नेपालको पहिलो बैंक

नेपाल बैंक लिमिटेड
NEPAL BANK LIMITED

स्थापित वि.सं. २०१३

Dharmapath, Kathmandu

Interim Financial Statement (Unaudited)

Condensed Statement of Financial Position

As on Quarter ended 31st Ashoj, 2082 (Mid October 2025)

Figures in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending (unaudited)
Cash and cash equivalent	43,945,868,516	49,747,438,261
Due from Nepal Rastra Bank	23,390,904,012	18,193,432,501
Placement with Bank and Financial Institutions	7,020,000,000	6,871,215,000
Derivative Financial Instrument	6,792,968,332	6,634,727,478
Other Trading Assets	178,552,887	177,323,659
Loan and advances to B/FIs	6,064,174,649	7,180,888,311
Loan and Advances to Customers	223,785,748,702	221,703,485,867
Investment Securities	64,156,008,395	62,112,576,522
Current Tax Assets	2,586,407,208	2,720,415,749
Investment in Subsidiaries	-	-
Investment in Associates	2,230,617,107	2,129,388,348
Investment Property	264,227,850	264,227,850
Property and Equipment	13,458,626,055	13,482,362,516
Goodwill and Intangible assets	22,388,953	23,567,319
Deferred Tax Assets	-	-
Other Assets	9,443,745,517	8,080,814,379
Total Assets	**403,340,238,183**	**399,321,863,759**
Liabilities		
Due to Bank and Financial Institutions	1,249,530,825	4,853,833,440
Due to Nepal Rastra Bank	-	-
Derivative Financial Instruments	6,744,404,563	6,617,859,207
Deposits from Customers	340,473,311,181	332,021,047,950
Borrowings	-	-
Current Tax Liabilities	-	-
Provisions	197,364,702	198,223,313
Deferred Tax Liabilities	3,506,388,663	3,778,331,336
Other Liabilities	9,422,373,013	10,180,008,630
Debt securities issued	3,495,756,584	3,495,578,127
Subordinated Liabilities	-	-
Total Liabilities	**365,089,129,532**	**361,144,882,003**
Equity		
Share Capital	14,694,022,928	14,694,022,928
Share Premium	-	-
Retained Earnings	(570,192,954)	(449,089,958)
Reserves	24,127,278,677	23,932,048,786
Total equity attributable to equity holders	**38,251,108,651**	**38,176,981,756**
Non-controlling interest	-	-
Total Equity	**38,251,108,651**	**38,176,981,756**
Total Liabilities and Equity	**403,340,238,183**	**399,321,863,759**

Condensed Statement of Profit or Loss

For the Quarter Ended 31st Ashoj 2082

Figures in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest Income	5,583,299,329	5,583,299,329	5,866,995,183	5,866,995,183
Interest expense	3,013,798,940	3,013,798,940	3,658,742,814	3,658,742,814
Net interest income	**2,569,500,388**	**2,569,500,388**	**2,208,252,368**	**2,208,252,368**
Fees and Commission Income	318,229,912	318,229,912	363,835,814	363,835,814
Fees and Commission Expense	76,735,496	76,735,496	68,507,848	68,507,848
Net fee and commission income	**241,494,417**	**241,494,417**	**295,327,967**	**295,327,967**
Net interest,fee and commission income	**2,810,994,805**	**2,810,994,805**	**2,503,580,335**	**2,503,580,335**
Net trading income	35,557,606	35,557,606	52,439,546	52,439,546
Other operating income	138,413,291	138,413,291	91,391,683	91,391,683
Total operating income	**2,984,965,702**	**2,984,965,702**	**2,647,411,564**	**2,647,411,564**
Impairment charge/(reversal) for loans and other losses	641,948,956	641,948,956	688,492,319	688,492,319
Net operating income	**2,343,016,746**	**2,343,016,746**	**1,958,919,244**	**1,958,919,244**
Operating Expenses				
Personnel Expense	1,065,552,739	1,065,552,739	948,281,328	948,281,328
Other Operating Expense	277,920,762	277,920,762	234,074,170	234,074,170
Depreciation and Amortization	82,422,486	82,422,486	86,035,951	86,035,951
Operating profit	**917,120,759**	**917,120,759**	**690,527,795**	**690,527,795**
Non operating Income	1,000	1,000	17,487	17,487
Non operating expense	-	-	-	-
Profit before Income tax	**917,121,759**	**917,121,759**	**690,545,283**	**690,545,283**
Income tax Expenses				
Current Tax	380,422,389	380,422,389	91,386,546	91,386,546
Deferred Tax	(51,588,129)	(51,588,129)	(3,039,562)	(3,039,562)
Profit/(loss) for the period	**588,287,499**	**588,287,499**	**602,198,300**	**602,198,300**
Condensed Statement of Comprehensive Income				
Profit/(loss) for the period	588,287,499	588,287,499	602,198,300	602,198,300
Other Comprehensive Income	(514,160,603)	(514,160,603)	446,882,660	446,882,660
Total Comprehensive Income	**74,126,896**	**74,126,896**	**1,049,080,959**	**1,049,080,959**
Basic earning per share		16.01		16.39
Diluted earning per share		16.01		16.39
Profit attributable to:				
Equity holders of the Bank	74,126,896	74,126,896	1,049,080,959	1,049,080,959
Non-controlling interests	-	-	-	-
Total	**74,126,896**	**74,126,896**	**1,049,080,959**	**1,049,080,959**
Ratios as per NRB Directives				
Tier 1 Capital to RWA		10.10%		10.40%
CET 1 Capital to RWA		10.10%		10.40%
Capital Fund to RWA		13.02%		13.47%
Return to Equity		6.16%		6.28%
Return to Asset		0.59%		0.70%
Non-Performing Loan (NPL) to total loan		5.49%		3.95%
Total Loan Loss provision to Total NPL		98.03%		105.88%
Cost of Funds		3.46%		4.61%
Credit to Deposit Ratio		69.42%		75.39%
Base Rate		5.16%		6.72%
Interest Rate Spread		3.91%		3.94%

