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EXECUTIVE SUMMARY

1. According to the World Economic Outlook published by the International Monetary Fund (IMF) in October 2025, the global economic growth, which remained 3.3 percent in 2024, is projected to remain 3.2 percent in 2025 and 3.1 percent in 2026. Advanced economies are projected to grow at 1.6 percent in 2025 while the emerging and developing economies are projected to grow at 4.2 percent.
2. In 2025, consumer inflation in advanced economies is projected at 2.5 percent while it is projected to be at 5.3 percent in emerging and developing economies. In 2024, the consumer inflation in advanced economies was 2.6 percent and it was 7.9 percent in emerging and developing economies.
3. According to the National Statistics Office, the preliminary estimates of the real Gross Domestic Product (GDP) growth rate at the basic prices and the producer prices were 3.99 percent and 4.61 percent respectively in 2024/25. In the review period, the agriculture production is estimated to grow at 3.28 percent while the non-agricultural production at 4.28 percent.
4. Monetary Policy for 2024/25 was released on July 26, 2024. The policy targeted to maintain annual average inflation around 5.0 percent. It also targeted to maintain the foreign exchange reserves that suffices the payment of imports (goods and services) for at least seven months.
5. The average consumer inflation is at 4.06 percent in 2024/25. In 2023/24, the annual average inflation was at 5.44 percent.
6. Total merchandise exports increased by 81.8 percent to Rs. 277.03 billion in 2024/25 and total merchandise imports increased by 13.3 percent to Rs. 1,804.12 billion. In the review year, the merchandise trade deficit increased by 6.0 percent to Rs. 1,527.09 billion. The ratio of total merchandise trade deficit to GDP is 25.0 percent.
7. In 2024/25, both the current account and the balance of payments are in surplus, by Rs. 409.20 billion and Rs.594.54 billion, respectively. The gross foreign exchange reserve is Rs. 2,677.68 billion (equivalent to USD 19.50 billion) by the end of mid-July 2025. The reserves available in mid-July 2025 is sufficient to cover merchandise imports of goods for 18.2 months and goods and services for 15.4 months.
8. In 2024/25, government revenue (including other receipts) and government spending stood at Rs. 1,196.19 billion and Rs. 1,523.11 billion respectively.
9. In 2024/25, broad money and narrow money increased by 12.5 percent and 22.0 percent respectively. Likewise, domestic credit and claims of the monetary sector on the private sector increased by 6.2 percent and 8.1 percent respectively. Similarly, banks and financial institutions (BFIs) deposits and their lending to the private sector also increased by 12.6 percent and 8.4 percent respectively.
10. On transaction basis, a total of Rs. 24,651.35 billion of the liquidity has been absorbed, while Rs.2.70 billion of liquidity has been injected using the overnight liquidity facility in 2024/25.
11. The weighted average interbank rate of the BFIs stood at 2.96 percent in 2024/25.
12. In mid-July 2025, the weighted average deposit rate of commercial banks, development banks, and finance companies stood at 4.19 percent, 4.88 percent, and 6.01 percent respectively. Likewise, the

weighted average lending rate of commercial banks, development banks, and finance companies stood at 7.85 percent, 8.95 percent, and 10.22 percent respectively.

