



Bank Supervision Report



Nepal Rastra Bank
Bank Supervision Department
Kathmandu, Nepal

June 2026



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The Bank Supervision Report, 2024/25 is the annual report of the Bank Supervision Department of the Nepal Rastra Bank. It reviews policy and operational issues affecting the banking sector and its regulators/supervisors and aims to disseminate information on the supervision of commercial banks and other issues affecting the financial sector, focusing mainly on the developments in FY 2024/25. However, selected developments up to the time of report finalization have also been incorporated in the report.

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MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear Valued Readers,

The banking sector serves as a fundamental pillar of an economy, acting as a strategic conduit for channeling financial resources from surplus sectors to various deficit areas. By facilitating the domestic production of goods and services and fostering an environment conducive to income and employment generation, the banking sector directly supports the core socio-economic objectives of Nepal Rastra Bank (NRB). Beyond traditional financial intermediation, recent regulatory milestones have focused on broadening financial access and inclusion, ensuring robust consumer protection, and modernizing the national payment infrastructure through the deployment of sophisticated digital products and services.

The central mission of Bank Supervision Department (BSD) is the preservation of financial stability through the implementation of international best practices and a rigorous risk-based approach. The department maintains systemic soundness by enforcing time-tested prudential norms and encouraging a culture of self-regulation rooted in strong corporate governance. This supervisory strategy is further bolstered by disclosure requirements and a continuous commitment to enhancing the technical capacity of our supervisory personnel, ensuring that the safety and transparency of Banks and Financial Institutions (BFIs) remain uncompromised.

Exercising its mandate over 'A' class licensed institutions and the Nepal Infrastructure Bank Ltd., the BSD utilizes a comprehensive methodology involving both on-site inspections and off-site surveillance. These processes are designed to critically evaluate the risk profiles of institutions and their respective capabilities to mitigate such threats. Furthermore, the department ensures strict compliance with statutory regulations and internal policy frameworks, maintaining a high standard of institutional integrity across the industry.

In the context of volatile geopolitical developments, de-globalization, and the rising specter of cybersecurity threats, the banking system faces an increasingly complex landscape. These evolving challenges demand a proactive and dynamic supervisory stance, leading to the continuous refinement of the Risk-Based Supervision (RBS) framework to strengthen the prudential foundations of the banking system. This report details the department's strategic initiatives and operational activities throughout the Fiscal Year 2024/25. I extend my gratitude to the Policy and Planning Unit for their efforts in preparing this document, and I commend the entire staff of the department for their role in fulfilling their duties.

Thank you,

Dirgha Bahadur Rawal

Executive Director

TABLE OF CONTENTS

CHAPTER I.....	1
NEPALESE BANKING INDUSTRY	1
1.1 Introduction.....	1
1.2 The Commercial Banking.....	5
1.3 Branch Network of Commercial Banks.....	7
1.4 Major Financial Indicators of Commercial Banks.....	9
1.5 Review of the Guiding Documents.....	10
1.6 Nepal Rastra Bank as a Regulator and a Supervisor.....	11
CHAPTER II.....	3
BANK SUPERVISION	13
CHAPTER III	17
OPERATIONAL PERFORMANCE OF COMMERCIAL BANKS	17
3.1 Assets	17
3.2 Composition of Assets	18
3.3 Composition of Liabilities	18
3.4 Capital Fund.....	19
3.5 Deposit	20
3.6 Loan and Advances.....	21
3.6.1 Sector-wise Loan and Advances.....	21
3.6.2 Collateral-wise Loan and Advances	22
3.6.3 Product-wise Loan and Advances.....	23
3.7 Non-Performing Loans	23
3.8 Non-Banking Assets	25
3.9 Earnings	25
3.10 Liquidity.....	27
3.11 Deprived Sector Lending	29
3.12 Electronic Banking.....	29

3.12.1	Internet Banking.....	30
3.12.2	Mobile Banking	30
3.12.3	Debit Card.....	31
3.12.4	Automated Teller Machines (ATMs).....	31
3.12.5	Credit Card.....	31
3.12.6	Branchless Banking	31
CHAPTER IV		32
CURRENT INITIATIVES IN SUPERVISION		32
4.1	Global Scenario.....	32
4.1.1	Principles for the Sound Management of Third-Party Risk.....	32
4.1.2	Voluntary Disclosure of Climate-related Financial Risks:	32
4.1.3	Advancement in Supervisory Information and Collaboration:	33
4.1.4	Application of AI/ML in Supervision.....	33
4.1.5	Identification of G-SIBs.....	34
4.1.6	Scenario Analysis of Geopolitical Risks:	34
4.2	South Asian Context	35
4.2.1	Reserve Bank of India.....	35
4.2.2	State Bank of Pakistan	36
4.2.3	Royal Monetary Authority of Bhutan (RMA)	38
4.2.4	Bangladesh Bank	39
4.2.5	Maldives Monetary Authority (MMA).....	40
4.3	National Context	40
CHAPTER V		43
KEY SUPERVISORY OBSERVATIONS AND EMERGING ISSUES		43
5.1	Key Onsite Observations	43
5.1.1	Board and Senior Management Oversight.....	43
5.1.2	Capital and Earnings.....	44
5.1.3	Audit Function	45
5.1.4	Credit Risk	46

5.1.5	Liquidity Risk	47
5.1.6	Market Risk.....	48
5.1.7	Operational Risk	49
5.2	Issues.....	50
5.3	Challenges.....	52

List of Tables

Table 1: Number of BFIs in last five years in Nepal	2
Table 2: Asset Share of Banks and Financial Institutions	3
Table 3: Deposit Share of Banks and Financial Institutions.....	4
Table 4: List of Commercial banks in Nepal	6
Table 5: Branches of Commercial Banks	7
Table 6: Major Financial Indicators of Commercial Banks.....	9
Table 7: Sector-wise loan and advances of Commercial Banks	22
Table 8: Collateral-wise Loan and Advances of Commercial Banks	23
Table 9: Product-wise Loan and Advances of Commercial Banks	23
Table 10: Electronic Banking Services offered by Nepalese Commercial Banks.....	30

List of Figures

Figure 1: Number of BFIs Branches Province-wise	8
Figure 2: Total Assets of Commercial Banks	17
Figure 3: Composition of Assets of Commercial Banks	18
Figure 4: Composition of Liabilities of Commercial Banks.....	18
Figure 5: Capital Fund of Commercial Banks	19
Figure 6: Deposit Mix of Commercial Banks.....	20
Figure 7: Deposit Mix of Commercial Banks.....	20
Figure 8: Loan and Advances of Commercial Banks	21
Figure 9: NPL Ratio of Commercial Banks.....	24
Figure 10: NPL figure of Commercial Banks.....	24
Figure 11: NBA of Commercial Banks	25
Figure 12: Operating Efficiency figures of Commercial Banks	26
Figure 13: Interest Spread of Commercial Banks	27
Figure 14: Liquid Asset to Total Deposit	28
Figure 15: Liquid Asset to Total Asset.....	28
Figure 16: Deprived Sector Lending in Percentage.....	29

CHAPTER I

NEPALESE BANKING INDUSTRY

1.1 Introduction

The modern banking system of Nepal traces its origin to 1937 with the establishment of Nepal Bank Limited, which functioned as the country's only formal financial institution until the establishment of the central bank. Nepal Rastra Bank (NRB) was established in 1956 in accordance with the Nepal Rastra Bank Act, 1955, with the mandate to regulate, supervise, and promote the development of the national banking and monetary system.

In the years that followed, the Government of Nepal established several state-owned financial institutions to support economic development in key sectors. The Nepal Industrial Development Corporation (NIDC), founded in 1959, was intended to mobilize financial resources for industrial growth and facilitate the expansion of private sector industries. Subsequently, Rastriya Banijya Bank Limited (RBBL) was established in 1966 with the objective of extending banking services across the country and contributing to overall socio-economic development. Likewise, the Agricultural Development Bank Limited (ADBL) was created in 1968 to provide institutional credit to the agricultural sector throughout Nepal.

Until the 1980s, the banking sector in Nepal remained entirely under government ownership, with NRB, NBL, RBBL, and ADBL serving as the core institutions of the financial system. Despite the presence of these institutions, the financial sector remained narrow in scope, highly centralized, and relatively underdeveloped. Ongoing balance of payments pressures during the early 1980s prompted the Government of Nepal to introduce economic liberalization policies, paving the way for increased private sector and foreign participation in banking.

As part of these liberalization measures, the first joint-venture bank, Nepal Arab Bank Limited (now Nabil Bank Limited), was established in 1984. This development was followed by the establishment of Nepal Indosuez Bank (later renamed Nepal Investment Bank and now Nepal Investment Mega Bank) in 1986 and Nepal Grindlays Bank (now Standard Chartered Bank Nepal)

in 1987, signifying a major transition toward a more open, competitive, and market-driven banking system.

During the 1990s, the financial sector witnessed rapid expansion, supported by a series of legislative reforms, including the Finance Company Act, 1985, the Company Act, 1964, and the Development Bank Act, 1996. These legal frameworks facilitated the establishment of development banks, finance companies, micro-credit development banks, savings and credit cooperatives, and non-governmental organizations permitted to conduct limited banking transactions. However, the coexistence of multiple laws governing financial institutions made regulation and supervision increasingly complex and challenging.

In response to these regulatory difficulties, the government consolidated the various banking-related laws into a single umbrella legislation, the Bank and Financial Institution Act (BAFIA), 2006, as part of comprehensive financial sector reform. This Act categorized banks and financial institutions into four functional classes: Class A commercial banks, Class B development banks, Class C finance companies, and Class D microfinance institutions, along with provisions for non-classified entities such as infrastructure development banks.

Table 1: Number of BFIs in the last five years in Nepal (mid-July)

Bank and Financial Institutions	2021	2022	2023	2024	2025
Commercial Banks	27	26	20	20	20
Development Banks	18	17	17	17	17
Finance Companies	17	17	17	17	17
Microfinance Financial Institutions	70	65	57	52	52
Infrastructure Development Bank	1	1	1	1	1
Total	133	126	112	107	107

Source: Bank and Financial Institutions Regulation Department, NRB

Following financial liberalization and the implementation of BAFIA, Nepal's financial system expanded significantly. Whereas there were only four commercial banks and two development banks in 1985, the number of banks and financial institutions increased rapidly over the following decades, reaching a peak of 220 institutions by April 2012. However, the introduction of merger and acquisition policy in May 2011, along with mandatory requirements for a substantial increase

in paid-up capital in July 2015, resulted in consolidation within the financial sector and a notable decline in the number of financial institutions.

As of mid-July 2025, there were 107 licensed Banks and Financial Institutions (BFIs) operating under NRB. These included 20 Commercial Banks, 17 Development Banks, 17 Finance Companies, 52 Microfinance Financial Institutions, and 1 Infrastructure Development Bank. Additionally, the number of BFI branches across Nepal stood at 11,526 as of mid-July 2025.

Table 2: Asset Share of Banks and Financial Institutions

Bank and Financial Institutions	Percent Share as on mid July				
	2021	2022	2023	2024	2025
Commercial Banks	82.89	82.13	82.60	83.11	83.87
Development Banks	7.98	8.36	8.56	8.23	7.74
Finance Companies	1.94	2.07	1.98	1.97	1.81
Microfinance Financial Institutions	6.81	7.09	6.49	6.35	6.14
Infrastructure Development Bank	0.37	0.35	0.37	0.34	0.44
Total	100	100	100	100	100

Source: Bank and Financial Institutions Regulation Department, NRB

As presented in Table 2, commercial banks continue to dominate the Nepalese banking sector, holding a substantial share of 83.87 percent in the total assets of the industry. This reflects the significant role of commercial banks in the country’s financial landscape.

On the other hand, the share of development banks has experienced a slight decline, decreasing from 8.23 percent in mid-July 2024 to 7.74 percent in mid-July 2025. A similar downward trend has been observed among finance companies as well as microfinance institutions. The share of finance companies decreased marginally from 1.81 percent to 1.97 percent and the share of microfinance financial institutions also saw a slight reduction from 6.35 percent to 6.14 percent in mid-July 2025.

Table 3: Deposit Share of Banks and Financial Institutions

Bank and Financial Institutions	Percent Share as on mid-July				
	2021	2022	2023	2024	2025
Commercial Banks	86.33	85.46	85.64	86.27	87.09
Development Banks	9.15	9.58	9.62	9.14	8.39
Finance Companies	1.83	1.97	1.91	1.93	1.75
Microfinance financial Institutions	2.68	2.99	2.81	2.65	2.66
Infrastructure Development Bank	0.01	0.01	0.02	0.01	0.10
Total	100	100	100	100	100

Source: Bank and Financial Institutions Regulation Department, NRB

Table 3 depicts the dominance of commercial banks, with the share of 87.09 percent in total deposits of the Nepalese banking industry in mid-July 2025. Share of development banks decreased from 9.14 percent in mid-July 2024 to 8.39 percent in mid-July 2025. The share of finance companies also decreased from 1.93 percent to 1.75 percent during the review period and the share of microfinance financial institutions increased nominally from 2.65 percent to 2.66 percent in mid-July 2025. A significant increase in the share of the deposit has been observed in the Infrastructure Development Bank from 0.01 percent to 0.10 percent in mid-July 2025.

Expansion of financial institutions has enhanced financial access and inclusion throughout the country. The number of branches of banks and financial institutions have also been expanding. As of mid-July 2025, total number of branches of Commercial Banks, Development Banks and Finance Companies has reached 6,522. However, the total branches of Microfinance Institutions have decreased from 5051 in mid-July 2024 to 5004 in mid-July 2025. The total number of deposit accounts in the BFIs is 59,881,353 and loan accounts is 1,961,469 as of mid-July 2025. The number of branchless banking centres and branchless banking customers have decreased from 1,129 and 301,589 respectively as of mid-July 2024 to 822 and 277,680 respectively as of mid-July 2025. By mid-July 2025, banking accessibility saw substantial expansion across both digital platforms and physical touchpoints. The total digital banking user base reached 27,741,284 for mobile banking and 2,219,341 million for internet banking. Payment card distribution was heavily driven by 13,665,792 million debit cards, while credit cards and prepaid cards accounted for 318,428 and 250,084 units, respectively. Physical cash withdrawal capabilities were maintained

through a network of 5,263 ATMs. Population per branch (served by A, B and C class BFIs) stood at 4,472 as of mid-July 2025. The population per branch including Microfinance Financial Institutions stood at 2,530 during the review period, which was 2,529 in the same period of the previous year.

1.2 The Commercial Banking

Commercial banks represent the largest category of banking and financial institutions (BFIs) in Nepal in terms of asset size, operational reach and branch network. While the majority of these banks are established with domestic private investment, some commercial banks also involve government ownership and foreign investment participation. Based on ownership structure and control mechanism, commercial banks in Nepal are generally classified into two main groups: public (state-owned) banks and private (non-state-owned) banks.

There are 20 commercial banks operating in Nepal, of which three are state-owned and 17 are privately owned as of mid-July 2025. Among the public sector banks, the Government of Nepal (GoN) holds a 99.97 percent ownership stake in Rastriya Banijya Bank Limited and owns 51 percent of the shares in both Nepal Bank Limited (NBL) and Agricultural Development Bank Limited (ADBL). Private commercial banks are further categorized into domestically owned banks and foreign joint-venture banks.

Despite a decline in the number of commercial banks in recent years due to Nepal Rastra Bank's (NRB) consolidation policy, significant growth in key indicators such as minimum capital requirements, branch expansion, and the total volume of loans and deposits highlights notable improvements in financial access and business outreach. The total deposits of commercial banks increased from Rs. 5,756.81 billion in FY 2023/24 to Rs. 6,541.65 billion in FY 2024/25. Similarly, the loans and advances provided by commercial banks increased from Rs. 4,567.54 billion in FY 2023/24 to Rs. 4,960.49 billion in FY 2024/25.

As of mid-July 2025, commercial banks employed 45,608 individuals, including both permanent and contractual staff. Private banks accounted for 81.86 percent of the workforce, while state-owned banks employed 18.14 percent of the workforce.

Table 4: List of Commercial Banks

S. N.	Name	Operation Date (A.D.)	Head Office
1	Nepal Bank Ltd.	1937/11/15	Dharmapath, Kathmandu
2	Agricultural Development Bank Ltd.	1968/01/21	Ramshahpath, Kathmandu
3	Nabil Bank Ltd.	2022/07/11*	Beena Marg, Kathmandu
4	Nepal Investment Mega Bank Ltd.	2023/01/11*	Durbarmarg, Kathmandu
5	Standard Chartered Bank Nepal Ltd.	1987/02/28	New Baneshwor, Kathmandu
6	Himalayan Bank Ltd.	2023/02/24*	Kamaladi, Kathmandu
7	Nepal SBI Bank Ltd.	1993/07/07	Kesharmahal, Kathmandu
8	Everest Bank Ltd.	1994/10/18	Lazimpat , Kathmandu
9	Kumari Bank Ltd.	2023/01/01*	Tangal, Kathmandu
10	Laxmi Sunrise Bank Ltd.	2002/04/03	Hattisar, Kathmandu
11	Citizens Bank International Ltd.	2007/04/20	Narayanhitipath, Kathmandu
12	Prime Commercial Bank Ltd.	2007/09/24	Kamalpokhari, Kathmandu
13	Sanima Bank Ltd.	2012/02/15	Alkapuri, Naxal, Kathmandu
14	Machhapuchhre Bank Ltd.	2012/07/09*	Lazimpat, Kathmandu
15	NIC Asia Bank Ltd.	2013/06/30*	Thapathali, Kathmandu
16	Global IME Bank Ltd.	2023/01/09*	Kamaladi, Kathmandu
17	NMB Bank Ltd.	2019/09/28*	Babarmahal, Kathmandu
18	Prabhu Bank Ltd.	2023/01/10*	Babarmahal, Kathmandu
19	Siddhartha Bank Ltd.	2016/07/21*	Hattisar, Kathmandu
20	Rastriya Banijya Bank Ltd.	2018/05/02*	Singhadurbar Plaza, Kathmandu
	*Joint operation date after merger/acquisition.		

Source: Bank and Financial Institutions Regulation Department, NRB

Note: In the last few years, the number of commercial banks decreased due to consolidation. Nepal Bangladesh Bank Ltd. was acquired by Nabil Bank Ltd, Janata Bank Nepal Ltd. and Bank of Kathmandu Ltd. merged with Global IME Bank Ltd., Nepal Credit and Commerce Bank Ltd. merged with Kumari Bank Ltd., Mega Bank Nepal Ltd. merged with Nepal Investment Bank Ltd. and formed Nepal Investment Mega Bank Ltd., Century Commercial Bank Ltd. merged with Prabhu Bank Ltd., Civil Bank Ltd. was acquired by Himalayan Bank Ltd. and Sunrise Bank Ltd. merged with Laxmi Bank Ltd. and formed Laxmi Sunrise Bank Ltd.

1.3 Branch Network of Commercial Banks

The total number of branches of commercial banks increased from 5,056 in mid-July 2024 to 5,099 in mid-July 2025. NRB has been actively promoting financial access through policies that encourage banks to expand their branch network, particularly in rural areas. Further, NRB has also eased the provision of consolidating bank branches with the objective of reducing operating costs. Despite these efforts, most banking services are concentrated in the urban and semi-urban areas.

Table 5: Branches of Commercial Banks (mid-July)

S.N.	Name of Banks	2021	2022	2023	2024	2025
1	Nepal Bank Limited	252	266	285	290	292
2	Rastriya Banijya Bank Limited	278	293	333	354	370
3	NABIL Bank Limited	153	247	284	288	289
4	Standard Chartered Bank Nepal Limited	15	15	15	15	17
5	Himalayan Bank Limited	77	81	211	197	197
6	Nepal SBI Bank Limited	108	113	116	123	124
7	Everest Bank Limited	107	122	131	133	138
8	NIC Asia Bank Limited	427	462	472	479	476
9	Machhapuchchhre Bank Limited	168	174	179	178	177
10	Kumari Bank Limited	203	212	350	353	353
11	Siddhartha Bank Limited	189	190	197	197	197
12	Agricultural Development Bank Limited	282	286	287	287	297
13	Global IME Bank Limited	321	341	423	424	422
14	Citizens Bank International Limited	190	179	191	200	203
15	Prime Commercial Bank Limited	186	181	190	194	194
16	NMB Bank Limited	190	212	213	212	211
17	Sanima Bank Limited	103	127	132	133	134
18	Prabhu Bank Limited	276	280	368	377	382
19	Nepal Investment Mega Bank Limited	-	-	358	338	341
20	Laxmi Sunrise Bank Limited	-	-	314	284	285
	Total	4,753	5,009	5,049	5,056	5,099

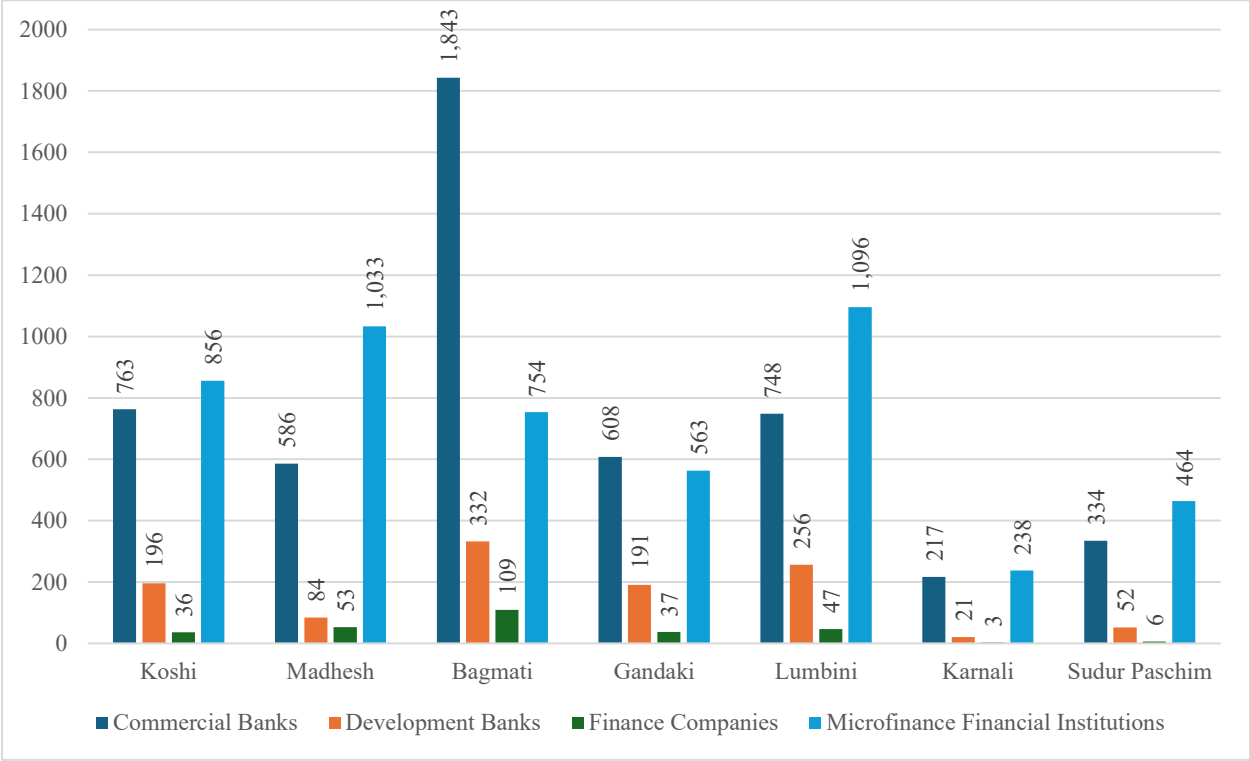
Source: Bank and Financial Institutions Regulation Department, NRB

Note: Branches include banking branch, city office, corporate office, extension counter, head office and microfinance branch and excludes others and regional office.

Table 5 shows that by mid-July 2025, the physical distribution of the banking sector showed significant leadership by major private players. NIC Asia Bank Ltd. maintained the most extensive network with 476 branches, followed by Global IME Bank Ltd. with 422 branches. The public sector banks also retained a substantial footprint to ensure financial reach; specifically, Rastriya Banijya Bank Ltd. operated 370 branches, while the Agricultural Development Bank Ltd. and Nepal Bank Ltd. managed 297 and 292 branches, respectively.

Commercial banks branches have been concentrated in Bagmati province with 1,843 branches (36.14 percent of total branches of commercial banks) followed by Koshi province with 763 and Lumbini province with 748 branches. Karnali province had the lowest number of branches of commercial banks i.e. 217 (only 4.26 percent of total commercial banks’ branches). The chart below demonstrates the province-wise presence of BFIs.

Figure 1: Province-wise BFIs Branches as on mid-July 2025



Source: Bank and Financial Institutions Regulation Department, NRB

1.4 Major Financial Indicators of Commercial Banks

Table 6 shows major financial indicators of Commercial Banks from mid July 2021 to mid-July 2025. The Total Deposit / GDP ratio steadily climbed from 96.61% in 2021 to 105.51% in 2025, indicating strong formalization and deposit mobilization in the economy. Conversely, Total Credit / GDP stagnated, moving from 85.40% down to 80.05% over the same period. This reveals resources are flowing into the banking channel, but private sector credit demand or credit deployment has lagged. There is increment in net liquidity, SLR, and NPL ratio, and decline in weighted average interest rate on lending.

Table 6: Major Financial Indicators of Commercial Banks

S. No.	Major Financial Indicators	Mid-July 2021 (%)	Mid-July 2022 (%)	Mid-July 2023 (%)	Mid-July 2024 (%)	Mid-July 2025 (%)
1.	Total Deposit / GDP ¹	96.61	91.33	94.77	99.94	105.51
2.	Total Credit / GDP	85.40	83.90	80.41	79.32	80.05
3.	Total Credit / Total Deposit	88.47	92.04	84.80	79.37	75.87
4.	CD Ratio	76.28	86.43	81.62	78.65	75.02
5.	Net Liquidity	27.77	25.48	29.10	32.21	35.07
6.	Statutory Liquidity Ratio (SLR)	21.97	19.88	24.35	28.73	30.13
7.	Fixed Deposit / Total Deposit	45.65	53.62	56.98	55.20	47.59
8.	Saving Deposit / Total Deposit	33.92	27.76	26.87	30.44	36.56
9.	Current Deposit / Total deposit	11.31	9.98	8.68	6.40	7.76
10.	Call Deposit / Total deposit	8.05	7.26	6.56	7.22	7.36
11.	NPL / Total loan	1.41	1.20	2.98	3.94	4.44
12.	Total LLP / Total Loan	2.42	2.28	2.52	4.83	4.97
13.	Deprived Sector Loan / Total Loan	7.43	6.83	6.49	6.03	5.40

¹ Gross Domestic Product (GDP) for FY 2024/25 is based on revised estimate.

14.	Cash & Bank balance / Total Deposit	9.79	8.16	8.21	7.58	8.11
15.	Investment in Govt. Securities / Total Deposit	15.32	18.01	18.07	18.23	16.37
16.	Total Liquid Assets / Total Asset	25.96	27.27	26.93	26.89	25.15
17.	Core Capital / RWA	10.92	10.73	10.53	9.68	10.05
18.	Total Capital / RWA	14.13	13.53	13.37	12.40	12.90
19.	Wt. Average Interest on Deposit	4.76	7.41	7.86	5.77	4.19
20.	Wt. Average Interest on Credit	8.43	11.62	12.30	9.93	7.85
21.	Base Rate	6.88	9.54	9.98	8.01	5.99
22.	Interest Spread	3.61	4.19	4.45	3.98	3.66

Source: Bank and Financial Institutions Regulation Department, Key Financial Indicators-BSD

1.5 Review of the Guiding Documents

The following are the key legal arrangements that guide the NRB's regulatory and supervisory function:

- Nepal Rastra Bank Act, 2002,
- Bank and Financial Institutions Act, 2017
- Company Act, 2006
- Nepal Rastra Bank, Inspection and Supervision Bylaws, 2074 (Second Amendment 2080)
- Unified Directives released annually, and Circulars issued from time to time
- Capital Adequacy Framework 2015
- Nepal Rastra Bank, Prompt Corrective Actions Bylaws, 2012
- Monetary Policy Announcements
- Assets (Money) Laundering Prevention Act, 2008
- Several Guidelines issued by Nepal Rastra Bank
- Risk-Based Supervision Manual 2013, Volume I & II

- Off-site Supervision Manual, 2022

1.6 Nepal Rastra Bank as a Regulator and a Supervisor

Nepal Rastra Bank (NRB) holds the primary mandate for the regulation and oversight of the nation's Banks and Financial Institutions (BFIs). This authority is derived from two key legislative pillars: the Nepal Rastra Bank Act, 2002, and the Bank and Financial Institution Act, 2017. To ensure the stability of the financial sector, NRB issues directives and policies that blend local economic requirements with international standards. The Banks and Financial Institutions Regulation Department (BFIRD) is the specific wing responsible for drafting these regulatory frameworks.

