(39,077,002)	6,233,705	-	-	(28,536,461)
Balance as on Asar 31st, 2077	26,182,919	14,790,600	45,300,643	-	-	86,274,161
Addition during the year FY 2077-78	38,779,869	(14,790,600)	9,717,362	-	-	33,706,631
Balance as on Asar 31st, 2078	64,962,788	-	55,018,004	-	-	119,980,792
Addition during the year FY 2078-79	104,968,201	47,617,146	37,432,584	32,162,036	-	222,179,967
Balance as on Asar 31st, 2079	169,930,989	47,617,146	92,450,588	32,162,036	-	342,160,759
Addition during the year FY 2079-80	240,172,918	(37,983,389)	(7,767,264)	129,168,856	-	323,591,121
Balance as on Asar 31st, 2080	410,103,907	9,633,757	84,683,324	161,330,892	-	665,751,880
Addition during the year FY 2080-81	327,153,840	17,869,535	31,431,985	111,146,781	-	487,602,141
Balance as on Asar 31st, 2081	737,257,747	27,503,292	116,115,309	272,477,673	-	1,153,354,021
Addition during the year FY 2081-82	(236,701,338)	(27,503,292)	(6,050,129)	(59,071,365)	1,207,653	(328,118,471)
Balance as on Asar 32nd, 2082	500,556,410	-	110,065,180	213,406,308	1,207,653	825,235,550

Fair Value Reserve

The fair value reserve is created as the part of the compliance of NFRS which comprise of the amount resulting from the fair value recognition of the investment securities which are carried through the other comprehensive income.

Particulars	32nd Asar 2082	31st Asar 2081
Opening Balance of Fair Value Reserve	(27,503,292)	(9,633,757)
Appropriations during the year	34,656,866	(17,869,535)
Closing Balance of Fair Value Reserves	7,153,574	(27,503,292)

Fair value reserves comprise of:

Particulars	32nd Asar 2082	31st Asar 2081
Fair Value Reserve created as a result of change in fair value of instruments routed through OCI	7,153,574	(27,503,292)
Fair Value Reserve created as a result of the application of equity method of accounting of Associates	-	-
Closing Balance of Fair Value Reserves	7,153,574	(27,503,292)

Debenture Redemption Reserve

The Bank has issued debentures worth Rs. 1.25 billion having the maturity of 7 years during financial year 2078/79. NRB Directive 16 requires the bank to create the Debenture redemption reserve on all the years till maturity of debenture on proportionate basis except for the year of issue and redemption of debenture. Accordingly, the bank has allocated the amount of Rs. 250,000,000 to debenture redemption reserve for FY 2081/82.

Particulars	32nd Asar 2082	31st Asar 2081
Opening Balance of Debenture Redemption Reserve	250,000,000	-
Appropriations during the year	250,000,000	250,000,000
Closing Balance of Debenture Redemption Reserve	500,000,000	250,000,000

The details of the appropriations made and planned annually for the redemption of debentures maturing in FY 2085-86 are as follows

Particulars	Amount to be appropriated	Cumulative Balance	Status
FY 2080-81	250,000,000.00	250,000,000	Appropriated
FY 2081-82	250,000,000.00	500,000,000	Appropriated
FY 2082-83	250,000,000.00	750,000,000	To be appropriated
FY 2083-84	250,000,000.00	1,000,000,000	To be appropriated
FY 2084-85	250,000,000.00	1,250,000,000	To be appropriated

The balance of DRR will be transferred to retained earning on the maturity of the debenture.

Actuarial Gain

Particulars	32nd Asar 2082	31st Asar 2081
Opening Balance of Actuarial Gain	63,465,684	51,418,912
Actuarial gain/(loss) on employee's defined benefit obligation valuation	(22,018,703)	12,046,772
Closing Balance of Actuarial Gain	41,446,981	63,465,684

Staff Skill Development Fund

Nepal Rastra Bank Directive No. 6, requires the Bank and Financial Institutions to spend at least 3% of the previous year's salary and allowance for the training and skill development of the employees. Any unspent amount shall be appropriated to the reserves and carried forward till the year it is spent.

Particulars	32nd Asar 2082	31st Asar 2081
Opening Balance of Staff Skill Development Fund	21,317,748	17,123,113.91
Less: Expense made from this reserves	-	-
Add: This year additions to reserves	9,227,327	4,194,634
Closing Balance of Staff Skill Development Fund	30,545,075	21,317,748

Contingent liabilities and commitments

Note 4.28

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Contingent liabilities	881,702,415	755,929,526	881,702,415	755,929,526
Undrawn and undisbursed facilities	3,318,420,801	2,500,006,935	3,318,420,801	2,500,006,935
Capital commitment	-	-	-	-
Lease Commitment	-	-	-	-
Litigation	-	-	-	-
Total	4,200,123,216	3,255,936,461	4,200,123,216	3,255,936,461

4.28.1: Contingent Liabilities

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Acceptance and documentary credit	163,217,877	214,384,946	163,217,877	214,384,946
Bills for collection	-	-	-	-
Forward exchange contracts	-	-	-	-
Guarantees	718,484,539	541,544,580	718,484,539	541,544,580
Underwriting commitment	-	-	-	-
Other commitments	-	-	-	-
Total	881,702,415	755,929,526	881,702,415	755,929,526

4.28.2: Undrawn and undisbursed facilities

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Undisbursed amount of loans	1,801,010,208	861,348,188	1,801,010,208	861,348,188
Undrawn limits of overdrafts	1,517,410,593	1,638,658,747	1,517,410,593	1,638,658,747
Undrawn limits of credit cards	-	-	-	-
Undrawn limits of letter of credit	-	-	-	-
Undrawn limits of guarantee	-	-	-	-
Total	3,318,420,801	2,500,006,935	3,318,420,801	2,500,006,935

4.28.3: Capital commitments

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

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Capital commitments in relation to Property and Equipment				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	-	-	-	-
Capital commitments in relation to Intangible assets				
Approved and contracted for	-	-	-	-
Approved but not contracted for	-	-	-	-
Sub total	-	-	-	-
Total	-	-	-	-

4.23.7: Disclosure pursuant to NFRS 16, Leases

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. The right-of-use asset is subsequently depreciated using the straight-line method.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted the Bank's incremental borrowing rate.

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
a. Maturity analysis - contractual undiscounted cash flows				
Upto one Year	192,336,921	177,816,300	189,474,973	177,816,300
More than one year to five Years	772,030,343	792,419,277	770,550,978	792,419,277
More than five years	348,847,487	560,434,795	348,847,487	560,434,795
Total Undiscounted cash flows as at year end	1,313,214,750	1,530,670,372	1,308,873,438	1,530,670,372
b. Lease Liabilities included in the statement of financial position				
Current	147,196,564	114,921,976	144,725,406	112,746,656
Non current	715,419,372	802,920,264	714,035,680	799,093,212
Total Lease Liability	862,615,936	917,842,240	858,761,086	911,839,868
c. Reconciliation of Right To Use Assets				
Right To Use Assets				
Right of Use as of 1st Shrawan	826,109,686	872,063,868	820,673,781	864,676,909
Addition during the year	109,412,066	129,723,963	109,412,066	129,590,929
Disposal during the year	(52,770,993)	(40,349,226)	(52,770,993)	(40,349,226)
Depreciation	(141,871,277)	(135,328,920)	(139,783,522)	(133,244,831)
Closing Balance	740,879,481	826,109,686	737,531,332	820,673,781
d. Reconciliation of Lease Liabilities				
Opening Lease Liabilities 1st Shrawan	917,842,240	905,399,368	911,839,868	897,715,753
Addition during the year	109,412,066	129,685,608	109,412,066	129,590,929
Disposal during the year	(50,195,447)	(33,006,422)	(50,195,447)	(32,916,683)
Interest	71,843,203	89,503,850	71,237,983	88,694,096
Lease Payments	(186,286,126)	(173,740,164)	(183,533,384)	(171,244,227)
Closing Balance	862,615,936	917,842,240	858,761,086	911,839,868
e. Discount Rate	4.90%	6.54%	4.90%	6.54%
f. Actual Rental Paid during the year	193,265,810	197,513,648	190,379,495	195,017,711

4.28.5: Litigation

1. The Bank does not have any other litigation except the cases in ordinary course of business. The Bank does not anticipate any financial liability in these pending lawsuits.

Interest Income

Note 4.29

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Cash and Cash Equivalent	59,661,308	40,612,181	56,607,179	40,612,181
Due from Nepal Rastra Bank	112,764,400	17,145,205	112,764,400	17,145,205
Placement with Bank and Financial Institutions	-	-	-	-
Loan and Advances to Bank and Financial Institutions	202,493,208	326,570,568	202,493,208	326,570,568
Loans and Advances to Customers	9,678,564,989	12,132,516,789	9,678,564,989	12,132,516,789
Investment Securities	761,136,248	1,092,459,672	752,831,523	1,060,367,307
Loan and advances to Staff	245,609,437	195,283,872	245,609,437	195,283,872
Other Interest Income	-	-	-	-
Total	11,060,229,590	13,804,588,287	11,048,870,736	13,772,495,922

Refer Note 13(a) for interest income recognition criterion.

Interest Income

Note 4.29

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Cash and Cash Equivalent	59,661,308	40,612,181	56,607,179	40,612,181
Due from Nepal Rastra Bank	112,764,400	17,145,205	112,764,400	17,145,205
Placement with Bank and Financial Institutions	-	-	-	-
Loan and Advances to Bank and Financial Institutions	202,493,208	326,570,568	202,493,208	326,570,568
Loans and Advances to Customers	9,678,564,989	12,132,516,789	9,678,564,989	12,132,516,789
Investment Securities	761,136,248	1,092,459,672	752,831,523	1,060,367,307
Loan and advances to Staff	245,609,437	195,283,872	245,609,437	195,283,872
Other Interest Income	-	-	-	-
Total	11,060,229,590	13,804,588,287	11,048,870,736	13,772,495,922

Interest Expense

Note 4.30

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Due to Bank and Financial Institutions	19,925,754	4,952,329	19,925,754	4,952,329
Due to Nepal Rastra Bank	15,750,995	18,772,497	15,750,995	18,772,497
Deposits from Customers	6,245,220,838	9,306,336,936	6,247,498,165	9,309,428,403
Borrowing	400,885	733,441	400,885	728,434
Debt Securities Issued	109,948,308	109,900,798	109,948,308	109,900,798
Subordinated Liabilities	-	-	-	-
Other Charges - On Lease Liability	71,843,203	89,503,850	71,237,983	88,694,096
- On Customer Protection Fund	6,618,862	678,057	6,618,862	678,057
Total	6,469,708,845	9,530,877,908	6,471,380,952	9,533,154,614

Fees and Commission Income

Note 4.31

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Loan Administration Fees	308,353,746	237,657,374	308,353,746	237,657,374
Service Fees	234,702,207	205,995,484	234,702,207	221,141,384
Consortium Fees	7,091,670	525,000	7,091,670	525,000
Commitment Fees	489,090	457,006	489,090	457,006
DD/TT/Swift Fees	59,662	18,750	59,662	18,750
Credit Card/ATM Issuance and Renewal Fees	47,201,685	43,648,137	47,201,685	43,648,137
Prepayment and Swap Fees	18,767,890	17,983,668	18,767,890	17,983,668
Investment Banking Fees	-	1,448,622	-	-
Asset Management Fees	12,053,422	4,755,056	-	-
Brokerage Fees	-	-	-	-
Remittance Fees	6,739,865	25,206,645	6,739,865	10,060,745
Commission on Letter Of Credit	1,278,388	808,040	1,278,388	808,040
Commission on Guarantee Contracts Issued	18,013,646	11,559,996	18,013,646	11,559,996
Commission on Share Underwriting/Issue	-	-	-	-
Locker Rental	982,750	752,111	982,750	752,111
Other Fees and Commission Income	62,446,503	55,469,454	4,611,358	3,967,571
Total	718,180,524	606,285,343	648,291,957	548,579,782

Fees and Commission Expense

Note 4.32

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
ATM Management Fees	-	-	-	-
VISA/Master Card Fees	66,252,105	54,387,032	66,252,105	54,387,032
Guarantee Commission	-	-	-	-
Brokerage	-	-	-	-
DD/TT/Swift Fees	-	-	-	-
Remittance Fees and Commission	-	-	-	-
Other Fees and Commission Expense	31,519,633	37,641,031	23,867,829	31,327,902
Total	97,771,738	92,028,063	90,119,934	85,714,934

Payouts on account of fee and commission for services obtained by the bank is presented under this head.

Net Trading Income

Note 4.33

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Changes in Fair Value of Trading Assets	[3,120,810]	-	-	-
Gain/loss on Disposal of Trading Assets	20,201,211	8,536,234	-	-
Interest Income on Trading Assets	-	-	-	-
Dividend Income on Trading Assets	-	-	-	-
Gain/loss Foreign Exchange Translation	9,158,811	8,808,507	9,158,922	8,808,470
Other	-	-	-	-
Total	26,239,212	17,344,741	9,158,922	8,808,470

Trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interests, dividends and foreign exchange differences as well as unrealized changes in fair value of trading assets and liabilities are presented under this head.

Other Operating Income

Note 4.34

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Foreign Exchange Revaluation Gain	2,588,793	533,935	2,588,793	533,935
Gain/loss on sale of Investment Securities	9,408,182	11,911,679	9,408,182	11,899,063
Fair value gain/loss on Investment Properties	-	-	-	-
Dividend on Equity Instruments	16,828,389	7,861,108	32,570,441	7,385,200
Gain/loss on sale of Property and Equipment	1,921,764	(1,773,945)	1,921,764	(1,773,945)
Gain/loss on sale of Investment Property	641,614	4,036,594	641,614	4,036,594
Operating Lease Income	-	-	-	-
Gain/loss on sale of Gold and Silver	-	-	-	-
Other Operating Income	-	-	-	-
- Share of Profit of Associates	22,339,850	4,830,027	-	-
- Provision written back	-	13,506,030	-	13,506,030
- Grant Income	354,576	750,000	354,576	750,000
- Other Income	3,559,360	3,424,057	3,559,360	3,424,057
Total	57,642,528	45,079,485	51,044,730	39,760,934

Impairment charge/(reversal) for loans and other losses

Note 4.35

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Impairment charge/(reversal) on Loan and Advances to BFIs	(9,585,525)	(7,372,088)	(9,585,525)	(7,372,088)
Impairment charge/(reversal) on Loan and Advances to Customers	803,152,060	784,154,303	803,152,060	784,154,303
Impairment charge/(reversal) on Financial Investment	-	232,519	-	-
Impairment charge/(reversal) on Placement with BFIs	-	-	-	-
Impairment charge/(reversal) on Property and Equipment	-	-	-	-
Impairment charge/(reversal) on Goodwill and Intangible assets	-	-	-	-
Impairment charge/(reversal) on Investment Properties	-	-	-	-
Total	793,566,535	777,014,734	793,566,535	776,782,215

Personnel Expenses

Note 4.36

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Salary	558,701,572	557,665,871	549,185,007	549,115,853
Allowances	483,349,046	492,612,345	475,200,671	484,339,994
Gratuity Expense	32,482,949	48,116,856	32,482,949	48,116,856
Provident Fund	50,939,226	49,964,743	50,939,226	48,224,289
Uniform	15,485,000	-	15,485,000	-
Training & Development Expense	22,368,015	26,416,778	21,776,348	26,063,626
Leave Encashment	106,086,566	62,627,589	105,492,120	62,078,238
Medical	-	-	-	-
Insurance	10,931,244	9,970,958	10,365,439	9,402,919
Employees Incentive	560,000	127,833	560,000	93,233
Cash-Settled Share-Based Payments	-	-	-	-
Pension Expense	-	-	-	-
Finance Expense under NFRS	166,754,250	106,914,728	166,754,250	106,914,728
Other Expenses related to Staff	3,357,563	34,295,996	1,248,600	34,145,696
Subtotal	1,451,015,431	1,388,713,697	1,429,489,610	1,368,495,432
Employees Bonus	222,470,431	192,790,405	216,775,523	186,912,599
Grand Total	1,673,485,862	1,581,504,102	1,646,265,133	1,555,408,031

Employees Bonus is provided at 10% of net profit before bonus and taxes as per the requirement of Bonus Act, 2030. 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 NFRS, cash-settled share-based payments etc. Loans to staffs are fair valued using the market rates.