13. The number of NRB-licensed BFIs stood at 107 in mid-July 2025. This includes 20 commercial banks, 17 development banks, 17 finance companies, 52 microfinance institutions, and an infrastructure development bank. The total number of BFIs branches stood at 11,526.
14. In mid-July 2025, the total assets and liabilities of commercial banks, development banks, finance companies, and microfinance institutions increased by 12 percent (to Rs. 8,095.38 billion), 5.1 percent (to Rs. 753.55 billion), 3.4 percent (to Rs. 175.72 billion), and 9.7 percent (to Rs. 607.56 billion) respectively in comparison to mid-July 2024.
15. The Deposit and Credit Guarantee Fund has guaranteed loans worth Rs. 328.38 billion and deposits worth Rs. 1,579.05 billion till mid-July 2025.
16. In 2024/25, the Credit Information Center has received 6,265,826 credit-related information requests from 20 commercial banks, 17 development banks, 17 finance companies, and 52 microfinance institutions. By the end of mid-July 2025, the number of blacklisted borrowers stood at 129,974 in mid-July 2025.
17. The NEPSE index stood at 2,794.79 points in mid-July 2025. The market capitalization reached Rs. 4,656.99 billion, and the ratio of market capitalization to GDP stood at 76.25 percent of GDP.
18. The foreign exchange reserve investment of this bank is USD 17.50 billion in mid July 2025. These funds are primarily invested in term deposits with banks, treasury bills and notes issued by foreign central banks, Chinese government bonds, FIXBIS and Medium-Term Investment (MTI) instruments by the Bank for International Settlements (BIS).
19. In order to reduce and manage foreign currency exchange risks in the foreign borrowings by BFIs, "Nepal Rastra Bank Swap Transaction Bylaw, 2024" has been issued.
20. Foreign investment worth Rs. 11.30 billion and foreign loans worth Rs. 54.83 billion has been recorded in 2024/25.
21. In order to make the foreign exchange reserve management more effective, Nepal Rastra Bank Foreign Exchange Reserve Investment Policy, 2024 has been implemented.
22. Under the BFIs regulations in 2024/25, the NRB issued various directives, guidelines, and notices related to capital, cash reserve requirements, credit flow, loan classification, loan loss provisioning, loan restructuring and rescheduling, interest rates, blacklists, risk weights, asset and anti-money laundering and countering the terrorist financing.
23. A reference framework for the green investment "Nepal Green Finance Taxonomy, 2024" was issued in 2024/25 in order to reorient the bank lending and investment of the BFIs to a more environment-friendly sectors. Likewise, to freeze and unfreeze the bank accounts at the BFIs, the "Bank Account Freeze and Unfreeze Bylaw, 2024" has been issued. During the period, in order to ensure that the corporate social responsibility expenditure made by the BFIs is transparent, effective, driven by a purpose, and has dedicated into the broader social welfare, a "Guidelines on Corporate Social Responsibility of Banks and Financial Institutions, 2025" has been issued. Furtherore, the "Procedure for Certifying Dishonored Cheques, 2025" was issued in accordance with the provisions of the "Banking Offence and Punishment Act, 2008 (including the second amendment, 2025)" and the "Operational Guidelines for Microfinance Financial Institutions, 2024"

was also issued to guide the operations of microfinance institutions on the concept of the social banking as well. Likewise, to make the risk management practices of microfinance institutions more effective, the “Risk Management Guidelines for Microfinance Institutions, 2024” has also been issued.

24. To make the transactions of savings and credit cooperatives more systematic, transparent, and effective as envisioned in the Nepal Rastra Bank Act; saving and credit cooperative related directive and standard have been approved.
25. In 2024/25, 192.5 million new banknotes of various denominations worth Rs. 98.75 billion has been issued in circulation. In mid-July 2025, Rs. 761.41 billion of the currency (of various denominations) is under circulation.
26. As of mid-July 2025, a total of 1197 employees have been working at the NRB. Among them, 1119 are of the administrative staffs and 78 are the technical. Out of the total employees, 694 are at the officer level, 443 at the assistant level, and 60 at the support staff level.
27. At the end of 2024/25, 20 commercial banks, 17 development banks, 15 finance companies, and 12 microfinance institutions have obtained license to operate as payment service providers. During the review period, the license of 13 payments related institutions was renewed.
28. At the end of mid-July 2025, 44 BFIs have been affiliated with the RTGS system, of which 20 are commercial banks, 11 development banks, 12 finance companies, and a Nepal Infrastructure Development Bank.
29. As per the financial statements of the NRB, the total assets and liabilities increased by 29.23 percent to Rs. 2671.24 billion in mid-July 2025 compared to the mid-July 2024.
30. In the 2024/25, the net income of the NRB before adjusting the revaluation of foreign exchange gain or loss and other assets increased by 9.11 percent to Rs. 80.48 billion in comparison to the previous year.
31. The Board meeting of the NRB on November 14 2025 decided to make available Rs. 42 billion to the GoN that remained after allocating the necessary amount to the various funds from net profit of 2024/25.