NRB's supervision is conducted through a combination of legal mandates, BFIRD regulations, and the global principles set by the Basel Committee on Banking Supervision (BCBS). To ensure specialized focus, oversight is divided among different departments/division:

- **Bank Supervision Department (BSD):** Supervises Commercial Banks and the Infrastructure Development Bank.
- **Financial Institutions Supervision Department (FISD):** Supervises Development Banks and Finance Companies.
- **Microfinance Institutions Supervision Department (MFISD):** Supervises the microfinance institutions.
- **Non-Bank Financial Institutions Supervision Department (NBFISD):** Supervises foreign exchange entities, hire-purchase companies, National Co-operative Bank Ltd., and the Hydroelectricity Investment and Development Company Ltd. (HIDCL).
- **Financial Inclusion and Consumer Protection Division (FICPD):** Supervises market conduct of BFIs.
- **Money Laundering Prevention Supervision Division (MLPSD):** Supervises compliance and risk assessment related to Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and Combating Proliferation Financing (CPF).
- **Payments System Department (PSD):** Oversight of PSOs and PSPs.

The central bank has transitioned toward a risk-based approach, which is already mandatory for commercial and national-level development banks. Under this model, NRB evaluates the scale of potential risks, the effectiveness of a bank's internal risk management, and the future trajectory of those risks. If vulnerabilities are found, NRB communicates formal corrective requirements to the institution.

To enhance efficiency, NRB has launched the Supervisory Information System (SIS) live in March 2021. This digital platform streamlines data collection for offsite monitoring and has recently been expanded to include an onsite module. This module automates the entire inspection lifecycle, from mobilizing audit teams and defining the scope of work to approving reports and tracking the enforcement of corrective actions.

CHAPTER II

BANK SUPERVISION

2.1 Supervision Function

Pursuant to the provisions of the Nepal Rastra Bank Act, 2002 and the Bank and Financial Institution Act, 2017, NRB is entrusted with the responsibility of regulating and supervising banks and financial institutions. This mandate is carried out with the objective of enhancing access to financial services, strengthening public confidence in the banking and financial system, and ensuring the stability and soundness of the overall financial sector.

2.2 Bank Supervision Department (BSD)

The Bank Supervision Department (BSD) is responsible for supervising commercial banks (Class 'A' banks) as well as Infrastructure Development Bank in accordance with prevailing laws, regulations, and supervisory policies. To ensure effective inspection and supervision, BSD prepares an annual supervision plan, which guides the scheduling and scope of its supervisory activities throughout the year.

The supervisory process is comprehensive and involves various types of on-site inspections, such as full-scope inspections that assess the overall condition of a bank, targeted inspections focusing on specific scope or areas of a bank, special inspections conducted under special circumstances, follow-up inspections to verify whether previously identified issues have been properly addressed, and inspections related to Anti-Money Laundering/Combating the Financing of Terrorism/Proliferation Financing (AML/CFT/CPF).

These on-site inspections are further strengthened by off-site supervision, which involves continuous monitoring and analysis of financial and regulatory data submitted by banks. This combined approach enables BSD to maintain a proactive and risk-based supervision system, ensuring the stability and soundness of the banking sector.

2.3 Supervision Methodology

BSD adheres to the principles and guidelines issued by the Basel Committee on Banking Supervision to carry out its supervisory responsibilities. The department adopts an integrated supervisory approach that combines both on-site and off-site supervisory mechanisms. Since 2014, the department has operationalised Risk-Based Supervision (RBS) framework, which focuses on identifying, assessing, and monitoring the key risks faced by BFIs, while also evaluating the adequacy and effectiveness of their risk management practices.

Within the RBS framework, BSD conducts a comprehensive review of critical supervisory areas, including capital adequacy, asset quality, risk management systems, governance, internal control mechanisms, regulatory compliance, and audit functions. Based on these assessments, BSD develops detailed risk profiles for individual banks. These profiles are dynamic in nature and form the basis for determining the prioritization, frequency, scope, and intensity of supervisory engagements. On-site inspections are strategically designed and tailored to these profiles, while off-site surveillance involves continuous monitoring of reports and returns submitted by banks. In addition to supervisory assessments, structured enforcement mechanism is there to address non-compliance with supervisory directions issued during inspections, with periodic enforcement reports outlining the compliance status of individual banks.

2.4 Organization Structure of BSD

The BSD is organized into four divisions (Refer Annex 3: Organization Chart of BSD), each with specific responsibilities.

2.4.1 *Onsite Inspection and Enforcement Division*

This division conducts inspections based on the annual plan and banks' risk profiles. Inspections include:

- **Initial Inspections:** Conducted within six months of a new bank's operation.
- **Routine Full-Scope Inspections:** Regular inspection, generally carried out at least once a year for each bank – targeted or full scope based on risk profile and relative size of the bank.
- **Targeted Inspections:** Focused on specific high-risk areas, such as credit or trade finance.

- **Special Inspections:** Conducted on an ad-hoc basis, as and when required.

Similarly, enforcement function ensures the compliance of supervisory directions issued to individual banks. This includes directions arising from on-site inspection reports, conditions imposed during the approval of proposed dividends, and requirements communicated while granting approval on individual bank's financial statement to be presented in the Annual General Meeting (AGM). In addition, it encompasses any other supervisory instructions issued to the banks.

In order to support the effective enforcement, the concerned enforcement division prepares periodic enforcement reports to communicate the compliance status of each bank. Furthermore, individual unit within the division also prepares quarterly report of the individual banks focusing on the major financial indicators and the compliance status of the given directions.

2.4.2 Off-site Supervision and Supervisory Information System (SIS) Division

This division comprises four units:

- **Compliance Unit:** Monitors compliance with regulatory requirements, including CRR, SLR, CAR, and sector-specific lending mandates, and flags red areas requiring attention during inspections.
- **Financial Analysis Unit:** Analyses financial performance, generates quarterly industry reports, and monitors emerging risks. It evaluates statutory returns and approves dividend proposals.
- **Evaluation and Monitoring Unit:** Reviews data quality and adequacy submitted through SIS and monitors risk indicators. It evaluates various bank reports and engages with senior management through the Supervisory Review and Evaluation Process.
- **SIS Unit:** Oversees the Supervisory Information System, an end-to-end XBRL-based tool supporting both on-site and off-site surveillance. The system automates data collection, enhances analytical capabilities, and streamlines reporting procedures.

2.4.3 Policy and Planning, Special Inspection and Internal Administration Division

This division comprises three units:

- **Policy and Planning Unit:** Monitors global financial developments, updates policies, and coordinates with international regulators to adopt best practices. It prepares the department's annual plan.
- **Internal Administration Unit:** Manages departmental logistics, human resources, and procurement, ensuring smooth internal operations.
- **Special Inspection Unit:** Investigates grievances and conducts special inspections based on complaints or findings from off-site surveillance. **(Refer Annex 5 for Special Inspection of Commercial Banks in FY 2024/25)**

CHAPTER III

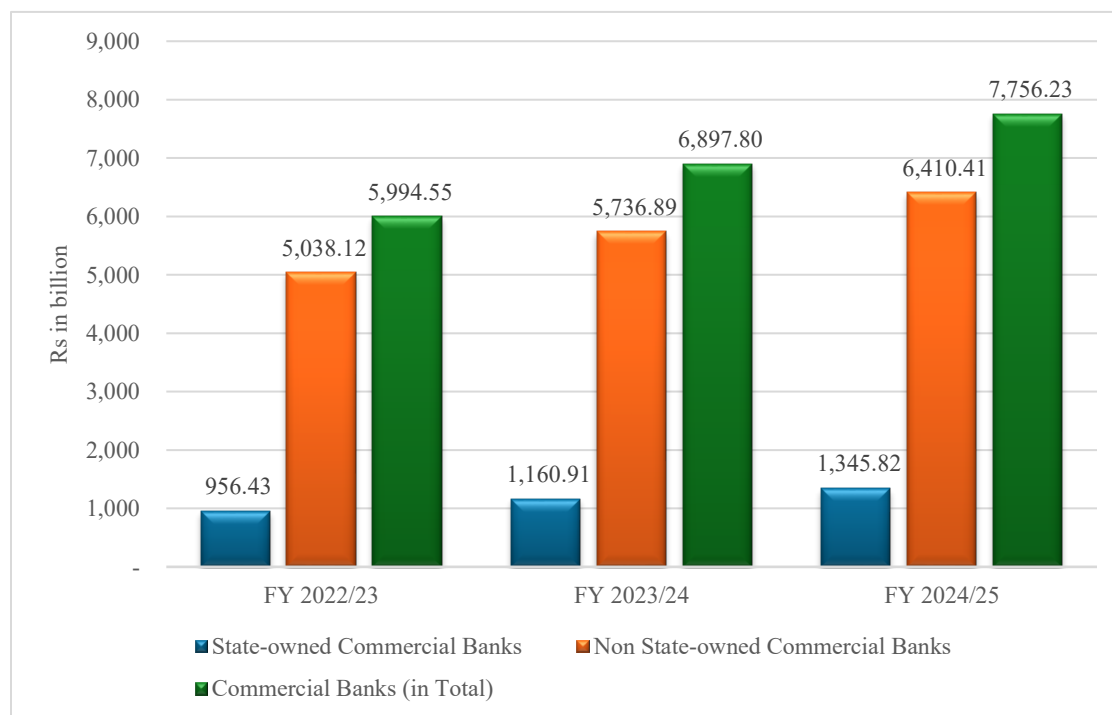
OPERATIONAL PERFORMANCE OF COMMERCIAL BANKS

As directed by Nepal Rastra Bank, commercial banks began publishing their financial statements in accordance with Nepal Financial Reporting Standards (NFRS), which are based on International Financial Reporting Standards (IFRS), starting in FY 2017/18. The operational performance of these BFIs is summarized below:

3.1 Assets

The total assets of the commercial banks have increased by 12.45 percent to Rs. 7,756.23 billion in the FY 2024/25 compared to increase of 15.07 percent and total assets of Rs. 6,897.80 billion in the FY 2023/24. In the review year, the total assets increased by 15.93 percent in state-owned banks and by 11.74 percent in the non-state-owned banks. The major contribution in the increment in total assets of the commercial banks was from the increment in the total loan portfolio. *Refer to Annex 7.1: Banking Operation for details.*

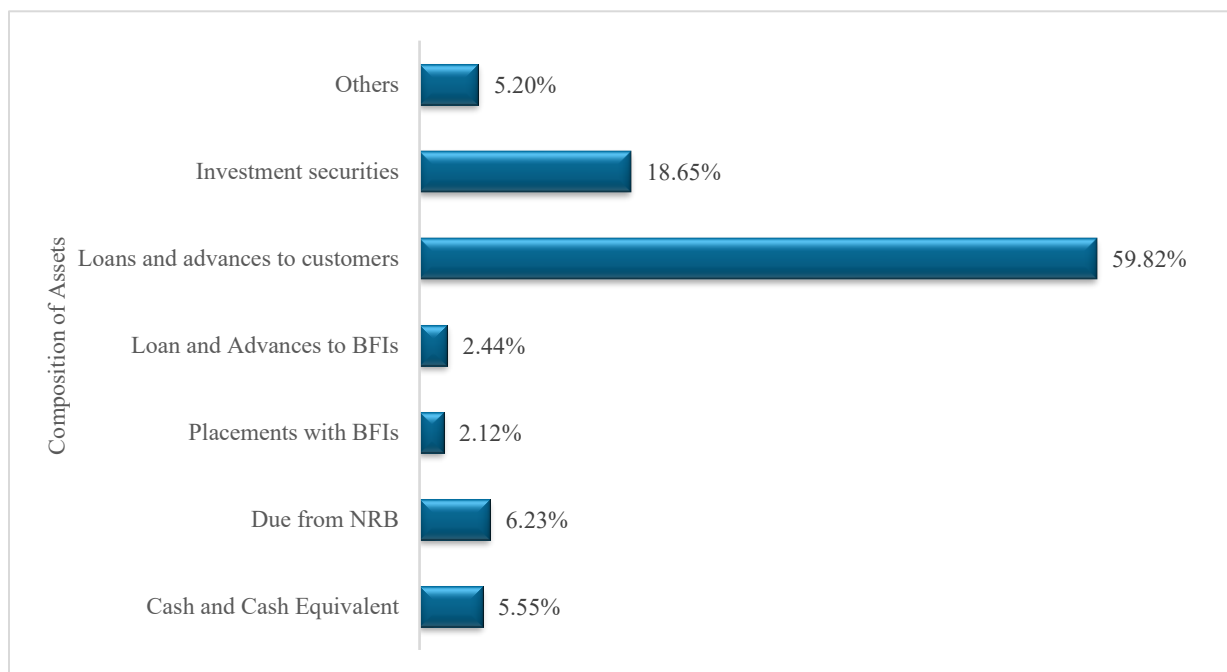
Figure 2: Total Assets of Commercial Banks (mid-July, 2023 to 2025)



3.2 Composition of Assets

Loans and advances to customers are the major assets of commercial banks. As on mid-July 2025, it amounted to Rs. 4,639.59 billion, which was 59.82 percent of total assets. Similarly, the second and third largest components were investment in securities and Due from NRB, which were 18.65 percent and 6.23 percent of total assets respectively. Refer to Annex 7.2: Composition of Assets for details.

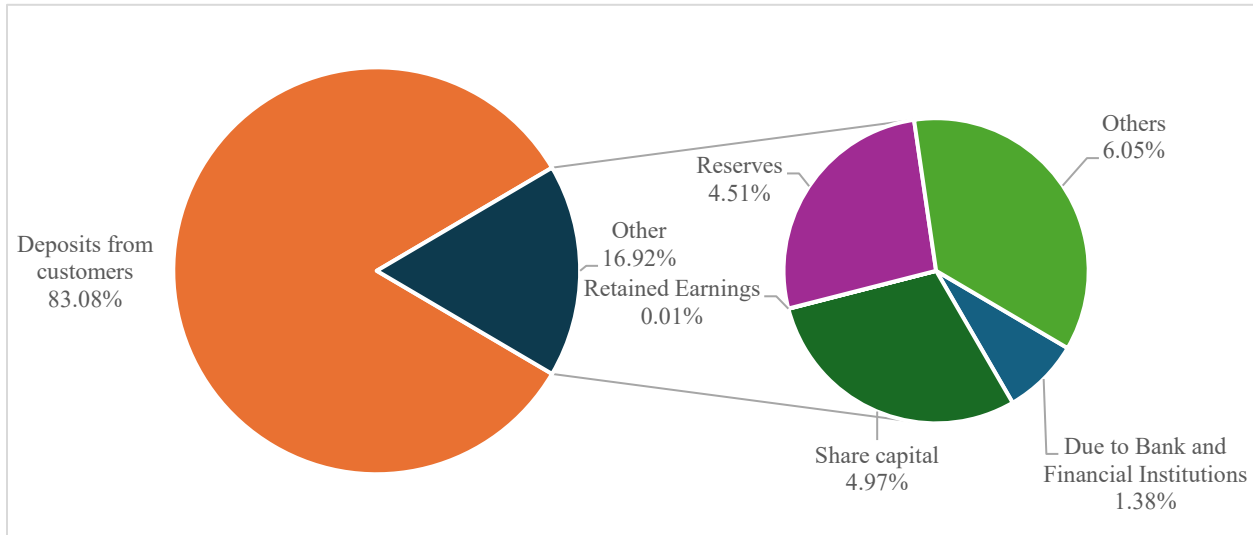
Figure 3: Composition of Assets of Commercial Banks (mid-July 2025)



3.3 Composition of Liabilities

The largest source of fund of the commercial banks has been deposit from the customers. It was Rs. 6,443.57 billion as of FY 2024/25, which stood as 83.08 percent of total sources of fund. The second and third largest sources were share capital and reserve, which were 4.97 percent and 4.51 percent respectively in the given period. Refer to Annex 7.3: Composition of Liabilities and Equity for details.

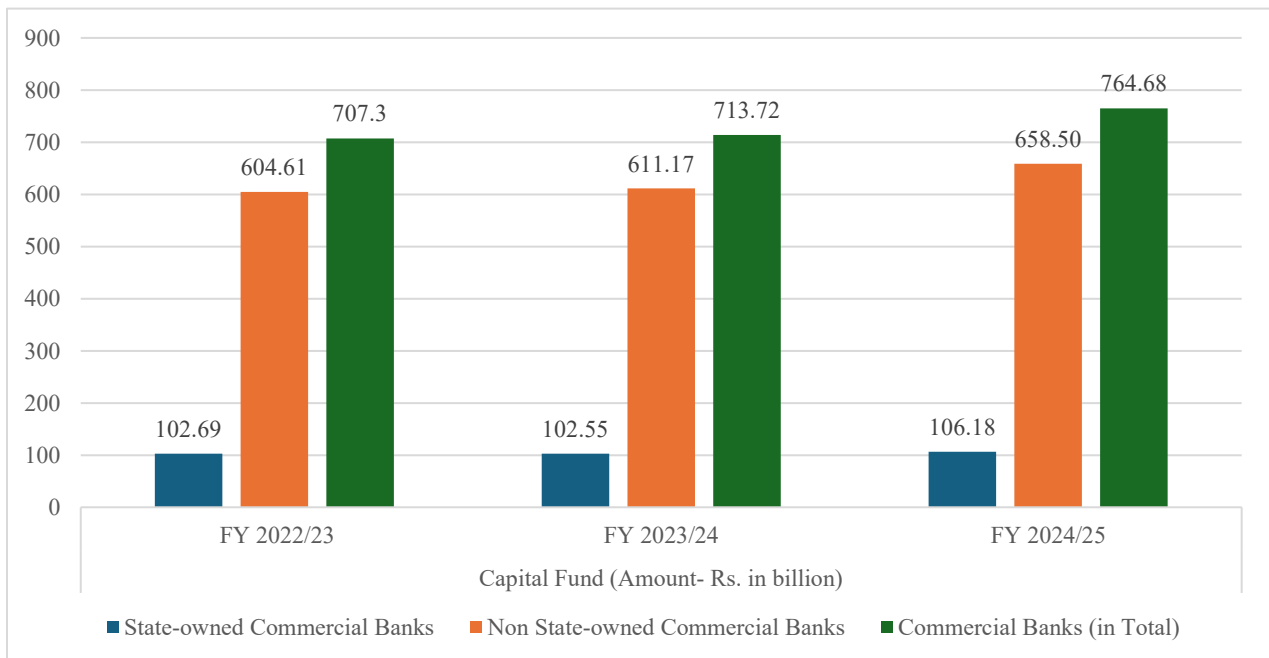
Figure 4: Composition of Liabilities of Commercial Banks (mid-July 2025)



3.4 Capital Fund

The consolidated capital fund of the commercial banks showed positive growth of 7.14 percent to Rs.764.68 billion in the review year. Capital fund of state-owned banks increased by 0.14 percent to Rs.106.18 billion whereas it increased by 7.74 percent to Rs.658.5 billion in case of non-state-owned banks. Refer to Annex 7.4: Capital Fund for details.

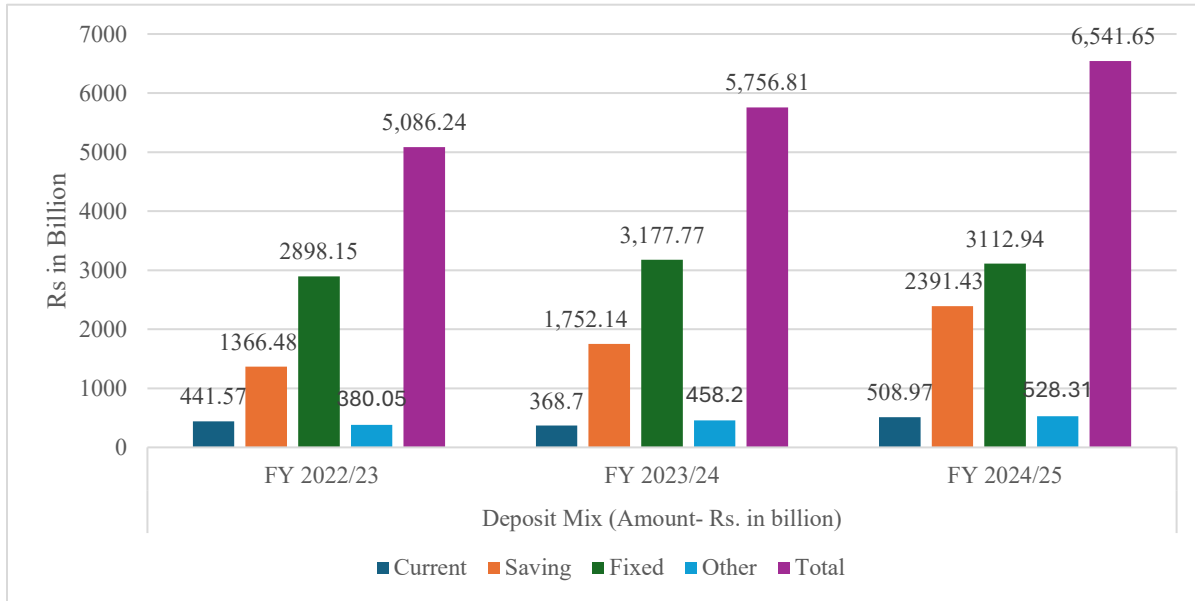
Figure 5: Capital Fund of Commercial Banks (mid-July, 2023 to 2025)



3.5 Deposit

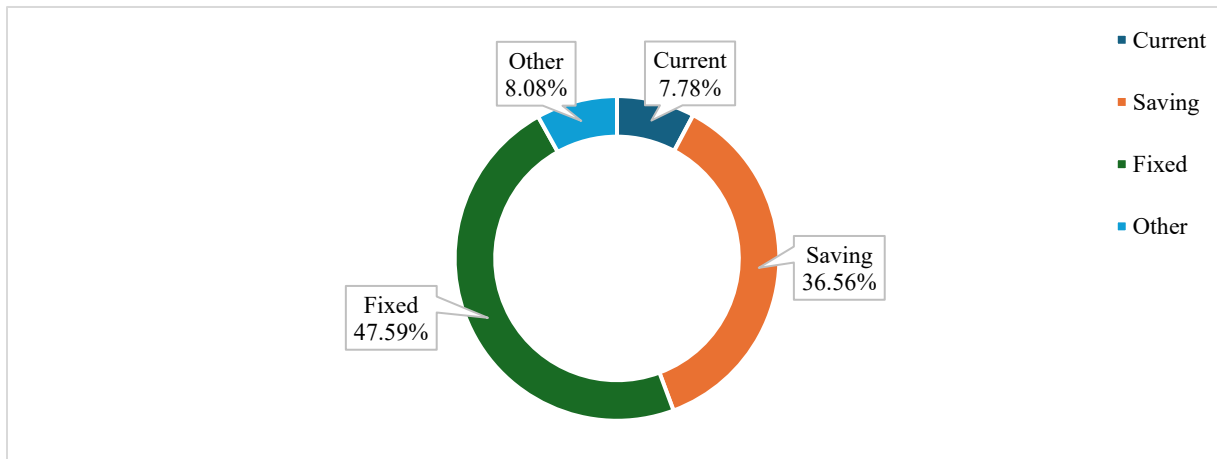
Total deposits of the commercial banks increased by 13.63 percent to Rs. 6,541.65 billion in the review year.

Figure 6: Deposit Mix of Commercial Banks (mid-July, 2023 to 2025)



Fixed and saving deposits are the major components in the deposits of the Commercial banks. In the review year, the current deposits increased with the highest rate i.e., by 38.04 percent to Rs. 508.97 billion followed by saving deposits which increased by 36.49 percent to Rs. 2,391.43 billion. Fixed deposits have covered the highest portion of commercial banks' total deposits. Refer to Annex 7.5: Deposit Mix for details.

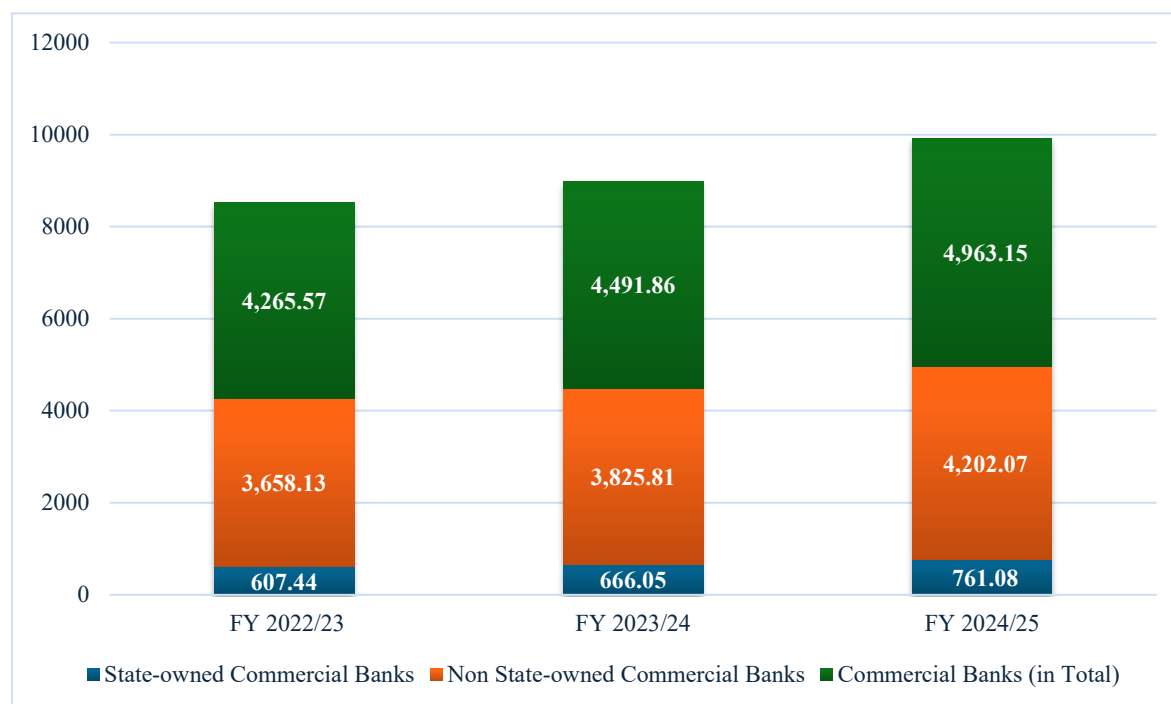
Figure 7: Deposit Mix of Commercial Banks (mid-July 2025)



3.6 Loan and Advances

The total Loan and advances of the commercial banks (including interbank lending, staffs loan facilities, etc.) increased by 10.49 percent to Rs. 4,963.15 billion in the FY 2024/25. Loans and advances of state-owned banks increased by 14.27 percent to Rs.761.08 billion and that of non-state-owned banks rose by 9.83 percent to Rs. 4202.07 billion during the review year. *Refer to Annex 7.6: Loans and Advances for details.*

Figure 8: Loan and Advances of Commercial Banks (mid-July, 2023 to 2025)



3.6.1 Sector-wise Loan and Advances

Commercial banks have disbursed the loans and advances to the different sectors of the economy. Based on sector-wise lending data of commercial banks as on mid-July 2025, Consumable Loans sector has been the dominant sector of lending with 19.36 percent share of total loans and advances, followed by 19.06 percent in Wholesalers & Retailers sector.