Notes to Interim Financial Statement

1. Above Financial Statements are prepared in accordance with the Nepal Financial Reporting Standards (NFRS) including directives issued by Nepal Rastra Bank.
2. These figures may vary with the audited figures at the instance of external auditor and regulator.
3. Previous Year Quarter Ending Figures have been regrouped and rearranged wherever necessary which might vary from previous published figures.
4. Loans and advances to customers include Loan to customers and Loan to Employees which have been measured at amortized cost.
5. The provision for Defined benefit obligation and leave are based on Management Assumption.
6. Personnel expenses include employee bonus provision and amortization of the deferred employee benefits of subsidized loans provided as per Employee Service Bylaw of the bank.
7. NFRS adjustments which are subject to regulatory adjustments as per NRB directives have been shown as regulatory adjustments.
8. Other Comprehensive income includes the fair value changes of Investment and actuarial gain /(losses) net of tax.
9. Pursuant to adoption of ECL model, recognition of interest income has been based upon NRB NFRS 9 ECL Related Guidelines, 2024 and Guidance Note on Interest Income Recognition, 2025
10. Following regulatory backstop as mentioned in Clause 16 of "NFRS 9- Expected Credit Loss Related Guidelines, 2024" bank has recognized impairment on credit exposures as the HIGHER of total ECL calculated as per NFRS 9 and existing regulatory provisions as mentioned in NRB Unified Directives no 02.
11. **The detailed interim report has been published in the bank's website www.nepalbank.com.np.**

Statement of Distributable Profit or Loss

For the Quarter Ended 31st Ashoj 2082
(As per NRB Regulation)

Particulars	Current Year	Previous Year
	Up to this Qtr. YTD	Corresponding Qtr. YTD
Net Profit or (loss) as per statement of profit or loss	**588,287,499**	**602,198,300**
Appropriations		
a. General Reserve	(117,657,500)	(120,439,660)
b. Exchange Fluctuation Fund	-	-
c. Capital Redemption Reserve	-	-
d. Corporate Social Responsibility Fund	(5,763,292)	14,088,017
e. Employees Training Fund	(14,971,918)	(13,804,568)
f. Others	-	-
- Employees Welfare Fund	(5,882,875)	(6,021,983)
- Debenture Redemption Reserve	(97,222,222)	(97,222,222)
Profit or (loss) before regulatory adjustment	**346,789,692**	**378,797,884**
Regulatory adjustment		
a. Interest receivable (-)/previous accrued interest received (+)	(285,623,913)	(137,667,267)
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 (+)	-	849,142
e. Deferred tax assets recognized (-)/ reversal (+)	(51,588,129)	54,777,267
f. Goodwill recognized (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognized (-)/reversal (+)	-	-
h. Actuarial loss recognized (-)/reversal (+)	(130,680,646)	(63,382,611)
i. Other		
- *Investment Adjustment Reserve*	-	-
Net Profit for Quarter ended Ashoj 2082 available for distribution	**(121,102,996)**	**233,374,414**
Opening Retained Earnings as on Shrawan 1, 2082	**(449,089,958)**	**769,308,377**
Adjustments (+/-)		
Distribution:		
Bonus Shares issued	-	-
Cash Dividend paid	-	-
Total Distributable profit or (loss) as on Ashoj end 2082	**(570,192,954)**	**1,002,682,792**
Annualized Distributable Profit/Loss per share	**(15.52)**	**27.29**

Disclosure as per Securities Registration and Issuance Regulation, 2073

(Related to sub-Rule (1) of Rule 26)
Quarterly Detail as of Ashoj end 2082 (October 17, 2025)

1. Financial Statements

A. Statement of Financial Position and Statement of Profit or Loss
Published along with this report.

B. Related Party Disclosure
Nepal Government holds 51% shares in the bank and has representation on the board of directors of the bank and hence it is considered to be a related party to the bank.
The directors, chief executive officer and other key management personnel are also considered to be related parties to the bank. No transaction between the bank and KMPs was observed other than as prescribed under the Employee Service Bylaw of the bank.