PART - 1
MACROECONOMIC AND FINANCIAL SITUATION

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PART – ONE

MACROECONOMIC AND FINANCIAL SITUATION

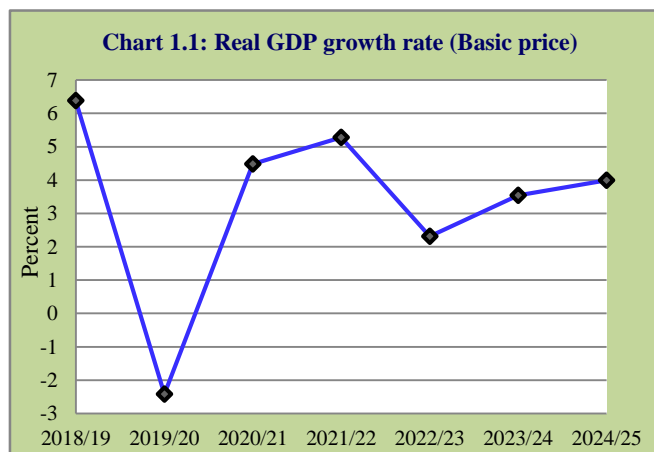
World Economic Situation and Outlook

- 1.1 According to the World Economic Outlook (WEO) published by the International Monetary Fund (IMF) in October 2025, global economic growth is projected at 3.2 percent and 3.1 percent in 2025 and 2026 respectively. The report notes that the global economic growth was 3.3 percent in 2024.
- 1.2 According to the IMF, advanced economies recorded an overall growth rate of 1.8 percent in 2024 and are projected to grow by 1.6 percent in both 2025 and 2026. Emerging and developing economies expanded by 4.3 percent in 2024, and are expected to grow by 4.2 percent in 2025 and 4.0 percent in 2026. For emerging and developing Asian economies, the growth rate stood at 5.3 percent in 2024 and is projected to be 5.2 percent in 2025 and 4.7 percent in 2026. India's economy grew by 6.5 percent in 2024, with growth projected to be 6.6 percent in 2025 and 6.2 percent in 2026. Similarly, China's growth rate was 5.0 percent in 2024 and is expected to grow at 4.8 percent in 2025 and 4.2 percent in 2026.
- 1.3 In 2024, consumer inflation stood at 2.6 percent in advanced economies and 7.9 percent in emerging and developing economies. The IMF projects inflation of 2.5 percent in advanced economies and 5.3 percent in emerging and developing economies in 2025. Meanwhile, global trade in goods and services, which expanded by 3.5 percent in 2024, is expected to grow by 3.6 percent in 2025.

Macroeconomic and Financial Situation of Nepal

Gross Domestic Product

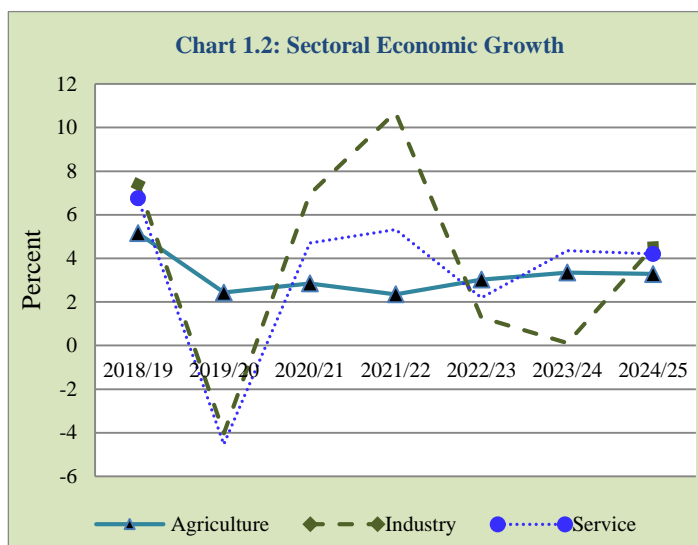
- 1.4 According to the preliminary estimates of the National Statistics Office, the country's real Gross Domestic Product (GDP) is projected to grow by 3.99 percent at basic prices and 4.61 percent at producer prices for 2024/25. The growth rates were 3.36 percent at basic prices and 3.67 percent at producer prices in the previous year.
- 1.5 During the review year, the agricultural sector is estimated to grow by 3.28 percent, while the non-agricultural sector is projected to expand by 4.28 percent. In the previous year, the agriculture and the non-agricultural sector grew by 3.35 percent and 3.36 percent respectively. Within the non-agricultural sector, the industrial sector is expected to grow by 4.53 percent, while the service sector is anticipated to grow by 4.21 percent in 2024/25.



In the previous year, the industrial sector growth was 0.11 percent, while the service sector witnessed a growth of 4.35 percent.