Table 7: Sector-wise loan and advances of Commercial Banks

S.N .	Sector	Percent of Total Loan (mid-July)		
		FY 2022/23	FY 2023/24	FY 2024/25
1	Agriculture Forest	7.65	7.09	6.42
2	Fishery	0.31	0.32	0.29
3	Mining	0.26	0.25	0.23
4	Agriculture, Forestry & Beverage Prod. Related	5.51	5.90	6.44
5	Non-food Production Related	11.86	12.13	11.55
7	Construction	3.88	4.00	4.11
8	Power, Gas and Water	6.93	7.99	8.71
9	Metal Products, Machineries, Elec. and Installation	1.57	1.47	1.41
10	Transport, Warehousing and Communication	1.94	1.69	1.46
11	Wholesalers and Retailers	20.77	19.92	19.06
12	Finance, Insurance and Real Estate	7.11	7.03	7.41
13	Hotel and Restaurant	4.22	4.36	4.44
14	Other Services	4.13	3.97	4.04
15	Consumable Loans	17.81	18.41	19.36
16	Local Government	0.03	0.03	0.02
17	Others	6.03	5.44	5.03
	Total Loan	100	100	100

3.6.2 Collateral-wise Loan and Advances

Loans and advances of commercial banks are secured by some forms of collaterals. As of mid-July 2025, 88.58 percent of the total loans and advances were secured by the collateral of properties. Similarly, loans backed by other securities such as gold and silver, government securities, non-governmental securities, fixed deposit receipts, bill, guarantee, credit card and others account for 11.42 percent of total loans and advances.

Table 8: Collateral-wise Loan and Advances of Commercial Banks

S.N.	Security	Percent of Total Loan (mid-July)		
		FY 2022/23	FY 2023/24	FY 2024/25
1	Gold and Silver	1.17	1.17	1.55
2	Government Securities	0.07	0.07	0.09
3	Non-Governmental Securities	1.00	1.42	2.18
4	Fixed Deposit Receipts	1.11	0.73	0.68
5	Collateral of Properties	88.75	89.98	88.58
6	Against security of Bill	0.86	0.78	1.04
7	Against Guarantee	3.49	3.33	3.24
8	Credit Card	0.10	0.12	0.13
9	Others	3.43	2.40	2.51
	Total	100	100	100

3.6.3 Product-wise Loan and Advances

As of mid-July 2025, term loans accounts for 36.59 percent of total loan and advances. Such loans were 37.32 percent in the previous year. Similarly, 16.18 percent and 11.79 percent of loans were extended as demand and other working capital loan and cash credit respectively.

Table 9: Product-wise Loan and Advances of Commercial Banks

S.N.	Loan Products	Percent of Total Loan (mid-July)		
		FY2022/23	FY 2023/24	FY 2024/25
1	Term Loan	32.19	37.32	36.59
2	Overdraft	3.80	2.01	1.75
3	Cash Credit	11.44	12.87	11.79
4	Trust Receipt Loan/Import Loan	1.70	1.81	2.52
5	Demand and Other Working Capital Loan	19.68	15.53	16.18
6	Personal Residential Home Loan	6.47	6.92	6.69
7	Real Estate Loan	5.05	4.92	4.65
8	Margin Nature Loan	1.36	1.54	2.35
9	Hire Purchase Loan	3.20	2.34	2.28
10	Deprived Sector Loan	6.08	5.85	5.17
11	Bills Purchased	0.10	0.17	0.25
12	Other Product	8.92	8.73	9.77
	Total	100	100	100

3.7 Non-Performing Loans

The total volume of non-performing loans (NPL) of the commercial banks has increased by 22.40 percent in the fiscal year 2024/25 and reached to Rs.220.33 billion. Non-performing loans of state-

owned banks increased by 1.48 percent to Rs.28.71 billion and that of non-state-owned banks increased by 26.31 percent to Rs. 191.63 billion during the review period. The NPL ratio of commercial banks increased to 4.44 percent from 3.76 percent during the review period. Refer to Annex 7.7: Non-Performing Loans for details.

Figure 9: NPL Ratio of Commercial Banks (mid-July, 2023 to 2025)

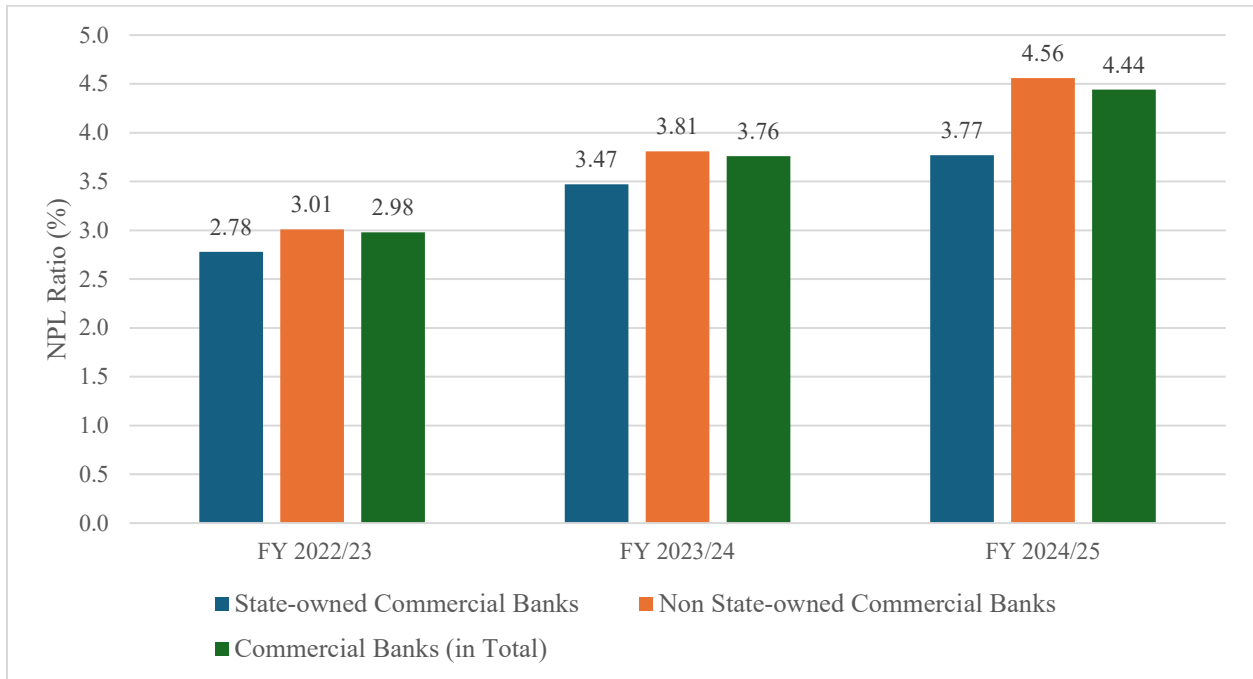
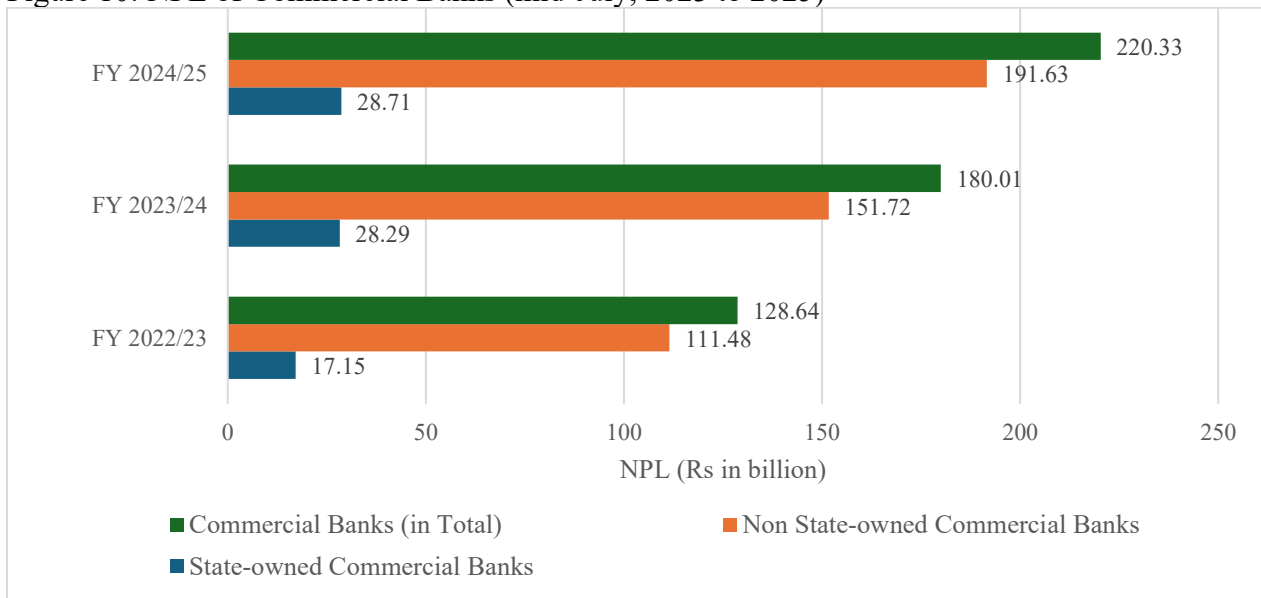


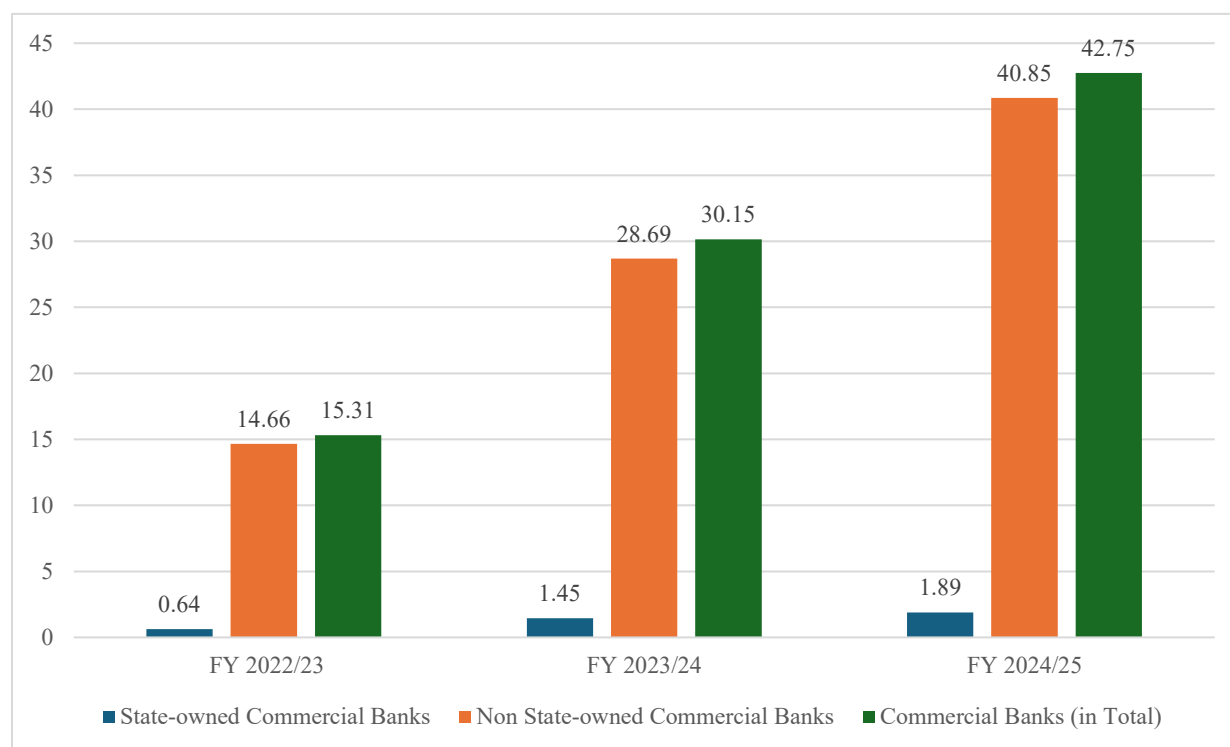
Figure 10: NPL of Commercial Banks (mid-July, 2023 to 2025)



3.8 Non-Banking Assets

The level and structure of Non-Banking Assets (NBA) during last three years has been presented in Figure 11. The overall NBA of the commercial banks has increased by 41.77 percent in FY 2024/25 compared to previous year. Refer to Annex 7.8: Non-Banking Assets for details.

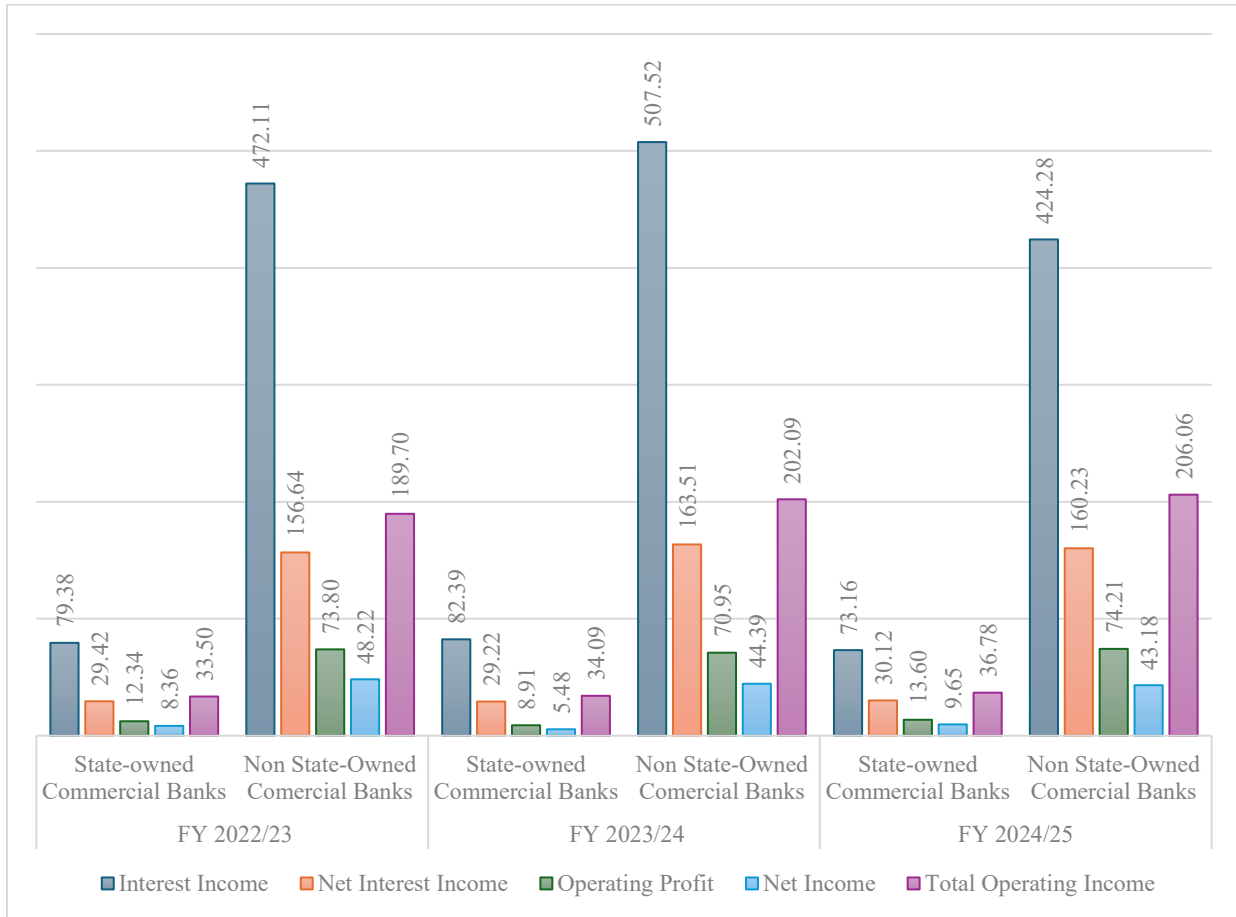
Figure 11: NBA of Commercial Banks (mid-July, 2023 to 2025)



3.9 Earnings

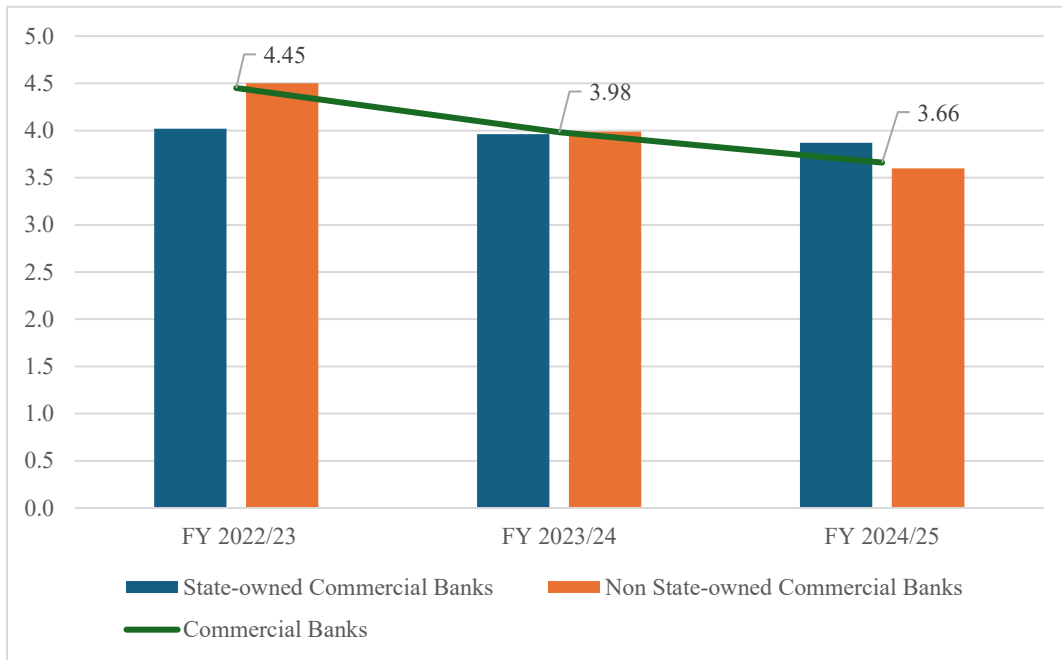
The total net profit of commercial banks increased by 5.90 percent and reached to Rs.52.82 billion in FY 2024/25 from Rs.49.87 billion in FY 2023/24. The net profit of state-owned banks increased by 76.08 percent while that of non-state-owned banks decreased by 2.75 percent in the review period. The total interest income, which is the largest component of total gross income, decreased by 15.67 percent. The total net interest income decreased by 1.25 percent, whereas the operating profit increased by 9.93 percent in the review period. Refer to Annex 7.9: Operating Efficiency for details.

Figure 12: Operating Efficiency figures of Commercial Banks (mid-July, 2023 to 2025)



Interest income of the commercial banks is the main factor that contributes to their profitability. The interest spread of the commercial banks has decreased from 3.98 percent to 3.66 percent in FY 2024/25. Refer to Annex 7.10: Interest spread for details.

Figure 13: Interest Spread of Commercial Banks (mid-July, 2023 to 2025)



Note: Interest Spread = (Interest Income/Loan & Advances and Investment)-(Interest Expense/Deposit and Borrowings)

3.10 Liquidity

The cash balance, bank balance with NRB and other BFIs, money at call and the investment in short term government securities are considered as liquid assets of the commercial banks. The total liquid assets of the commercial banks increased from Rs. 1,854.29 billion to Rs. 2293.84 billion in FY 2024/25. Also, the total liquid assets to deposit ratio increased from 32.21 percent to 35.07 percent in FY 2024/25. Likewise, total liquid assets to total assets ratio increased from 26.89 percent to 28.16 percent in the review period. Figure 14 below show the liquidity position of the commercial banks relative to its total deposit and total assets respectively. Refer to Annex 7.11: Liquid Assets to Total Deposit and Annex 7.12: Liquid Assets to Total Assets for details.

Figure 14: Liquid Asset to Total Deposit (mid-July, 2023 to 2025)

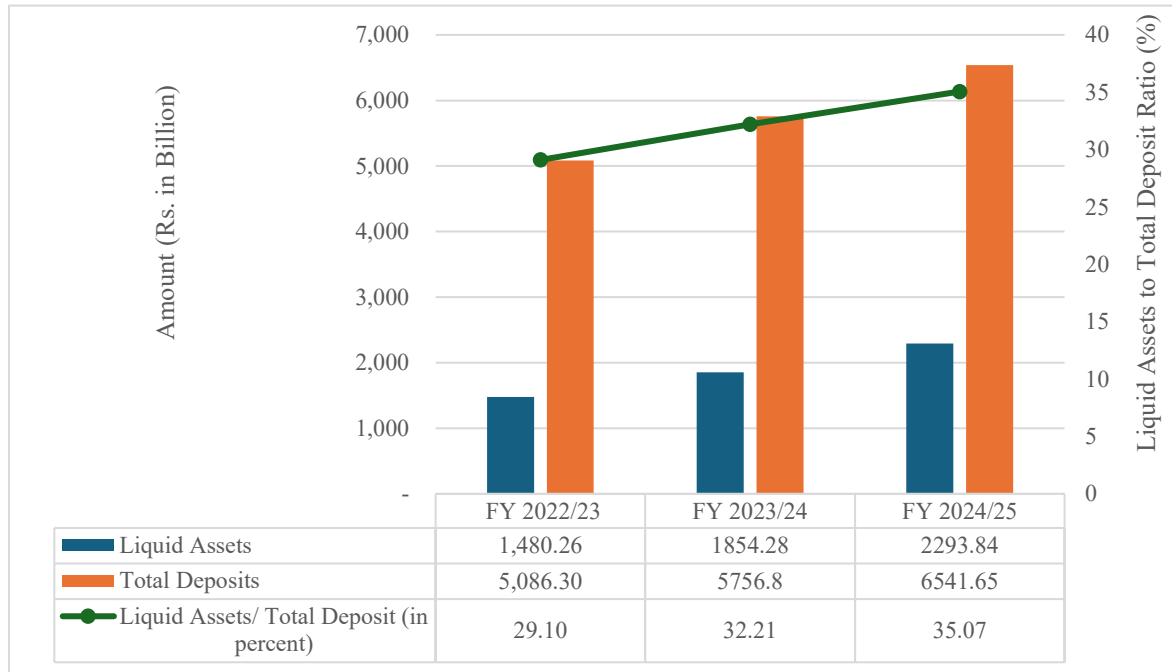
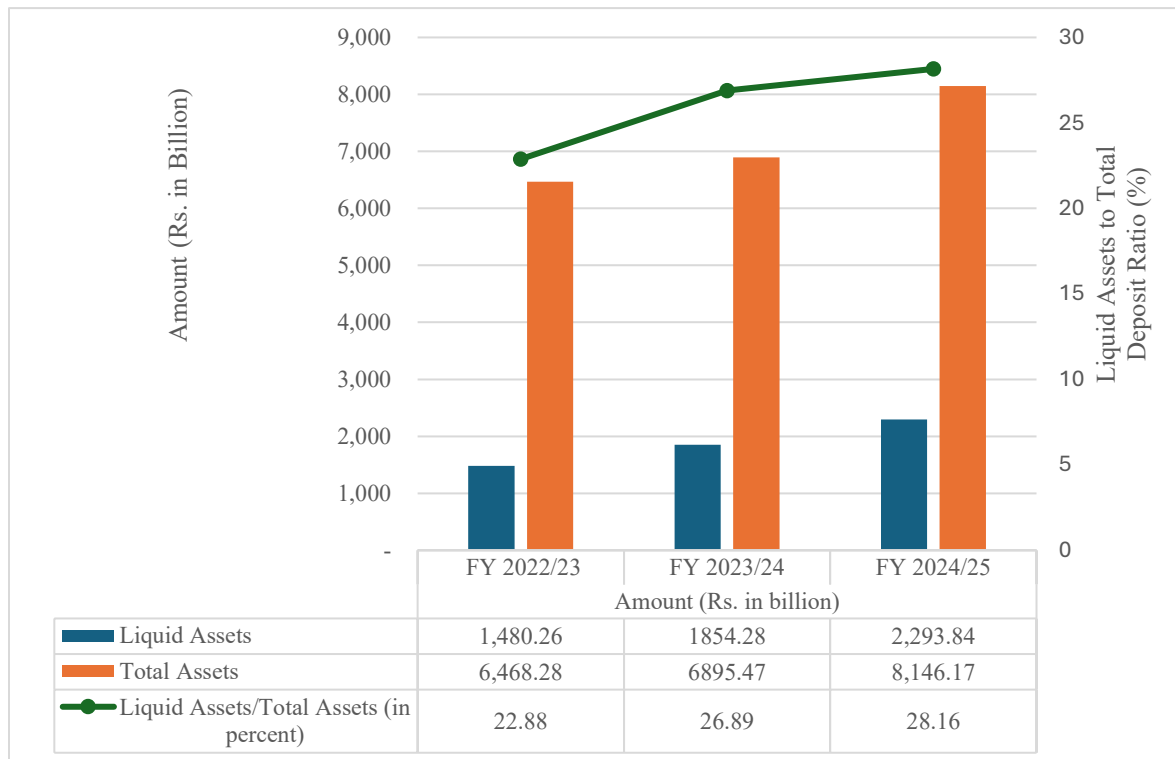


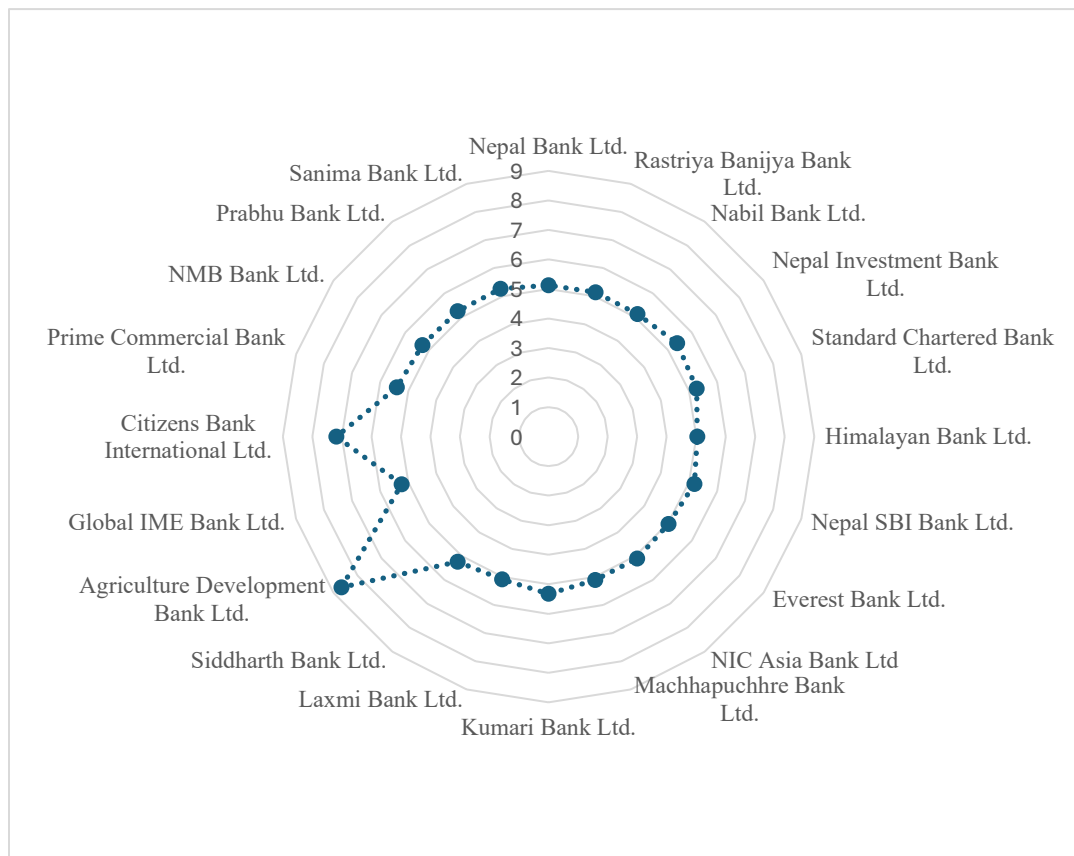
Figure 15: Liquid Asset to Total Asset (mid-July, 2023 to 2025)



3.11 Deprived Sector Lending

Deprived sector lending of commercial banks for the last quarter of FY 2024/25 was 5.41 percent. The deprived sector lending is above the NRB minimum requirement of 5 percent in the review year. Agricultural Development Bank leads deprived sector lending by 8.68 percent lending in deprived sector. Refer to Annex 7.13: Deprived Sector Lending of Commercial Banks for details.