Other Operating Expenses

Note 4.37

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Directors' Fee	2,925,000	2,668,000	2,393,000	2,293,000
Directors' Expense	1,440,645	1,126,858	1,436,801	1,126,858
Auditors' Remuneration	2,663,825	1,659,411	2,500,000	1,500,000
Other Audit Related Expense	181,926	151,009	181,926	151,009
Professional and Legal Expense	3,447,033	2,237,420	3,366,353	2,224,990
Office Administration Expense	422,317,378	391,486,523	416,301,862	386,044,135
Operating Lease Expense	7,095,394	23,773,484	6,846,111	23,773,484
Operating Expense of Investment Properties	-	-	-	-
Corporate Social Responsibility Expense	10,349,816	13,526,061	10,320,596	13,489,516
Onerous Lease Provisions	-	-	-	-
Other	6,254,283	10,434,679	2,575,549	6,437,615
Total	456,675,300	447,063,445	445,922,198	437,040,607

All operating expense other than those relating to personnel expense are recognized and presented under this head. The expenses covered under this account head includes 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. Further, the details of the office administration expenses is presented in Note 4.37.1.

4.37.1: Office Administration Expense

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Water & Electricity	38,092,432	36,621,479	37,578,025	36,106,173
Repair & Maintenance				
(a) Building	114,010	43,890	114,010	43,890
(b) Vehicle	8,555,626	7,957,285	8,507,141	7,852,416
(c) Office Equipment & Furniture	5,836,582	4,592,526	5,689,545	4,422,335
(d) Computer & Accessories	1,626,749	922,432	1,626,749	922,432
(e) Others	5,345,108	4,759,392	5,193,707	4,589,800
Insurance	10,781,129	9,711,817	10,735,665	9,652,860
Postage, Telex, Telephone & Fax	55,047,884	51,980,947	54,401,605	51,451,205
Printing, Stationery & Small Purchases	30,863,938	32,377,628	30,305,761	31,809,033
Newspaper, Books and Journals	61,701	88,340	51,941	67,690
Advertisement	9,405,065	8,613,200	9,256,314	8,464,168
Donation	-	-	-	-
Security Expenses	76,815,700	64,740,244	76,575,320	64,515,590
Deposit and Loan Insurance Guarantee Premium	52,989,818	51,010,798	52,989,818	51,010,798
Travel Allowance & Expenses	10,038,782	12,344,359	9,720,309	12,326,144
Entertainment	-	-	-	-
Annual/Special General Meeting Expenses	3,198,190	2,513,355	2,914,891	2,282,559
Others:				
Business Promotion & Sponsorship	14,993,087	12,184,384	14,668,968	11,783,557
Cleaning & Sanitation	7,006,583	5,051,415	6,885,101	5,051,415
Fuel & Gas	24,090,563	24,724,248	23,828,665	24,563,964
Official Program Expenses	2,705,244	3,370,424	2,705,244	3,370,424
Renewal & Registration	13,003,446	13,687,228	12,656,930	12,990,448
Small Office Utilities	2,867,799	2,525,980	2,867,799	2,525,980
Software Subscription & Support	40,754,649	31,278,132	39,121,160	29,854,234
Share Related Expenses	1,000,000	2,356,282	1,000,000	2,356,282
Tea, Coffee and Snacks	6,402,179	5,951,947	6,402,179	5,951,947
Plant & Property Written Off	-	61,257	-	61,257
Other Administrative Expenses	721,114	2,017,534	505,015	2,017,534
Total	422,317,378	391,486,523	416,301,862	386,044,135

Depreciation and Amortisation

Note 4.38

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Depreciation on Property and Equipment	155,043,100	137,741,316	150,276,932	134,789,136
Depreciation on Right To Use Assets	139,783,522	135,328,919	139,783,522	133,244,831
Depreciation on Investment Property	-	-	-	-
Amortisation of Intangible Assets	4,997,442	5,563,008	4,997,442	5,064,665
Total	299,824,064	278,633,243	295,057,896	273,098,632

Non Operating Income

Note 4.39

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Recovery of loan written off	800,000	-	800,000	-
Other income	666,664	155,554	666,664	155,554
Total	1,466,664	155,554	1,466,664	155,554

The income that have no direct relationship with the operation of transactions is presented under this head.

Non Operating Expenses

Note 4.40

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Loan Written off	65,540,656	26,388,242	65,540,656	26,388,242
Redundancy Provision	-	-	-	-
Expense of Restructuring	-	-	-	-
Other Expense	-	-	-	-
Total	65,540,656	26,388,242	65,540,656	26,388,242

The expenses that have no direct relationship with the operation of Bank's regular transactions is presented under this head.

Income Tax Expenses

Note 4.41

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Current tax expense	632,208,873	549,576,078	614,682,731	534,814,985
Current year	630,845,088	553,566,868	613,318,946	538,805,775
Adjustments for prior years	1,363,785	(3,990,790)	1,363,785	(3,990,790)
Deferred tax expense	(14,987,825)	(27,815,337)	(14,063,401)	(28,936,515)
Origination and reversal of temporary differences	(14,987,825)	(27,815,337)	(14,063,401)	(28,936,515)
Changes in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Total income tax expense	617,221,048	521,760,741	600,619,330	505,878,470

4.41.1: Reconciliation of tax expense and accounting profit

Particulars	Group		Bank	
	32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Profit before tax	2,007,185,518	1,739,943,673	1,950,979,705	1,682,213,387
Tax amount at tax rate of 30%	602,155,655	521,983,102	585,293,912	504,664,016
Add: Tax effect of expenses that are not deductible for tax purpose	35,662,662	36,725,152	34,279,795	37,938,047
Less: Tax effect on exempt income	12,956,715	5,141,386	6,254,760	3,796,287
Add/less: Tax effect on other items	5,983,486	-	-	-
Total income tax expense	630,845,088	553,566,868	613,318,946	538,805,775
Effective tax rate	31.43%	31.82%	31.44%	32.03%

Statement of Distributable Profit or Loss

For the year ended 32nd Asar 2082

(As per NRB Regulation)

Figures in NPR

	Bank	
	32nd Asar 2082	31st Asar 2081
Net profit or (loss) as per Statement of Profit or Loss	1,350,360,375	1,176,334,917
Appropriations:	1,350,360,375	1,176,334,917
a. General Reserve		
b. Foreign Exchange Fluctuation Fund	(647,198)	(133,484)
c. Capital Redemption Reserve	(250,000,000)	(250,000,000)
d. Corporate Social Responsibility Fund	(13,503,604)	(11,763,349)
e. Staff Skill Development Fund	(9,227,327)	(4,194,634)
f. Other	1,350,360,375	1,176,334,917
- Investment Adjustment Reserve	-	50,000,000
- CSR Expenses routed through Statement of Profit & Loss	10,320,596	13,489,516
Profit or (loss) before regulatory adjustment	813,717,994	738,465,983
Regulatory adjustment:	1,350,360,375	1,176,334,917
a. Interest receivable (-)/previous accrued interest received (+)	236,701,338	(327,153,840)
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 (+)	59,071,365	(111,146,781)
e. Deferred tax assets recognised (-)/ reversal (+)	6,050,129	(31,431,985)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	1,350,360,375	1,176,334,917
- Gains/(losses) from investments in equity instruments	27,503,292	(17,869,535)
- Interest Capitalized Reserve	(1,207,653)	-
Net profit for the year ended available for distribution	1,141,836,465	250,863,841
Opening Retained Earnings as on Shrawan 1	194,701,417	673,938,061
Adjustment (+/-)	17,563,865	(71,113,352)
Distribution:	-	(658,987,133)
Bonus shares Issued	-	(626,037,777)
Cash dividend paid	-	(32,949,357)
Total Distributable profit or (loss) as on Year end	1,354,101,747	194,701,417
Annualised Distributable Profit/Loss per share	19.22	2.76

5.1 Risk Management

The robust risk management capabilities is imperative in order to achieve an effective risk management framework and contain the risks associated with the business, a fully functional Risk Management Committee is responsible for identifying reporting, controlling and managing credit risk, operational risk, market risk & liquidity risk. The Risk Management Committee oversees global, macro, micro and departmental level risk that arise out of daily business operation as well as on periodic basis and are put to the oversight of Senior Management, Risk Management Committee and the Board committee to discuss the reports thereon and issue instructions as appropriate.

Risk Management Committee:

The Risk Management Committee is an independent committee of the Directors that has, as its sole and exclusive function, responsibility for the risk management policies of the Bank and oversight of implementation of risk management framework of Bank. The committee assists the Board of Directors in fulfilling its oversight responsibilities with regard to risk appetite that the Bank is able and willing to assume in its exposures and business activities, risk management, compliance framework, and governance structure that supports it. It periodically reviews the risk management process to ensure its integrity, accuracy, and reasonableness. It also reviews whether the internal control and risk management system is adequate or not to ensure well-ordered and prudent conduct of business. The committee reviews the overall risk management structure and monitor the effectiveness of the risk management system.

Risk Governance

The Bank implemented policies and procedures to mitigate the risk at enterprises level arising to the Bank and has trained risk culture among the employees by establishing ownership mentality, capacity building programs, well defined job responsibilities and inhabiting good ethical culture. The Risk Management Committee is responsible for the establishment of, and compliance with, policies relating to Operation risk & Credit risk.

The Bank's risk governance structure is such that the responsibility for maintaining risk within the Banks risk blanket is dropped down from the Board to the appropriate functional, client business, senior management and committees. The Board has set policies and procedures of risk identification, risk evaluation, risk mitigation, and control/ monitoring in line with NRB directives, and has effectively implemented the same at the Bank. The effectiveness of the Bank's internal control system is reviewed

regularly by the Board, its committees, senior management, and internal audit committee.

Credit Risk

Credit risk management strategies include effectively managing the risk of financial losses arising out of booking an exposure on counterparty and also ensuring independence of the credit risk function from the origination, trading and sales function. Credit risk is managed through a defined framework which sets out policies, procedures and standards covering the measurement and management of credit risk. Clear segregation of duties has been established between transaction originator in the business and the approvers in the risk function.

Credit Risk Mitigation (CRM)

The Bank follows the well defined procedures to manage and mitigate the credit related risk at the various level:

- The credit applications are initially reviewed at the branch where the branch assess the credit worthiness of the proposed borrower and the quality of the security offered.
- As a second level of defense the Business Development Officers have been appointed at the regional level to independently oversee whether the proceeding of the loan approval, creditworthiness and collateral offered complies with the Bank's and central Bank's norms.
- The credit proposal, if exceeds the prescribed threshold are then reviewed by the Risk Management Department which evaluates the underlying risk of the proposal and decides whether the proposal is within the risk appetite of the Bank. This department is independent of the business unit and reports directly to the Board level committee, Risk Management Committee.
- After due review and identification of the underlying risk by the Integrated Risk Management Department, the proposal passes through different approving authorities depending upon the type of the proposal(funded or unfunded), level of underlying risk and amount of the proposal.
- Once the proposal is approved by the prescribed approving authority, the execution of security documents, post approval proceeding are initiated and completed at the branch level. The Credit Administration Department reviews the security documents to ensure compliance with the Bank's and Central Bank's norms before disbursement of the credit facilities.
- As a measure to mitigate the risk after disbursal, the Bank monitors and reviews on quarterly to annual basis depending upon the type of the facilities.

The separate Enforcement Unit under the Risk Management Department has been stabilised to check the post disbursement compliances. The level of risk and early warning signals (EWS) are identified on every review and necessary actions are taken if required.

- The internal audit function of the Bank on the periodic basis independently observes the compliance and the status of the borrowers and recommends the management with the best practices that has to be adopted. The internal audit department directly reports the Audit Committee which is a board level committee.
- On the portfolio level, the Bank's risk management strategies includes diversifying the borrowing pool, risk based pricing, establishing the suitable exposure limits for borrowers and group of borrowers to ensure the risk exposure is under the risk appetite expressed by the Risk Management Policy of the Bank.

Operational Risk

Operational risk stems from the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is recognized as a separate risk category which

the Bank manages through Risk Management Policy approved by the Board. The primary oversight body for the management of operational risk is the Risk Management Committee. The Bank has also in place the dedicated Integrated Risk Management Department for monitoring and reporting the operational risk faced by the Bank. The Bank have "Operational Risk Monitoring & Reporting Framework 2079" to identify and mitigate the operational risk at Bank as a whole, implementing control points and creating measures for any hostile circumstances.

Risk management generally encompasses the process of identifying risks to the Bank, measuring exposures to those risks, ensuring that the risk is below the risk appetite of the Bank and monitoring program is in place, monitoring risk exposures and corresponding capital needs on an ongoing basis, taking steps to control or mitigate risk exposures and reporting to Risk Management Committee and the Board on the Bank's risk exposures and capital positions. Internal controls are typically embedded in a Bank's day-to-day business and are designed to ensure, to the extent possible, that Bank activities are efficient and effective, information is reliable, timely and complete and the Bank is compliant with applicable laws and regulation.