Sectoral Composition of GDP

1.6 During the review year, the agriculture, industry, and services sectors contributed 25.16 percent, 12.83 percent, and 62.01 percent respectively to the GDP. In the previous year, their contributions were 24.71 percent, 12.91 percent and 62.38 percent respectively. At the provincial level, Bagmati Province accounted for the highest share of national GDP at 36.52 percent, while Karnali Province recorded the lowest contribution at 4.19 percent for 2024/25.



1.7 Under the broad industrial classification, the primary, secondary and tertiary sectors contributed 25.62 percent, 12.37 percent, and 62.01 percent respectively to the GDP in 2024/25. In comparison, their shares in the GDP were 25.19 percent, 12.43 percent, and 62.38 percent in the previous year.

Table 1.1: Share of Primary, Secondary, and Tertiary Sectors in GDP (At Current Price)

(in percent)

Sectors	Percent of GDP				
	2020/21	2021/22	2022/23	2023/24 ^R	2024/25 ^P
Primary ¹	26.4	25.0	24.5	25.2	25.6
Secondary ²	13.3	13.7	13.0	12.4	12.4
Tertiary ³	60.4	61.3	62.5	62.4	62.0

Source: National Statistics Office

¹ = Agriculture, forestry and fishery, and mining and quarrying; ² = Manufacturing industries, electricity, gas and water, and construction; ³ = Services

^R = Revised Estimates, ^P = Preliminary Estimates

Agriculture

1.8 Agricultural production is estimated to have increased by 3.28 percent in 2024/25, compared with 3.35 percent in the previous year.

Industry

1.9 The industrial sector is estimated to have grown by 4.53 percent in 2024/25, compared with 0.11 percent in the previous year.

1.10 Within the industrial sector production in the electricity, gas sector; manufacturing sector; construction sector; water supply, sewage disposal, waste management and treatment sector; and mining and quarrying sector is estimated to grow by 13.82 percent, 3.78

percent, 2.21 percent, 2.09 percent, and 1.99 percent respectively in 2024/25. In the previous year, electricity and gas grew by 10.96 percent; mining and quarrying by 3.23 percent; and water supply, sewage disposal, waste management and treatment sector by 1.27 percent. However, the construction and manufacturing sectors contracted by 2.02 percent and 2.20 percent respectively.

Service

- 1.11 The service sector is estimated to have expanded by 4.21 percent in 2024/25, compared to a growth rate of 4.35 percent in the previous year.
- 1.12 Within the service sector, the transportation and storage segment estimated to grow by 9.45 percent; the financial and insurance sector by 6.29 percent; accommodation and food services by 5.0 percent; the information and communication sector by 4.81 percent; and the human health and social work sector by 4.77 percent. The professional scientific and technical sector is estimated to grow by 3.98 percent; the administrative and support services sector by 3.97 percent; and the other service activities sector by 3.92 percent. The wholesale and retail trade, repair of motor vehicles and motorcycles is estimated to increase by 3.30 percent. Similarly, the real estate sector is estimated to grow by 2.72 percent; the public administration, defense, and compulsory social security sector by 2.24 percent and education sector by 1.98 percent.

Saving and Gross National Disposable Income

- 1.13 The share of total consumption in the GDP is estimated at 93.78 percent in 2024/25, compared to 93.45 percent in the previous year.
- 1.14 Gross National Disposable Income (GNDI) increased by 7.41 percent in 2024/25, compared to 8.45 percent in the previous year. The ratio of the GNDI to GDP stood at 129.69 percent in 2024/25, compared to 129.16 percent in the previous year.

Table 1.2: Gross National Disposable Income

(At Current Prices)

Particulars	Rs.in Billion			Percent Change	
	2022/23	2023/24 ^R	2024/25 ^P	2023/24 ^R	2024/25 ^P
Gross Domestic Product (at Producers' Price)¹	5367.0	5709.1	6107.2	6.4	7.0
Factor Income, Net ²	62.9	93.7	86.6	49.1	-7.6
Current Transfer, Net ²	1369.6	1571.2	1726.4	14.6	9.9
Gross National Disposable Income	6799.5	7374.0	7920.2	8.5	7.4