Figure 16: Deprived Sector Lending (mid-July, 2025)



3.12 Electronic Banking

Nepalese commercial banks are providing following types of electronic banking services:

- Internet Banking
- Mobile Banking
- Card Services (Debit Cards, Credit Cards, Prepaid Cards)
- Cash and Cheque Deposit Kiosks
- Automated Teller Machines (ATMs)

- Branchless Banking

Table 10 shows the present status of electronic banking in Nepalese commercial banking industry.

Table 10: Electronic Banking Services offered by Nepalese Commercial Banks

S.N.	Particulars	Mid-July				
		2021	2022	2023	2024	2025
1	Number of branchless banking center	1,706	1,526	1,298	1,112	816
2	Number of mobile banking customer	12,638,366	16,091,464	18,438,455	21,141,088	23,787,529
3	Number of Internet banking customer	1,115,532	1,279,475	1,347,970	1,325,072	1,601,513
4	Total number of ATM	3,983	4,235	4,465	4,801	4,878
5	Number of debit card holder	8,459,435	10,274,413	11,358,426	11,757,746	12,373,593
6	Number of credit card holder	192,370	238,794	283,126	287,365	315,138
7	Number of prepaid card holder	65,786	105,121	135,626	178,216	245,992

Source: Bank and Financial Institutions Regulation Department, NRB

3.12.1 Internet Banking

Kumari Bank Limited was the first bank to introduce internet banking in 2002. Currently, all commercial banks are offering internet-banking services to their customers. So far, commercial banks in Nepal are providing the service of mobile top up, utility payments, fund transfers within and between BFIs and the generation of account statements via internet banking services. As of mid-July 2025, there were 1,601,513 internet-banking users of commercial banks compared to 1,325,072 in mid-July 2024.

3.12.2 Mobile Banking

Laxmi Sunrise Bank Limited, (the then Laxmi Bank Limited) introduced Mobile Banking (SMS Banking) service for the first time in Nepal in 2004. Nepalese banks are providing services such as balance inquiry, mini statement, last transactions information, withdrawal alerts, cheque book inquiry/request, inter-bank and intra-bank fund transfer, utility bill payments, and payment via Quick Response (QR) code, among others through mobile banking. As of mid-July 2025, there were 23.79 million users of mobile banking, which stood 21.14 million in the previous year.

3.12.3 Debit Card

Nepal Investment Mega Bank Limited, (the then Nepal Investment Bank Limited) was the first bank to introduce debit card in Nepal. At present, all commercial banks are providing debit card services to their customers. There were 12.37 million debit card users in the commercial banks as of mid-July 2025, an increase from 11.75 million in the previous year.

3.12.4 Automated Teller Machines (ATMs)

Himalayan Bank Limited introduced the first ATM in Nepal in 1995. All commercial banks have their own ATMs installed. Through ATMs, customers can withdraw cash up to certain limit at any time free of charge or at minimal charge. As of mid-July 2025, there were 4,878 ATMs of commercial banks installed across the country, which were 4,801 as of mid-July 2024.

3.12.5 Credit Card

Credit card service was first introduced by Nabil Bank Ltd (the then Nepal Arab Bank Ltd) in Nepal in the early 1990s. As on mid-July 2025, there were 315,138 active credit card customers in the Nepalese banking industry. There were 287,365 credit card customers as on mid-July 2024.

3.12.6 Branchless Banking

Branchless banking is a distribution channel strategy used for delivering financial services without relying on bank branches. It is an agent-based service. The services include deposit, withdrawal, balance enquiry, and fund transfer. As on mid-July 2025, there were 816 branchless banking centres in Nepal, which were 1,112 in the previous year.

CHAPTER IV

CURRENT INITIATIVES IN SUPERVISION

This chapter presents the initiatives taken in the field of banking supervision and regulation by both domestic as well as international regulators and supervisory authorities. It provides a brief outlook about the developments on financial system oversight.

4.1 Global Scenario

4.1.1 Principles for the Sound Management of Third-Party Risk

The ongoing digitalisation of finance has led to a rapid adoption of innovative approaches, which has increased banks' dependency on third-party service providers for services that banks had previously not undertaken. In response, the Basel Committee has developed a new set of principles to reflect a larger and more diverse third-party service provider environment in the banking sector. The principles establish a common baseline for banks and supervisors for the risk management of third-party service provider arrangements. Key principles emphasize that boards are fully accountable, demanding strong oversight, comprehensive risk assessments, robust contracts and ongoing monitoring of service providers to ensure operational continuity. At the same time, the principles maintain sufficient flexibility to accommodate evolving practices and regulatory frameworks across jurisdictions (BCBS, 2025a)².

4.1.2 Voluntary Disclosure of Climate-related Financial Risks:

A Framework for the Voluntary Disclosure of Climate-Related Financial Risks published by the Basel Committee on Banking Supervision outlines a voluntary framework to help banks disclose their exposure to climate-related financial risks and enhance transparency in the financial system. The framework supports global financial stability by encouraging banks to report both qualitative and quantitative information on how climate change affects their governance, strategy, risk management, and financial performance. It introduces structured disclosure tables and templates covering areas such as transition risks (arising from the shift to a low-carbon economy), physical

² Refer <https://www.bis.org/bcbs/publ/d605.pdf> for full document.

risks (from climate events like floods or storms), sectoral exposures, financed greenhouse-gas emissions, and real-estate energy efficiency. The framework emphasizes that climate risks cannot be captured by a single metric; therefore, banks should provide a combination of narrative explanations and data-based indicators. Implementation is voluntary and left to national supervisors, allowing jurisdictions to adopt the framework depending on their regulatory context while the committee continues to monitor developments and update the guidance as climate-risk data and methodologies evolve (BCBS, 2025b)³.

4.1.3 Advancement in Supervisory Information and Collaboration:

In financial sector supervision, international practices are advancing from traditional "push" reporting (where banks manually submit templates) to automated "pull" mechanisms and Application Programming Interfaces (APIs), allowing supervisors to extract granular and real-time data directly from BFI systems (Toronto Centre, 2018). A growing global trend involves creating dedicated digital platforms to foster innovation and cross-border cooperation. The European Central Bank (ECB), for instance, is developing a "Virtual Lab", a cloud-based platform that enables supervisors across different national authorities to collaborate on joint projects, share Python or R models, and conduct advanced AI experiments in a secured, unified environment (FSB, 2020). Recognizing the importance of international supervisory collaboration, the Reserve Bank of India has established formal arrangements with 47 overseas authorities, via memorandum of understanding (MoUs), covering major jurisdictions with significant Indian bank operations. The Reserve Bank established supervisory colleges that enable home and host supervisors to address key supervisory concerns and risks (Reserve Bank of India, 2024)

4.1.4 Application of AI/ML in Supervision

Globally, central banks and supervisory authorities are transitioning from experimentation to formal deployment across multiple regulatory regimes. The use of AI in Anti-Money Laundering (AML) and fraud detection has transformed financial crime detections in G20 economies. AI helps in more targeted identification of financial crimes and a reduction in false positives and faster intervention (OECD-FSB, 2024). Reserve Bank of India's Department of Supervision (DoS) has

³ Refer <https://www.bis.org/bcbs/publ/d597.pdf> for full document.

set up an Advanced Supervisory Analytics Group (ASAG) for increasing the use of techniques such as AI/ML, which has developed several advanced analytics models (microdata analytics, governance assessment model, social media monitoring model, fraud vulnerability index, borrowers' vulnerability model and asset quality prediction model). Further, the Reserve Bank has been working on a Framework for Responsible and Ethical Enablement of AI in the financial sector (Reserve Bank of India, 2025).

4.1.5 Identification of G-SIBs

The Financial Stability Board (FSB) published the 2025 list of global systemically important banks (G-SIBs) using end-2024 data and applying the assessment methodology designed by the Basel Committee on Banking Supervision. The number of banks identified as G-SIBs remains at 29. FSB member authorities apply the following requirements to G-SIBs:

- *Higher capital buffer*: The G-SIBs are allocated to buckets corresponding to higher capital buffers that they are required to hold by national authorities in accordance with international standards. The capital buffer requirements established by the 2025 list will be effective beginning 1 January 2027.
- *Total Loss-Absorbing Capacity (TLAC)*: G-SIBs are required to meet the TLAC standard, alongside the regulatory capital requirements set out in the Basel III framework.
- *Resolvability*: These requirements include group-wide resolution planning and regular resolvability assessments. The resolvability of each G-SIB is reviewed in the FSB Resolvability Assessment Process (RAP) by senior regulators within the firms' Crisis Management Groups.
- *Higher supervisory expectations*: These include supervisory expectations for risk management functions, risk data aggregation capabilities, risk governance and internal controls (FSB, 2025).

4.1.6 Scenario Analysis of Geopolitical Risks:

The increasing intensity of geopolitical threats calls for a clear understanding by banks and supervisors of the channels through which multi-faceted geopolitical risks can transmit to their

organisations, and the consequent adaptability and resilience they need to nurture so they can respond to, and withstand, unexpected events. Geopolitical risks can manifest in many financial and non-financial ways when they crystallise, including armed conflicts and cyberattacks targeting infrastructure, financial systems or critical industries. Whereas traditional stress testing tends to focus on the financial impact of sudden defined financial market and economic shocks, or the organisational impact of an operational incident (for example a cyberattack), scenario analysis can support a richer and broader discussion about the consequences different geopolitical triggers might have. Considering the combined effects of each scenario can allow for the identification of transmission channels, interconnections, dependencies and the full range of operational and financial vulnerabilities that might be exposed (Central Bank of Ireland, 2025).

4.2 South Asian Context

4.2.1 Reserve Bank of India

- a) **Advanced Supervisory Analytics Group (ASAG):** Department of Supervision has set up an Advanced Supervisory Analytics Group for increasing the use of techniques such as AI/ML which has developed several advanced analytical models (microdata analytics, governance assessment model, social media monitoring model, fraud vulnerability index, borrowers' vulnerability model and asset quality prediction model) (Reserve Bank of India, 2025).
- b) **Fraud Risk Management:** An assessment of bank group wise fraud cases over the last three years has been done. While private sector banks reported maximum number of frauds, public sector banks continued to contribute maximum to the fraud amount. While card/internet frauds contributed maximum to the number of frauds reported by private sector banks, frauds in public sector banks were mainly in loan portfolio. The Reserve Bank issued the revised Master Directions on fraud risk management for REs on July 15, 2024. The revised Directions are principle-based and strengthen the role of the Board in overall governance and oversight of fraud risk management. Framework on early warning signals (EWS) and red flagging of accounts (RFA) has been further strengthened for early detection and prevention of frauds in the REs along with timely reporting to law enforcement agencies and supervisors (Reserve Bank of India, 2025).

- c) **Supervisory Data Quality Index (sDQI):** Reserve Bank of India developed sDQI to identify and address deficiencies in risk data aggregation capabilities and risk reporting practices across Ses. This sDQI model is used for assessing the quality of data submitted by Ses to DoS through various returns. The model generates SE-wise and aggregate sDQI scores each quarter. The movement in sDQI score is being monitored to identify improvement/decline in the quality of reporting by various SEs (Reserve Bank of India, 2025).
- d) **Cross-border Supervisory Cooperation:** The Reserve Bank of India (RBI) strengthened international supervisory cooperation by establishing and deepening formal relationships with authorities in key global jurisdictions. Consolidated supervision of international banking groups by home and host country authorities is essential in a highly globalised and interconnected financial system. The increasing scale and complexity of cross-border banking operations across multiple jurisdictions pose significant risks to global financial stability. To enhance the supervision of cross-border banking groups, supervisory colleges were formalised as a platform for collaboration, coordination and information sharing (Reserve Bank of India, 2025).
- e) **Cyber Security Related Measures:** RBI updated cyber incident monitoring framework as it continues to be a major operational risk. Thematic studies were carried out including IT governance, third party IT service providers, comparative study on IT/Information System (IS) regulations to assess the relative areas and improve upon the existing risk mitigation measures. Advanced supervisory tools have been used to assess the SEs' cyber resilience capabilities such as conduct of phishing simulation exercise (Reserve Bank of India, 2025).

4.2.2 State Bank of Pakistan

- a) **Resolution and Crisis Management Framework:** The State Bank of Pakistan (SBP) strengthened its resolution and crisis preparedness framework in FY 2025. The legal framework was enhanced by designating SBP as the resolution authority and outlining clear resolution objectives, triggers, and powers. SBP also introduced institutional and policy refinements to strengthen the financial sector safety nets and reinforce the resolution framework. With the aim of facilitating timely and orderly resolution of non-viable distressed institutions while preserving overall financial stability, a dedicated department,

the Financial Institutions Resolution Department (FIRD), was set up (State Bank of Pakistan, 2025).

- b) Macro-prudential Policy Framework (MPFF):** The State Bank of Pakistan developed MPFF outlining the objectives, institutional framework, assessment mechanism, set of policy tools and communication strategy for the macro-prudential surveillance in Pakistan. The framework is expected to help stakeholders understand the mechanism of financial stability assessment and the set of tools at the disposal of SBP, which may be invoked as policy interventions under certain scenarios to contain systemic risks and ensure stability of the banking sector (State Bank of Pakistan, 2025).
- c) Legacy NPLs and Nonperforming Assets (NPAs):** SBP issued various instructions to address the issue of legacy NPLs of the banking sector. These instructions aim to facilitate banks in reducing the existing stock of NPLs and minimizing further build-up of NPLs. Banks have been allowed to charge-off their legacy NPLs to clean their books subject to certain conditions; however, the banks' legal right to recover will remain intact.²⁶ SBP also issued comprehensive guidelines to develop and implement an NPL Management Strategy, which covers the identification, management, monitoring and reduction of their NPLs (State Bank of Pakistan, 2025).
- d) Strengthening Cyber Risk Supervision:** Recognizing the significance of cybersecurity in maintaining financial stability, SBP established a Cyber Risk Management Department (CRMD), which is primarily responsible for supervision of cyber risk of the SBP-regulated entities and for strengthening cyber resilience of the banking system. Additionally, CRMD is also entrusted with the responsibilities of oversight of digital frauds and taking measures to counter these frauds (State Bank of Pakistan, 2025).
- e) Launch of SBP Page on Bloomberg:** As part of its efforts to enhance transparency and global accessibility, SBP launched a dedicated page on Bloomberg during the reviewed period. This initiative was aimed at increasing the visibility of Pakistan's financial markets on global stage by providing easy access to key economic and financial indicators. The page was developed in line with the design standards of central banks from G7 countries and major emerging economies, ensuring international comparability and alignment with global best practices (State Bank of Pakistan, 2025).

4.2.3 Royal Monetary Authority of Bhutan (RMA)

- a) **Large Exposure Framework 2025:** Royal Monetary Authority of Bhutan (RMA) implemented the Large Exposure Framework (LEF) 2025 that regulates financial institutions (FIs) to prevent concentration risk from large credit exposures (Royal Monetary Authority of Bhutan, 2025a). Exposures equal to or exceeding 10% of Tier I Capital, with single borrower exposure capped at 25% and total aggregated exposures limited to 8 times Tier I Capital is defined as large exposure. The framework mostly emphasizes robust risk management through internal policies, early warning systems, stress tests, and regular audits. The framework requires monthly reporting to the RMA, which ensures compliance, with penalties for violations (Royal Monetary Authority of Bhutan, 2025b).
- b) **Regulations on Non-Performing Loan Management 2025:** Royal Monetary Authority of Bhutan (RMA) implemented the Regulations on Non-Performing Loan Management 2025 to provide a structured framework for BFIs to manage NPL effectively. As per the regulation, loans are firstly classified as viable or non-viable, with viable loans being eligible for restructuring through revised repayment schedules. Non-viable loans undergo foreclosure via voluntary settlements, legal proceedings, or asset liquidation. Willful and non-willful defaults determine recovery strategies. Transparency is strictly enforced through monthly submissions to the RMA and independent audits. Borrowers with written-off loans face a ten-year borrowing restriction, promoting accountability (Royal Monetary Authority of Bhutan, 2025c).
- c) **Risk-Based Supervision (RBS):** The Department of DFRS transitioned from compliance-based inspections to RBI in the financial year 2024/25. This forward looking approach enhances supervisory effectiveness by prioritizing high-risk areas, addressing credit, market and operational vulnerabilities proactively and tailoring inspections to each FI's unique risk profile (Royal Monetary Authority of Bhutan, 2025a).
- d) **Macro-stress Testing Framework for Solvency Assessment, 2025:** This framework on macro-stress testing shall come into force from 1st July 2025. The framework uses a structured, modular approach to assess the resilience of financial institutions under adverse macroeconomic conditions, focusing on credit, market, liquidity, and operational risks. It includes scenario design, satellite models for macroeconomic variable translation, balance sheet analysis for solvency assessment, and feedback mechanisms for systemic risk

evaluation. Key indicators such as unemployment, inflation, and non-performing loans guide the assessment of systemic vulnerabilities. By supporting financial network analysis and enabling data-driven policy interventions, the framework ensures proactive risk identification, safeguarding the resilience and stability of Bhutan's financial sector (Royal Monetary Authority of Bhutan, 2025d).

4.2.4 Bangladesh Bank

- a) **Implementation of Risk Based Supervision:** The Bangladesh Bank(BB) has taken initiatives to implement Risk Based Supervision (RBS) with an aim to strengthening its supervisory capacity and align its current supervisory framework with global best principles and practices. This endeavor has been receiving technical assistance (TA) from the IMF and development partners like the World Bank and IFC. According to the Memorandum of Economic and Financial Policy signed between the Bangladesh Government and IMF, BB is committed to implementing RBS by 2025. An interdepartmental working group and a fully dedicated RBS Implementation cell are working seamlessly towards facilitating this effort with the overall guidance of a high-powered RBS Advisory Committee (RAC) (Bangladesh Bank, 2024).
- b) **The Bank Company (Amendment) Act:** The Bank Company (Amendment) Act 2023 was passed on 21 June 2023 in the Bangladesh parliament with a view to improving the prevailing condition of defaulted loans and ensuring more discipline and good governance in the banking sector. BRPD Circular Letter No.25, dated 24 July 2023 regarding the Bank Company (amendment) Act 2023. In the amended act, several provisions regarding willful defaulters, good governances, credit discipline, prompt corrective action framework and recovery plan, resolution through forced merger/amalgamation, restructuring, and other measures of the stressed bank company, etc. have been incorporated (Bangladesh Bank, 2024).
- c) **Major Amendments in Supervisory Area:** Provisions regarding the number of directors in the board from a single family has been reduced to maximum three from the existing four. To mitigate the risks associated with collaterals, maintaining credit discipline and transparency in the assessment of collateral during loan disbursement, provisions have been included under section 29Ka regarding collateral appraisers/valuation

companies/institutions to be enlisted with BB. A special provision, namely 77Ka, has been incorporated regarding Prompt Corrective Action (PCA) by BB for recovery, and resolution of the stressed bank company through amalgamation, restructuring and other measures (Bangladesh Bank, 2024).

- d) **Restructuring of Supervisory Architecture:** The transition to Risk Based Supervision involved restructuring of the Bangladesh Bank’s supervisory architecture. Thirteen prior departments have been reorganized into 17 specialised units, including 12 bank supervision departments focused on targeted oversight informed by real-time data. Five additional units have been established to address the emerging risk areas such as digital banking, data analytics, payment systems and policy formulation.

4.2.5 Maldives Monetary Authority (MMA)

- a) **Cybersecurity Initiatives:** Maldives Monetary Authority (MMA) issued the circular for “Mandatory Phishing Simulation Exercises and Reporting Requirements” on 6 November 2024 to enhance cybersecurity awareness and readiness within banks. This circular requires banks to conduct annual phishing simulation exercises and submit the findings to the MMA by the end of June each year. Additionally, banks must report any phishing attacks to the MMA through Cybersecurity Event reporting, regardless of whether the system was exploited (Maldives Monetary Authority, 2025).

4.3 National Context

- a) **Framework for Dealing with Domestic Systemically Important Banks (D-SIBs), 2025:** NRB has implemented Framework for Dealing with Domestic Systemically Important Banks (D-SIBs)⁴ to identify D-SIBs whose failure could cause significant disruption to the financial system and overall economy. It ensures that D-SIBs are subjected to appropriate supervision and regulation in order to mitigate the systemic risk by diminishing the probability of financial impairment or insolvency. D-SIBs are determined based on BFI’s size, interconnectedness, substitutability and complexity of business. The assessment for

⁴ Refer <https://www.nrb.org.np/contents/uploads/2025/11/DSIB-Framework-2025.pdf> for full document.

identifying D-SIBs will be done annually. The D-SIBs shall submit comprehensive report on Capital Plan including Internal Capital Adequacy Assessment Process (ICAAP) to the concerned supervision department.

- b) Amendments to Corporate Social Responsibility Guidelines:** Corporate Social Responsibility Guidelines, 2081⁵ has been updated twice in the review period. These two amendments on the Guidelines added the major objective of CSR Guidelines to be contributing towards the upliftment and interest of poor, deprived and target sector.
- c) Procedures on Interest Subsidy for Concessional Loan :** Realizing the need to provide grant support on the interest, insurance premium, or guarantee fee applicable to concessional loans extended for the modernization and promotion of traditional skills and occupations, the development of entrepreneurship, and the construction of private housing for victims affected by natural disasters, the Finance Ministry (in exercise of the authority conferred by Sub-section (4) of Section 65 of the Financial Procedures and Fiscal Responsibility Act, 2019) has formulated and thus, Nepal Rastra Bank has implemented the ‘Procedures on Interest Subsidy for Concessional Loan, 2082’⁶.
- d) Procedures for Granting Consent to Publish Financial Statements for the Purpose of the Annual General Meeting of Licensed BFIs and for Approving Dividend, 2025 :** Pursuant to Sub-section (1) of Section 47 of the Banks and Financial Institutions Act, 2017, BFIs licensed under the Act are required to obtain approval from this Bank before declaring and distributing dividends. Furthermore, in accordance with Directive No. 4 of the Unified Directives issued by this Bank, the consent of this Bank must be obtained prior to making public the annual financial statements to be presented at the Annual General Meeting. Accordingly, in order to maintain uniformity in the procedures to be followed while granting such necessary approval and consent, this Procedure has been issued by the Nepal Rastra Bank⁷.

⁵Refer <https://www.nrb.org.np/contents/uploads/2025/10/CSR-Guidelines-2nd-Amendment.pdf> for full document.

⁶ Refer https://www.nrb.org.np/contents/uploads/2025/08/Notice-no.-5_Final-For-upload.pdf for full document.

⁷ Refer <https://www.nrb.org.np/contents/uploads/2025/08/AGM-Clearance-Final-1.pdf> for the full document.

- e) **Guidance Note on Interest Income Recognition, 2025:** NRB has issued this guidance note in order to streamline interest income recognition practices across the banking industry, considering the technical challenges related to implementation of expected credit loss in initial years including that of effective interest rate. This guidance note has been prepared for interest income recognition of financial assets measured at amortised cost within the context of NFRS 9 Expected Credit Loss Related Guidelines, 2024 (ECL Guidelines). This guidance note has been issued as a supplementary document with the expectation to serve as pathway towards full implementation of provisions of NFRS 9.
- f) **Procedure for Certifying the Dishonour of Cheques, 2025:** In cases where a cheque is dishonoured due to the absence of funds in the account or insufficient balance, and the drawer wishes to obtain certification that the cheque has been dishonoured, this Procedure⁸ has been formulated and implemented for the purpose of enabling banks, financial institutions, or cooperative banks to certify such dishonour of cheques. This Procedure has been issued by exercising the authority conferred by Sub-section (7) of Section 3 of the Banking Offence and Punishment Act, 2008 (Second Amendment, 2025) and Sub-section (3) of Section 110 of the Nepal Rastra Bank Act, 2002.
- g) **Guideline on Targeted Financial Sanctions for Financial Institutions, 2025:** This Guideline serves as a guidance for FIs to understand their TFS related obligations. This Guideline is focused on the procedures to implement the UN and domestic TFS regime by all persons. FIs are obliged to apply policies, procedures and controls to implement TFS to those sanctioned and referred in the UN List and the Domestic Terrorist List⁹.

⁸ Refer https://www.nrb.org.np/contents/uploads/2025/07/Cheque-Dishonour-Related-Manual-FInal_V1.pdf for full document.

⁹ Refer <https://www.nrb.org.np/contents/uploads/2025/01/TFS-Guideline-for-UPLOAD.pdf> for full document.

CHAPTER V

KEY SUPERVISORY OBSERVATIONS AND EMERGING ISSUES

5.1 Key Onsite Observations

This section includes major observations reported by bank supervisors during commercial bank inspection in the FY 2024/25. The observations herein included does not necessary apply to all the commercial banks. These observations are only representative occurred in one or more commercial banks in the review year.

5.1.1 Board and Senior Management Oversight

- Appointments of Public and Promoter Directors were made through Board decision and subsequently ratified by the Annual General Meeting rather than being directly elected by the AGM.
- The board handled an excessive number of agendas in single meetings, limiting descriptive discussions and increasing the risk of overlooking critical issues. In addition, the board failed to discharge its key responsibilities such as approving product papers instead delegating such authority to the CEO.
- The bank lacked an adequate and robust mechanisms to regularly track and review the implementation status of the decisions and directions.
- The CEO's contract renewal was not aligned with the Chief Executive's Remuneration Guidelines. Further, the CEO's contract includes a provision such as compensation clause for shortened tenure and additional benefits such as multiple security guards and domestic servants that are not permitted under prevailing regulations.
- Key executive positions including AGM and DGM remained unfulfilled beyond the regulatory limit of three months.
- Bank/s failed to formulate a mandatory Remuneration Determination Policy for its employees and executives.
- Bank/s failed to comply with statutory requirements regarding board composition including the appointment of an independent director as required

under Section 14(3) of the Bank and Financial Institution Act, 2073 and a female director as mandated by Section 86(2) of the Company Act, 2063.

- Bank/s failed to comply with NRB Unified Directives, 2079#2(19)(ka) which requires payment to beneficiaries within seven working days for claims against issued guarantees. Several instances of delayed payments were observed.
- Some banks have yet to formulate internal CSR procedures/guidelines. They failed to comply with the NRB directive requiring at least 10% of CSR expenses to be allocated in in each province.

5.1.2 Capital and Earnings

- Capital Adequacy Ratios (CAR) were not reflected accurately due to misstatement of risk-weighted exposures and inadequate recognition of loan loss provisions.
- There were inconsistencies between the risk weights applied in CAR computation and those reported in the SIS (“NRB 03”) returns.
- Instances were noted where past due loans (watch list, substandard, doubtful, and loss) and force loans were incorrectly categorized and assigned a lower risk weight while the unpaid guarantee claims were excluded from risk-weighted exposures, resulting in understated risk and overstated asset quality.
- In some cases, loan classifications under Claims on Regulatory Retail Portfolio were based solely on single threshold criteria, resulting in assignment of lower risk weight.
- The Internal Capital Adequacy Assessment Process (ICAAP) was not reviewed annually as required by the bank's internal policy and the ICAAP report was not submitted within the timelines prescribed by regulatory guidelines.
- The risk appetite and target capital levels defined in the ICAAP merely mirrored regulatory minimum requirements rather than reflecting the bank’s specific risk profile.
- Additional capital buffers were not properly assessed or incorporated.
- The ICAAP policy itself lacks key provisions, such as minimum thresholds for Common Equity Tier I and Tier I capital ratios.

- Some banks failed to develop a structured capital management policy, lacking both short-term capital management strategy and a comprehensive medium-term or long-term capital plan.

5.1.3 Audit Function

- The performance evaluation of the Head of the Audit Department was inappropriately conducted by the CEO and includes business related targets, compromising audit independence.
- Audit committee governance was also weakened by the presence of the chairman and other directors as invitees.
- The Audit Plan was prepared annually in a lump sum without detailed periodic planning.
- There were no defined criteria for assigning audit man-days, leading to disproportionate assignments and inconsistencies across the branches falling under the same risk category.
- The audit guidelines have inadequate provisions regarding the audit of key areas such as offsite monitoring, non-funded exposures (e.g., LCs and guarantees).
- Conducting audit of overseas representative offices and annual IS audits were remained unaddressed.
- The audit function was critically understaffed and heavily dependent on temporary personnel like semi-CA trainees, limiting its effectiveness.
- The audit process is weakened by the absence of risk-based classification of audit observations and timelines for issue resolution.
- Audit reports lack analytical summaries and actionable recommendations, while auditable units often fail to respond within prescribed timelines.
- Identified provisioning requirements were not adequately implemented by management and quarterly audit reports were not prepared or submitted to the Audit Committee as required.
- Internal systems and controls were inadequate, including the absence of internal auditor certification for regulatory reports (e.g., capital adequacy), weak audit

tracking mechanisms and internal audit software that allows modification of observations without maintaining an audit trail.