Risks	Potential Risk	Risk Mitigants
Internal Process Risks	Overriding the implemented standard operating procedures and processes.	The Bank has implemented the well defined set of policies and processes for the execution of the every type of task in branch and department. The compliance to the same is examined by Internal Audit Department on an ongoing basis.
People Risks	Untrained or underdeveloped staffs Poor HR management Fraud and Misappropriations Absenteeism and late attendance Attrition Risk	Ensure employees are well trained on the basis of their functions. Ensuring right and adequate staff at the right place. Regular internal check and reconciliations. Checked through the implementation of bio metric attendance device and human resource software. Formal process are in place for succession planning. Further the various staffs facilities have been extended to the employees to retain, motivate and reduce the attrition risks.
Information System Risks	Physical Threats Cyber Attacks Infrastructure failures Loss of Data	CCTV, access door, panic alarm is placed in various places. Use of firewall, antivirus, other software and regular monitoring. Separate disaster recovery site (near site and far site) has been set up. Data back up is kept on regular basis.
The Bank has in place the "Business Continuity and Disaster Recovery Policy" which set outs the contingency and alternative plans in case system failure due to external and internal events and ensure minimum down time. The Bank's systems is regularly updated to keep pace with information requirement.		
Compliance Risks	Breach of laws and regulations.	To ensure the compliance with all regulatory requirements including reporting impact of regulatory changes separate Compliance Department has been set up.
External Events	Theft or Destruction of Bank's Assets Natural Disaster Risk	Physical security of the Bank is under 24 hour surveillance both vide CCTV and security guard. "Business Continuity and Disaster Recovery Policy" are followed in case of the unfavourable circumstances due to natural disasters.

Market Risk

Market risk refers to the risk to a Bank resulting from movements in market prices, in particular, changes in interest rates, foreign exchange rates, and equity and commodity prices. The main market risk factors include interest rates, foreign exchange rates and other market benchmarks. The main objective is to manage and control market risk exposures within acceptable levels in line with the Bank's risk appetite. The risks subject to this requirement are as follows:

The Bank has developed a comprehensive framework for market risk management which includes limits, KRIs and risk management tools. Moreover, the Bank conducts stress testing and sensitivity analysis to review the Bank's performance under various stress conditions. The Treasury Department and the Chief Financial Officer monitors the asset and liability positions under the supervision of ALCO.

The Bank recognizes market risk as the possibility for loss of earnings or economic value to the Bank caused due to adverse changes in the market level of interest rates or prices of securities (equity), foreign exchange rates and volatilities of those prices. Bank has an Asset Liability Management Committee (ALCO) which meets periodically to discuss product pricing for deposits and advances and maturity profiles of assets and liabilities, articulating interest rate, view of Bank, funding policy, transfer pricing policy and balance sheet management.

Liquidity Risk

Liquidity risk is the risk that a company or Bank may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due, as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the Bank on acceptable terms.

The Bank measures the liquidity by the various financial ratios. The favourable liquidity ratios are the

outcome of the effective liquidity management policies of the Bank. The Bank monitors these ratios closely and determines whether the liquidity management strategies and policies adopted by are appropriate in circumstances. These ratios also function to fill the void that may exist between the changing economic environment vis-à-vis the Bank liquidity management policies. The liquidity risk is daily monitored by the Treasury Department and the liquidity ratio is also maintained above the regulatory requirement.

Reputational Risk

Reputational risk is the risk of potential harm to the Bank's name and reputation as well as the risk to earnings, capital, or liquidity resulting from any associations, actions, or inactions that may be viewed as inappropriate, unethical, or at inconsistent with the Bank's values and principles. The Operational Risk Management unit of the Bank evaluates reputational risks using data obtained through procedures like loss event and near-miss identification, peer group comparison, and assessments of issues like employee conduct and competency, customer service and grievances. The Integrated Risk Management Department keeps track of reputational risk using a risk framework and mitigating measures. The Bank makes an ongoing effort to maintain and raise the calibre of its services.

Money Laundering and Terrorism Financing Risk

Both money laundering and terrorism financing can have serious consequences for banks and financial institutions, including reputational damage, financial losses, and legal and regulatory penalties. To mitigate these risks, the Bank has implemented a range of measures, such as customer due diligence, transaction monitoring, and suspicious activity reporting. These measures are designed to identify and prevent the flow of illicit funds through the financial system. The Bank also has robust and effective programs in place to identify and prevent money laundering and terrorism financing. This includes ongoing training for employees, regular assessments of the effectiveness of their programs, and the development of strong relationships with regulatory authorities and law enforcement agencies.

5.2 Capital Management

- i. The Bank manages its capital to meet regulatory norms and current and future business needs considering the risks in its business. For the purpose of effective management of the capital the bank has formulated and implemented the Internal Capital Adequacy Assessment Procedure (ICAAP) which encompasses policies, processes and methodologies to determine the adequate level of capitalisation for the Bank to meet regulatory norms and current and future business needs under normal as well and under stress scenarios. The board of directors on the frequent interval monitor the capital adequacy position and the risk weighted assets and take a necessary steps as appropriate.

The Bank capital comprise of the fully paid equity shares, statutory reserves and other reserves. During the reporting period the bank has not raised the capital through the hybrid capital instrument.

ii. Capital Structure and Capital Adequacy

1. Tier 1 Capital and a breakdown of its components is as follows:

Rs. in '000

S.N.	Particulars	32nd Asar 2082	31st Asar 2081
i.	Paid up Equity Share Capital	7,046,938	7,046,938
ii.	Share Premium	-	-
iii.	Statutory General Reserves	1,985,983	1,712,398
iv.	Retained Earnings	1,354,102	194,701
v.	Un-audited current year cumulative profit/(loss)	-	-
vi.	Capital Redemption Reserve	500,000	250,000
vii.	Capital Adjustment Reserve	-	-
viii.	Dividend Equalization Reserves	-	-
ix.	Other Free Reserve	-	-
x.	Less: Goodwill	-	-
xi.	Less: Deferred Tax Assets	-	-
xii.	Less: Intangible Assets	(10,618)	(11,768)
xiii.	Less: Investment in equity in licensed Financial Institutions	-	-
xiv.	Less: Investment in equity of institutions with financial interests	(399,596)	(399,596)
xv.	Less: Investment in equity of institutions in excess of limits	-	-
xvi.	Less: Investments arising out of underwriting commitments	-	-
xvii.	Less: Reciprocal crossholdings	-	-
xviii.	Less: Purchase of land & building in excess of limit and unutilized	-	-
xix.	Less: Other Deductions	(10,000)	-
Total Tier 1 Capital		10,466,809	8,542,674

2. Tier 2 Capital and a breakdown of its components is as follows:

Rs. in '000

S.N.	Particulars	32nd Asar 2082	31st Asar 2081
i.	Cumulative and/or Redeemable Preference Share	-	-
ii.	Subordinated Term Debt	750,000	1,000,000
iii.	Hybrid Capital Instruments	-	-
iv.	General loan loss provision	1,095,867	1,014,618
v.	Exchange Equalization Reserve	3,395	2,747
vi.	Investment Adjustment Reserve	-	-
vii.	Asset Revaluation Reserve	-	-
viii.	Accrued Interest Receivable on pass loan included in Regulatory Reserve	122,945	-
ix.	Interest Capitalized Reserve included in Regulatory Reserve	1,208	-
x.	Other Reserves	-	-
Total Tier 2 Capital		1,973,414	2,017,365

3. Details of Subordinated Term Debt including Hybrid Capital Instruments.
Following is the details of subordinate term debts raised by the Bank:

Rs. in '000

S.N.	Name	Maturity Period	Outstanding Amount	Amount recognised as Capital Fund
1.	8.75% Muktinath Debenture/ Rinptra 2084/85	7 Years	1,250,000	750,000
Total Tier 1 Capital			1,250,000	750,000

The Bank has not raised any funds through the hybrid capital instruments.

4. Deductions from Capital:

Rs. in '000

S.N.	Particulars	32nd Asar 2082	31st Asar 2081
i.	Investment in equity of institutions with financial interests*	399,596	399,596
iii.	Intangible Assets	10,618	11,768
Total Deductions		410,214	411,364

* Investment made in Bank's subsidiary, Muktinath Capital Limited and Bank's associate company, Muktinath Krishi Company Limited.

5. Total Qualifying Capital:

Rs. in '000

S.N.	Particulars	32nd Asar 2082	31st Asar 2081
i.	Core Capital (Tier 1)	399,596	399,596
ii.	Supplementary Capital (Tier 2)	10,618	11,768
Total Deductions		410,214	411,364

* Investment made in Bank's subsidiary, Muktinath Capital Limited and Bank's associate company, Muktinath Krishi Company Limited.

6. Capital Adequacy Ratio:

Rs. in '000

S.N.	Particulars	Regulatory Requirement	32nd Asar 2082	31st Asar 2081
i.	Tier 1 Capital to Total Risk Weighted Exposures	8.50%	10.84%	9.46%
ii.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.00%	12.88%	11.69%

iii. Risk Exposure

1. Risk Weighted Exposures and Capital Adequacy Table

Rs. in '000

S.N.	Particulars	32nd Asar 2082	31st Asar 2081
1.	Risk Exposures:		
	Risk Weighted Exposure for Credit Risk	87,669,326	81,169,412
	Risk Weighted Exposure for Operational Risk	6,107,951	5,646,910
	Risk Weighted Exposure for Market Risk	39,133	22,113
Risk Weighted Exposures under Credit, Operational and Market Risk		93,816,410	86,838,435
Adjustments under Pillar II		2,763,140	3,463,204
	Adjustment as per SRP 6.4a [7]	879,274	858,051
	Adjustment as per SRP 6.4a [9]	1,883,866	2,605,153
Total Risk Weighted Exposures		96,579,550	90,301,639
2.	Capital Fund		
	Core Capital (Tier 1)	10,466,809	8,542,674
	Supplementary Capital (Tier 2)	1,973,414	2,017,365
Total Capital Fund		12,440,223	10,560,039
3.	Capital Adequacy Ratios		
	Total Core Capital to Total Risk Weighted Exposures	10.84%	9.46%
	Total Capital Fund to Total Risk Weighted Exposures	12.88%	11.69%

2. Risk weighted exposures under each of 11 categories of Credit Risk

Rs. in '000

S.N.	Categories	32nd Asar 2082	31st Asar 2081
i.	Claims on Government and Central Bank	-	-
ii.	Claims on Other Official Entities	-	-
iii.	Claims on Banks	744,692	791,829
iv.	Claims on Domestic Corporates and Securities Firms	15,872,099	12,622,981
v.	Claims on Regulatory Retail Portfolio	35,895,201	36,599,741
vi.	Claims Secured by Residential Properties	9,386,149	8,638,993
vii.	Claims Secured by Commercial Real Estate	2,226,450	2,214,624
viii.	Past Due Claims	4,233,919	3,034,870
ix.	High Risk Claims	9,161,609	9,636,205
x.	Other Assets	8,488,984	6,855,161
xi.	Off Balance Sheet Items	1,630,222	775,008
Total Credit Risk		87,639,326	81,169,412

3. Types of eligible credit risk mitigants used and the benefits availed under CRM:

Rs. in '000

S.N.	Categories	32nd Asar 2082	31st Asar 2081
i.	Deposits with Banks	699,152	953,096
ii.	Deposits with other banks/financial institutions	-	-
iii.	Gold	946,281	634,821
iv.	Government and NRB Securities	-	-
v.	Guarantee of Government of Nepal	-	-
vi.	Securities/Guarantee of other Sovereigns	-	-
vii.	Guarantee of Domestic Banks	-	-
viii.	Guarantee of Multilateral Development Banks	-	-
ix.	Guarantee of Foreign Banks	-	-
Total Credit Risk		1,645,433	1,587,917

4. Amount of Performing and Non Performing Loans & Advances and Provisions

Rs. in '000

S.N.	Loan Classification	32nd Asar 2082		31st Asar 2081	
A. Performing Loans					
i.	Good Loans	88,042,758	878,235	82,292,812	981,218
ii.	Restructured Loans classified as Good	2,442,975	121,502	5,445,208	270,701
iii.	Watchlist	6,863,680	341,533	4,701,202	237,288
Sub -Total		97,349,413	1,341,270	92,439,222	1,489,207
B. Non-performing Loans					
i.	Restructure/Reschedule Loan	-	-	-	-
ii.	Substandard Loan	460,176.99	113,943.53	854,655.57	212,372.82
iii.	Doubtful Loan	825,095.49	411,130.12	633,816.52	315,540.66
iv.	Loss Loan	1,694,265.29	1,692,586.27	752,607.64	748,242.79
Sub -Total		2,979,537.77	2,217,659.91	2,241,079.74	1,276,156.27
Total		100,328,951	3,558,930	94,680,302	2,765,364

5. Non Performing Assets Ratios:
In %

S.N.	Particulars	32nd Asar 2082	31st Asar 2081
As per Revised Assets Classification norms of NRB			
i.	Gross NPA to Gross Loan and Advances	2.97%	2.37%
ii.	Net NPA to Net Loan and Advances	0.76%	1.02%

6. Movement on Provision for Good and Non Performance Loans:

S.N.	Particulars	32nd Asar 2082	31st Asar 2081	Change in %
For loan classifies as Good				
i.	Pass	999,737	1,251,919	-20.14%
ii.	Watchlist	341,533	237,288	43.93%
For loan classifies as NPA				
i.	Substandard Loan	113,944	212,373	-46.35%
ii.	Doubtful Loan	411,130	315,541	30.29%
iii.	Loss Loan	1,692,586	748,243	126.21%
Total		3,558,930	2,765,364	28.70%

7. Write off of Loans

S.N.	Particulars	32nd Asar 2082	31st Asar 2081
i.	Write Off of Loans	65,540,656	26,388,242
Total		65,540,656	26,388,242

8. Risk Weighted Exposure for Credit Risk
Rs. in '000

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Cash Balance	1,495,592	-	-	1,495,592	0%	-
Balance With Nepal Rastra Bank	4,568,401	-	-	4,568,401	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	22,002,800	-	-	22,002,800	0%	-
All Claims on Government of Nepal	-	-	-	-	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Domestic Public Sector Entities	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	3,723,461	-	-	3,723,461	20%	744,692
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	20%	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region and China operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	50%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	70%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	100%	-
Claims on Domestic Corporates (Unrated)	15,872,099	-	-	15,872,099	100%	15,872,099
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	49,450,572	-	1,590,304	47,860,268	75%	35,895,201
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	15,135,041	-	-	15,135,041	60%	9,081,024
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	395,054	89,930	-	305,125	100%	305,125
Claims secured by Commercial real estate	2,226,450	-	-	2,226,450	100%	2,226,450
Past due claims [except for claims secured by residential properties]	4,740,233	1,917,620	-	2,822,613	150%	4,233,919
High Risk claims	2,703,852	-	55,130	2,648,722	150%	3,973,084
Real Estate loans for land acquisition and development [Other than mentioned in Capital Adequacy framework 2015-point 3.3(j)(l)(k)]	3,959,323	-	-	3,959,323	125%	4,949,154
Lending against securities (bonds)	-	-	-	-	100%	-
Lending against Shares(upto Rs.5 Million)	3,719,904	-	-	3,719,904	100%	3,719,904
Trust Receipt Loans for Trading Firms	-	-	-	-	120%	-
Real Estate loans for land acquisition and development [For institutions/projects registred/licensed and approved by Government of Nepal for land acquisition and development purposes]	-	-	-	-	100%	-
Personal Hirepurchase/Personal Auto Loans	239,372	-	-	239,372	100%	239,372
Investments in equity and other capital instruments of institutions listed in stock exchange	525,024	-	-	525,024	100%	525,024
Investments in equity and other capital instruments of institutions not listed in the stock exchange	173,350	-	-	173,350	150%	260,025
Staff loan secured by residential property	798,069	-	-	798,069	50%	399,035
Interest Receivable/claim on government securities	162,107	-	-	162,107	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	3,586,297	1,300	-	3,584,997	100%	3,584,997
Total (A)	135,477,000	2,008,850	1,645,433	131,822,717		86,009,103