C. Major Financial Highlights

a.	Earnings per Share (Annualized)	NPR 16.01	d.	Liquidity	39.36 %
b.	Market Value per Share	NPR 241	e.	Return on Assets	0.59 %
c.	Price Earnings Ratio	15.05 (Times)	f.	Net worth per Share	NPR 260.32

2. Management Analysis

- Net interest income has increased in comparison to the same period of the previous year despite decrease in interest income. The Bank has been able to maintain its profitability at a similar level.
- Despite being profitable, retained earnings are negative due to regulatory adjustments related to actuarial losses.
- The liquidity of the bank is sufficient to meet the lending opportunities. However, low credit demand due to stagnation in the economy has impacted overall banking industry and is a matter of great concern.
- The objective of business diversification and improvement in qualitative services covering remote area branches has resulted in banking access and financial inclusiveness along with customer-friendly services nationwide as per the need of time and client.
- The bank is constantly improving its IT infrastructure to allow automated transactions through digital channels and make the bank more competitive.
- The bank has prepared a robust risk management and AML/CFT policy as per international norms and is implementing them thoroughly.

3. Detail relating to legal action
Except in the regular course of business, there are no lawsuits of material nature filed by or filed against the bank. No notice and information have been received by the bank to date regarding any cases filed for and against promoters/ directors/on account of violation of prevailing laws or commission of criminal offenses or financial crime.

4. Analysis of share transactions and progress of the bank

a. Management view on share transactions of the bank in the securities market –
Share transaction of the bank takes place in the secondary market of the Nepal Stock Exchange through open share market operation. Management view on this is neutral. Transaction volume has increased in comparison to immediately preceding quarter.

b. Maximum, minimum, and last share price of the bank, including total number of shares traded and days of transaction during the quarter.
Maximum Price: NPR 313 Minimum Price: NPR 225.40 Last Price: NPR 241
Transaction volume: 78,14,746 shares Days of transaction: 51

5. Problems and Challenges

Internal
- Non-performing loan and its management.
- Increased operational cost.
- Retention of qualified and skilled human resources.
- Risk Management of increasing digitization and digital products.

External
- Concern on world economy growth amidst Russia-Ukraine war, Middle East Unrest and Global Tariff War.
- Decline in growth of Construction and Production sector.
- High Liquidity in Banking Sector.
- Difficulty in lending due to economic stagnation and low government spending.
- Regulated interest spread squeezing the margin.
- Stiff competition from other Bank and Financial Institutions.

Strategy
- Focus on controlled business growth and profit management.
- Digitize the banking services to increase operating efficiency and continue to introduce new banking products.
- Explore new sectors for the non-interest income of the bank.
- Focus on Prudent Assets and Liability Management of the bank.
- Maintain effectiveness in customer service and dealings with simplified processes.
- Focus on Risk Management and Internal Control along with compliance of applicable Rules and Regulations.

6. Corporate Governance

The Board of the bank is the apex body that is responsible and accountable to the shareholders for the maintenance of good governance in the bank.

The Risk Management Committee, which is a sub-committee of the Board, is entrusted to review the overall risks of the bank and recommend the Board and management for policy prescription when required. The Sub-committee meets regularly as and when required.

The Audit Committee, which is a sub-committee of the Board, reviews the audit reports of all the branches and departments/divisions of the bank sand gives feedback to the Board and the Senior Management.

The Employee Service Facility Committee, which is a sub-committee of the Board, reviews the facilities and services of the staffs of bank and gives feedback to the Board and the Senior Management.

The Executive Credit Committee of the bank is the CEO-level committee comprising the senior executive representing various business functions of the bank to approve, review, and monitor the credit portfolio of the bank. This committee also recommends the credit-related proposal to the Board for approval.

The ALM Committee, which is led by the CEO, is responsible for the prudent management of the Financials of the bank. It reviews interest rate risk, liquidity risk, and market risk of the bank regularly.

The AML Committee is the committee formed under the board of directors of the bank to monitor and review the AML/ CFT and CPF Activities of the Bank.

The Governance Division, which is headed by Senior Manager, is responsible for monitoring the governance in the bank and report to the Board and concerned regulatory bodies.

7. Declaration by the Chief Executive Officer on the Truthfulness and Accuracy of information

I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. I also hereby declare that to the best of my knowledge and belief, the information contained in this report is true, accurate, and complete, and there are no other matters concealed, the omission of which shall adversely affect the informed investment decision by the investors.

Nepal Bank Limited
Dharmapath, Kathmandu