- Internal Audit Manual has not been updated to address evolving risks related to people and systems, reflecting gaps in overall control and compliance frameworks.

5.1.4 Credit Risk

- Weaknesses were observed in credit appraisals and loan classifications such as failure to classify credit files which are in the process of auction as "Loss", not conducting annual assessment of the Debt Service to Gross Income (DTI) Ratio, not grouping of related party loans for Single Obligor Limit (SOL) monitoring.
- Deficiencies in lending practices were observed such as financing beyond drawing power, disbursement to firms with negative NTA, extension of loans without adequate collateral and acceptance of shares of financial institutions with NPA above 5% as margin lending security.
- Certain practices indicative of potential loan rollover were observed, including the extension of additional loans or overdrawing of revolving credit facilities to facilitate the servicing of overdue principal, interest, and penal charges, as well as the temporary adjustment or closure of loan accounts at quarter-end through fresh disbursements to the same borrowers.
- Restructuring and rescheduling were performed without adequately reassessing the borrower's action plan, collateral documents, or going concern test or obtaining adequate supporting documents.
- Credit risk management and monitoring systems were inadequate as reflected by weak implementation of Early Warning System (EWS), weak post-disbursement monitoring and end-use verification mechanisms and inability of MIS/CBS to effectively monitor borrowers' financial positions and routing business proceeds through current accounts.
- Regulatory and documentation lapses were observed such as non-obtainment of external credit ratings for large borrowers, failure to obtain auditor-certified NTA reports for loans above Rs. 50 million and non-maintenance of additional

provisioning requirements for third-party collateral and personal guarantee-based loans.

- Loan repayment structures and pricing were not risk-sensitive as high-volume clients were provided loans at the base rate without charging a risk premium based on creditworthiness and loan repayments were structured on a ballooning basis without evidence of the borrower's repayment capacity.

5.1.5 Liquidity Risk

- ALCO meetings failed to consider industry insights or the status of peer banks while determining monthly interest rates. They were largely focused on reviewing regulatory ratios and status updates rather than undertaking short and medium term strategic planning with inadequate discussion on actionable measures and carrying out functions of fixing open foreign currency positions and reviewing FCY income.
- Risk management oversight by ALCO was weak, as stress testing scenarios, assumptions and results were not effectively deliberated and discussed. Further, the assessment of off-balance sheet risks and internal Early Warning Indicators (EWI) was lacking.
- The Contingency Funding Plan contained limited trigger parameters and did not adequately capture key risk indicators such as repeated breaches of internal limits and high concentration of fixed deposits (FDs).
- Liquidity management practices were weak with growing force loans arising from non-funded exposures (guarantee claims), inclusion of significant non-interest-bearing “other deposits” in gap analysis and absence of clearly segregated business and independent risk management functions.
- The Contingency Funding Plan was weak as it failed to incorporate major shock scenarios such as pandemics, political unrest or reputational risks arising from negative social media campaigns. Further, the plan also lacked clearly defined communication mechanisms with major depositors and the public during liquidity crises and had not been reviewed since its initial formulation.

- Quarterly Liquidity Risk Reports for consecutive periods were not prepared and presented to the Board.

5.1.6 Market Risk (including Interest Rate Risk and Foreign Exchange Risk)

- Possible scenarios and the impact of interest rate changes on deposits, credit, and the overall portfolio were not discussed thoroughly in ALCO meetings.
- Weaknesses were observed in treasury operations due to inadequate coordination among Front, Middle, and Back Offices. Further, the Middle Office failed to perform independent analysis of interest rates, treasury positions, or FOREX open positions.
- Risk appetite frameworks were inadequate in setting limits and appetite for interest rate and foreign exchange risk. The specific parameters, criteria, or thresholds for FCY placement, trading and Nostro balances were not defined with activities relying on subjective judgment. In addition, the bank failed to define or implement a formal stop-loss policy for its investments in securities.
- Dealer transaction limits were assigned uniformly to all treasury staff, including the treasury head, without considering designation, experience, authority level, or currency exposure.
- Documentation and reporting lapses were observed including lack of documents verifying that a comprehensive analysis of stocks conducted prior to the purchase of shares and failure of investment review reports to include analysis of risk-return profiles or realized profits or losses during the purchase and sale of shares.
- Operational and control weaknesses were observed in foreign exchange operations, as FCY transaction vouchers lacked required maker-checker signatures in several instances and counterparty settlement risks relating to foreign currency placements and NDF transactions had not been adequately analyzed.
- The bank lacked an automatic enforcement of dealer trade limits and an automated alert system for approaching maturities. Further, the MIS had not

been strengthened to provide comprehensive identification, measurement, and analysis of market risk and interest rate risk.

5.1.7 Operational Risk

- Operational and physical security weaknesses were observed in branches including inadequate CCTV backup retention, unauthorized involvement of non-keyholders in vault operations and cash handling, unrestricted access of messengers, interns, and cleaning staff to vault areas, absence of essential security controls such as alarms and valid fire extinguishers and weak physical infrastructure of vault facilities.
- Instances of weaknesses were observed in process automation such as loans against fixed deposits maturing on official holidays were not automatically settled, requiring manual processing and causing double penalization to clients.
- Deficiencies were noted in CBS and MIS access controls including the use of common usernames and passwords for system logins and the granting of Core Banking System access rights to interns and outsourced staff, violating data security norms.
- Control mechanisms for operational risks found to be inadequate as denominations of currency notes were not reflected in the CBS, the repeated session-extension requests for NCHL-ECC and NCHL-IPS were noted without any remediation measures taken by the bank. Further, the manual stamps for "Good for Payment" were used on cheques without producing and delivering system-printed evidence to the client.
- Lapses were also observed in fund transfer and custody control such as fund transfers were conducted using motorbikes without security guard, uncollected cards and PINs were stored together in a store room for more than a year, chequebooks and ATM cards were kept under a single lock system instead of dual control.

5.2 Issues

Some of the major issues identified through the bank inspection process during the review period is summarized as follows:

5.2.1 Capital Stress due to elevated NPL

Nepalese Banks and Financial Institutions (BFIs) have been experiencing elevated levels of non-performing loans (NPLs), driven by a combination of external economic shocks, periods of aggressive credit expansion, and weaknesses in corporate governance practices. Macroeconomic disruptions and sector-specific downturns have adversely affected borrowers' repayment capacity, while at the same time, rapid and, in some cases, less prudent lending practices have contributed to asset quality deterioration. The rise in NPLs has consequently created pressure on the capital position of BFIs, as higher provisioning requirements and reduced income generation capacity have constrained profitability and eroded capital buffers, thereby increasing the overall vulnerability of the banking sector. It underscores the need for strengthened risk management and governance frameworks.

5.2.2 Loan Rollover Practices:

A notable area requiring strengthened credit risk management relates to practices that may indicate loan rollover within certain banks. Inspection findings also indicated instances where existing loan accounts were adjusted or closed near quarter-end through the disbursement of new facilities to the same borrowers. Such practices may limit the accurate reflection of asset quality, as settlements are not always supported by the borrower's underlying cash flow generation capacity, thereby warranting closer monitoring to preserve the resilience and transparency of credit portfolios.

5.2.3 Limited Post-Disbursal Monitoring:

Opportunities remain for further strengthening compliance with the end-use monitoring requirements prescribed under Section 56 of BAFIA. In a number of cases, post-disbursal monitoring mechanisms were observed to be limited, with some banks yet to fully formalize credit review processes and enhance MIS capabilities for tracking the

utilization of loan proceeds after disbursement. Inspection observations also indicated instances where funds were transferred to accounts associated with directors or related entities shortly after disbursement, highlighting the need for more robust monitoring and follow-up arrangements to ensure alignment with the intended purpose of financing.

5.2.4 Corporate Governance Issues:

Corporate governance lapses compromise the independence of critical control functions within banks. A recurring concern is the practice of CEOs performing the performance appraisal of Chief Risk Officers (CROs) or Heads of Internal Audit, which subordinates these safety roles to business targets like deposit campaigns. Additionally, Board oversight is often diluted by handled an excessive volume of agendas, sometimes exceeding 100 in a single meeting, preventing descriptive and meaningful discussion on stress testing and financial indicators.

5.2.5 Deficient Audit Functions:

Audit functions remain deficient due to ineffective Risk-Based Internal Audit (RBIA) frameworks and manpower shortages. Many internal audit departments are understaffed, relying on temporary trainees rather than permanent personnel, which hinders the completion of annual audit plans. This lack of resources leads to a backlog of thousands of unresolved audit comments and a failure to conduct mandatory Information Security (IS) or policy audits.

5.2.6 Liquidity Risk Vulnerabilities:

Significant liquidity risk vulnerabilities exist due to structural maturity mismatches and the failure to operationalize Contingency Funding Plans (CFP). Several banks show negative cumulative gaps in short-term maturity buckets without established management plans to address these strains. Furthermore, banks often fail to activate or act upon the trigger events identified in their CFPs, such as breaches in CD ratios or high deposit concentration among top institutional depositors.

5.2.7 Operational risk management:

Operational risk management is compromised by physical security lapses and outdated technical infrastructure. Recurring findings include unauthorized vault access, missing

signatures in cash registers, and vault keys being held by a single individual rather than following the four-eye principle. Technical risks are also high, with many banks still utilizing Windows 7 in ATM booths and failing to maintain the required 90 days of CCTV backup for sensitive branch areas.

5.2.8 Reporting Discrepancies:

There are systematic reporting discrepancies in the Supervisory Information System (SIS), which undermine the integrity of regulatory oversight. Banks frequently submit reports with inconsistent borrower names, duplicate customer IDs, and missing Permanent Account Numbers (PAN) for large exposures. These data integrity issues hinder the regulator's ability to accurately monitor Single Obligor Limits (SOL) and the grouping of related borrowers.

5.2.9 Human Resource Management Issues:

Human resource management concerns increase operational and internal fraud risks. Banks consistently violate staff rotation policies, with many employees stationed in the same sensitive position or branch for over a decade. Furthermore, institutions often under-spend on the mandatory 3% personnel training requirement and maintain significant hierarchical gaps between department heads and second-in-line staff, which impairs effective institutional memory and succession planning.

5.3 Challenges

Based on the systemic vulnerabilities and recurring regulatory breaches identified in the inspection reports, Nepal Rastra Bank (NRB) faces the following challenges in resolving these issues:

5.3.1 Overcoming Sophisticated Regulatory Arbitrage:

Banks frequently misclassify high-risk loans (e.g., commercial real estate or large corporate exposures) into lower-risk categories such as the Regulatory Retail Portfolio (RRP) or "Residential Properties" erroneously inflating their Capital Adequacy Ratios (CAR). NRB's challenge is to move beyond checklist-based supervision to a model that can identify when the economic substance of a loan contradicts its reported form.

5.3.2 Enforcing Independence of Control Functions:

A major governance challenge is the subordination of safety roles to business interests, evidenced by CEOs conducting performance appraisals for Chief Risk Officers (CROs) and Heads of Internal Audit. NRB must find ways to enforce a reporting structure where these individuals are truly independent and protected from management influence.

5.3.3 Verifying End-Use of Funds:

Some instances were observed where loan proceeds were diverted to director's or related parties accounts immediately after disbursement. The challenge for NRB is to mandate and verify that banks actually conduct physical site visits and auditor-certified Net Trading Asset (NTA) inspections rather than relying on "self-declarations".

5.3.4 Enhancing Data for SIS Reporting:

Regulatory reporting is incomplete due to missing PANs, inconsistent borrower names, and manual interventions that lead to data mismatches. NRB's challenge is to enhance legacy data across the entire banking sector to ensure that Single Obligor Limits (SOL) and related-party groupings are accurate and trackable in real-time.

5.3.5 Bridging Technology and Infrastructure Gaps:

Many banks continue to use outdated operating systems and lack integrated MIS for monitoring current assets and liabilities. NRB faces the challenge of mandating expensive, comprehensive IT upgrades without compromising the immediate operational stability or profitability of smaller or merged institutions.

5.3.6 Addressing Manpower Shortages in Audit and Risk:

Internal audit departments are critically understaffed, often relying on temporary trainees to close thousands of unresolved audit comments. NRB's challenge is to define and enforce mandatory staffing ratios and specialized skill requirements (e.g., for IS Audits) to ensure the "third line of defense" is effective.

5.3.7 Transforming ALCO from Reporting to Strategic Risk Management:

ALCO meetings are often described as "status updates" that fail to discuss stress testing, negative cumulative gaps in assets and liabilities, or actionable contingency funding

plans. NRB faces the challenge of shifting the banking culture from meeting "regulatory minimums" to proactively managing bank-specific liquidity and market risks.

5.3.8 Standardizing Physical Security and Operational Hygiene:

Recurring lapses in vault management (e.g., single-key custodianship) and inadequate CCTV backup retention (below 90 days) expose the sector to high internal fraud risk. The challenge for NRB is to enforce a standard level of "operational hygiene" across vast and often remote branch networks where oversight is physically difficult.

5.3.9 AI Regulation and Supervisory Adoption:

The effective integration of AI into supervisory and inspection functions remains an evolving challenge, particularly in areas such as data infrastructure, supervisory technology (SupTech) capabilities, skilled human resources, model validation, and the availability of high-quality structured data. The increasing complexity of AI-enabled banking operations therefore necessitates continuous enhancement of regulatory capacity, technical expertise, and institutional preparedness to ensure that innovation is supported while maintaining financial stability and prudent risk management standards.

5.3.10 Integrated Supervision:

Supervisory practices at Nepal Rastra Bank currently involve a relatively segmented approach. While this specialization supports focused technical assessment, it also presents challenges in achieving a fully integrated view of banks risk profiles. As risks in financial institutions increasingly become interlinked particularly through digital banking, complex group structures, and evolving financial products, the need for integrated supervision becomes more pronounced. Strengthening coordination across supervisory functions, harmonizing inspection outputs, and developing integrated risk assessment frameworks would further enhance the ability to capture cross-cutting vulnerabilities and support a more holistic and forward-looking supervisory approach.

ANNEXURES

Annex 1: Growth of Financial Institutions (numbers)

Types of Financial Institutions	Mid-July														
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Commercial Banks	31	32	31	30	30	28	28	28	28	27	27	26	20	20	20
Development Banks	87	88	86	84	76	67	40	33	29	20	18	17	17	17	17
Finance Companies	79	69	59	53	48	42	28	25	23	22	17	17	17	17	17
Micro-finance Financial Institutions	21	24	31	37	38	42	53	65	90	85	70	65	57	52	52
Infrastructure Development Bank	-	-	-	-	-	-	-	-	1	1	1	1	1	1	1
Total	218	213	207	204	192	179	149	151	172	155	133	126	112	107	107

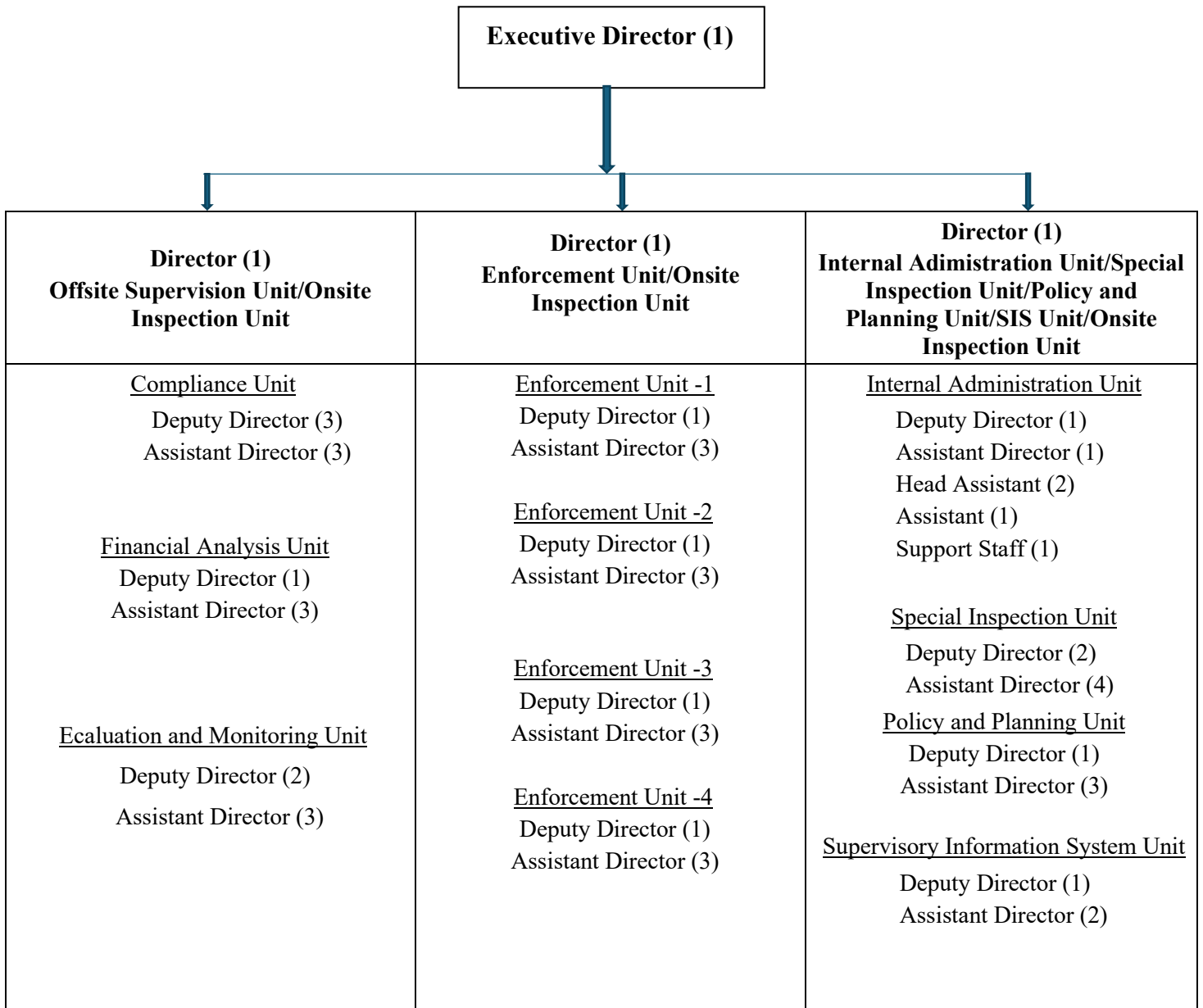
Source: Bank and Financial Institutions Regulation Department, NRB

Annex 2: Province-Wise Distribution of BFIs branches (Mid-July FY 2024/25)

S. N.	Province	Class A	Class B	Class C	Class D
1	Koshi	763	196	36	856
2	Madhesh	586	84	53	1,033
3	Bagmati	1843	332	109	754
4	Gandaki	608	191	37	563
5	Lumbini	748	256	47	1,096
6	Karnali	217	21	3	238
7	Sudur Paschim	334	52	6	464
	Total	5,099	1,132	291	5,004

Source: Bank and Financial Institutions Regulation Department, NRB

Annex 3: Organisation Chart of BSD



Annex 4: Onsite Inspections in FY 2024/25

a) Full-Scope Onsite Inspection

S.N.	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
1	Nepal Infrastructure Bank Limited	Rastriya Banijya Bank Limited	Nabil Bank Limited	Nepal Bank Limited
2	Sanima Bank Limited	Kumari Bank Limited	Citizens Bank Limited	Nepal Investment Mega Bank Limited
3	Everest Bank Limited	Standard Chartered Bank Nepal Limited	NMB Bank Limited	Himalayan Bank Limited
4	Nepal SBI Bank Limited	Siddhartha Bank Limited	NIC Asia Bank Limited	Prabhu Bank Limited
5	Machhapuchhre Bank Limited	Laxmi Sunrise Bank Limited	Prime Commercial Bank Limited	
6	Agricultural Development Bank Limited		Global IME Bank Limited	

b) Targeted Onsite Inspection

S.N.	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
1	Nabil Bank Limited	Global IME Bank Limited	Nepal Bank Limited	NIC Asia Bank Limited

Annex 5: Special Inspection of Commercial Banks in FY 2024/25

S.N.	Name of Bank	No. of Inspections
1	Rastriya Banijya Bank Limited	2
2	Nepal Bank Limited	5
3	Himalayan Bank Limited	3
4	Nepal Investment Bank Limited	1
5	Nepal SBI Bank Limited	1
6	Citizens Bank Limited	1
7	NIC Asia Bank Limited	2
8	Prabhu Bank Limited	3
9	Agricultural Development Bank Limited	1
10	Nabil Bank Limited	1
11	Laxmi Sunrise Bank Limited	1

Annex 6: Circulars issued in FY 2024/25

S.N.	Name and Link to the Circular Issued	Issued Date
1	Circular 01- Issuance of ‘Nepal Rastra Bank Swap Transactions Bylaws, 2081’.	2024.07.28
2	Circular 01 (D) – Amendment/Addition in Unified Directives for Microfinance FIs, 2079	2024.07.28
3	Circular 02 – Ammendment/Addition in Unified Directives, 2080. (Monetary Policy 2081/82 related)	2024.07.31
4	Circular 01 (A,B,C) – Amendment/Addition in Unified Directives, 2080	2024.07.31
5	Circular 02 (D) - Amendment/Addition in Unified Directives for Microfinance FIs, 2079	2024.07.31
6	Circular 01 (Infrastructure) – Amendment/Addition in Unified Directives for Infrastructure Development Bank, 2080	2024.07.31
7	Circular 02 (A,B,C) – Ammendment/Addition in Unified Directives, 2080.	2024.08.02
8	Circular 03 (A,B,C) – Ammendment/Addition in Unified Directives, 2080.	2024.08.27
9	Circular 03 (D) - Amendment/Addition in Unified Directives for Microfinance FIs, 2079	2024.08.27
10	Circular 02 (Infrastructure) – Amendment/Addition in Unified Directives for Infrastructure Development Bank, 2080	2024.08.27
11	Circular 03 (Infrastructure) – Amendment/Addition in Unified Directives for Infrastructure Development Bank, 2080	2024.10.01
12	Circular 04 (A,B,C) – Ammendment/Addition in Unified Directives, 2080.	2024.10.01
13	Temporarily increment of the transaction limit for funds deposit to wallets operated by Payment Service Providers (PSPs).	2024.10.07
14	Circular 05 (A,B,C) – Ammendment/Addition in Unified Directives, 2080.	2024.10.08
15	Circular 04 (Infrastructure) – Amendment/Addition in Unified Directives for Infrastructure Development Bank, 2080	2024.10.24
16	Circular 04 (D) - Amendment/Addition in Unified Directives for Microfinance FIs, 2079	2025.01.07

17	Circular 06 (A,B,C) – Ammendment/Addition in Unified Directives, 2080.	2027.01.09
18	Circular 05 (Infrastructure) – Amendment/Addition in Unified Directives for Infrastructure Development Bank, 2080	2025.01.09
19	Circular 05 (D) - Amendment/Addition in Unified Directives for Microfinance FIs, 2079	2025.01.09
20	Circular 07 (A,B,C) – Issuance of Unified Directives, 2081.	2025.01.13
21	Circular 06 (Infrastructure) – Issuance of Unified Directives for Infrastructure Development Bank, 2081	2025.01.13
22	Circular 06 (D) – Issuance of Unified Directives for Microfinance FIs, 2081	2025.01.13
23	Circular 01(EPF, CIT, SSF)- Provisions for Employees Provident Fund and Citizens Investment Fund relating to prevention of money laundering and financing of Terrorism.	2025.02.25
24	Circular 08 (A,B,C) – Ammendment/Addition in Unified Directives, 2081.	2025.02.25
25	Circular 09 (A,B,C) – Ammendment/Addition in Unified Directives, 2081.	2025.03.03
26	Circular 07 (D) – Ammendment/Addition in Unified Directives for Microfinance FIs, 2081	2025.03.03
27	Circular 10 (A,B,C) – Ammendment/Addition in Unified Directives, 2081.	2025.03.17
28	Circular 11 (A,B,C) – Ammendment/Addition in Unified Directives, 2081.	2025.04.09
29	Circular 12 (A,B,C) – Ammendment/Addition in Unified Directives, 2081.	2025.05.28
30	Circular 13 (A,B,C) – Ammendment/Addition in Unified Directives, 2081.	2025.06.23
31	Circular 07 (Infrastructure) – Ammendment/Addition in Unified Directives for Infrastructure Development Bank, 2081	2025.06.23
32	Circular 14 (A,B,C) – Ammendment/Addition in Unified Directives, 2081.	2025.07.10
33	Circular 08 (D) – Ammendment/Addition in Unified Directives for Microfinance FIs, 2081	2025.07.10
34	Circular 15 (A,B,C) – Ammendment/Addition in Unified Directives, 2081.	2025.07.16

Annex 7: Financial Figures of Banks

Annex 7.1: Banking Operation

	Amount (Rs. in billion)			Percentage Change	
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
Deposits					
State-owned Commercial Banks	765.66	955.90	1,125.87	24.85	17.78
Non State-owned Commercial Banks	4,238.77	4,709.77	5,317.71	11.11	12.91
Commercial Banks (in Total)	5,004.42	5,665.67	6,443.57	13.21	13.73
Loans and Advances	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
State-owned Commercial Banks	607.44	666.05	745.72	9.65	11.96
Non State-owned Commercial Banks	3,658.13	3,825.81	4,082.83	4.58	6.72
Commercial Banks (in Total)	4,265.57	4,491.86	4,828.55	5.30	7.50
Assets	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
State-owned Commercial Banks	956.43	1,160.91	1,345.82	21.38	15.93
Non State-owned Commercial Banks	5,038.12	5,736.89	6,410.42	13.87	11.74
Commercial Banks (in Total)	5,994.55	6,897.80	7,756.24	15.07	12.45

Source: Audited Financial Report of Commercial Banks

Annex 7.2 Composition of Assets

Assets Category	Amount (Rs. in billion)			Percentage Change	
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
Cash and Cash Equivalent	289.47	342.46	430.10	18.31	25.59
Due from NRB	288.71	360.15	483.44	24.75	34.23
Placements with BFIs	72.56	80.43	164.33	10.84	104.32
Loan and Advances to BFIs	161.68	165.45	188.97	2.33	14.22
Loans and advances to customers	4,103.89	4,326.41	4,639.59	5.42	7.24
Investment securities	973.47	1,285.62	1,446.85	32.07	12.54
Others	104.77	337.28	402.96	221.91	19.47
Total Assets	5,994.55	6,897.80	7,756.24	15.07	12.45

Source: Audited Financial Reports of Commercial Banks

Annex 7.3 Composition of Liabilities and Equity

Particulars	Amount (Rs. in billion)			Percentage Change	
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
Due to Bank and Financial Institutions	102.27	102.39	107.28	0.11	4.78
Deposits from customers	5,004.42	5,665.67	6,443.57	13.21	13.73
Share capital	369.86	379.02	385.33	2.48	1.66
Retained Earnings	16.24	-9.37	0.39	-157.67	-104.17
Reserves	275.36	321.52	350.06	16.76	8.88
Others	226.40	438.58	469.60	93.72	7.07
Total Liabilities and Equity	5,994.55	6,897.80	7,756.24	15.07	12.45

Source: Audited Financial Reports of Commercial Banks

Annex 7.4 Capital Fund

Banks	Capital Fund (Amount- Rs. in billion)			Percentage Change	
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
State-owned Commercial Banks	102.69	102.55	106.18	-0.14	0.14
Non State-owned Commercial Banks	604.61	611.17	658.50	1.08	7.74
Commercial Banks (in Total)	707.3	713.72	764.68	0.91	7.14

Source: Audited Financial Reports of Commercial Banks

Annex 7.5 Deposit Mix

Deposit Mix	Amount (Rs. in billion)			Percentage Change	
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
Current	441.57	368.7	508.97	-16.50	38.04
Saving	1366.48	1,752.14	2391.43	28.22	36.49
Fixed	2898.15	3,177.77	3112.94	9.65	-2.04
Other	380.05	458.2	528.31	20.56	15.30
Total	5,086.24	5,756.81	6,541.65	13.18	13.63

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 7.6 Loans and Advances

Particulars	Amount (Rs. in billion)			Percentage Change	
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
State-owned Commercial Banks	607.44	666.05	761.08	9.65	14.27
Non State-owned Commercial Banks	3,658.13	3,825.81	4,202.07	4.58	9.83
Commercial Banks (in Total)	4,265.57	4,491.86	4,963.15	5.31	10.49