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	154,109	-	-	154,109	20%	30,822
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	9,109	-	-	9,109	50%	4,554
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	355,056	-	2,715	352,341	40%	140,936
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-
Underwriting commitments	-	-	-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-
Repurchase Agreements, Assets sale with recourse	3,000,000	-	-	3,000,000	20%	600,000
Advance Payment Guarantee	361,669	-	1,985	359,684	100%	359,684
Financial Guarantee	1,760	-	-	1,760	100%	1,760
Acceptances and Endorsements	-	-	-	-	100%	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	2,462,329	-	-	2,462,329	20%	492,466
Irrevocable Credit commitments (long term)	-	-	-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Other Contingent Liabilities	-	-	-	-	100%	-
Unpaid Guarantee Claims	-	-	-	-	200%	-
Total [B]	6,344,032	-	4,700	6,339,332		1,630,222
Total RWE for Credit Risk [A] + [B]	141,821,032	2,008,850	1,650,133	138,162,049		87,639,326
Adjustments under Pillar II						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						30,000
Total RWE for Credit Risk after Bank's adjustments under Pillar II	141,821,032	2,008,850	1,650,133	138,162,049		87,669,326
Total RWE for Credit Risk [A] + [B]	141,821,032	2,008,850	1,650,133	138,162,049		87,639,326

9 Eligible Credit Risk Mitigants

Rs. in '000

A. Balance Sheet Exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	Guarantee of Govt. of Nepal	Sec/ Guarantee of Other Sovereigns	Guarantee of domestic banks	Guarantee of MDBs	Sec/ Guarantee of Foreign Banks	Total
Balance Sheet Exposures	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -3)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA-4-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign government and Central Bank (ECA -7)	-	-	-	-	-	-	-	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Public Sector Entities	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Claims on foreign bank incorporated in SAARC region and China operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	-	-	-	-	-	-
Claims on Domestic Corporates (Unrated)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	-	-	-	-	-	-
Regulatory Retail Portfolio (Not Overdue)	654,251.17	-	936,052.38	-	-	-	-	-	-	1,590,304
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	-	-	-	-	-	-

A. Balance Sheet Exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt.& NRB Securities	Guarantee of Govt. of Nepal	Sec/ Guarantee of Other Sovereigns	Guarantee of domestic banks	Guarantee of MDBs	Sec/ Guarantee of Foreign Banks	Total
Claims secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims not fully secured by residential properties	-	-	-	-	-	-	-	-	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	-	-	-	-	-	-
Claims secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-
Past due claims (except for claims secured by residential properties)	-	-	-	-	-	-	-	-	-	-
High Risk claims	44,900.53	-	10,229.00	-	-	-	-	-	-	55,130
Lending against securities (bonds)	-	-	-	-	-	-	-	-	-	-
Lending against Shares (upto Rs.5 Million)	-	-	-	-	-	-	-	-	-	-
Trust Receipt Loans for Trading Firms	-	-	-	-	-	-	-	-	-	-
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)	-	-	-	-	-	-	-	-	-	-
Personal Hirepurchase/ Personal Auto Loans	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in stock exchange	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	-	-	-	-	-	-
Other Assets (as per attachment)	-	-	-	-	-	-	-	-	-	-
Total [A]	699,152	-	946,281	-	-	-	-	-	-	1,645,433

B. Off Balance Sheet Exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt.& NRB Securities	Guarantee of Govt. of Nepal	Sec/ Guarantee of Other Sovereigns	Guarantee of domestic banks	Guarantee of MDBs	Sec/ Guarantee of Foreign Banks	Total
Forward Exchange Contract Liabilities	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	2,714.66	-	-	-	-	-	-	-	-	2,715
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	-	-	-	-	-

B. Off Balance Sheet Exposures	Deposits with Bank	Deposits with other banks/Fl	Gold	Govt.& NRB Securities	Guarantee of Govt. of Nepal	Sec/ Guarantee of Other Sovereigns	Guarantee of domestic banks	Guarantee of MDBs	Sec/ Guarantee of Foreign Banks	Total
Foreign counterparty (ECA Rating 2)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	-	-	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	-	-	-	-	-	-
Underwriting commitments	-	-	-	-	-	-	-	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	-	-	-	-	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	-	-	-	-	-	-
Advance Payment Guarantee	1,985.00	-	-	-	-	-	-	-	-	1,985
Financial Guarantee	-	-	-	-	-	-	-	-	-	-
Acceptances and Endorsements	-	-	-	-	-	-	-	-	-	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (short term)	-	-	-	-	-	-	-	-	-	-
Irrevocable Credit commitments (long term)	-	-	-	-	-	-	-	-	-	-
Other Contingent Liabilities	-	-	-	-	-	-	-	-	-	-
Unpaid Guarantee Claims	-	-	-	-	-	-	-	-	-	-
Total (B)	4,700	-	-	-	-	-	-	-	-	4,700
Total Credit Risk Mitigants (B)	703,851	-	946,281	-	-	-	-	-	-	1,650,133

10. Risk Weighted Exposure for Operational Risk

Rs. in '000

Particulars	Financial Year		
	2078-79	2079-80	2080-81
Net Interest Income	3,329,779.38	4,239,341.31	4,104,093.96
Commission and Discount Income	497,493.26	548,579.78	592,895.44
Other Operating Income	46,878.50	48,035.47	19,972.60
Exchange Fluctuation Income	8,444.76	533.94	2,788.08
Addition/Deduction in Interest Suspense during the period	-	-	-
Gross income (a)	4,719,750	3,882,596	4,836,490
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	707,963	582,389	725,474
Capital Requirement for operational risk (d) (average of c)			671,942
Risk Weight (reciprocal of capital requirement of 11%) in times (e)			9
Equivalent Operational Risk Weight Exposure [f=(d×e)]			6,107,951

11. Risk Weighted Exposure for Market Risk
Rs. in full figures

Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
Indian Rupee	25,000.00	1.60	40,019	40,019
United States Dollar	457,004.45	137.40	62,792,411	62,792,411
Great Britain Pound	1,337.33	186.48	249,385	249,385
Euro	44,988.92	160.25	7,209,249	7,209,249
Thai Baht	174,790.00	4.23	739,362	739,362
Swiss Franc	3,540.00	172.26	609,783	609,783
Australian Dollar	8,966.71	91.71	822,292	822,292
Canadian Dollar	34,605.00	100.15	3,465,691	3,465,691
Singapore Dollar	12,233.00	107.04	1,309,359	1,309,359
Japanese Yen	1,930,000.00	0.93	1,793,935	1,793,935
Hong Kong Dollar	55,160.00	17.48	963,921	963,921
Danish Kroner	-	-	-	-
Swedish Kroner	-	-	-	-
Saudi Arabian Riyal	41,570.00	36.36	1,511,485	1,511,485
Qatari Riyal	5,621.00	37.49	210,703	210,703
Emirati Dirham	88,580.00	37.44	3,315,992	3,315,992
Malaysian Ringgit	1,800.00	32.01	57,618	57,618
South Korean Won	2,162,000.00	0.10	214,687	214,687
Chinese Yuan	23,560.00	19.13	450,585	450,585
Kuwaiti Dinar	510.00	447.64	228,294	228,294
Bahraini Dinar	321.00	363.83	116,789	116,789
(a) Total Open Position			86,101,561	86,101,561
(b) Fixed Percentage				5%
(c) Capital Charge for Market Risk (=a×b)				4,305,078
(d) Risk Weight (reciprocal of capital requirement of 10%) in times				9.09
(e) Equivalent Market Risk Weight Exposure (=c×d)				39,133,159

5.3 Classification of financial assets and financial liabilities

The financial assets and liabilities are classified in Amortised Cost, fair value through profit and loss and fair value through other comprehensive income. The following table exhibit the the classification of financial assets and liabilities:

Group				
	32nd Asar 2082			
	Amortised Cost	FVTPL	FVTOCI	Total
Financial Assets				
Cash and Cash Equivalent	7,210,366,692	-	-	7,210,366,692
Due from Nepal Rastra Bank	12,874,425,202	-	-	12,874,425,202
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	170,818,862	-	170,818,862
Loans and Advances to BFIs	1,621,933,849	-	-	1,621,933,849
Loans and Advances to Customers	97,223,242,655	-	-	97,223,242,655
Investment Securities	13,899,940,558	-	709,881,577	14,609,822,135
Other Assets	583,919,947	-	-	583,919,947
Total Financial Assets	133,413,828,903	170,818,862	709,881,577	134,294,529,342
Financial Liabilities				
Due to Banks and Financial Institutions	3,718,026,296	-	-	3,718,026,296
Due to Nepal Rastra Bank	415,629,581	-	-	415,629,581
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	117,335,442,710	-	-	117,335,442,710
Borrowings	2,083,333	-	-	2,083,333
Other Liabilities	1,300,731,448	268,157,511	31,455,289	1,600,344,248
Debt Securities Issued	1,248,016,742	-	-	1,248,016,742
Total Financial Liabilities	124,019,930,110	268,157,511	31,455,289	124,319,542,910

Bank				
	32nd Asar 2082			
	Amortised Cost	FVTPL	FVTOCI	Total
Financial Assets				
Cash and Cash Equivalent	6,583,139,582	-	-	6,583,139,582
Due from Nepal Rastra Bank	12,874,425,202	-	-	12,874,425,202
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	1,621,933,849	-	-	1,621,933,849
Loans and Advances to Customers	97,223,242,655	-	-	97,223,242,655
Investment Securities	13,856,839,938	-	709,881,576	14,566,721,514
Other Assets	525,028,705	-	-	525,028,705
Total Financial Assets	132,684,609,931	-	709,881,576	133,394,491,507
Financial Liabilities				
Due to Banks and Financial Institutions	3,718,026,296	-	-	3,718,026,296
Due to Nepal Rastra Bank	415,629,581	-	-	415,629,581
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	117,430,718,877	-	-	117,430,718,877
Borrowings	2,083,333	-	-	2,083,333
Other Liabilities	739,075,829	266,366,126	31,455,289	1,036,897,244
Debt Securities Issued	1,248,016,742	-	-	1,248,016,742
Total Financial Liabilities	123,553,550,658	266,366,126	31,455,289	123,851,372,073

Group				
	31st Asar 2081			
	Amortised Cost	FVTPL	FVTOCI	Total
Financial Assets				
Cash and Cash Equivalent	3,382,291,381	-	-	3,382,291,381
Due from Nepal Rastra Bank	9,606,142,194	-	-	9,606,142,194
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	102,940,286	-	102,940,286
Loans and Advances to BFIs	2,139,626,534	-	-	2,139,626,534
Loans and Advances to Customers	91,907,309,025	-	-	91,907,309,025
Investment Securities	13,890,181,038	-	392,222,317	14,282,403,355
Other Assets	712,155,726	-	-	712,155,726
Total Financial Assets	121,637,705,898	102,940,286	392,222,317	122,132,868,501
Financial Liabilities				
Due to Banks and Financial Institutions	769,621,798	-	-	769,621,798
Due to Nepal Rastra Bank	415,629,581	-	-	415,629,581
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	109,693,104,367	-	-	109,693,104,367
Borrowings	10,416,667	-	-	10,416,667
Other Liabilities	1,271,494,950	252,649,683	(17,209,674)	1,506,934,959
Debt Securities Issued	1,247,443,582	-	-	1,247,443,582
Total Financial Liabilities	113,407,710,945	252,649,683	(17,209,674)	113,643,150,954

Bank				
	31st Asar 2081			
	Amortised Cost	FVTPL	FVTOCI	Total
Financial Assets				
Cash and Cash Equivalent	3,134,539,704	-	-	3,134,539,704
Due from Nepal Rastra Bank	9,606,142,194	-	-	9,606,142,194
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	2,139,626,534	-	-	2,139,626,534
Loans and Advances to Customers	91,907,309,025	-	-	91,907,309,025
Investment Securities	13,857,025,789	-	392,222,317	14,249,248,106
Other Assets	639,172,527	-	-	639,172,527
Total Financial Assets	121,283,815,773	-	392,222,317	121,676,038,090
Financial Liabilities				
Due to Banks and Financial Institutions	769,621,798	-	-	769,621,798
Due to Nepal Rastra Bank	415,629,581	-	-	415,629,581
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	109,758,876,133	-	-	109,758,876,133
Borrowings	10,416,667	-	-	10,416,667
Other Liabilities	1,169,176,170	251,162,167	(17,209,674)	1,403,128,663
Debt Securities Issued	1,247,443,582	-	-	1,247,443,582
Total Financial Liabilities	113,371,163,931	251,162,167	(17,209,674)	113,605,116,424

5.4 Operating Segment Information

1. General information

Factors that management used to identify the entity's reportable segments

An operating segment is a component of the Bank that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Based on the nature of the business, transactions, products and services, the management have identified three reporting segment for the purpose of financial reporting:

i. Banking Operation

The banking of the Bank provides the customer with the services like personal and corporate banking, corporate and retail credit, project financing, hire purchase financing, trade financing, foreign currency operations, issuing of debit cards, internet banking, mobile banking, money remittance facilities and other incidental services. The income includes all the revenue generated for providing aforesaid services while expenses includes interest income, personnel expenses and operating expenses including the impairment charges created on the assets of the segment.

ii. Treasury Operation

Treasury function of the bank manages the liquidity on the branch level and of the banks as a whole. This segment encompasses the incomes derived from government securities, treasury bills, dividend on investment securities, forex trading and revaluation gain/loss. The interest cost of borrowing, personnel expenses, depreciation, provisions on the securities and other operating expenses are the cost included in this segment.

iii. Digital Banking Operation

Digital Banking Operation encompasses the revenue generated through the mobile banking, internet banking, different wallets, remittances and processing of digital transactions.