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 7.7 Non-Performing Loans

Banks	Non-performing Loan (Amount-Rs. in billion)			Percentage Change	
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
State-owned Commercial Banks	17.15	28.29	28.71	64.96	1.48
Non State-owned Commercial Banks	111.48	151.72	191.63	36.10	26.31
Commercial Banks (in Total)	128.64	180.01	220.33	39.93	22.40

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 7.8 Non-Banking Assets

Banks	Amount (Rs. in billion)			Percentage Change	
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2023/24	FY 2024/25
State-owned Commercial Banks	0.64	1.45	1.89	126.56	30.55
Non State-owned Commercial Banks	14.66	28.69	40.85	95.70	42.39
Commercial Banks (in Total)	15.31	30.15	42.75	96.93	41.77

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 7.9 Operating Efficiency

Particulars/ Year	FY 2023/24				FY 2024/25			
	State-owned Commercial Banks		Non State-Owned Commercial Banks		State-owned Commercial Banks		Non State-Owned Commercial Banks	
	Amount	Percent on Total Operating Income	Amount	Percent on Total Operating Income	Amount	Percent on Total Operating Income	Amount	Percent on Total Operating Income
Interest Income	82.39	241.67	507.52	251.14	73.16	198.89	424.26	205.91
Net Interest Income	29.22	85.70	163.51	80.91	30.12	81.88	160.21	77.75
Operating Profit	8.91	26.14	70.95	35.11	13.60	36.98	74.19	36.01
Net Income	5.48	16.07	44.39	21.97	9.65	26.23	43.17	20.95
Total Operating Income	34.09		202.09		36.78		206.04	

Source: Audited Financial Reports of Commercial Banks

Annex 7.10 Net Interest Spread

Banks	FY 2022/23	FY 2023/24	FY 2024/25
State-owned Commercial Banks	4.02	3.96	3.87
Non State-owned Commercial Banks	4.5	3.99	3.6
Commercial Banks	4.45	3.98	3.66

Source: Audited Financial Reports of Commercial Banks

Annex 7.11 Liquid Assets to Total Deposits

Particulars	Amount (Rs. in billion)		
	FY 2022/23	FY 2023/24	FY 2024/25
Liquid Assets	1,480.26	1854.28	2293.84
Total Deposits	5,086.30	5756.8	6541.65
Liquid Assets/ Total Deposit (in percent)	29.10	32.21	35.07

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 7.12 Liquid Assets to Total Assets

Particulars	Amount (Rs. in billion)		
	FY 2022/23	FY 2023/24	FY 2024/25
Liquid Assets	1,480.26	1854.28	2,293.84
Total Assets	6,468.28	6895.47	8,146.17
Liquid Assets/Total Assets (in percent)	22.88	26.89	28.16

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 7.13 Deprived Sector Lending of Commercial Banks

S.N.	Bank	Total Outstanding Loan Prior to 6 Months (Rs. in million)	Minimum Required Deprived Sector Lending (5%)	Actual Lending in Deprived Sector (Rs. in million)	Actual Lending in Deprived Sector (%)	Excess/(Shortfall) (%)
1	Nepal Bank Ltd.	222,918	11,146	11,430	5.13	0.13
2	Rastriya Banijya Bank Ltd.	284369.22	14,218	14,608	5.14	0.14
3	Nabil Bank Ltd.	410,241	20,512	21,026	5.13	0.13
4	Nepal Investment Bank Ltd.	355,417	17,771	19,107	5.38	0.38
5	Standard Chartered Bank Ltd.	88411.32	4,421	4,665	5.28	0.28
6	Himalayan Bank Ltd.	247,363	12,368	12,457	5.04	0.04
7	Nepal SBI Bank Ltd.	139,499.97	6,975	7,253	5.20	0.20
8	Everest Bank Ltd.	217,318	10,866	10,925	5.03	0.03
9	NIC Asia Bank Ltd	261,110	13,056	13,317	5.10	0.10

10	Machhapuchhre Bank Ltd.	139501.07	6,975	7,127	5.11	0.11
11	Kumari Bank Ltd.	305,292	15,265	16,264	5.33	0.33
12	Laxmi Bank Ltd.	276,958	13,848	14,081	5.08	0.08
13	Siddharth Bank Ltd.	216,342	10,817	11,334	5.24	0.24
14	Agriculture Development Bank Ltd.	199,759	9,988	17,333	8.68	3.68
15	Global IME Bank Ltd.	430,502	21,525	22,510	5.23	0.23
16	Citizens Bank International Ltd.	166730.75	8,337	11,983	7.19	2.19
17	Prime Commercial Bank Ltd.	211,703	10,585	11,436	5.40	0.40
18	NMB Bank Ltd.	229,479	11,474	12,120	5.28	0.28
19	Prabhu Bank Ltd.	231,202	11,560	12,138	5.25	0.25
20	Sanima Bank Ltd.	174,516	8,726	9,197	5.27	0.27
	Total	4,808,633	240,432	260,310	5.41	0.41

Source: Unaudited figures from Offsite Supervision Division, BSD

Annex 8: Audited Financial Details of Commercial Banks as on mid-July

1. Nepal Bank Limited Statement of Financial Position	Amt. in Rs. Million		
	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalents	8,656.50	35,705.07	49,807.16
Due from Nepal Rastra Bank	19,748.87	21,545.48	18,193.43
Placement with Bank and Financial Institutions	582.51	4,115.39	6,871.22
Derivative financial instruments	8.59	3,334.95	6,634.73
Other trading assets	115.04	99.31	177.32
Loans and advances to B/FIs	5,499.66	7,013.46	7,180.89
Loans and advances to customers	178,556.57	194,667.77	220,499.78
Investment securities	56,946.18	45,275.64	60,728.43
Current tax assets	1,202.97	2,927.03	2,569.63

Investment in subsidiaries	-	-	-
Investment in associates	2,736.95	3,191.49	3,705.89
Investment property	198.11	205.74	264.23
Property and equipment	13,363.62	13,302.87	13,502.11
Goodwill and Intangible assets	31.84	22.25	23.57
Deferred tax assets	-	-	-
Other assets	9,088.17	8,946.77	8,483.29
Total Assets	296,735.60	340,353.23	398,641.67
Liabilities	260,212.93	304,717.54	361,025.01
Due to Bank and Financial Institutions	1,275.44	476.58	4,782.51
Due to Nepal Ratsra Bank	70.00	-	-
Derivative Financial Instrument	8.54	3,321.66	6,617.86
Deposits from customers	244,514.00	283,083.75	332,092.37
Borrowings	262.30	-	-
Current Tax Liabilities	-	-	-
Provisions	247.90	142.24	138.80
Deferred tax liabilities	4,082.58	4,039.29	3,409.25
Other liabilities	6,257.81	10,159.09	10,488.64
Debt securities issued	3,494.35	3,494.94	3,495.58
Subordinated Liabilities	-	-	-
Equity	36,522.67	35,635.69	37,616.66
Share Capital	14,694.02	14,694.02	14,694.02
Share premium	-	-	-
Retained earnings	0.39	(965.07)	(1,418.55)
Reserves	21,828.26	21,906.74	24,341.19
Total Liabilities and Equity	296,735.60	340,353.23	398,641.67

STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	25,158.12	25,075.56	23,122.46
Interest Expense	15,751.16	16,440.80	12,983.18
Net Interest Income	9,406.95	8,634.77	10,139.29
Fees and commission income	1,019.38	1,341.03	1,473.81
Fees and commission expense	188.31	233.30	295.74
Net fee and commission income	831.07	1,107.74	1,178.07
Net interest, fee and commission income	10,238.02	9,742.51	11,317.36
Net trading income	78.64	113.46	202.18
Other operating income	309.23	471.25	475.77
Total operating income	10,625.89	10,327.22	11,995.32
Impairment charge/(reversal) for loans and other losses	1,113.35	4,755.26	2,254.37
Net operating income	9,512.54	5,571.96	9,740.95

Personnel expenses	3,885.52	3,554.77	3,860.40
Other operating expenses	916.77	953.71	1,081.65
Depreciation and Amortization	375.92	380.02	350.91
Operating Profit	4,334.34	683.45	4,447.99
Non operating income	77.26	82.41	7.30
Non operating expense	-		
Profit before income tax	4,411.61	765.86	4,455.29
Income Tax Expense	-		
Current Tax	1,177.45	403.16	1,537.25
Deferred Tax	(203.42)	334.29	(159.99)
Profit for the period	3,437.58	28.42	3,078.03

2. Rastriya Banijya Bank	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	9,789.49	13,829.18	24,419.43
Due from Nepal Rastra Bank	22,675.06	35,651.22	56,906.90
Placement with Bank and Financial Institutions	-	-	-
Derivative financial instruments	2.73	3,750.23	5,432.89
Other trading assets	-	-	-
Loan and advances to B/FIs	15,633.03	11,951.00	10,184.82
Loans and advances to customers	227,308.98	245,595.47	292,337.16
Investment securities	76,090.63	151,611.08	148,090.72
Current tax assets	4,816.61	5,454.87	6,513.49
Investment in subsidiaries	400.00	400.00	400.00
Investment in associates	809.44	884.91	885.19
Investment property	196.98	305.59	319.95
Property and equipment	30,362.09	30,467.34	30,406.33
Goodwill and Intangible assets	50.45	31.92	53.03
Deferred tax assets	-	-	-
Other assets	5,886.22	9,249.18	9,696.05
TOTAL ASSETS	394,021.73	509,181.97	585,645.96
Liabilities	343,283.42	458,944.67	533,467.07
Due to Bank and Financial Institution	1,329.69	1,527.09	2,376.07

Due to Nepal Rastra Bank	-	-	-
Derivative financial instruments	-	3,735.20	5,423.35
Deposits from customers	321,654.94	429,187.76	500,414.68
Borrowing	60.00	60.00	60.00
Current Tax Liabilities	-	-	-
Provisions	322.49	331.44	328.71
Deferred tax liabilities	7,454.99	7,021.69	7,812.87
Other liabilities	9,960.72	14,580.91	12,050.80
Debt securities issued	2,500.58	2,500.58	5,000.58
Subordinated Liabilities	-	-	-
Equity	50,738.31	50,237.30	52,178.89
Share capital	15,637.38	15,637.38	15,637.38
Share premium	-	-	-
Retained earnings	918.41	(1,222.15)	(850.27)
Reserves	34,182.52	35,822.07	37,391.79
Total liabilities and equity	394,021.73	509,181.97	585,645.96

STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	30,272.40	29,742.61	27,209.05
Interest Expense	18,456.17	19,712.37	17,055.07
Net Interest Income	11,816.23	10,030.24	10,153.98
Fees and commission income	1,091.72	1,225.75	1,847.89
Fees and commission expense	427.22	499.70	592.66
Net Fee and commission income	664.50	726.05	1,255.23
Net Interest, Fee and commission income	12,480.72	10,756.29	11,409.21
Net trading income	(2.85)	51.19	129.50
Other operating income	790.51	737.38	1,393.69
Total operating income	13,268.39	11,544.86	12,932.40
Impairment charge/(reversal) for loans and other losses	2,608.61	1,146.47	2,234.42
Net operating income	10,659.78	10,398.39	10,697.98
Personnel expenses	3,967.26	4,349.26	4,801.53
Other operating expense	1,165.72	1,345.48	1,372.03
Depreciation & Amortization	564.54	613.38	582.39
Operating Profit	4,962.25	4,090.27	3,942.02
Non operating income	115.01	96.91	69.86

Non operating expense	-	6.72	-
Profit before income tax	5,077.26	4,180.46	4,011.89
Income Tax Expense	-		
Current Tax	994.19	1,121.26	1.38
Deferred Tax	487.95	506.73	1,174.50
Profit for the period	3,595.13	2,552.47	2,836.00

3. Agricultural Development Bank	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	9,462.42	5,074.08	4,620.87
Due from Nepal Rastra Bank	7,096.50	15,212.78	22,803.14
Placement with Bank and Financial Institutions	-	5,214.30	10,024.03
Derivative financial instruments	17.59	9.97	11.77
Other trading assets	943.65	1,216.15	1,423.86
Loan and advances to B/FIs	4,134.54	3,202.20	2,900.42
Loans and advances to customers	176,303.57	203,617.05	212,616.74
Investment securities	57,411.02	68,611.26	96,356.59
Current tax assets	276.71	29.01	18.49
Investment in subsidiaries	28.84	-	29.01
Investment in associates	-	139.13	-
Investment property	248.65	943.09	1,306.22
Property and equipment	2,291.07	2,238.43	2,447.38
Goodwill and Intangible assets	138.59	61.97	23.14
Deferred tax assets	-	-	-
Other assets	7,317.84	5,806.00	6,946.53
TOTAL ASSETS	265,670.98	311,375.43	361,528.19
Liabilities	231,877.33	275,235.49	322,911.27
Due to Bank and Financial Institution	2,095.92	197.02	786.68
Due to Nepal Rastra Bank	4.57	-	-
Derivative financial instruments	-	-	-
Deposits from customers	199,486.61	243,628.66	293,358.98
Borrowing	2,136.56	2,664.57	2,804.66
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	484.36	307.42	385.04
Other liabilities	7,195.77	7,960.79	5,094.07
Debt securities issued	20,473.53	20,477.02	20,481.85
Subordinated Liabilities	-	-	-
Equity	33,793.65	36,139.95	38,616.92
Share capital	18,884.39	18,884.39	19,287.94
Share premium	-	-	-
Retained earnings	1,243.17	2,136.09	2,816.67
Reserves	13,666.10	15,119.47	16,512.31

Total liabilities and equity	265,670.98	311,375.43	361,528.19
STATEMENT OF PROFIT OR LOSS	2022-23	2023-24	2024-25
Interest Income	23,948.68	27,571.35	22,825.62
Interest Expense	15,753.03	17,018.57	13,001.00
Net Interest Income	8,195.66	10,552.78	9,824.61
Fee and commission income	1,371.86	1,672.37	1,628.43
Fee and commission expense	213.65	232.77	288.74
Net Fee and commission income	1,158.21	1,439.60	1,339.69
Net Interest, Fee and commission income	9,353.87	11,992.39	11,164.30
Net trading income	115.52	58.59	562.60
Other operating income	131.79	169.30	127.76
Total operating income	9,601.18	12,220.28	11,854.67
Impairment charge/(reversal) for loans and other losses	1,458.17	2,452.17	630.77
Net operating income	8,143.01	9,768.11	11,223.89
Personnel expenses	3,620.73	4,158.30	4,547.40
Other operating expenses	995.69	994.42	1,029.99
Depreciation and amortization	487.08	476.53	435.68
Operating Profit	3,039.50	4,138.86	5,210.83
Non operating income	101.74	11.35	16.52
Non operating expense	26.37	47.05	7.10
Profit before income tax	3,114.88	4,103.15	5,220.25
Income Tax Expense	1,791.47	-	
Current Tax	1,633.08	1,147.37	1,448.61
Deferred Tax	158.39	58.30	39.22
Profit for the year	1,323.41	2,897.49	3,732.42

4. Nabil Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	6,774.26	8,178.99	7,519.09
Due from Nepal Rastra Bank	25,652.42	20,182.91	21,309.90
Placement with Bank and Financial Institutions	13,424.39	14,287.53	24,279.37
Derivative financial instruments	3,833.46	7,781.53	20,345.56
Other trading assets	-	-	-
Loan and advances to B/FIs	8,283.06	12,149.94	14,195.51
Loans and advances to customers	331,123.17	373,574.16	410,992.04
Investment securities	76,452.98	102,940.71	117,289.49
Current tax assets	-	1,798.00	1,016.13
Investment in subsidiaries	1,798.00	80.00	1,798.00
Investment in associates	80.00	-	80.00
Investment property	1,827.07	2,962.63	4,067.77
Property and equipment	3,871.27	4,173.20	4,464.89
Goodwill and Intangible assets	285.46	292.31	372.15
Deferred tax assets	-	-	-

Other assets	7,798.00	8,617.98	9,057.49
TOTAL ASSETS	481,203.55	557,019.89	636,787.37
Liabilities	424,290.87	498,342.96	574,253.22
Due to bank and financial institutions	6,277.71	6,687.81	8,633.75
Due to Nepal Rastra Bank	-	-	-
Derivative financial instruments	3,812.95	7,763.74	20,401.92
Deposits from customers	396,843.50	462,097.42	524,625.96
Borrowing	-	-	-
Current Tax Liabilities	482.35	38.28	-
Provisions	-	-	-
Deferred tax liabilities	1,918.85	1,607.55	1,714.95
Other liabilities	8,468.53	10,519.72	9,245.88
Debt securities issued	6,486.98	9,628.44	9,630.77
Subordinated Liabilities	-	-	-
Equity	56,912.68	58,676.93	62,534.15
Share capital	27,057.00	27,057.00	27,057.00
Share premium	-	-	-
Retained earnings	3,187.06	3,082.90	3,855.51
Reserves	26,668.62	28,537.03	31,621.65
Total liabilities and equity	481,203.55	557,019.89	636,787.37
STATEMENT OF PROFIT OR LOSS	2022-23	2023-24	2024-25
Interest Income	46,251.16	46,413.43	40,470
Interest Expense	28,502.32	30,096.11	24,143
Net Interest Income	17,748.84	16,317.31	16,327.28
Fee and commission income	3,545.85	3,983.67	4,312
Fee and commission expense	651.05	741.95	894
Net Fee and commission income	2,894.79	3,241.72	3,417.47
Net Interest, Fee and commission income	20,643.63	19,559.04	19,744.75
Net trading income	486.56	536.66	768
Other operating income	365.91	215.67	494
Total operating income	21,496.10	20,311.36	21,006.40
Impairment charge/(reversal) for loans and other losses	5,426.27	4,637.74	4,201
Net operating income	16,069.83	15,673.62	16,804.98
Personnel expenses	4,525.10	4,660.88	5,049
Other operating expenses	1,528.76	1,685.43	1,760
Depreciation and amortization	503.21	679.68	761
Operating Profit	9,512.76	8,647.64	9,235.46
Non operating income	43.33	38.17	75
Non operating expense	274.88	89.74	578
Profit before income tax	9,281.21	8,596.06	8,732.66
Income Tax Expense	-	-	-
Current Tax	2,803.08	2,743.60	2,975
Deferred Tax	73.19	(344.64)	(164)
Profit for the year	6,404.94	6,197.11	5,922.14

5. Nepal Investment Mega Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	19,396.68	12,470.53	13,325.36
Due from Nepal Rastra Bank	20,554.79	19,133.04	22,293.03
Placement with Bank and Financial Institutions	15,824.90	15,453.82	24,934.14
Derivative financial instruments	55.46	32.47	46.68
Other trading assets	-	-	172.59
Loan and advances to B/FIs	8,743.54	12,225.97	15,383.65
Loans and advances to customers	302,874.15	305,494.82	323,177.81
Investment securities	58,977.27	103,529.35	138,556.34
Current tax assets	995.88	971.50	275.04
Investment in subsidiaries	971.50	141.16	1,471.50
Investment in associates	141.16	237.69	141.16
Investment property	1,164.97	3,016.50	3,684.30
Property and equipment	7,386.75	7,720.88	8,306.92
Goodwill and Intangible assets	1,120.15	1,104.84	1,085.49
Deferred tax assets	107.03	1,650.16	2,410.87
Other assets	7,871.28	8,359.01	7,640.18
TOTAL ASSETS	446,185.52	491,541.73	562,905.06
Liabilities	390,584.89	431,369.28	497,923.01
Due to Bank and Financial Institutions	5,810.45	3,390.91	3,943.31
Due to Nepal Rastra Bank	344.78	-	-
Derivative financial instruments	-	-	-
Deposits from customers	354,414.42	403,416.96	472,347.47
Borrowing	11,803.50	5,334.00	2,744.00
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	12,211.74	9,187.41	8,848.23
Debt securities issued	6,000.00	10,040.00	10,040.00
Subordinated Liabilities	-	-	-
Equity	55,600.64	60,172.46	64,982.05
Share capital	34,128.59	34,128.59	34,128.59

Share premium	-	-	-
Retained earnings	(3,471.72)	(5,693.23)	(2,455.12)
Reserves	24,943.76	31,737.09	33,308.57
TOTAL EQUITY AND LIABILITIES	446,185.52	491,541.73	562,905.06

STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest income	35,126.12	43,153.41	36,175.66
Interest expense	22,819.02	28,036.49	(21,973.04)
Net interest income	12,307.10	15,116.92	14,202.62
Fees and Commission income	2,096.41	2,332.33	2,767.01
Fees and Commission expense	495.05	554.34	(563.78)
Net fee and commission income	1,601.35	1,777.99	2,203.24
Net interest, fee and commission income	13,908.45	16,894.91	16,405.86
Net trading income	507.64	469.55	766.06
Other operating income	352.48	408.08	480.56
Total Operating Income	14,768.57	17,772.54	17,652.48
Impairment charges/(reversals) for loans & other losses	3,200.30	5,111.56	(4,375.38)
Net operating income	11,568.27	12,660.98	13,277.10
Personnel Expenses	3,036.30	3,768.83	(3,996.51)
Other Operating Expenses	1,184.02	1,566.47	(1,610.78)
Depreciation and Amortization	712.32	933.22	(938.81)
Operating profit	6,635.63	6,392.45	6,731.00
Non operating income	2.27	4.37	36.29
Non operating expense	1,300.82	732.10	(568.50)
Profit before income tax	5,337.08	5,664.72	6,198.80
Income tax expense	-	-	-
Current Tax	2,292.93	3,297.35	(2,831.78)
Deferred Tax	(676.68)	(1,741.52)	965.27
Profit for the year	3,720.83	4,108.89	4,332.28

6. Standard Chartered Bank Nepal Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	16,961.55	28,499.22	43,661.58
Due from Nepal Rastra Bank	4,032.14	3,750.85	4,429.94
Placement with bank and financial institutions	6,940.37	3.09	3,652.00
Derivative financial instruments	8.18	0.70	5.45
Other trading assets	-	-	-
Loan and advances to B/FIs	16,830.21	7,487.46	14,813.83
Loans and advances to customers	77,831.30	81,142.52	72,893.09

Investment securities	26,362.13	17,833.70	13,578.33
Current tax assets	152.50	-	354.86
Investment in subsidiaries	-	-	-
Investment in associates	-	281.08	-
Investment property	-	-	-
Property and equipment	568.14	465.52	378.22
Goodwill and Intangible assets	-	-	-
Deferred tax assets	10.31	93.66	106.55
Other assets	1,681.16	1,631.27	2,005.56
TOTAL ASSETS	151,378.01	141,189.07	155,879.40
	-	-	
Liabilities	131,235.32	120,670.25	134,208.06
Due to Bank and Financial Institutions	4,992.30	2,341.88	2,068.77
Due to Nepal Rastra Bank	-	-	-
Derivative financial instruments	88.85	4.30	15.83
Deposits from customers	117,500.98	112,483.89	125,338.85
Borrowing	2,630.60	-	700.00
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	3,528.73	3,316.24	3,560.00
Debt securities issued	2,493.87	2,523.94	2,524.62
Subordinated Liabilities	-	-	-
Equity	20,142.69	20,518.82	21,671.35
Share capital	9,429.45	9,429.45	10,042.37
Share premium	-	-	-
Retained earnings	2,710.56	2,461.56	1,996.37
Reserves	8,002.68	8,627.81	9,632.61
Total liabilities and equity	151,378.01	141,189.07	155,879.40

STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	12,744.04	11,059.12	8,311.02
Interest Expense	6,788.01	5,925.83	3,848.77
Net Interest Income	5,956.03	5,133.29	4,462.25
Fee and commission income	1,475.46	1,647.80	1,844.89

Fee and commission expense	191.53	232.02	482.56
Net Fee and commission income	1,283.93	1,415.79	1,362.33
Net Interest, Fee and commission income	7,239.96	6,549.08	5,824.58
Net trading income	582.15	679.70	721.05
Other operating income	20.45	2.20	29.08
Total operating income	7,842.55	7,230.98	6,574.71
Impairment charge/(reversal) for loans and other losses	598.25	216.11	(335.30)
Net operating income	7,244.31	7,014.86	6,910.01
Personnel expenses	1,542.79	1,597.87	1,550.28
Other operating expenses	571.03	553.20	534.29
Depreciation and amortization	158.78	149.76	138.67
Operating Profit	4,971.71	4,714.04	4,686.76
Non operating income	7.45	6.96	9.87
Non operating expense	19.54	26.39	165.74
Profit before income tax	4,959.62	4,694.61	4,530.89
Income Tax Expense	-	-	
Current Tax	1,495.88	1,419.43	1,501.88
Deferred Tax	(1.59)	(0.09)	16.44
Profit for the year	3,465.33	3,275.27	3,012.56

7. Himlayan Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and Cash Equivalents	18,392.31	8,097.76	9,705.88
Due from Nepal Rastra Bank	20,235.96	35,686.95	36,929.17
Placements with Bank and Financial Institutions	5,019.36	10,501.75	18,383.89
Derivative financial instruments	29.84	26.24	40.32
Other trading assets	-	-	-
Loans & Advances to BFIs	10,587.33	10,098.88	10,405.89
Loans & Advances to Customers	227,402.17	230,239.74	230,637.30
Investment securities	37,596.00	42,143.26	40,506.83
Current tax assets	545.73	1,060.06	308.64
Investments in Subsidiaries	1,060.06	190.93	1,060.06
Investments in Associates	190.93	297.96	190.93
Investment property	589.16	2,414.93	5,664.75

Property & Equipment	5,215.53	8,170.59	8,196.32
Goodwill and Intangible assets	995.35	983.14	968.35
Deferred tax assets	807.27	1,670.22	3,472.89
Other assets	3,725.91	4,153.39	4,827.51
TOTAL ASSETS	332,392.90	355,735.81	371,298.73
Liabilities	298,762.53	319,112.73	334,674.41
Due to Bank and Financial Institutions	5,187.37	3,825.78	3,900.91
Due to Nepal Rastra Bank	546.95	-	-
Derivative financial instruments	8.79	13.85	60.38
Deposits from customers	275,310.99	293,899.59	309,158.67
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	9,327.64	12,989.37	13,166.75
Debt securities issued	8,380.79	8,384.14	8,387.70
Subordinated Liabilities	-	-	-
Equity	33,630.37	36,623.08	36,624.31
Share Capital	21,656.62	21,656.62	21,656.62
Share premium	-	-	-
Retained earnings	(3,242.63)	(7,441.53)	(8,854.30)
Reserves	15,216.38	22,407.99	23,822.00
Total Liabilities and Equity	332,392.90	355,735.81	371,298.73
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	29,094.72	35,576.63	27,699.72
Interest Expense	19,173.93	23,958.94	17,244.09
Net Interest Income	9,920.78	11,617.69	10,455.63
Fee and commission income	1,106.88	1,201.21	1,328.19
Fee and Commission Expenses	139.79	162.64	177.04
Net Fee and commission income	967.09	1,038.57	1,151.16
Net Interest, Fee and commission income	10,887.87	12,656.27	11,606.78
Net trading income	382.60	421.85	632.56
Other operating income	308.27	63.92	282.22
Total Operating Income	11,578.74	13,142.03	12,521.56

Impairment charges/(reversal) for Loans and Other losses	4,868.93	5,265.95	3,756.04
Net operating income	6,709.81	7,876.07	8,765.52
Personnel expenses	2,065.44	3,010.70	3,418.46
Other operating expenses	1,076.99	1,266.46	1,247.46
Depreciation & Amortization	484.46	713.47	662.15
Operating Profit	3,082.92	2,885.44	3,437.45
Non operating income	7.18	10.42	13.22
Non operating expense	1,070.45	1,124.35	3,363.36
Profit before income tax	2,019.66	1,771.51	87.31
Income Tax Expense	-	-	
Current Tax	1,482.06	2,148.04	1,709.56
Deferred Tax	(1,025.21)	(1,614.84)	(1,751.97)
Profit for the year	1,562.82	1,238.30	129.73