2. Information about profit or loss, assets and liabilities

Particulars	Banking	Treasury	Digital Banking	Total
Revenues from external customers	10,594,377,089	975,929,440	188,526,480	11,758,833,009
Inter Segment Expenses/revenues	-	-	-	-
Net Revenue	10,594,377,089	975,929,440	188,526,480	11,758,833,009
Interest Revenue	10,126,667,634	922,203,102	-	11,048,870,736
Interest Expense	6,325,355,010	146,025,942	-	6,471,380,952
Net interest expenses/revenue	3,801,312,624	776,177,160	-	4,577,489,784
Depreciation and Amortisation	294,597,963	49,088	410,845	295,057,896
Segment Profit /([Loss])	1,069,017,783	776,128,072	105,833,850	1,950,979,705
Impairment of Assets	3,558,930,146	-	-	3,558,930,146
Segment Assets	103,587,809,142	32,928,470,173	3,924,010	136,520,203,325
Segment Liabilities	122,945,349,634	1,665,729,656	99,053,869	124,710,133,159

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

Revenues from external customers comprise of gross interest revenue, gross fee and commission revenue, net trading revenue, other operating incomes and intersegment revenue.

The transaction between the department are recorded using the interbranch and interdepartmental account. These accounts are reconciled and interdepartmental balances are cancelled out at each reporting date. The interdepartmental revenue and expenses are the transfer pricing of the funds which is calculated using the bank's policy.

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

a. Revenue

Particulars	Amount in NPR
Total revenues for reportable segments	11,758,833,009
Other revenues	-
Elimination of intersegment revenues	-
Entity's revenues	11,758,833,009

b. Profit or loss

Particulars	Amount in NPR
Total profit or loss for reportable segments	1,950,979,705
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amount	-
Profit before income tax	1,950,979,705

c. Assets

Particulars	Amount in NPR
Total assets for reportable segments	136,520,203,325
Other assets	-
Unallocated amounts	-
Entity's assets	136,520,203,325

d. Assets

Particulars	Amount in NPR
Total liabilities for reportable segments	124,710,133,159
Other liabilities	-
Unallocated liabilities	-
Entity's liabilities	124,710,133,159

5. Information about products and services

Particulars	Amount in NPR
Funded and Non Funded Credit Facilities	10,480,662,064
Treasury Operations	975,929,440
Remittance	6,739,865
Service Fees	235,684,957
Digital Banking Services	47,261,347
Other Allied Products and Services	12,555,336
Total Revenue	11,758,833,009

6. Information about geographical areas

Revenue from following geographical areas

Provinces	Amount in NPR
Koshi Province	1,403,359,698
Madesh Pradesh	894,133,449
Bagmati Pradesh	4,805,181,995
Gandaki Pradesh	2,627,762,867
Lumbini Pradesh	1,604,569,091
Karnali Pradesh	162,321,021
Sudur Paschim Pradesh	261,504,887
Total	11,758,833,009

7. Information about major customers

The Bank do not have any customer, which generate more than 10% of the entity's revenue.

5.5 Share options and share based payment

A share-based payment is a transaction in which the bank receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the entity. The Bank do not extend the share options and share based payment to any of its employees. Thus, during the reporting period the bank does not have any transactions that are to be accounted as per NFRS 2 "Share based payments".

5.6 Contingent liabilities and commitment

Comprehensive disclosure of the contingent liabilities and commitments are made on Note 4.28.

5.7 Related Party Disclosures

A related party is a person or entity that is related to the reporting entity ("the Bank") by virtue of having control or joint control, significant influence or being key managerial personnel of the entity as defined in "NAS 24 Related Party Disclosures". The Bank has identified the following related parties and transactions with them.

i. List of related party

The following parties have been identified as the related party transaction as per NAS 24:

Name of the Related Party	Relationship
Muktinath Capital Limited	Subsidiary Company
Muktinath Krishi Company Limited	Associate Company
Bharat Raj Dhakal*	Chairman
Khim Prakash Malla*	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

*The chairman Mr. Bharat Raj Dhakal resigned from the post vide 346th Board Meeting dated 2081/11/21 and Mr. Khim Prakash Malla was appointed as the Chairman of the Bank vide 347th Board Meeting dated 2081/11/22.

ii. Related Party Transactions

Board of Directors Allowances and Facilities

Particulars	No of Meetings	Sitting Fees
Board Meeting	26	1,935,000
Audit Committee Meeting	8	152,000
Risk Management Committee	9	171,000
Assets Money Laundering Prevention Committee	8	80,000
Employees Facilities Committee	4	40,000
Building Management Committee	2	15,000
Total		2,393,000

In addition to above meeting allowance, the following amount have been paid to directors:

Particulars	Chairman	Other Directors	Total Amount Paid
Reimbursement for Mobile & Newspaper	8,000 per month	8,000 per month	572,000
Total			572,000

Key Managerial Personnel's Emoluments and Facilities

Particulars	Assistant Chief Executive Officer	Asst. Deputy Chief Executive Officer	Deputy Chief Executive Officer	Chief Executive Officer
Salary and Allowances	4,205,820	4,989,000	6,430,000	9,775,000
Provident Fund	178,488	226,800	319,200	600,000
Leave and Gratuity	207,519	366,300	229,900	975,000
Statutory Bonus	651,235	790,855	1,113,055	1,981,936
Total	5,243,062	6,372,955	8,092,155	13,331,936

In addition to above, the key managerial personnel are entitled to other benefits as per the policy of the bank.

Subsidiary and Associate Company

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

Particulars	Muktinath Capital Ltd.	Muktinath Krishi Co. Ltd.
Nature of Relationship	Subsidiary	Associate
Deposits Outstanding	95,317,433	47,119,406
Interest Paid	2,277,327	1,023,696
Non-funded facilities	-	4,704,043
Fees on non-funded facilities	-	152,851
Dividend Received	17,388,206	-
RTS & Other Service Fees Paid	704,489	-
Rent Received	-	266,664

Apart from the above transactions the Muktinath Capital Limited has been managing the portfolio limit of NPR 153.5 Millions on behalf of the Bank.

5.8 Merger and Acquisition

The Bank has neither entered into merger nor acquired any bank and financials institutions during the reporting period.

5.9 Additional disclosure of non consolidated entities

The group financials includes the figures of the Muktinath Bikas Bank Limited and its subsidiary Muktinath Capital Limited as per the provisions of NFRS 10 : Consolidated Financial Statements. There are no such entities which are required to be consolidated but not done during the year.

5.10 Events after reporting date

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The Bank follows NAS-10 "Events after the Reporting Period" to account for and report the events that have occurred after the reporting period. Such events may be adjusting and non-adjusting and are disclosed below.

a. Adjusting Events

i. Recovery of Interest after reporting date and up to Shrawan 15, 2082

The Nepal Rastra Bank Directive requires the Bank and Financial Institutions to transfer the equivalent amount of interest on loans and advances accounted as an interest income under the accrual basis of accounting but not recovered up to the end of reporting period to the Regulatory Reserve from the Retained Earnings. However, the same directives has relaxed this provision with which Bank may not appropriate such amount in case it is recovered within the 15 days after the year end, i.e. 15th Shrawan.

In line with the aforesaid relaxation the gross amount of NPR 93,365,620 which was otherwise required to be appropriated to the Regulatory Reserves has not been so appropriated. The details are as follows:

Particulars	32nd Asar 2082	31st Asar 2081
Accrued interest receivable	1,475,503,426	1,456,926,562
Less: Cessation of the interest on loan	376,398,587	168,862,971
Less: Interest recovered up to 15th Shrawan as per Directives No. 4	93,365,620	117,813,199
Amount required to be appropriated to Regulatory Reserves (before staff bonus & tax)	1,005,739,220	1,170,250,392
Amount already appropriated to Regulatory Reserves (before staff bonus & tax)	1,481,329,610	650,958,582
Gross appropriations to the Regulatory Reserves (before staff bonus & taxes)	(475,590,391)	519,291,810
Net appropriations to the Regulatory Reserves for unrecovered interest	(236,701,338)	327,153,840

5.11 Additional Disclosures

a. Loans and Advances extended to Promoters:

The Bank has not extended any loans to promoters during the year.

b. Staff Skill Development Fund

The Bank and Financial Institution are required to allocate and spent at least 3% of the previous year salary and allowances for the staff skill development as per Directive 6 of the Nepal Rastra Bank Directives. In case the allocated amount isn't spent, the same has to be carried forward to the next financial year in a Staff Skill Development Fund. In line of this requirement, the movement on the Skill Development Fund is as follows:

Particulars	32nd Asar 2082	31st Asar 2081
Opening Staff Skill Development Fund	21,317,748	17,123,114
3% of the previous year salary and allowances	31,003,675	30,258,260
Total amount incurred for employee training and skill development program	21,776,348	26,063,626
Excess/(Deficit) amount incurred for employee training and skill development program	9,227,327	4,194,634
Staff Skill Development Fund carried forward to next year	30,545,075	21,317,748

c. Corporate Social Responsibility Fund

Clause 13 of the NRB Directive No.6. requires the Bank to allocate 1% of its net profit to the corporate social responsibility fund and spent the same for the social causes. The details of the movement of the Corporate Social Responsibility Fund is presented below:

Particulars	32nd Asar 2082	31st Asar 2081
Opening Corporate Social Responsibility Fund	12,088,411	13,814,578
Less: Expenses incurred from CSR Fund during the year	10,320,596	13,489,516
Add: Amount allocated to CSR Fund from current year net profit	13,503,604	11,763,349
CSR Fund available for next financial year	15,271,420	12,088,411

Province wise and Sectorwise Corporate Social Responsibility Fund spending is as follows:

Province Wise		Sector Wise	
Province	32nd Asar 2082	Sector	32nd Asar 2082
Koshi Province	635,910	Education	1,653,683
Madesh Pradesh	804,583	Health	1,103,308
Bagmati Pradesh	4,483,168	Social Projects & Relief	321,483
Gandaki Pradesh	2,827,463	Environment	907,981
Lumbini Pradesh	880,325	Financial Literacy	4,202,449
Karnali Pradesh	249,999	Sustainable Development Goals	836,691
Sudur Paschim Pradesh	439,148	Others	1,295,000
Total	10,320,596	Total	10,320,596

d. Unpaid Dividend

The total cash dividend of NPR 14,521,914 which was approved by AGM of the bank during various previous years is still payable to shareholders as at reporting date. The details are as follows:

Particulars	32nd Asar 2082	31st Asar 2081
Total dividend payable in the books of Bank outstanding for more than 5 years	1,124,484	1,124,484
Total dividend payable with Bank's RTS Muktinath Capital Limited outstanding for less than 5 years	13,397,430	13,780,333
Total Unpaid Dividend	14,521,914	14,904,817

e. Earning Per Share

The earnings per share calculated on the basis of the provision of NAS 33, Earnings per Share is as follows:

Particulars	32nd Asar 2082	31st Asar 2081
Profit attributable to ordinary shareholders	1,350,360,375	1,176,334,917
Number of ordinary shares as at year end (Face Value NPR 100/-)	70,469,380	70,469,380
Weighted average number of ordinary shares for computing EPS	70,469,380	70,469,380
Basic earnings per equity share	19.16	16.69
Diluted earning per share	19.16	16.69

f. Non-Banking Assets

Non-Banking Assets (NBA) are the assets obtained as security for loans & advances and subsequently taken over by the Bank. The following are the list of properties assumed by the Bank as the non banking assets during the course of debt recovery :

Name of the Borrower	Date of assuming NBA	32nd Asar 2082	31st Asar 2081
Oshon Fancyy Stores	6/26/2022	14,032,658	14,032,658
Shree Laxmi Bag Store	04/07/2022	7,333,470	7,333,470
Dilliram Oli	07/07/2022	10,716,273	10,716,273
Dipesh Guragain	15/07/2022	8,234,476	8,234,476
K.C. Falful Tatha Tarkari Pasal	16/11/2022	3,959,876	3,959,876
Dhanraj Pakhrin	11/27/2022	10,410,095	10,410,095
Gyan Sarathi Vidhyapitha Pvt. Ltd.	12/27/2022	53,362,590	53,362,590
Chaudhary Trade And Investment Pvt.Ltd	05/04/2023	31,873,477	50,762,338
Sita Didi Fancy Stores	13/04/2023	6,020,751	6,020,751
Sita Kumari Kunwar	13/04/2023	8,643,968	8,643,968
Sita Agro Farm	13/04/2023	750,760	750,760
Saraswati Timilsina	13/04/2023	174,521	174,521
Bageshwari Trade Concern Pvt.Ltd	7/11/2023	56,728,569	56,728,569
Yam Kumari Share Punja	1/12/2024	24,104,291	24,104,291
Yam Kumari Sher Punja	06/02/2024	403,223	403,223
Abipra And Ronish Ag	7/1/2024	24,738,276	24,738,276
B & B Iron Engineering Workshop	7/15/2024	41,376,712	44,000,733
Eurasia Manufacturer & Export Pvt. Ltd.	7/15/2024	29,791,083	29,791,083
Sittal Deurali Group	7/15/2024	35,286,292	35,286,292
Dahare Deurali Agro	6/25/2025	13,165,256	-
Dipesh Kumar Yadav	7/13/2025	4,846,020	-
Basanta Kumar Shrestha	7/14/2025	37,550,000	-
Padam Bahadur Thapa	7/16/2025	5,282,390	-
Bastra Fashion Store	4/16/2024	-	4,350,000
Resunga Traders	7/9/2024	-	38,700,000
Total		428,785,028	432,504,244

Non-Banking assets (NBA) as disclosed above is reported under Investment Property in Notes 4.12 and is carried at the cost.

g. Loan written off

The Bank has written off the following loans pertaining to unrecoverable bad debts during the year.

Name of the Borrower	Written off Amount
Namuna Ekikrit Krishi Farm	1,294,045
Babita Real Estate Pvt. Ltd.	8,075,215
Basanta Kumar Shrestha	14,800,602
Resunga Traders	19,300,731
Tikamani Pun	825,857
Avhiru Construction Pvt Ltd.	3,796,436
B.&B. Iron Engineering Workshop Pvt.Ltd	12,367,230
Nityasita Enterprises	2,343,564
Karma Tamang	1,092,369
Yogesh Raj Shrestha	1,090,265
S T Jewellery	554,343
Total	65,540,656

h.

The fair value hierarchy that the Bank has applied in measuring its financial assets and financial liabilities is as follows:

Particulars	Level	Group		Bank	
		32nd Asar 2082	31st Asar 2081	32nd Asar 2082	31st Asar 2081
Financial Assets					
i. Through FVTPL					
Other Trading Assets	Level 1	170,819	102,940	-	-
ii. Through FVTOCI					
Investment Securities - Quoted	Level 1	(3,211,065)	11,187,604	(3,254,166)	11,154,448
Investment Securities - Unquoted	Level 2	17,820,887	3,094,800	17,820,887	3,094,800
iii. At Amortised Cost					
Cash and Cash Equivalent	Level 3	7,210,367	3,382,291	6,583,140	3,134,540
Due from Nepal Rastra Bank	Level 3	12,874,425	9,606,142	12,874,425	9,606,142
Placement with B&FIs	Level 3	-	-	-	-
Derivative Financial Instruments	Level 3	-	-	-	-
Loans and Advances to BFIs	Level 3	1,621,934	2,139,627	1,621,934	2,139,627
Loans and Advances to Customers	Level 3	97,223,243	91,907,309	97,223,243	91,907,309
Other Assets	Level 3	583,920	712,156	525,029	639,173
Total Financial Assets		134,294,529	122,132,869	133,394,492	121,676,038
Financial Liabilities					
i. Through FVTPL/FVTOCI					
Liability for employees DBO	Level 3	299,612.80	235,440.01	297,821.42	233,952.49
ii. At Amortised Cost					
Due to B&Fis	Level 3	3,718,026	769,622	3,718,026	769,622
Due to Nepal Rastra Bank	Level 3	415,630	415,630	415,630	415,630
Derivative Financial Instruments	Level 3	-	-	-	-
Deposits from Customers	Level 3	117,335,443	109,693,104	117,430,719	109,758,876
Borrowings	Level 3	2,083	10,417	2,083	10,417
Other Liabilities	Level 3	1,300,731	1,271,495	739,076	1,169,176
Debt Securities Issued	Level 3	1,248,017	1,247,444	1,248,017	1,247,444
Total Financial Liabilities		124,319,543	113,643,151	123,851,372	113,605,116

i. Disclosure on Government Grants and Disclosure of Government Assistance

MoU with iDE Nepal

The Bank has entered into agreement with iDE Nepal, a global organization that advances market-based approaches in agriculture; access to finance; and water, sanitation, and hygiene (WASH) to increase household income by provided easy access to finance in climate-smart agriculture technologies, with a focus on women and disadvantaged/marginalized groups, made possible through a bundled service offering that combined non-traditional financial service (NTFS) loan and crop insurance products to stimulate commercial vegetable production. The program included development and distribution of small-farmer, climate-smart agricultural loans from Muktinath Bikas Bank through two mechanisms, one known as Business Correspondent/Wholesale Loan Model and Rural Aggregation/Direct-to-Farmer Loan Model.

In pursuant to the terms of the agreement of iDE Nepal, the Bank has received the grant as the reimbursement of the expenses incurred for the project and has accounted the grant received as per NAS 20, Accounting for Government Grants and Disclosure of Government Assistance The following amount has been recognised in Statement of Profit and Loss Account as the grant income:

Particulars	Amount
iDE Nepal	354,576
Total	354,576

j. Disclosure Pursuant to NAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

A prior period error was identified in the financial statements for the year ended Ashad 31, 2081 (16 July 2024), relating to gratuity expenses. Gratuity expense of the following amount was charged in excess of the amount required, resulting in the overstatement of employee benefit expenses and the understatement of profit before tax and retained earnings for that year.

In accordance with NAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the error has been corrected retrospectively. The comparative figures have been restated as follows:

Particulars	31st Asar 2081	Adjustment	Restated Amount
Statement of Financial Position			
Other Liability -Liability for employees Defined Benefit Obligations	135,947,317	(17,563,865)	118,383,452
Reserves	3,187,868,297	3,688,412	3,191,556,709
Retained Earning	194,701,418	13,875,453	208,576,871
Deferred Tax Assets	116,115,309	(5,269,160)	110,846,150
Total Liability	114,516,956,292	(17,563,865)	114,499,392,427
Statement of Profit or Loss			
Personnel Expenses- Gratuity Expense	48,116,856	17,563,865	30,552,991
Deferred Tax Income	28,936,515	(5,269,160)	23,667,356
Profit after Tax	1,176,334,917	12,294,706	1,188,629,622

The impact of this is provided in the current year financial statement by crediting the retained earnings with corresponding debit to defined benefit obligations.

k. Dividend Declaration

The Board of Directors of the Bank has decided to declare a dividend for the Financial year ended 2081-82 out of the earnings of the current year as well as retained earnings of the previous years.

The amount of the dividend proposed in previous year is as follows:

Particulars	32nd Asar 2082		31st Asar 2081	
	Percentage	Amount	Percentage	Amount
Stock Dividend	13.53	953,450,718	-	-
Cash Dividend	4.67	329,092,007	-	-
Total	18.20	1,282,542,725	-	-

l. Concentration of Deposits and Loans & Advances

Particulars	Loans and Advances		Deposits	
	Percentage	Amount	Percentage	Amount
Total Amount Outstanding (Gross)	100,328,950,991	94,680,301,515	117,913,582,969	110,125,169,956
Highest exposure of single customers	748,900,000	696,190,000	3,361,375,466	2,681,577,428
Concentration of exposure to single customers	0.75%	0.74%	2.85%	2.44%
Total exposures to twenty largest customers	6,733,511,875	5,765,527,645	15,686,221,206	11,907,247,230
Concentration of exposure to twenty largest customers	6.71%	6.09%	13.30%	10.81%

m. COVID Relaxations Related

The Bank has extended various COVID related relaxations in line with NRB Directions and the internal product paper. The outstanding and number of customers facilitated are as follows:

Particulars	32nd Asar 2082		31st Asar 2081	
	No. of Customers	Amount	No. of Customers	Amount
• Accrued interest received after Asar end 2082 till 15 Shrawan 82	8,256	93,365,620	11,852	117,813,199
• Extension of moratorium period of loan provided to industry or project under construction	-	-	-	-
• Restructured/Rescheduled Loan with 5% Loan Loss Provision	1,524	2,442,975,036	2,824	5,445,207,689
• Enhancement of Working Capital Loan by 20% to COVID affected borrowers	-	-	-	-
• Enhancement of Term Loan by 10% to COVID affected borrowers	-	-	-	-
• Expiry Date of Additional 20% Workings Capital Loan(COVID Loan) extended for up to 1 year with 5% provisioning	-	-	-	-
• Time Extension provided for repayment of principal and interest for up to two years as per Clause 41 of NRB Directives 2	-	-	-	-

The refinance and business continuity loan detail is as follows:

Particulars	32nd Asar 2082		31st Asar 2081	
	No. of Customers	Amount	No. of Customers	Amount
• Refinance Loan	-	-	-	-
• Business Continuity Loan	-	-	-	-

5.12 Classification of Loans, Advances & Bill Purchase and Provisioning

a. Loans, Advances & Bill Purchase and Regulatory Provisioning

Particulars	Current Year		Previous Year	
	Total Loan and Advances	Provisions	Total Loan and Advances	Provisions
1. Performing Loan and Advances	97,349,413,224	1,341,270,232	92,439,221,780	1,489,207,337
1.1 Pass Loan	90,485,733,065	999,737,285	87,738,019,684	1,251,919,257
1.1.1 Pass Loan (other than Restructured/Rescheduled Covid Related)	88,042,758,029	878,235,269	82,292,811,996	981,218,081
1.1.2 Pass Loan (Restructured/Rescheduled Covid Related)	2,442,975,036	121,502,016	5,445,207,689	270,701,176
1.2 Watch List	6,863,680,160	341,532,947	4,701,202,095	237,288,080
2. Non-Performing Loan and Advances	2,979,537,767	2,217,659,913	2,241,079,735	1,276,156,274
2.1 Restructured / Rescheduled	-	-	-	-
2.2 Sub-standard	460,176,986	113,943,526	854,655,572	212,372,815
2.3 Doubtful	825,095,491	411,130,116	633,816,520	315,540,665
2.4 Loss	1,694,265,290	1,692,586,272	752,607,643	748,242,794
3. Total Loan and Advances (1+2)	100,328,950,991	3,558,930,145	94,680,301,515	2,765,363,611
4. Staff Loans	976,050,817	-	843,934,063	-
5. Accrued Interest	1,099,104,841	-	1,288,063,591	-
6. Grand Total (3 + 4 + 5)	102,404,106,650	3,558,930,145	96,812,299,169	2,765,363,611

b. Loans, Advances & Bill Purchase and NFRS-9 Provisioning

This financial year marks the first-time adoption of the Expected Credit Loss (ECL) model for calculating impairment allowances. In accordance with the NFRS 9 – Expected Credit Loss Related Guidelines, 2024, impairment on credit exposures has been recognised as the higher of the total ECL computed under NFRS 9 and the impairment requirement prescribed by the regulatory provisions in the Unified Directives.

Particulars	Current Year		Previous Year	
	Gross Loan and Interest Accrued	Impairment Allowances	Gross Loan and Interest Accrued	Impairment Allowances
1. Loans to Customers & BFIs				
1.1 Stage 1	88,479,403,656	413,831,705	86,958,674,339	931,400,733
1.2 Stage 2	8,662,876,029	492,511,287	6,411,542,213	255,096,851
1.3 Stage 3	4,587,035,346	2,048,327,174	2,725,494,785	824,123,522
Total Loans to Customers & BFIs	101,729,315,030	2,954,670,167	96,095,711,337	2,010,621,106
2. Staff Loans and advances	976,050,817	3,188,456	843,934,063	7,972,743
3. Non-funded facilities	1,296,561,200	1,420,248	755,929,526	1,294,449
Total	104,001,927,046	2,959,278,871	97,695,574,927	2,019,888,298

5.13 Comparative Figures

Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date

Sanjiv Poudel
Chief Financial Officer

Pradyuman Pokharel
Chief Executive Officer

Khim Prakash Malla
Chairman

Narayan Kumar Shrestha
Director

Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

Bharat Prasad Lamsal
Director

Binod Kumar Sharma
Director

Saroja Shrestha (Koirala)
Director

Umesh Kumar Acharya
Independent Director

31st Bhadra, 2082 | Kathmandu, Nepal

5.14 Variations between Audited and Unaudited Financial Statements

Particulars	Unaudited Financial Statement	Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Assets					
Cash and Cash Equivalent	6,583,139,582	6,583,139,582	-	-	-
Due from Nepal Rastra Bank	12,874,425,202	12,874,425,202	-	-	-
Placement with Bank and Financial Institutions	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-
Other Trading Assets	-	-	-	-	-
Loans and Advances to BFIs	1,621,933,849	1,621,933,849	-	-	-
Loans and Advances to Customers	97,515,825,122	97,223,242,655	(292,582,467)	(0.30)	Additional impairment charges and petty adjustments.
Investment Securities	14,564,290,073	14,566,721,514	2,431,441	0.02	Petty adjustment on valuation of the shares.
Current Tax Assets	-	17,184,441	17,184,441	-	-
Investment in Subsidiaries	244,045,905	244,045,905	-	-	-
Investment in Associates	155,550,000	155,550,000	-	-	-
Investment Property	428,785,028	428,785,028	-	-	-
Property and Equipment	2,207,320,424	2,101,433,314	(105,887,110)	(4.80)	Impact of NFRS-16 Lease calculation.
Goodwill and Intangible Assets	10,617,716	10,617,716	-	-	-
Deferred Tax Assets	104,949,718	124,762,354	19,812,636	18.88	Final calculation of deferred tax.
Other Assets	593,913,667	568,361,765	(25,551,902)	(4.30)	Revised calculation of deferred employee benefits.
Total Assets	136,904,796,286	136,520,203,325	(384,592,961)	(0.28)	
Liabilities					
Due to Banks and Financial Institutions	3,718,026,296	3,718,026,296	-	-	-
Due to Nepal Rastra Bank	415,629,581	415,629,581	-	-	-
Derivative Financials Instrument	-	-	-	-	-
Deposits from Customers	117,430,718,877	117,430,718,877	-	-	-
Borrowings	2,083,333	2,083,333	-	-	-
Current Tax Liabilities	54,237,929	-	(54,237,929)	(100.00)	Due to change in tax liability with the change in profit.
Provisions	1,300,000	-	(1,300,000)	(100.00)	Reclassification to other assets.
Deferred Tax Liabilities	-	-	-	-	-
Other Liabilities	2,058,321,730	1,895,658,330	(162,663,400)	(7.90)	Impact of lease liability under NFRS 16 and other petty adjustments.
Debt Securities Issued	1,248,016,742	1,248,016,742	-	-	-
Subordinated Liabilities	-	-	-	-	-
Total Liabilities	124,928,334,488	124,710,133,159	(218,201,329)	(0.17)	
Equity					
Share Capital	7,046,938,049	7,046,938,049	-	-	-
Share Premium	-	-	-	-	-
Retained Earnings	1,462,501,585	1,354,101,747	(108,399,838)	(7.41)	Change in profit and its regulatory impact.
Reserves	3,467,022,164	3,409,030,370	(57,991,794)	(1.67)	
Total Equity Attributable to Equity Shareholders	11,976,461,798	11,810,070,166	(166,391,632)	(1.39)	
Non Controlling Interest	-	-	-	-	
Total Equity	11,976,461,798	11,810,070,166	(166,391,632)	(1.39)	
Total Equity and Liabilities	136,904,796,286	136,520,203,325	(384,592,961)	(0.28)	

Particulars	Unaudited Financial Statement	Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Interest Income	11,046,060,400	11,048,870,736	2,810,336	0.03	Interest income as per NRB guidelines and other petty adjustments.
Interest Expense	6,488,837,065	6,471,380,952	(17,456,113)	(0.27)	Change in interest cost under NFRS 16.
Net Interest Income	4,557,223,335	4,577,489,784	20,266,449	0.44	-
Fees and Commission Income	647,674,496	648,291,957	617,461	0.10	Petty adjustment.
Fees and Commission Expense	90,027,533	90,119,934	92,401	0.10	Petty adjustment.
Net Fee and Commission Income	557,646,963	558,172,023	525,060	0.09	-
Net Interest, Fee and Commission Income	5,114,870,298	5,135,661,807	20,791,509	0.41	-
Net Trading Income	9,158,922	9,158,922	-	-	-
Other Operating Income	50,920,415	51,044,730	124,315	0.24	Petty adjustment.
Total Operating Income	5,174,949,635	5,195,865,459	20,915,824	0.40	-
Impairment charge/(reversal) for loans and other losses	563,033,036	793,566,535	230,533,499	40.94	Impairment added by the Statutory Auditors and NRB.
Net Operating Income	4,611,916,599	4,402,298,924	(209,617,675)	(4.55)	-
Operating Expense					
Personnel Expenses	1,654,266,152	1,646,265,133	(8,001,019)	(0.48)	Change in staff bonus and other petty adjustment.
Other Operating Expenses	461,333,659	445,922,198	(15,411,461)	(3.34)	Change in Lease expenses and other petty adjustment.
Depreciation and Amortisation	265,868,407	295,057,896	29,189,489	10.98	Impact of depreciation of right to use assets under NFRS 16.
Operating Profit	2,230,448,381	2,015,053,697	215,394,684	9.66	
Non Operating Income	1,466,664	1,466,664	-	-	-
Non Operating Expense	1,294,045	65,540,656	64,246,611	4,964.79	Loan written off in line with NRB Instruction.
Profit before Income Tax	2,230,621,000	1,950,979,705	(279,641,295)	(12.54)	
Income Tax Expense					
Current Tax	686,105,101	614,682,731	(71,422,370)	(10.41)	Due to change in profit and tax computation as per income tax act.
Deferred Tax	7,084,467	(14,063,401)	(21,147,868)	(298.51)	
Profit for the Period	1,537,431,432	1,350,360,375	(187,071,057)	(12.17)	-