8. Nepal SBI Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	12,235.88	11,217.31	29,687.60
Due from Nepal Rastra Bank	8,385.45	9,672.79	8,666.10
Placement with Bank and Financial Institutions	5,044.19	2,766.82	17,284.57
Derivative financial instruments	3.51	1.63	-
Other trading assets	75.93	81.55	89.08
Loan and advances to B/FIs	5,621.62	6,265.88	6,612.39
Loans and advances to customers	116,302.29	125,979.12	134,963.77
Investment securities	33,878.74	47,833.06	30,038.22
Current tax assets	539.77	188.89	290.02
Investment in subsidiaries	188.89	-	188.89
Investment in associates	-	510.04	-
Investment property	-	324.22	931.34
Property and equipment	2,066.01	2,089.10	1,284.25
Goodwill and Intangible assets	8.19	9.02	37.39
Deferred tax assets	379.71	443.64	457.03
Other assets	1,227.97	1,427.50	2,287.35
TOTAL ASSETS	185,958.13	208,810.58	232,818.00
Liabilities	167,691.43	189,354.64	212,254.45
Due to Bank and Financial Institutions	4,009.72	3,730.13	2,408.67
Due to Nepal Rastra Bank	-	-	-
Derivative financial instruments	-	-	20.87
Deposits from customers	150,828.38	175,514.86	199,603.44
Borrowing	4,017.90	-	-

Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	4,208.43	4,266.11	4,376.20
Debt securities issued	4,627.00	5,843.55	5,845.26
Subordinated Liabilities	-	-	-
Equity	18,266.70	19,455.94	20,563.56
Share capital	10,120.63	10,500.15	10,899.16
Share premium	-	-	-
Retained earnings	1,070.55	1,101.64	1,197.07
Reserves	7,075.52	7,854.15	8,467.33
Total Liabilities and Equity	185,958.13	208,810.58	232,818.00
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	17,838.07	17,894.54	15,461.66
Interest Expense	12,070.80	12,821.00	10,195.62
Net Interest Income	5,767.27	5,073.55	5,266.04
Fee and commission income	1,285.53	1,266.60	1,369.51
Fee and commission expense	97.53	135.77	153.34
Net Fee and commission income	1,188.00	1,130.83	1,216.18
Net Interest, Fee and commission income	6,955.27	6,204.37	6,482.22
Net trading income	333.90	161.96	280.83
Other operating income	45.71	43.31	40.54
Total operating income	7,334.88	6,409.65	6,803.59
Impairment charge/(reversal) for loans and other losses	1,511.19	648.31	1,030.52
Net operating income	5,823.69	5,761.34	5,773.08
Personnel expenses	1,976.67	1,968.21	1,983.26
Other operating expenses	701.81	691.23	761.53
Depreciation & Amortization	333.65	265.55	283.03
Operating Profit	2,811.56	2,836.35	2,745.25
Non operating income	23.46	26.84	41.79
Non operating expense	-	-	65.55
Profit before income tax	2,835.01	2,863.19	2,721.49
Income Tax Expense	-	-	910.53
Current Tax	893.19	883.06	930.75
Deferred Tax	(25.68)	(19.64)	(20.21)
Profit for the Year	1,967.51	1,999.77	1,810.96

9. Everest Bank Limited	Amt. in Rs. Million		
	FY 2022-23	FY 2023-24	FY 2024-25
Statement of Financial Position			

ASSETS			
Cash and cash equivalent	15,378.25	8,370.60	6,720.64
Due from Nepal Rastra Bank	13,933.79	40,768.26	64,715.15
Placement with Bank and Financial Institutions	5,980.98	6,482.03	7,996.59
Derivative financial instruments	-	1,664.09	3,577.72
Other trading assets	-	-	-
Loan and advances to B/FIs	8,076.88	7,652.66	9,781.76
Loans and advances to customers	159,479.29	178,215.40	213,438.49
Investment securities	40,201.73	44,143.62	49,443.44
Current tax assets	520.85	-	374.63
Investment in subsidiaries	-	836.28	-
Investment in associates	727.81	517.75	762.14
Investment property	-	522.29	564.30
Property and equipment	3,619.40	3,891.47	4,177.56
Goodwill and Intangible assets	24.95	25.38	191.98
Deferred tax assets	-	-	-
Other assets	2,146.56	2,653.86	1,894.85
TOTAL ASSETS	250,090.49	295,743.70	363,639.25
Liabilities	224,718.82	267,938.92	331,699.75
Due to Bank and Financial Institutions	1,219.27	1,071.80	3,436.94
Due to Nepal Rastra Bank	23.77	-	-
Derivative financial instruments	47.60	1,630.41	3,598.40
Deposits from customers	198,007.81	232,316.60	298,818.40
Borrowing	2,664.22	2,349.20	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	173.21	125.81	42.19
Other liabilities	18,979.34	26,841.48	19,200.19
Debt securities issued	3,603.61	3,603.61	6,603.61
Subordinated Liabilities	-	-	-
Equity	25,371.67	27,804.78	31,939.50
Share capital	10,698.09	11,767.90	12,944.69
Share premium	238.47	238.47	238.47
Retained earnings	4,110.49	3,302.37	4,893.10
Reserves	10,324.62	12,496.04	13,863.24

Total Liabilities and Equity	250,090.49	27,804.78	363,639.25
STATEMENT OF PROFIT OR LOSS	2022-23	2023-24	2024-25
Interest Income	22,400.61	22,547.39	20,814.26
Interest expense	14,988.17	14,899.06	11,711.94
Net Interest Income	7,412.44	7,648.33	9,102.32
Fee and commission income	1,347.52	1,638.32	1,877.81
Fee and commission expense	271.93	295.24	347.31
Net Fee and commission income	1,075.59	1,343.08	1,530.50
Net Interest, Fee and commission income	8,488.03	8,991.40	10,632.82
Net trading income	182.78	353.74	468.68
Other operating income	94.19	160.34	69.11
Total operating income	8,765.01	9,505.48	11,170.62
Impairment charge/(reversal) for loans and other losses	771.36	282.40	(155.33)
Net operating income	7,993.65	9,223.08	11,325.94
Personnel expenses	2,129.93	2,410.51	2,640.46
Other operating expenses	736.67	817.12	1,010.65
Depreciation & Amortisation	309.48	332.37	326.42
Operating Profit	4,817.57	5,663.07	7,348.42
Non operating income	-	-	10.69
Non operating expense	1.29	-	2.15
Profit before income tax	4,816.28	4,816.28	7,356.95
Income Tax Expense	-	-	
Current Tax Expenses	1,447.57	1,945.13	2,577.34
Deferred Tax (Expenses)/Income	6.59	14.23	(60.29)
Profit for the period	3,362.12	3,703.23	4,839.90

10. NIC Asia Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	20,245.56	29,752.77	16,167.21
Due from Nepal Rastra Bank	20,443.34	16,749.17	59,224.51
Placement with Bank and Financial Institutions	-	-	-
Derivative financial instruments	2,965.53	3,753.03	4,985.14

Other trading assets	2.06	2.80	-
Loan and advances to B/FIs	9,966.48	10,949.86	9,899.21
Loans and advances to customers	261,772.03	271,253.73	218,426.69
Investment securities	34,321.04	60,089.19	48,569.99
Current tax assets	192.11	1,194.50	137.01
Investment in subsidiaries	1,204.50	-	1,184.50
Investment in associates	-	622.25	-
Investment property	2,718.43	4,361.67	4,639.84
Property and equipment	5,279.76	5,233.06	4,471.53
Goodwill and Intangible assets	136.47	180.73	156.28
Deferred tax assets	-	-	2,320.25
Other assets	4,841.98	6,325.10	4,653.85
TOTAL ASSETS	364,089.29	410,467.84	374,848.70
Liabilities	334,698.33	380,948.33	349,148.16
Due to Bank and Financial Institutions	3,972.66	8,340.60	7,393.95
Due to Nepal Rastra Bank	-	-	-
Derivative financial instruments	2,962.16	3,746.71	4,975.25
Deposits from customers	311,367.92	354,096.86	319,065.90
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	265.50	238.46	-
Other liabilities	5,398.51	3,788.37	4,979.90
Debt securities issued	10,731.58	10,737.33	12,733.17
Subordinated Liabilities	-	-	-
Equity	29,390.96	29,519.51	25,700.54
Share capital	11,564.01	14,917.57	14,917.57
Share premium	-	-	-
Retained earnings	3,534.23	(2,666.97)	(10,684.28)
Reserves	14,292.72	17,268.91	21,467.26
Total liabilities and equity	364,089.29	410,467.84	374,848.70
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	38,372.72	38,521.10	28,714.13
Interest expense	26,113.90	27,757.85	18,559.98

Net Interest Income	12,258.81	10,763.25	10,154.16
Fees and commission income	2,712.01	2,285.55	1,534.71
Fees and commission expense	389.53	317.50	323.92
Net Fee and commission income	2,322.48	1,968.06	1,210.79
Net Interest, Fee and commission income	14,581.29	12,731.31	11,364.95
Net trading income	147.04	128.65	162.72
Other operating income	298.39	412.47	127.29
Total operating income	15,026.71	13,272.43	11,654.96
Impairment charge/(reversal) for loans and other losses	721.96	3,886.81	9,724.75
Net operating income	14,304.75	9,385.62	1,930.21
Personnel expenses	4,961.10	4,468.60	3,830.33
Other operating expense	2,026.03	2,061.81	1,801.40
Depreciation & Amortization	780.82	821.50	796.15
Operating Profit	6,536.80	2,033.70	(4,497.66)
Non operating income	9.46	10.32	24.06
Non operating expense	377.89	1,097.30	1,079.46
Profit before income tax	6,168.37	946.72	(5,553.06)
Income Tax Expense	-	-	-
Current Tax	1,762.20	207.14	877.74
Deferred Tax	(38.60)	38.08	(2,567.65)
Profit for the period	4,444.77	701.50	(3,863.16)

11. Machhapuchchhre Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	10,632.39	7,790.32	7,725.87
Due from Nepal Rastra Bank	9,309.11	6,340.17	8,326.20
Placement with Bank and Financial Institutions	1,458.31	404.77	1,731.96
Derivative financial instruments	-	4.54	-
Other trading assets	489.50	13.27	-
Loan and advances to B/FIs	4,464.24	5,101.44	5,809.65
Loans and advances to customers	126,137.68	126,754.17	141,436.05
Investment securities	27,418.53	35,597.02	45,513.26
Current tax assets	774.95	400.00	742.43
Investment in subsidiaries	400.00	-	400.00
Investment in associates	-	919.48	-
Investment property	609.94	1,201.90	594.36
Property and equipment	1,582.41	1,585.98	1,541.17
Goodwill and Intangible assets	133.50	128.01	120.88
Deferred tax assets	85.78	154.28	255.96

Other assets	3,077.85	3,215.41	3,256.16
TOTAL ASSETS	186,574.20	189,610.79	217,453.96
Liabilities	170,422.41	172,497.05	198,546.60
Due to Bank and Financial Institutions	4,105.07	3,128.49	2,679.86
Due to Nepal Rastra Bank	13.00	-	-
Derivative financial instruments	-	-	9.98
Deposits from customers	154,179.63	158,646.91	184,176.05
Borrowing	3,395.00	2,091.13	2,143.48
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	3,235.67	3,135.04	4,038.93
Debt securities issued	5,494.04	5,495.48	5,498.29
Subordinated Liabilities	-	-	-
Equity	16,151.79	17,113.73	18,907.37
Share capital	10,257.16	11,621.36	11,621.36
Share premium	30.88	30.88	30.88
Retained earnings	1,448.53	(359.80)	936.37
Reserves	4,415.22	5,821.30	6,318.76
Total liabilities and equity	186,574.20	189,610.79	217,453.96
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	19,284.51	16,598.69	14,580.77
Interest Expense	13,912.11	11,610.50	8,824.05
Net Interest Income	5,372.40	4,988.19	5,756.72
Fee and commission income	1,396.77	1,361.14	1,590.83
Fee and commission expense	252.73	273.52	305.66
Net Fee and commission income	1,144.04	1,087.63	1,285.18
Net Interest, Fee and commission income	6,516.44	6,075.82	7,041.89
Net trading income	280.41	230.38	332.15
Other operating income	70.07	79.97	66.63
Total operating income	6,866.92	6,386.17	7,440.67
Impairment charge/(reversal) for loans and other losses	1,148.26	1,398.19	556.66
Net operating income	5,718.66	4,987.98	6,884.02
Personnel expenses	2,120.53	2,085.35	2,465.78
Other operating expenses	801.94	820.12	849.90
Depreciation & Amortization	415.65	416.62	420.70
Operating Profit	2,380.54	1,665.89	3,147.64
Non operating income	8.93	85.32	52.43
Non operating expense	54.23	97.37	478.33
Profit before income tax	2,335.24	1,653.84	2,721.74
Income Tax Expense	-	-	-
Current Tax	745.23	680.10	901.20
Deferred Tax	(35.51)	(71.46)	(63.10)
Profit for the year	1,625.53	1,045.20	1,883.64

12. Kumari Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	19,921.48	19,581.64	35,350.48
Due from Nepal Rastra Bank	13,460.94	28,158.09	21,339.80
Placement with Bank and Financial Institutions	7,771.45	1,422.91	13,387.67
Derivative financial instruments	184.83	346.54	1,176.10
Other trading assets	-	-	-
Loan and advances to B/FIs	9,754.31	10,745.45	14,153.34
Loans and advances to customers	270,937.31	268,431.27	260,322.40
Investment securities	42,696.60	64,635.15	80,098.70
Current tax assets	1,389.77	600.00	536.11
Investment in subsidiaries	600.00	1,165.02	600.00
Investment in associates	1,185.02	2,577.36	960.02
Investment property	1,263.21	1,913.18	2,538.82
Property and equipment	2,515.85	2,294.21	2,657.41
Goodwill and Intangible assets	188.67	219.59	184.39
Deferred tax assets	63.03	108.63	1,092.50
Other assets	8,592.31	7,253.84	7,285.87
TOTAL ASSETS	380,524.79	409,452.88	441,683.64
Liabilities	345,209.98	374,649.68	404,566.81
Due to Bank and Financial Institutions	9,233.57	14,717.41	11,085.04
Due to Nepal Rastra Bank	1,496.50	3,729.50	3,895.76
Derivative financial instrument	170.10	350.04	1,168.56
Deposits from customers	316,047.05	333,111.32	364,639.16
Borrowing	2,645.52	1,340.59	1,380.59
Current Tax Liabilities	-	-	-
Provisions	3.00	3.00	3.10
Deferred tax liabilities	-	-	-
Other liabilities	6,626.26	7,417.36	8,412.76
Debt securities issued	8,987.97	13,980.46	13,981.84
Subordinated Liabilities	-	-	-
Equity	35,314.80	34,803.20	37,116.83
Share capital	26,225.86	26,225.86	26,225.86
Share premium	-	-	-

Retained earnings	(2,202.91)	(5,367.42)	(3,849.53)
Reserves	11,291.85	13,944.76	14,740.49
Total Liabilities and Equity	380,524.79	409,452.88	441,683.64
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	34,112.24	38,609.37	32,357.20
Interest Expense	23,046.06	27,806.03	20,735.65
Net Interest Income	11,066.18	10,803.34	11,621.55
Fee and commission income	1,784.93	2,437.61	3,033.28
Fee and commission expense	271.62	339.52	371.66
Net Fee and commission income	1,513.31	2,098.08	2,661.62
Net Interest, Fee and commission income	12,579.49	12,901.43	14,283.17
Net trading income	363.04	366.41	453.18
Other operating income	115.16	368.59	457.68
Total operating income	13,057.68	13,636.42	15,194.02
Impairment charge/(reversal) for loans and other losses	8,115.80	6,841.41	3,451.42
Net operating income	4,941.88	6,795.01	11,742.60
Personnel expenses	2,209.82	3,857.07	4,311.04
Other operating expenses	1,019.95	1,112.70	1,051.55
Depreciation & Amortization	750.46	851.32	792.81
Operating Profit	961.65	973.92	5,587.20
Non operating income	53.75	46.75	73.37
Non operating expense	13.76	21.71	425.94
Profit before income tax	1,001.65	998.97	5,234.62
Income Tax Expense	483.72	-	
Current Tax	479.50	1,069.30	4,567.34
Deferred Tax	4.23	(74.94)	(1,152.42)
Profit for the year	517.92	4.61	1,819.70

13. Laxmi Sunrise Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	18,187.74	15,047.81	10,524.79
Due from Nepal Rastra Bank	20,677.44	15,510.64	16,361.43
Placement with Bank and Financial Institutions	788.70	6,185.70	8,742.47

Derivative financial instruments	1,899.98	5,190.19	11,138.52
Other trading assets	68.19	-	-
Loan and advances to B/FIs	7,687.48	7,992.35	8,233.95
Loans and advances to customers	247,870.14	247,408.11	274,963.66
Investment securities	53,360.55	87,110.57	98,415.99
Current tax assets	189.29	893.17	87.26
Investment in subsidiaries	893.17	-	893.17
Investment in associates	-	129.71	-
Investment property	1,275.16	1,563.13	2,192.01
Property and equipment	4,864.93	4,562.52	4,823.06
Goodwill and Intangible assets	523.75	602.06	592.70
Deferred tax assets	-	-	-
Other assets	3,379.27	3,765.92	6,618.72
TOTAL ASSETS	361,665.77	395,961.89	443,587.71
Liabilities	323,440.84	355,460.46	398,203.60
Due to Bank and Financial Institutions	4,067.00	4,468.97	5,529.23
Due to Nepal Rastra Bank	-	-	-
Derivative financial instruments	1,896.71	5,179.64	11,140.48
Deposits from customers	296,243.48	328,931.51	367,053.71
Borrowing	5,080.62	3,980.64	548.49
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	242.70	298.02	562.96
Other liabilities	7,910.33	5,601.68	6,368.73
Debt securities issued	8,000.00	7,000.00	7,000.00
Subordinated Liabilities	-	-	-
Equity	38,224.93	40,501.44	45,384.11
Share capital	21,670.24	23,187.15	24,346.51
Share premium	-	-	-
Retained earnings	1,728.33	1,241.68	2,964.36
Reserves	14,826.36	16,072.61	18,073.24
Total liabilities and equity	361,665.77	395,961.89	443,587.71
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	19,066.47	35,924.61	28,929.62

Interest Expense	13,379.78	23,560.75	18,077.64
Net Interest Income	5,686.69	12,363.87	10,851.98
Fee and commission income	1,214.35	2,454.50	2,707.59
Fee and commission expense	230.93	465.65	518.89
Net Fee and commission income	983.42	1,988.85	2,188.69
Net Interest, Fee and commission income	6,670.11	14,352.72	13,040.68
Net trading income	214.11	262.96	520.24
Other operating income	504.77	299.30	599.27
Total operating income	7,389.00	14,914.98	14,160.19
Impairment charge/(reversal) for loans and other losses	1,060.70	3,588.06	1,258.01
Net operating income	6,328.30	11,326.92	12,902.18
Personnel expenses	1,884.06	4,950.85	4,911.79
Other operating expenses	821.75	1,352.02	1,387.83
Depreciation & Amortization	346.45	622.03	572.14
Operating Profit	3,276.04	4,402.02	6,030.42
Non operating income	8.37	212.17	100.41
Non operating expense	240.38	309.51	430.81
Profit before income tax	3,044.03	4,304.69	5,700.02
Income Tax Expense	-	-	1,637.98
Current Tax	921.72	1,203.55	1,750.88
Deferred Tax	(162.92)	180.76	(112.91)
Profit for the period	2,285.24	2,920.38	4,062.04

14. Siddhartha Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	11,554.08	22,739.73	30,739.76
Due from Nepal Rastra Bank	9,000.71	9,453.75	14,875.80
Placement with Bank and Financial Institutions	5,011.35	6,562.12	7,405.23
Derivative financial instruments	17.32	4.98	16.00
Other trading assets	-	19.00	0.20
Loan and advances to B/FIs	5,170.77	5,767.82	8,098.10
Loans and advances to customers	184,009.57	195,473.38	214,456.49
Investment securities	62,480.48	47,978.96	54,719.36
Current tax assets	263.76	51.00	222.83

Investment in subsidiaries	51.00	-	51.00
Investment in associates	-	217.84	-
Investment property	654.54	727.57	725.64
Property and equipment	3,548.09	3,495.83	3,201.79
Goodwill and Intangible assets	166.00	146.15	117.95
Deferred tax assets	-	-	-
Other assets	4,050.24	4,703.29	4,181.22
TOTAL ASSETS	285,977.92	297,341.42	338,811.35
Liabilities	260,671.32	269,272.12	307,845.92
Due to Bank and Financial Institutions	11,613.66	3,578.16	3,092.53
Due to Nepal Rastra Bank	288.45	391.92	391.92
Derivative financial instruments	23.89	3.98	19.71
Deposits from customers	223,654.67	241,329.08	280,321.37
Borrowing	7,312.48	5,964.38	5,839.10
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	501.93	669.64	478.30
Other liabilities	5,613.69	5,672.40	6,040.43
Debt securities issued	11,662.56	11,662.56	11,662.56
Subordinated Liabilities	-	-	-
Equity	25,306.59	28,069.29	30,965.43
Share capital	14,089.98	14,089.98	14,089.98
Share premium	-	-	-
Retained earnings	663.61	580.36	1,837.87
Reserves	10,553.00	13,398.95	15,037.58
Total Liabilities and Equity	285,977.92	297,341.42	338,811.35
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	27,670.97	25,716.03	22,312.13
Interest Expenses	19,486.42	17,785.96	13,872.27
Net Interest Income	8,184.54	7,930.07	8,439.86
Fee and commission income	1,693.08	1,815.39	2,097.29
Fee and commission expense	347.46	389.05	455.77
Net Fee and commission income	1,345.62	1,426.33	1,641.51
Net Interest, Fee and commission income	9,530.16	9,356.40	10,081.37

Net trading income	191.74	239.84	424.24
Other operating income	336.33	381.05	650.18
Total operating income	10,058.23	9,977.30	11,155.79
Impairment charge/(reversal) for loans and other losses	1,187.56	1,051.12	1,375.32
Net operating income	8,870.67	8,926.18	9,780.47
Personnel expenses	2,852.24	2,977.90	3,240.21
Other operating expenses	917.44	985.63	1,065.58
Depreciation & Amortization	448.01	478.15	499.83
Operating Profit	4,652.98	4,484.50	4,974.85
Non operating income	13.47	11.26	16.19
Non operating expense	101.19	20.00	7.91
Profit before income tax	4,565.26	4,475.77	4,983.12
Income Tax Expense	-	-	
Current Tax	1,412.44	1,428.50	1,642.13
Deferred Tax	(13.95)	(32.76)	(25.59)
Profit/Loss for the period	3,166.77	3,080.03	3,366.59

15. Global IME Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	28,531.85	49,795.64	52,688.97
Due from Nepal Rastra Bank	18,649.05	21,314.92	22,144.47
Placement with Bank and Financial Institutions	668.73	-	-
Derivative financial instruments	996.24	4,525.35	11,071.93
Other trading assets	-	-	-
Loan and advances to B/FIs	13,660.22	13,763.66	15,787.16
Loans and advances to customers	354,466.75	369,424.52	410,113.93
Investment securities	87,591.67	121,300.90	148,805.84
Current tax assets	3,379.90	728.40	2,441.47
Investment in subsidiaries	650.70	1,372.62	728.40
Investment in associates	1,840.16	85.63	1,395.77
Investment property	1,733.32	4,847.53	6,056.16
Property and equipment	7,740.93	8,028.73	8,264.15
Goodwill and Intangible assets	905.68	888.97	865.93

Deferred tax assets	16.63	-	-
Other assets	6,050.71	6,077.62	7,716.22
TOTAL ASSETS	526,882.56	602,154.46	688,080.40
Liabilities	467,828.85	540,747.32	621,452.99
Due to Bank and Financial Institutions	13,023.62	17,433.53	24,423.55
Due to Nepal Rastra Bank	470.72	373.32	331.84
Derivative financial instruments	946.95	4,516.34	11,072.39
Deposits from customers	426,325.45	487,455.85	550,628.59
Borrowing	3,282.55	12,100.95	12,416.42
Current Tax Liabilities	2,788.10	-	2,628.67
Provisions	-	-	-
Deferred tax liabilities	-	521.78	125.13
Other liabilities	8,809.88	7,660.88	9,139.08
Debt securities issued	12,181.59	10,684.66	10,687.32
Subordinated Liabilities	-	-	-
Equity	59,053.71	61,407.15	66,627.41
Share capital	35,771.06	36,128.77	38,115.85
Share premium	-	-	-
Retained earnings	3,243.36	506.72	4,054.88
Reserves	20,039.29	24,771.66	24,456.68
Total Liabilities and Equity	526,882.56	602,154.46	688,080.40
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	48,210.08	51,680.02	43,930.15
Interest Expenses	31,103.09	34,823.69	27,250.21
Net Interest Income	17,106.99	16,856.33	16,679.94
Fee and commission income	2,744.14	3,447.29	4,187.05
Fee and commission expense	683.57	765.00	965.31
Net Fee and commission income	2,060.57	2,682.29	3,221.74
Net Interest, Fee and commission income	19,167.56	19,538.62	19,901.68
Net trading income	474.60	580.85	916.89
Other operating income	215.03	534.46	430.59
Total operating income	19,857.19	20,653.93	21,249.17
Impairment charge/(reversal) for loans and other losses	3,426.14	3,616.61	5,976.60
Net operating income	16,431.05	17,037.32	15,272.57

Personnel expenses	4,234.42	4,782.11	4,691.56
Other operating expenses	1,875.36	2,245.00	2,493.81
Depreciation & Amortization	790.77	991.25	854.03
Operating Profit	9,530.50	9,018.96	7,233.17
Non operating income	8.53	7.34	29.78
Non operating expense	273.50	158.91	16.32
Profit before income tax	9,265.52	8,867.39	7,246.64
Income Tax Expense	-	-	
Current Tax	2,788.10	2,355.22	2,628.67
Deferred Tax	(216.94)	374.71	(458.34)
Profit/Loss for the period	6,694.36	6,137.45	5,076.30

16. Citizens Bank International Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	9,764.25	11,103.50	11,435.10
Due from Nepal Rastra Bank	6,703.01	6,678.17	8,112.52
Placement with Bank and Financial Institutions	2,236.41	1,752.86	1,916.52
Derivative financial instruments	17.05	4.10	9.78
Other trading assets	318.87	334.69	416.19
Loan and advances to B/FIs	2,510.67	1,821.14	1,254.37
Loans and advances to customers	139,832.01	153,343.65	168,860.74
Investment securities	28,685.57	36,283.86	42,267.57
Current tax assets	283.95	317.20	210.95
Investment in subsidiaries	317.20	364.71	317.20
Investment in associates	330.01	452.99	524.30
Investment property	256.13	821.26	1,260.52
Property and equipment	3,757.65	4,297.55	4,190.16
Goodwill and Intangible assets	179.52	194.14	193.76
Deferred tax assets	62.80	24.49	206.87
Other assets	3,677.52	4,887.93	4,206.41
TOTAL ASSETS	198,932.61	222,682.23	245,382.97
Liabilities	177,969.09	201,107.86	222,435.25
Due to Bank and Financial Institutions	3,714.71	2,438.00	2,581.16

Due to Nepal Rastra Bank	-	-	41.44
Derivative financial instruments	-	-	-
Deposits from customers	168,842.14	189,236.67	211,500.79
Borrowing	-	-	-
Current Tax Liabilities	-	-	-
Provisions	5.31	5.31	5.31
Deferred tax liabilities	-	-	-
Other liabilities	2,927.09	3,960.09	2,835.33
Debt securities issued	2,479.85	5,467.79	5,471.23
Subordinated Liabilities	-	-	-
Equity	20,963.52	21,574.37	22,947.71
Share capital	14,200.97	14,200.97	14,769.01
Share premium	-	-	-
Retained earnings	846.99	613.24	778.17
Reserves	5,915.56	6,760.15	7,400.53
Total Liabilities and Equity	198,932.61	222,682.23	245,382.97
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	20,660.83	19,719.67	17,360.14
Interest Expenses	14,832.33	13,995.85	(10,944.73)
Net Interest Income	5,828.50	5,723.82	6,415.41
Fee and commission income	1,013.99	1,279.68	1,511.94
Fee and commission expense	137.21	154.71	(164.89)
Net Fee and commission income	876.78	1,124.97	1,347.05
Net Interest, Fee and commission income	6,705.28	6,848.79	7,762.46
Net trading income	182.20	156.06	302.73
Other operating income	23.58	52.09	109.66
Total operating income	6,911.06	7,056.93	8,174.84
Impairment charge/(reversal) for loans and other losses	1,216.48	1,725.41	(2,680.01)
Net operating income	5,694.58	5,331.53	5,494.84
Personnel expenses	1,889.90	1,987.32	(2,035.65)
Other operating expenses	901.91	949.10	(1,073.94)
Depreciation & Amortization	327.43	346.53	(398.32)
Operating Profit	2,575.34	2,048.58	1,986.92
Non operating income	20.68	28.52	19.32