5.15 Statement of Principal Indicators of last 5 Financial Years

SN	Indicators	Unit	FY 2077-78	FY 2078-79	FY 2079-80	FY 2080-81	FY 2081-82
1.	Core Capital (In 000)	NPR	6,481,619	7,452,454	8,157,836	8,542,674	10,466,809
2.	Supplementary Capital (In 000)	NPR	817,385	2,502,574	2,711,910	2,017,365	1,973,414
3.	Total Capital Fund (In 000)	NPR	7,299,004	9,955,028	10,869,746	10,560,039	12,440,223
4.	Risk Weighted Exposure (In 000)	NPR	65,237,412	84,386,577	92,316,929	90,301,639	96,579,550
5.	Earnings Per Share	NPR	24.03	23.72	19.44	16.69	19.16
6.	Market Value Per Share	NPR	657	440	407	367	405.92
7.	Book Net Worth Per Share	NPR	141.98	142.77	145.82	148.00	167.59
8.	Number of promoter Equity Shares	Nos.	24,538,911	28,851,622	32,746,594	35,939,387	35,939,387
9.	Number of public Equity Shares	Nos.	23,576,597	27,720,184	31,462,409	34,529,994	34,529,994
10.	Number of Permanent Staffs	Nos.	1,547	1,555	1,663	1,565	1,429
11.	Price Earning Ratio	Times	27.34	18.55	20.94	21.99	21.18
12.	Bonus Dividend on Share Capital	Percent	17.58	13.50	9.75	-	13.53
13.	Cash Dividend on Share Capital	Percent	0.93	0.71	0.51	-	4.67
14.	Net Profit/ Gross Income	Percent	30.51	35.01	26.83	24.76	25.99
15.	Interest Income/ Loans and Advances	Percent	8.37	10.79	13.04	12.76	9.80
16.	Exchange Gain/ Total Income	Percent	0.14	0.21	0.30	0.20	0.23
17.	Interest Expenses/ Total Deposits and Borrowings	Percent	5.52	7.86	9.76	8.68	5.51
18.	Total Operating Expenses/Total Assets	Percent	1.63	1.51	1.62	1.81	1.75
19.	Staff Expenses/ Total Operating Expenses	Percent	65.92	64.89	65.36	66.15	66.45
20.	Staff Bonus/Total Staff Expenses	Percent	16.56	17.64	13.99	12.02	13.17
21.	Total Credit/Deposits	Percent	82.76	82.58	81.89	85.09	81.59
22.	Non-Performing Loan/ Total Loans	Percent	0.23	0.212	0.98	2.37	3.03
23.	Net NPL	Percent	0.12	0.11	0.38	1.02	0.76
24.	Base Rate	Percent	8.05	11.15	11.68	8.78	7.10
25.	Weighted Average Interest Rate Spread	Percent	4.48	4.51	4.59	4.59	3.87
26.	Net Profit/Total Loans & Advances	Percent	1.51	1.50	1.29	1.25	1.37
27.	Net Profit/ Total Assets	Percent	1.14	1.11	0.95	0.94	0.99
28.	Liquidity Ratio	Percent	24.07	26.32	25.67	24.01	25.57
29.	Cost of Fund	Percent	6.26	9.24	9.52	6.54	4.90
30.	Interest Yield on Loans	Percent	10.78	13.76	14.18	11.16	8.82
31.	Return on Total Assets	Percent	1.14	1.11	0.95	0.94	1.03
32.	Return on Equity	Percent	16.94	16.61	13.33	11.28	12.14
33.	Number of Branch including extension counters	Nos.	158	177	178	179	179

Muktinath Capital Limited's Auditor's Report & Financial Statements



Nagarkoti Susan & Associates
Chartered Accountants
Tokha-03, Kathmandu, Nepal

Email : info@nsassociates.com.np
Contact : +977-9851335843, 9849290844

INDEPENDENT AUDITOR'S REPORT The Shareholders of Muktinath Capital Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of M/s. Muktinath Capital Limited, Kathmandu, Nepal (hereinafter referred to as "the company"), which comprises the statement of financial position as at Ashad 32, 2082 [July 16, 2025] and statement of profit or loss, statement of cash flow & statement of changes in equity for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "the financial statements").

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the company as at Ashad 32, 2082 (July 16, 2025) and its financial performance and its cash flows for the year then ended on that date in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSA's). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Institute of Chartered Accountant of Nepal's code for professional accountants (ICAN Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Our Audit Approach and Responses
1. Valuation of Investment Investment of the company comprises of investments in listed Shares, Initial Public Offerings, Mutual Funds and Fixed Deposits.	Our audit approach regarding valuation of investment, impairment, its accounting includes: a. We ensured classifications and accounting of investments made by



Key Audit Matters	Our Audit Approach and Responses
The classifications, valuations and disclosures of the aforesaid investment shall be done in line with NFRS 9 financial instruments; NFRS 13 Fair Value Measurements; NFRS 7 Financial Instruments: Disclosure. Investment made in listed securities and mutual fund has been treated as Investment held for trading and recognised as Fair Value Through Profit and Loss. And investment in fixed deposits have been measured at amortised cost.	company and its valuation were in accordance to NFRS 9 and NFRS 13 Issued by Accounting Standards Board of Nepal. b. We ensured the correctness of the valuation of investment valued at amortised cost through sample verification of effective interest rate and amortization schedule. c. For the investment made on quoted equity instruments & units of mutual fund, we ensured that fair value has been done at the closing transaction rate in NEPSE as on 32.03.2082. Investment in promoters shares of unlisted companies has been valued at cost. However, investment in promoter shares of listed entities has been valued at the higher of average its book value; 40% of price of ordinary shares; 100 or 100.
2. Revenue Recognition: Revenue comprises of Income from Merchant Banking Activities, Interest Income from fixed deposit, Other Income, and Net Gain/ (loss) due to fair value change on financial instruments held for trading. In view of primary business of the company being the merchant banking we have considered merchant banking income and portfolio management service income as key audit matters in our audit.	Our audit approach regarding revenue recognition with respect to merchant banking income and portfolio management service income includes the following among other things: a. Ensured the portfolio management service revenue has been recognised on the basis of pms contract agreed with the client at the time of agreement and in line with NFRS 15. b. Ensured the related fees like performance fees, exit fees has been calculated and recorded as per the agreement in the timely manner. c. In case of contract based income, relevant NFRS accounting treatment has been adopted and in line with NFRS 15.

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

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



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

Report on Other Legal and Regulatory Requirements

We have obtained information and explanations asked for, which, to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account as required by law have been kept by the organization in so far as it appears from our examination of those books of account of the company. In our opinion the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity & statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes have been prepared in accordance with the requirements of Companies Act, 2063 and are in agreement with the books of accounts maintained by the company. In our opinion and to the best of information and according to the explanation given to us and from the examination of the books of accounts of the company, we have not come across any case where the board of directors or any employee of the company have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the company.

For Nagarakoti Susan and Associates
Chartered Accountants



C.A. Susan Nagarkoti
Proprietor
Date: 2082/05/19
Place: Kathmandu, Nepal
UDIN: 250904CA01708M3eRL

Statement of Financial Position

As on Ashad 32, 2082 (16 July 2025)

Figures in NPR

Particulars	Notes	As on 32nd Asar 2082	As on 31st Asar 2081
Assets			
Cash and Cash Equivalents	4.1	712,503,278	298,523,443
Investment Securities- Investment Securities through FVTPL	4.2	170,818,863	102,940,285
Investment Securities- Investment Securities through FVTOCI	4.3	-	-
Financial Investment-Held for Maturity	4.4	52,917,000	47,567,000
Other Financial Assets	4.5	58,292,122	62,914,526
Other Assets	4.6	941,559	11,067,622
Current Tax Assets	4.7	-	-
Investment Property	4.8	33,115,680	33,115,680
Property and Equipment	4.9	3,134,129	5,389,027
Right of Use Asset	4.9.1	3,348,150	5,435,905
Intangible Assets	4.10	944,332	342,523
Deferred Tax Assets	4.11	1,114,903	190,480
Total Assets		1,037,130,016	567,486,490
Liabilities			
Due to Public/Refundable to Investors	4.12	72,190,083	63,841,620
Other Financial Liabilities	4.13	27,807,362	32,189,019
Other Liabilities	4.14	460,229,110	6,888,119
Current Tax Liabilities	4.7	12,378,579	3,794,357
Other Provisions	4.15	7,100,832	7,168,315
Deferred Tax Liabilities	4.11	-	-
Total Liabilities		579,705,966	113,881,431
Equity			
Share Capital	4.16	405,000,000	405,000,000
Share Premium		40,405	40,405
Retained Earning	4.17	37,740,523	37,526,017
Reserves	4.18	14,643,122	11,038,638
Total Equity		457,424,050	453,605,059
Total Liability and Equity		1,037,130,016	567,486,490
Contingent liabilities and commitment		-	-
Net Assets Value		112.94	112.00

Notes 1 to 5.8 Forms integral part of Financial Statements

Samir Sekhar Bajracharya
(Chairman/ Director)

Dandapani Dhakal
Director

Umesh Regmi
Director

Lila Nath Dhakal
Director

As per our report of even date

For Nagarkoti Susan & Associates
Chartered Accountants
CA. Susan Nagarkoti
Proprietor

Deepanjali Khakurel
Director

Suman Koirala
Director

Kabindra Bikram Dhoj Joshi
CEO

Kamala Karki
Head-Accounts

19th Bhadra, 2082 | Kathmandu, Nepal

Statement of Profit or Loss

For the Period commencing on Shrawan 1, 2081 and ending on Ashad 32, 2082

Figures in NPR

Particulars	Notes	For the Period Ended Ashad 32, 2082	For the Period Ended Ashad 31, 2081
Revenue			
Revenue from Operation	4.19	67,207,406	44,204,241
Net Gain/(Loss) on Financial Investments-HFT	4.20	17,080,403	8,536,236
Other Income	4.21	18,564,190	49,830,716
Total Revenue		102,851,999	102,571,193
Expenses			
Employee Benefit Expenses	4.22	27,220,734	26,096,076
Operating Expenses	4.23	19,610,931	18,040,249
Depreciation and Amortization	4.24	4,766,166	5,534,611
Total Expenses		51,597,832	49,670,935
Profit before Tax from Continuing Operations		51,254,168	52,900,258
Income Tax			
Current Year Tax	4.25	17,526,142	14,761,093
Deferred Tax (Income)/Expenses	4.25	(924,424)	1,121,178
Profit for the Year		34,652,450	37,017,987
Earning Per Share		8.56	9.14

Notes 1 to 5.8 Forms integral part of Financial Statements

Samir Sekhar Bajracharya
(Chairman/ Director)

Dandapani Dhakal
Director

Umesh Regmi
Director

Lila Nath Dhakal
Director

Deepanjali Khakurel
Director

Suman Koirala
Director

Kabindra Bikram Dhoj Joshi
CEO

Kamala Karki
Head-Accounts

As per our report of even date

For Nagarkoti Susan & Associates
Chartered Accountants
CA. Susan Nagarkoti
Proprietor

19th Bhadra, 2082 | Kathmandu, Nepal

Statement of Other Comprehensive Income

For the Period commencing on Shrawan 1, 2081 and ending on Ashad 32, 2082

Particulars	Notes	For the Period Ended Ashad 32, 2082	For the Period Ended Ashad 31, 2081
Profit for the Year		34,652,450	37,017,987
Gains/(Losses) on Remeasuring Available for Sale Financial Assets		-	-
Gains/(Losses) on Actuarial Valuation of Defined Benefit Liability		-	-
Total Other Comprehensive Income/(Loss)		34,652,450	37,017,987
Income Tax Income/(Expense) relating to components of other comprehensive income		-	-
Total Comprehensive Income for the Year, Net of Tax		34,652,450	37,017,987

Notes 1 to 5.8 Forms integral part of Financial Statements

Samir Sekhar Bajracharya
(Chairman/ Director)

Dandapani Dhakal
Director

Umesh Regmi
Director

Lila Nath Dhakal
Director

Deepanjali Khakurel
Director

Suman Koirala
Director

Kabindra Bikram Dhoj Joshi
CEO

Kamala Karki
Head-Accounts

As per our report of even date

For Nagarkoti Susan & Associates
Chartered Accountants
CA. Susan Nagarkoti
Proprietor

19th Bhadra, 2082 | Kathmandu, Nepal

Statement of Cash Flow

For the Period commencing on Shrawan 1, 2081 and ending on Ashad 32, 2082

Figures in NPR

Particulars	For the Period Ended Ashad 32, 2082	For the Period Ended Ashad 31, 2081
CASH FLOWS FROM OPERATING ACTIVITIES		
Merchant Banking Income	19,098,864	16,999,726
Mero Share Online Income	4,704,600	3,658,950
Underwriting Income	7,306,924	10,521,024
Portfolio Management Income	12,053,421	4,767,673
Fund Management Fee	10,883,225	-
Fund Depository Fee	1,451,097	-
Advisory Income	5,993,517	3,584,309
IPO/FPO Issue Income	2,600,000	300,000
Pledge Income	319,250	199,000
Auction Income	240,000	360,381
Issue Management Income	100,000	1,575,000
RTS Income	2,456,508	2,238,178
Other Income	3,281,854	14,170,974
Less: Personnel Expenses	(27,093,587)	(26,096,076)
Less: Operating Expenses	(19,613,927)	(18,040,249)
Add/Less: Prior Period Adjustment	(251,174)	(82,431)
Operating Cash Flows Before Changes in Operating Assets and Liabilities	23,530,573	14,156,460
(Increase)/Decrease In Operating Assets		
(Increase)/Decrease In Financial Assets	4,622,404	(16,866,788)
(Increase)/Decrease In Other Assets	10,126,063	(9,962,428)
Increase/(Decrease) In Operating Liabilities		
Increase/(Decrease) In due to Public/Investor	8,348,463	-
Increase/(Decrease) In Financial Liabilities	(4,381,658)	(17,566,470)
Increase/(Decrease) In Provisions	(67,483)	2,270,010
Increase/(Decrease) In Tax Provision	8,584,222	8,373,728
Increase/(Decrease) In Other Liabilities	453,340,990	(3,173,419)
Net Cash Flow from Operating Activities Before Tax Paid	504,103,575	(22,768,907)
Income Taxes Paid	(17,526,142)	(14,761,093)
Net Cash Flow from Operating Activities	486,577,433	(37,530,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securitites - Quoted	(213,034,453)	(90,903,050)
Sale of Investment Securities - Quoted	191,906,271	44,706,666
Purchase of Investment Securitites - Unquoted	(10,000,000)	-
Sale of Investment Securities - Unquoted	-	-
Purchase of Investment Securitites - Mutual Fund	(25,000,000)	(1,000,000)
Sale of Investment Securities - Mutual Fund	3,620,935	993,188
Liquidation from Fixed deposit	-	-
Purchase of Investment Securitites - Debentures	-	4,457,749
Sale of Investment Securities - Debentures	10,234,921	-
Investment in Fixed Deposit	(14,000,000)	(30,000,000)
Purchase of Property and Equipment	(161,155)	(1,166,878)
Receipt from the Sale of Property and Equipment	-	-
Purchase of Intangible Assets	(960,500)	(168,398)
Receipt from the Sale of Intangible Assets	-	-
Purchase of Investment Properties	-	-
Receipt from the Sale of Investment Properties	-	-

Particulars	For the Period Ended Ashad 32, 2082	For the Period Ended Ashad 31, 2081
Increase/Decrease in ROU	96,333	(133,034)
Interest Received	13,636,181	35,183,833
Dividend Received	1,646,154	475,909
Net Cash used In Investing Activities	(42,015,313)	(37,554,016)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from Issue of Shares	-	-
Share Premium	-	-
Expenditure from corporate social responsibility	(207,285)	(29,600)
Dividends Paid	(30,375,000)	-
Interest Paid	-	-
Net Cash from Financing Activities	(30,582,285)	(29,600)
Net Increase (Decrease) In Cash And Cash Equivalents	413,979,836	(75,113,616)
Cash and Cash Equivalents at Shrawan 1, 2081	298,523,443	373,637,058
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents Held	-	-
Cash and Cash Equivalents at Ashad end 2082	712,503,278	298,523,443

Notes 1 to 5.8 Forms integral part of Financial Statements

Samir Sekhar Bajracharya
(Chairman/ Director)

Dandapani Dhakal
Director

Umesh Regmi
Director

Lila Nath Dhakal
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Deepanjali Khakurel
Director

Suman Koirala
Director

Kabindra Bikram Dhoj Joshi
CEO

Kamala Karki
Head-Accounts

As per our report of even date

For Nagarkoti Susan & Associates
Chartered Accountants
CA. Susan Nagarkoti
Proprietor

19th Bhadra, 2082 | Kathmandu, Nepal

Consolidated Statement of Changes in Equity

For the year ended 32nd Asar 2082

Figures in NPR

Particulars	Share Capital	Share Premium	General Reserve	Available for Sale	Fair Value Reserve	CSR Reserve	Retained Earnings	Total
Balance as at Shrawan 1, 2080	405,000,000	40,405	6,595,739	-	-	400,521	4,662,439	416,699,103
Prior Period Adjustments	-	-	-	-	-	-	(82,431)	(82,431)
Restated Balance as at Shrawan 1, 2080	405,000,000	40,405	6,595,739	-	-	400,521	4,580,008	416,616,673
Profit for the Year	-	-	-	-	-	-	37,017,987	37,017,987
Change in Fair Value	-	-	-	-	-	-	-	-
Apportion to General Reserve	-	-	3,701,799	-	-	-	(3,701,799)	-
Issue of Share Capital: Right Share Issued	-	-	-	-	-	-	-	-
Corporate Social Responsibility Reserve	-	-	-	-	-	370,180	(370,180)	-
Expenses out of CSR Reserve	-	-	-	-	-	(29,600)	-	(29,600)
Distribution of Dividend (including Tax)	-	-	-	-	-	-	-	-
Balance as at Ashad 31, 2081	405,000,000	40,405	10,297,538	-	-	741,100	37,526,017	453,605,059
Balance as at Shrawan 1, 2081	405,000,000	40,405	10,297,538	-	-	741,100	37,526,017	453,605,059
Prior Period Adjustments	-	-	-	-	-	-	(251,174)	(251,174)
Restated Balance as at Shrawan 1, 2081	405,000,000	40,405	10,297,538	-	-	741,100	37,274,843	453,353,885
Profit for the Year	-	-	-	-	-	-	34,652,450	34,652,450
Change in Fair Value	-	-	-	-	-	-	-	-
Apportion to General Reserve	-	-	3,465,245	-	-	-	(3,465,245)	-
Issue of Share Capital: Right Share Issued	-	-	-	-	-	-	-	-
Corporate Social Responsibility Reserve	-	-	-	-	-	346,525	(346,525)	-
Expenses out of CSR Reserve	-	-	-	-	-	(207,285)	-	(207,285)
Distribution of Dividend (including Tax)	-	-	-	-	-	-	(30,375,000)	(30,375,000)
Balance as at Ashad 31, 2082	405,000,000	40,405	13,762,783	-	-	880,340	37,740,523	457,424,050

Notes 1 to 5.8 Forms integral part of Financial Statements

Samir Sekhar Bajracharya (Chairman/ Director)	Dandapani Dhakal Director	Umesh Regmi Director	Lila Nath Dhakal Director	Deepanjali Khakurel Director	Suman Koirala Director	Kabindra Bikram Dhori Joshi CEO	Kamala Karki Head-Accounts	As per our report of even date For Nagarkoti Susan & Associates Chartered Accountants CA. Susan Nagarkoti Proprietor
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19th Bhadra, 2082 | Kathmandu, Nepal

प्रबन्धपत्रमा प्रस्तुतित संशोधन सम्बन्धी तीन महले वितरण

१. विकास बैंकको साधारण सेयर तर्फको चुक्ता पूँजी रु. ७,०८,६९,३८,०८९.०८ (अक्षरेपी सात अर्ब चार करोड उनन्सतरी लाख अद्वितीय हजार उनन्चास रुपैयाँ आठ पैसा मात्र) को १३.५३ प्रतिशतले हुने रकम रु. ९५,३८,५०,७९८.०३ (अक्षरेपी पन्चानब्बे करोड चौतीस लाख पचास हजार सात सय अठार रुपैयाँ तीन पैसा मात्र) बोनस सेयर वितरण पश्चात साधारण सेयर तर्फ रु. ८,००,०३,८८,७६७.९९ (अक्षरेपी आठ अर्ब तीन लाख अठ्ठासी हजार सात सय सतसठ्ठी रुपैयाँ छघार पैसा मात्र) र गत वर्ष पारित भएको रु. १,००,००,००,०००.०० (अक्षरेपी एक अर्ब मात्र) को अविमोच्य असन्धित अग्राधिकार सेयर जारी भए पश्चात बैंकको जारी तथा चुक्ता पूँजी रु. ९,००,०३,८८,७६७.९९ (अक्षरेपी नौ अर्ब तीन लाख अठ्ठासी हजार सात सय सतसठ्ठी रुपैयाँ छघार पैसा मात्र) पुन्याउने प्रस्ताव पारित गर्ने र सोही बमोजिम प्रबन्धपत्रको सम्बन्धित दफा संशोधन गर्ने ।

साविकको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्नुपर्ने कारण
दफा ५ को उपदफा (ख) मा: विकास बैंकको जारी पूँजी रु. ८,०८,६९,३८,०८९.०८ (अक्षरेपी आठ अर्ब चार करोड उनन्सतरी लाख अद्वितीय हजार उनन्पचास रुपैयाँ आठ पैसा मात्र) हुनेछ । सो पूँजीलाई प्रति सेयर रु. १००/- का दरले ७,०८,६९,३८०.८९ (सात करोड चार लाख उनन्सतरी हजार तीन सय असी दशमलव चार नौ) थान साधारण सेयरमा र १,००,००,०००.०० (एक करोड) थान अग्राधिकार सेयरमा विभाजन गरिएको छ ।	दफा ५ को उपदफा (ख) मा: विकास बैंकको जारी पूँजी रु. ९,००,०३,८८,७६७.९९ (अक्षरेपी नौ अर्ब तीन लाख अठ्ठासी हजार सात सय सतसठ्ठी रुपैयाँ छघार पैसा मात्र) हुनेछ । सो पूँजीलाई प्रति सेयर रु. १००/- का दरले ८,००,०३,८८७.६७ (आठ करोड तीन हजार आठ सय सतासी दशमलव छ सात) थान साधारण सेयरमा र १,००,००,०००.०० (एक करोड) थान अग्राधिकार सेयरमा विभाजन गरिएको छ ।	विकास बैंकको हाल कायम जारी तथा चुक्ता पूँजी रु. ८,०८,६९,३८,०८९.०८ (अक्षरेपी आठ अर्ब चार करोड उनन्सतरी लाख अद्वितीय हजार उनन्पचास रुपैयाँ आठ पैसा मात्र) मध्ये अठ्ठासौँ वार्षिक साधारण सभाबाट पारित रु. १,००,००,००,०००.०० (अक्षरेपी एक अर्ब मात्र) बराबरको अग्राधिकार सेयर जारी गर्ने क्रममा रहेको र आ.व. २०८१/०८२ को मुनाफाबाट हाल कायम साधारण सेयरधनीहरुलाई १३.५३ प्रतिशत बोनस सेयर वितरण गर्ने प्रस्ताव गरिएकोले ।
दफा ५ को उपदफा (ग) मा: विकास बैंकको चुक्ता पूँजी रु. ८,०८,६९,३८,०८९.०८ (अक्षरेपी आठ अर्ब चार करोड उनन्सतरी लाख अद्वितीय हजार उनन्पचास रुपैयाँ आठ पैसा मात्र) हुनेछ ।	दफा ५ को उपदफा (ग) मा: विकास बैंकको चुक्ता पूँजी रु. ९,००,०३,८८,७६७.९९ (अक्षरेपी नौ अर्ब तीन लाख अठ्ठासी हजार सात सय सतसठ्ठी रुपैयाँ छघार पैसा मात्र) हुनेछ । सो पूँजीलाई प्रति सेयर रु. १००/- का दरले ८,००,०३,८८७.६७ (आठ करोड तीन हजार आठ सय सतासी दशमलव छ सात) थान साधारण सेयरमा र १,००,००,०००.०० (एक करोड) थान अग्राधिकार सेयरमा विभाजन गरिएको छ ।	

नियमावलीमा प्रस्तुतित संशोधन सम्बन्धी तीन महले विवरण

१. सञ्चालक समितिका अध्यक्ष तथा सञ्चालकहरुको सेवा सुविधा पुनरावलोकन गरी सोही बमोजिम नियमावलीको सम्बन्धित दफा संशोधन गर्ने ।

साविकको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्नुपर्ने कारण
नियमावलीको दफा २९ (स) मा: सञ्चालक समितिको बैठकमा उपस्थित भए वापत अध्यक्ष र सञ्चालकले पाउने बैठक भत्ता क्रमशः रु.१५,०००/- (अक्षरेपी पन्ध्र हजार मात्र) र रु.१३,०००/- (अक्षरेपी तेह्र हजार मात्र) हुनेछ । अध्यक्ष र सञ्चालकहरुलाई पत्रपत्रिका, टेलिफोन, इन्टरनेट र इन्धन सुविधा वापत मासिक रु.८,०००/- (अक्षरेपी आठ हजार मात्र) प्रदान गरिनेछ ।	नियमावलीको दफा २९ (स) मा: सञ्चालक समितिको बैठकमा उपस्थित भए वापत अध्यक्ष र सञ्चालकहरुले पाउने बैठक भत्ता क्रमशः रु.२०,०००/- (अक्षरेपी बीस हजार मात्र) र रु.१८,०००/- (अक्षरेपी अठार हजार मात्र) हुनेछ । अध्यक्ष र सञ्चालकहरुलाई पत्रपत्रिका, टेलिफोन, इन्टरनेट र इन्धन सुविधा वापत मासिक रु.१०,०००/- (अक्षरेपी दश हजार मात्र) प्रदान गरिनेछ ।	सञ्चालक समितिको जिम्मेवारी अनुरूप सञ्चालकहरुको भत्ता तथा अन्य सुविधाहरुमा समसामयिक समायोजन गर्न आवश्यक देखिएकोले



प्रोवसी फारम

दफा ७१ को उपदफा (३) संग सम्बन्धित

श्री सञ्चालक समिति
मुक्तिनाथ विकास बैंक लिमिटेड
केन्द्रीय कार्यालय,
लाजिम्पाट, काठमाण्डौ

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला महा/उप/न.पा./जा.पा. वडा नं. बस्ने
म/हामी त्यस बैंकको सेयरधनीको हैसियतले मिति २०८२ साल कार्तिक १५ गते शनिवारका
दिन हुने उन्नाईसौं वार्षिक साधारण सभामा, म/हामी स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने
भएकाले, उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागिजिल्ला
महा/उप/न.पा./जा.पा. वडा नं. बस्ने श्री लाई प्रतिनिधि नियुक्त गरी
पठाएको छु / छौं ।

प्रोवसी पाउनेको:

दस्तखत:

नाम:

ठेगाना :

सेयरधनी नं./डिम्याट नं.:

सेयर संख्या:

मिति:

निवेदक:

दस्तखत:

नाम:

ठेगाना:

सेयरधनी नं./डिम्याट नं.:

सेयर संख्या:

द्रष्टव्य:

यो निवेदन साधारणसभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै बैंकको केन्द्रीय कार्यालय, लाजिम्पाट, काठमाण्डौमा पेश गरी सक्नुपर्नेछ ।
सेयरधनी वाहेक अन्य व्यक्तिलाई प्रतिनिधि नियुक्त गर्न पाइने छैन ।



सेयरधनीको नाम: श्री सेयरधनी परिचय नं./डिम्याट नं.:

सेयर संख्या:

मिति २०८२ साल कार्तिक १५ गते शनिवारका दिन हुने, मुक्तिनाथ विकास बैंक लिमिटेडको उन्नाईसौं वार्षिक साधारण सभामा
उपस्थित हुन जारी गरिएको ।

प्रवेश-पत्र

सभामा भाग लिन आउँदा यो प्रवेश-पत्रमा अनिवार्य रूपमा नाम, दस्तखत, सेयरधनी परिचय नं./डिम्याट नं.: तथा कुल सेयर संख्या
उल्लेख गरी, साथमा लिई आउनु पर्नेछ ।



ढलषेढः

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टिपोटः

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ढिडुडु:

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Our Network

(शाखा सञ्जाल)



कोशी प्रदेश

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२	मानेभञ्ज्याङ्ग शाखा	९८०२३०६०४५
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Thank You
from
Mukti Bhai