Non operating expense	79.57	19.52	(181.82)
Profit before income tax	2,516.45	2,057.59	1,824.41
Income Tax Expense	-	-	-
Current Tax	765.41	746.47	(769.50)
Deferred Tax	(112.71)	(9.61)	232.16
Profit/Loss for the period	1,863.76	1,320.73	1,287.08

17. Prime Commercial Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and Cash Equivalents	14,305.37	11,435.84	13,558.95
Due from Nepal Rastra Bank	12,049.74	9,697.97	19,567.39
Placement with Bank and Financial Institutions	-	1,152.69	3,759.76
Derivative financial instruments	-	-	-
Other trading assets	-	-	-
Loans and Advances to B/FIs	6,515.73	8,938.36	8,929.93
Loans and advances to customers	153,067.87	181,029.57	209,099.21
Investment securities	29,067.66	47,583.46	52,379.42
Current tax assets	458.58	-	15.38
Investment in Subsidiaries	-	46.02	-
Investment in associates	46.02	68.39	46.02
Investment property	1,413.05	1,911.87	3,943.96
Property and equipment	2,055.35	2,007.22	1,936.98
Goodwill and Intangible assets	371.84	373.92	385.86
Deferred tax assets	270.51	389.16	802.78
Other assets	1,206.08	2,367.92	2,065.93
TOTAL ASSETS	220,827.81	267,002.38	316,491.57
Liabilities	193,654.38	236,350.04	283,601.09
Due to Bank and Financial Institutions	4,511.66	10,120.80	4,659.81
Due to Nepal Rastra Bank	-	-	-
Derivative financial instruments	-	-	-
Deposits from customers	174,058.04	211,160.28	263,360.69
Borrowing	2,630.00	2,674.00	2,750.00
Current Tax Liabilities	-	-	-
Provisions	-	-	-

Deferred tax liabilities	-	-	-
Other liabilities	3,302.48	3,235.53	3,663.18
Debt securities issued	9,152.21	9,159.43	9,167.41
Subordinated Liabilities	-	-	-
Equity	27,173.42	30,652.35	32,890.48
Share Capital	19,402.58	19,402.58	19,402.58
Share premium	-	-	-
Retained earnings	(666.95)	995.34	1,733.30
Reserves	8,437.80	10,254.43	11,754.60
Total Liabilities and Equity	220,827.81	267,002.38	316,491.57
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	23,159.25	25,799.30	23,628.50
Interest Expense	16,018.50	17,916.53	14,710.34
Net Interest Income	7,140.75	7,882.78	8,918.16
Fee and commission income	1,354.54	1,874.21	1,914.54
Fee and commission expense	178.31	195.44	220.25
Net Fee and Commission Income	1,176.23	1,678.77	1,694.29
Net Interest, Fee and Commission Income	8,316.98	9,561.54	10,612.45
Net trading income	150.35	153.61	240.33
Other operating income	142.90	118.95	393.15
Total operating income	8,610.23	9,834.11	11,245.93
Impairment Charge/ (Reversal) for Loans and Other Losses	4,106.19	1,636.72	2,720.74
Net operating income	4,504.04	8,197.39	8,525.19
Personnel expenses	1,600.42	2,047.43	2,293.84
Other operating expenses	527.88	528.42	552.81
Depreciation & Amortization	322.11	308.62	295.74
Operating Profit	2,053.63	5,312.92	5,382.79
Non operating income	-	0.83	1.90
Non operating expense	72.08	266.71	621.29
Profit before income tax	1,981.55	5,047.04	4,763.40
Income Tax Expense	-	-	-
Current Tax	1,125.66	1,645.37	1,979.47
Deferred Tax	(172.01)	(106.23)	(416.84)
Profit for the Year	1,027.90	3,507.89	3,200.76

18. NMB Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	23,958.28	22,570.60	33,385.65
Due from Nepal Rastra Bank	15,059.50	14,710.49	16,489.12
Placement with Bank and Financial Institutions	755.85	3,035.77	10,264.42
Derivative financial instruments	10,850.08	7,583.92	8,681.42
Other trading assets	24.75	-	-
Loan and advances to B/FIs	7,116.53	8,130.44	10,497.12
Loans and advances to customers	189,035.40	194,304.19	228,456.30
Investment securities	32,374.91	33,772.80	32,508.75
Current tax assets	44.95	772.49	166.79
Investment in subsidiaries	772.49	-	772.49
Investment in associates	-	145.04	-
Investment property	697.71	851.44	1,784.19
Property and equipment	1,752.80	3,758.59	3,800.68
Goodwill and Intangible assets	178.69	148.63	127.17
Deferred tax assets	448.41	424.64	316.48
Other assets	4,706.80	4,659.14	4,341.93
TOTAL ASSETS	287,777.14	294,868.16	351,592.51
Liabilities	259,342.72	265,896.65	319,417.90
Due to Bank and Financial Institutions	2,737.26	3,163.18	6,029.46
Due to Nepal Rastra Bank	3,285.99	2,948.95	-
Derivative financial instrument	11,060.34	7,710.80	8,695.56
Deposits from customers	210,304.69	223,942.59	280,926.47
Borrowing	14,814.90	11,552.66	3,987.50
Current Tax Liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities	-	-	-
Other liabilities	5,227.60	4,196.47	7,394.35
Debt securities issued	11,911.94	12,382.00	12,384.57
Subordinated Liabilities	-	-	-
Equity	28,434.42	28,971.51	32,174.61
Share capital	18,366.71	18,366.71	18,366.71

Share premium	-	-	-
Retained earnings	1,140.83	(93.84)	1,901.38
Reserves	8,926.89	10,698.65	11,906.52
Total Liabilities and Equity	287,777.14	294,868.16	351,592.51
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	26,622.46	25,682.54	22,267.95
Interest Expense	18,280.00	18,465.80	14,247.06
Net Interest Income	8,342.46	7,216.74	8,020.89
Fee and commission income	1,833.47	1,987.21	2,426.66
Fee and commission expense	286.61	311.23	242.07
Net Fee and commission income	1,546.86	1,675.97	2,184.59
Net Interest, Fee and commission income	9,889.32	8,892.72	10,205.48
Net trading income	236.29	242.41	360.57
Other operating income	204.15	264.01	318.47
Total operating income	10,329.75	9,399.14	10,884.52
Impairment charge/(reversal) for loans and other losses	1,453.82	2,037.97	1,638.17
Net operating income	8,875.93	7,361.17	9,246.35
Personnel expenses	2,689.18	2,634.45	3,012.76
Other operating expenses	1,192.03	1,015.55	1,109.00
Depreciation & Amortization	319.40	458.07	384.59
Operating Profit	4,675.32	3,253.10	4,739.99
Non operating income	9.99	3.44	3.95
Non operating expense	76.15	20.99	658.75
Profit before income tax	4,609.16	3,235.55	4,085.19
Income Tax Expense	-	-	-
Current Tax	1,434.85	1,025.73	1,271.73
Deferred Tax expense/(Income)	(48.24)	(34.58)	(41.17)
Profit for the period	3,222.55	2,244.40	2,854.64

19. Prabhu Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalents	10,033.58	8,089.84	8,695.20

Due from Nepal Rastra Bank	10,670.24	15,285.13	20,873.86
Placement with Bank and Financial Institutions	-	346.13	242.43
Derivative financial instruments	2,304.45	261.46	7,217.24
Other trading assets	193.25	202.23	197.87
Loans and Advances to BFIs	6,975.49	8,660.30	7,829.69
Loans and advances to customers	234,154.90	221,045.60	225,455.92
Investment securities	69,573.75	93,329.98	119,483.76
Current tax assets	130.01	795.73	275.62
Investment in Subsidiaries	795.73	-	795.73
Investment in associates	27.50	-	179.19
Investment property	445.35	789.75	1,654.26
Property and equipment	4,875.63	4,603.37	4,292.14
Goodwill and Intangible assets	357.56	323.27	298.19
Deferred tax assets	824.25	324.46	869.22
Other assets	6,614.70	7,061.46	7,247.92
TOTAL ASSETS	347,976.38	361,118.71	405,608.23
Liabilities	316,624.19	328,479.00	372,039.76
Due to Bank and Financial Institutions	8,003.04	7,216.24	5,899.65
Due to Nepal Rastra Bank	159.74	0.95	-
Derivative financial instruments	2,308.72	259.96	7,224.75
Deposits from customers	289,090.93	305,012.85	342,188.54
Borrowings	657.50	668.25	687.75
Current Tax Liabilities	-	60.16	-
Provisions	97.68	105.68	105.68
Deferred tax liabilities	-	-	-
Other liabilities	8,467.63	7,314.66	8,091.72
Debt securities issued	7,838.95	7,840.25	7,841.67
Subordinated Liabilities	-	-	-
Equity	31,352.20	32,639.71	33,568.47
Share Capital	23,542.49	23,542.49	23,542.49
Share premium	-	-	-
Retained earnings	(2,236.38)	(3,025.53)	(2,565.65)
Reserves	10,046.08	12,122.75	12,591.63
Total Liabilities and Equity	347,976.38	361,118.71	405,608.23
	-		

STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	29,892.78	31,899.38	23,229.50
Interest Expense	19,826.34	20,008.48	16,031.64
Net Interest Income	10,066.44	11,890.89	7,197.86
Fee and commission income	1,678.82	2,009.14	2,461.85
Fee and commission expense	86.23	98.64	249.22
Net Fee and commission income	1,592.59	1,910.50	2,212.63
Net Interest, Fee and Commission Income	11,659.04	13,801.40	9,410.50
Net trading income	281.31	384.55	542.60
Other operating income	216.63	352.54	619.53
Total operating income	12,156.97	14,538.48	10,572.63
Impairment Charge/ (Reversal) for Loans and Other Losses	5,210.17	4,719.87	2,402.87
Net operating income	6,946.80	9,818.61	8,169.76
Personnel expenses	3,287.89	4,435.46	4,129.92
Other operating expenses	1,483.90	1,564.30	1,465.48
Depreciation & Amortization	623.17	668.80	714.54
Operating Profit	1,551.85	3,150.06	1,859.83
Non operating income	23.17	2.17	25.04
Non operating expense	157.09	2.78	2.69
Profit before income tax	1,417.92	3,149.45	1,882.17
Income Tax Expense	-	-	
Current Tax	1,349.11	2,468.79	1,578.78
Deferred Tax	(211.41)	169.81	(568.94)
Profit for the Period	280.22	510.86	872.33

20. Sanima Bank Limited	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	5,290.59	13,072.49	20,360.78
Due from Nepal Rastra Bank	10,368.10	14,237.36	19,875.52
Placement with Bank and Financial Institutions	1,056.57	591.04	3,455.16
Derivative financial instruments	-	-	-
Other trading assets	414.84	319.68	429.61
Loan and advances to B/FIs	4,445.16	5,527.77	7,014.13
Loans and advances to customers	145,424.94	159,414.74	176,440.51

Investment securities	41,980.22	34,082.39	29,502.94
Current tax assets	54.54	450.00	169.64
Investment in subsidiaries	450.00	-	450.00
Investment in associates	-	1.66	-
Investment property	190.17	674.00	951.50
Property and equipment	1,368.38	1,395.43	1,343.34
Goodwill and Intangible assets	96.08	81.63	85.86
Deferred tax assets	169.78	248.73	162.68
Other assets	4,333.62	3,765.28	3,310.27
TOTAL ASSETS	215,642.99	233,862.21	263,551.93
Liabilities	196,263.56	212,938.56	240,518.37
Due to bank and financial institutions	5,091.31	2,182.16	1,572.39
Due to Nepal Rastra Bank	72.09	-	-
Derivative financial instruments	6.05	1.89	21.38
Deposits from customers	175,745.25	197,197.07	223,954.68
Borrowing	2,629.00	1,070.00	2,063.25
Current Tax Liabilities	-	-	-
Provisions	34.26	36.44	40.46
Deferred tax liabilities	-	-	-
Other liabilities	3,311.94	3,073.48	3,484.84
Debt securities issued	9,373.67	9,377.52	9,381.37
Subordinated Liabilities	-	-	-
Equity	19,379.43	20,923.65	23,033.56
Share capital	12,460.12	13,581.53	13,581.53
Share premium	-	-	-
Retained earnings	2,215.04	1,447.34	2,102.91
Reserves	4,704.28	5,894.79	7,349.13
Total Liabilities and Equity	215,642.99	233,862.21	263,551.93
STATEMENT OF PROFIT OR LOSS	2022-23	2023-24	2024-25
Interest Income	21,607.17	20,724.07	18,040.79
Interest Expense	15,128.55	14,542.37	11,684.79
Net Interest Income	6,478.62	6,181.70	6,356.00
Fee and commission income	1,039.86	1,194.85	1,380.36
Fee and commission expense	242.16	175.85	185.02
Net Fee and commission income	797.70	1,019.01	1,195.35
Net Interest, Fee and commission income	7,276.32	7,200.70	7,551.35
Net trading income	217.27	517.77	593.39
Other operating income	158.21	210.56	457.72
Total operating income	7,651.80	7,929.03	8,602.46

Impairment charge/(reversal) for loans and other losses	1,053.11	1,433.32	1,889.12
Net operating income	6,598.70	6,495.71	6,713.34
Personnel expenses	1,761.95	1,913.49	2,001.70
Other operating expenses	704.68	749.84	782.08
Depreciation and amortization	361.74	361.49	353.67
Operating Profit	3,770.33	3,470.89	3,575.88
Non operating income	14.22	9.04	28.50
Non operating expense	54.99	99.59	43.32
Profit before income tax	3,729.56	3,380.34	3,561.06
Income Tax Expense	-	-	
Current Tax	1,144.13	1,025.90	997.11
Deferred Tax	(20.36)	(43.01)	(8.51)
Profit for the year	2,605.79	2,397.44	2,572.46

Annex 9: Consolidated Audited Financial Details of Commercial Banks as on mid-July

1. Consolidated Financials of the State Owned Banks	Amt. in Rs. Million		
	FY 2022-23	FY 2023-24	FY 2024-25
Statement of Financial Position			
ASSETS			
Cash and cash equivalent	27,908.42	54,608.33	78,847.46
Due from Nepal Rastra Bank	49,520.43	72,409.48	97,903.47
Placement with Bank and Financial Institutions	582.51	9,329.69	16,895.25
Derivative financial instruments	28.91	7,095.16	12,079.38
Other trading assets	1,058.69	1,315.46	1,601.19
Loan and advances to B/FIs	25,267.23	22,166.67	20,266.14
Loans and advances to customers	582,169.12	643,880.29	725,453.67
Investment securities	190,447.82	265,497.97	305,175.74
Current tax assets	6,296.29	8,521.04	9,101.61
Investment in subsidiaries	428.84	429.01	429.01
Investment in associates	3,546.40	4,076.39	4,591.09
Investment property	643.74	1,454.41	1,890.40
Property and equipment	46,016.78	46,008.64	46,355.82
Goodwill and Intangible assets	220.89	116.15	99.73
Deferred tax assets	-	-	-
Other assets	22,292.23	24,001.94	25,125.87
TOTAL ASSETS	956,428.31	1,160,910.63	1,345,815.82
Liabilities	835,373.67	1,038,897.70	1,217,403.36
Due to Bank and Financial Institutions	4,701.05	2,200.69	7,945.27
Due to Nepal Rastra Bank	74.57	-	-

Derivative financial instruments	8.54	7,056.86	12,041.21
Deposits from customers	765,655.55	955,900.17	1,125,866.03
Borrowing	2,458.86	2,724.57	2,864.66
Current Tax Liabilities	-	-	-
Provisions	570.39	473.68	467.51
Deferred tax liabilities	12,021.94	11,368.40	11,607.16
Other liabilities	23,414.30	32,700.79	27,633.51
Debt securities issued	26,468.46	26,472.54	28,978.01
Subordinated Liabilities	-	-	-
Equity	121,054.63	122,012.94	128,412.47
Share capital	49,215.79	49,215.79	49,619.34
Share premium	-	-	-
Retained earnings	2,161.97	(51.14)	547.84
Reserves	69,676.88	72,848.29	78,245.29
Total Liabilities and Equity	956,428.31	1,160,910.63	1,345,815.82
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	79,379.20	82,389.52	73,157.13
Interest Expenses	49,960.36	53,171.73	43,039.25
Net Interest Income	29,418.84	29,217.79	30,117.88
Fee and commission income	3,482.96	4,239.15	4,950.13
Fee and commission expense	829.18	965.76	1,177.14
Net Fee and commission income	2,653.77	3,273.39	3,772.99
Net Interest, Fee and commission income	32,072.61	32,491.18	33,890.87
Net trading income	191.31	223.24	894.28
Other operating income	1,231.53	1,377.93	1,997.22
Total operating income	33,495.46	34,092.36	36,782.38
Impairment charge/(reversal) for loans and other losses	5,180.13	8,353.89	5,119.56
Net operating income	28,315.33	25,738.46	31,662.82
Personnel expenses	11,473.51	12,062.33	13,209.32
Other operating expenses	3,078.18	3,293.62	3,483.68
Depreciation & Amortization	1,427.54	1,469.93	1,368.98
Operating Profit	12,336.10	8,912.58	13,600.85
Non operating income	294.02	190.66	93.68
Non operating expense	26.37	53.76	7.10

Profit before income tax	12,603.75	9,049.48	13,687.43
Income Tax Expense	1,791.47	-	-
Current Tax	3,804.71	2,671.79	2,987.24
Deferred Tax	442.92	899.31	1,053.74
Profit/Loss for the period	8,356.12	5,478.38	9,646.45

2. Consolidated Financials of the Non State Owned Banks	Amt. in Rs. Million		
	FY 2022-23	FY 2023-24	FY 2024-25
Statement of Financial Position			
ASSETS			
Cash and cash equivalent	261,564.10	287,814.58	351,252.92
Due from Nepal Rastra Bank	239,185.74	287,330.65	385,533.91
Placement with Bank and Financial Institutions	71,981.54	70,949.02	147,436.14
Derivative financial instruments	23,165.93	31,180.77	68,311.86
Other trading assets	1,587.39	973.22	1,305.54
Loan and advances to B/FIs	136,409.73	143,279.38	168,699.68
Loans and advances to customers	3,521,720.96	3,682,528.68	3,914,134.39
Investment securities	783,019.82	1,020,187.98	1,141,678.21
Current tax assets	9,916.55	10,220.94	7,624.80
Investment in subsidiaries	10,153.24	4,196.75	10,710.94
Investment in associates	4,568.61	7,064.86	4,279.53
Investment property	14,838.22	28,903.89	41,253.74
Property and equipment	62,068.89	67,773.26	67,330.57
Goodwill and Intangible assets	5,671.84	5,701.80	5,784.35
Deferred tax assets	3,245.53	5,532.07	12,474.07
Other assets	74,981.96	80,925.92	82,597.43
TOTAL ASSETS	5,224,080.05	5,734,563.78	6,410,420.78
Liabilities	4,683,409.54	5,165,135.85	5,802,789.36
Due to Bank and Financial Institutions	97,570.38	97,835.86	99,338.98
Due to Nepal Rastra Bank	6,701.97	7,444.65	4,660.97
Derivative financial instruments	23,333.09	31,181.67	68,425.46
Deposits from customers	4,238,765.32	4,709,850.32	5,317,708.74
Borrowing	63,563.79	49,125.79	35,260.58
Current Tax Liabilities	3,270.45	98.44	2,628.67
Provisions	140.25	150.43	154.55
Deferred tax liabilities	3,102.18	3,461.25	2,923.53
Other liabilities	117,555.48	122,176.27	122,846.49
Debt securities issued	129,406.62	143,811.17	148,841.38
Subordinated Liabilities	-	-	-
Equity	540,670.51	569,427.92	607,622.54
Share capital	320,641.54	329,804.68	335,707.87
Share premium	269.35	269.35	269.35
Retained earnings	14,078.99	(9,315.18)	(157.61)
Reserves	205,680.63	248,669.07	271,811.82
Total Liabilities and Equity	5,224,080.05	5,734,563.78	6,410,420.78

STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	472,114.19	507,519.29	424,283.69
Interest Expenses	315,469.35	344,011.23	198,219.47
Net Interest Income	156,644.84	163,508.07	160,228.67
Fee and commission income	29,323.63	34,216.51	38,345.27
Fee and commission expense	4,953.25	5,608.06	5,163.61
Net Fee and commission income	24,370.38	28,608.45	31,724.32
Net Interest, Fee and commission income	181,015.21	192,116.52	191,952.99
Net trading income	5,213.97	5,886.95	8,486.34
Other operating income	3,472.22	3,967.50	5,625.21
Total operating income	189,701.40	201,970.97	206,064.54
Impairment charge/(reversal) for loans and other losses	45,076.48	48,097.57	32,435.61
Net operating income	144,624.92	153,873.40	159,518.15
Personnel expenses	44,767.72	53,557.04	43,498.16
Other operating expenses	18,072.17	19,964.39	15,188.75
Depreciation & Amortization	7,987.91	9,398.45	6,517.86
Operating Profit	73,797.12	70,953.53	74,205.36
Non operating income	254.27	503.94	561.67
Non operating expense	4,167.80	4,086.97	7,188.98
Profit before income tax	69,883.59	66,523.71	66,077.41
Income Tax Expense	483.72	-	2,548.51
Current Tax	24,343.06	26,292.69	24,288.27
Deferred Tax	(2,677.81)	(3,315.75)	(6,198.53)
Profit/Loss for the period	48,218.34	44,393.06	43,179.97

3. Consolidated Financials of Commercial Banks	Amt. in Rs. Million		
Statement of Financial Position	FY 2022-23	FY 2023-24	FY 2024-25
ASSETS			
Cash and cash equivalent	289,472.52	342,464.33	430,100.38
Due from Nepal Rastra Bank	288,706.17	360,154.48	483,437.38
Placement with Bank and Financial Institutions	72,564.05	80,426.96	164,331.39
Derivative financial instruments	23,194.84	38,275.92	80,391.24
Other trading assets	2,646.09	2,352.80	2,906.73
Loan and advances to B/FIs	161,676.96	165,446.05	188,965.82
Loans and advances to customers	4,103,890.08	4,326,408.96	4,639,588.07
Investment securities	973,467.64	1,285,621.85	1,446,853.95
Current tax assets	16,212.83	17,949.55	16,726.41
Investment in subsidiaries	10,582.08	10,649.95	11,139.95
Investment in associates	8,115.01	8,273.14	8,870.62
Investment property	15,481.96	30,358.30	43,144.14

Property and equipment	108,085.67	112,991.56	113,686.39
Goodwill and Intangible assets	5,892.73	5,817.95	5,884.09
Deferred tax assets	3,245.53	5,532.07	12,474.07
Other assets	97,274.19	105,075.91	107,723.30
TOTAL ASSETS	6,180,508.36	6,897,799.77	7,756,236.61
Liabilities	5,518,783.21	6,206,358.91	7,020,192.71
Due to Bank and Financial Institutions	102,271.43	102,385.75	107,284.25
Due to Nepal Rastra Bank	6,776.54	4,495.70	4,660.97
Derivative financial instruments	23,341.64	38,238.53	80,466.67
Deposits from customers	5,004,420.87	5,665,665.66	6,443,574.77
Borrowing	66,022.65	49,501.17	38,125.24
Current Tax Liabilities	3,270.45	2,462.09	2,628.67
Provisions	710.64	624.11	622.06
Deferred tax liabilities	15,124.12	14,829.65	14,530.70
Other liabilities	140,969.78	157,872.55	150,480.00
Debt securities issued	155,875.08	170,283.71	177,819.39
Subordinated Liabilities	-	-	-
Equity	661,725.14	691,440.86	736,043.89
Share capital	369,857.33	379,020.46	385,327.20
Share premium	269.35	269.35	269.35
Retained earnings	16,240.95	(9,366.32)	390.23
Reserves	275,357.51	321,517.36	350,057.11
Total Liabilities and Equity	6,180,508.36	6,897,799.77	7,756,236.61
STATEMENT OF PROFIT OR LOSS	FY 2022-23	FY 2023-24	FY 2024-25
Interest Income	551,410.84	589,908.81	497,440.81
Interest Expenses	366,119.35	313,118.28	241,258.72
Net Interest Income	185,291.49	192,725.86	190,346.55
Fee and commission income	33,128.24	38,455.67	43,295.40
Fee and commission expense	5,827.42	5,036.55	6,340.75
Net Fee and commission income	27,300.82	32,001.01	35,497.31
Net Interest, Fee and commission income	212,592.31	224,726.87	225,843.86
Net trading income	5,440.10	6,110.19	9,380.63
Other operating income	4,865.78	5,345.43	7,622.43
Total operating income	222,898.18	236,182.50	242,846.92

Impairment charge/(reversal) for loans and other losses	53,898.53	42,777.53	37,555.17
Net operating income	168,999.66	179,731.03	191,180.97
Personnel expenses	55,910.48	54,107.07	56,707.48
Other operating expenses	21,187.30	18,346.04	18,672.43
Depreciation & Amortization	9,419.56	8,308.87	7,886.83
Operating Profit	82,482.32	79,866.11	87,806.20
Non operating income	553.44	694.60	655.36
Non operating expense	4,194.17	2,637.99	7,196.08
Profit before income tax	78,841.60	76,419.48	79,764.84
Income Tax Expense	2,275.20	2,247.73	2,548.51
Current Tax	27,373.48	20,876.84	27,275.51
Deferred Tax	(1,697.18)	1,085.83	(5,144.79)
Profit/Loss for the period	53,165.30	49,871.43	52,826.42

Annex 11: Useful websites for supervisors

Name of Agency	Web address
Australian Prudential Regulatory Authority	www.apra.gov.au
Asian Development Bank	www.adb.org
Association for financial professionals	www.afponline.org
American Bankers Association	www.aba.com
Association of German Banks	www.german-banks.com
Asian Clearing Union	www.asianclearingunion.org
Bank Administration Institute (BAI)	www.bai.org
Banking Federation of the European Union	www.fbe.be
Bank for International Settlement	www.bis.org
Bank Negara Malaysia	www.bnm.gov.my
Conference of State Bank Supervisors, USA	www.csbsdal.org
China Banking Regulatory Commission	www.cbrc.gov.cn
European Committee for Banking Standards (ECBS)	www.ecbs.org
European Bank for Reconstruction and Development	www.ebrd.org
European Banking Authority	www.eba.europa.eu
Financial Services Authority UK	www.fsa.gov.uk
Federal Reserve Board USA	www.federalreserve.gov
Federal Reserve Bank Boston	www.bos.frb.org
Federal Reserve Bank St. Louis	www.stls.frb.org
Federal Reserve Bank Kansas City	www.kc.frb.org
Federal Reserve Bank Philadelphia	www.phil.frb.org
Federal Reserve Bank Minneapolis	www.mpls.frb.fed.us

Federal Reserve Bank San Francisco	www.frbsf.org
Federal Reserve Bank Richmond	www.richmondfed.org
Federal Reserve Bank Atlanta	www.frbatlanta.org
Federal Reserve Bank New York	www.newyorkfed.org
Federal Reserve Bank Dallas	www.dallasfed.org
Federal Reserve Bank Cleveland	www.clevelandfed.org
Federal Deposit Insurance Corporation, USA	www.fdic.gov
Federal Financial Institutions Examination Council, USA	www.ffeic.gov
Financial Services Agency, Japan	www.fsa.go.jp
FSI Connect	www.fsiconnect.org
International Accounting Standard Board	www.iasb.org
International Monetary Fund (IMF)	www.imf.org
Korea Financial Supervisory Commission	www.fsc.go.kr
Monetary Authority of Singapore	www.mas.gov.sg
Office of the superintendent of financial institutions, Canada	www.osfi-bsif.gc.ca
Office of the Comptroller of the Currency, USA	www.occ.treas.gov
Reserve Bank of India	www.rbi.org.in
SEACEN Center, Malaysia	www.seacen.org
The Risk Management Association, USA	www.rmahq.org
World Bank Group	www.worldbank.org
State Bank of Pakistan	www.sbp.org.pk
Bangladesh Bank	www.bb.org.bd
Central Bank of Srilanka	www.cbsl.gov.lk
Maldives Monetary Authority	www.mma.gov.mv
Royal Monetary Authority of Bhutan	www.rma.org.bt

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