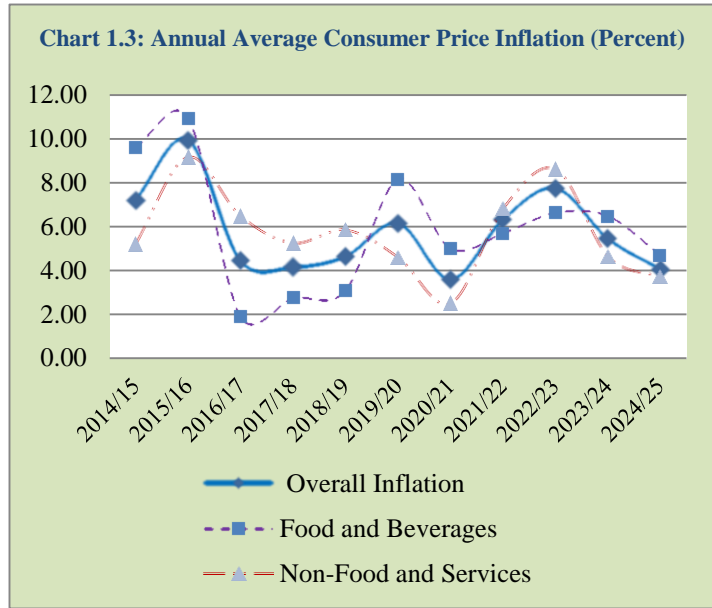
Source: ¹. National Statistics Office, ². Nepal Rastra Bank

^R = Revised Estimates, ^P = Preliminary Estimates

Inflation, and Salary and Wage Index

Consumer Price Inflation

1.15 In 2024/25, the annual average consumer price inflation was limited to 4.06 percent, a decrease from 5.44 percent of the previous year. Although consumer price inflation faced upward pressure during the first five months of the review period due to the rising prices of food items such as vegetables, pulses, legumes, and cereal grains, this pressure gradually eased in the later months as the prices of these commodities fell. Overall,



inflation remained within the target set by monetary policy during the review period. This was supported by a slowdown in inflation in the major world economies including India, reductions in petroleum prices by the Nepal Oil Corporation following a decline in international crude oil prices, slower growth in wages, salaries and wholesale prices, as well as weak domestic demand. Together, these factors helped ease the pressure on consumer prices.

- 1.16 During the review year, the annual average inflation for the food and beverages group, and the non-food and services group were 4.69 percent and 3.71 percent respectively. In comparison, the previous year recorded inflation rates of 6.47 percent for food and beverages and 4.64 percent for non-food and services.
- 1.17 Vegetable prices, as well as the prices of ghee and oil within the Food and Beverage category, have increased significantly in the review year compared to the previous year. In contrast, the prices of spices, fish, and meat sub-categories have decreased compared to the previous year. The annual average inflation of all subgroups within the Non-food and Services category was positive .
- 1.18 During the review period, the consumer price inflation averaged 3.77 percent in the Kathmandu Valley, 4.14 percent in the Terai, 3.86 percent in the Hills, and 4.89 percent in the Mountain region. In the previous year, these average annual inflation were higher, at 5.99 percent in Kathmandu Valley, 4.82 percent in the Terai, 5.78 percent in the Hills, and 6.86 percent in the Mountain region.
- 1.19 In the review year, the annual average consumer price index increased by 4.40 percent in rural areas and by 3.94 percent in urban areas.
- 1.20 During the review period, the annual average consumer inflation of Koshi province was 5.46 percent, Madhesh province 4.14 percent, Bagmati province 3.57 percent, Gandaki

province 3.32 percent, Lumbini province 3.70 percent, Karnali province 3.31 percent, and Sudurpashchim province 5.02 percent.

Consumer Price Inflation in Nepal and India

- 1.21 During the review year, the annual average consumer price inflation was 4.06 percent in Nepal, while it was 3.91 percent in India. In the previous year, the inflation rate was 5.44 percent in Nepal compared to 5.11 percent in India.

Wholesale Price Inflation

- 1.22 In the review year, the annual average wholesale price inflation was 3.84 percent, a decrease from 3.92 percent in the previous year. Inflation for primary goods increased by 7.29 percent and manufactured goods by 3.03 percent. The prices for fuel and energy declined by 3.92 percent. In the previous year, inflation of primary goods was 7.18 percent, fuel and energy -4.45 percent, and manufactured goods 3.50 percent..
- 1.23 Based on broad economic classification, the annual average wholesale price inflation for consumption goods, intermediate goods and capital goods stood at 6.86 percent, 2.27 percent, and 2.89 percent, respectively during the review year.

National Salary and Wage Index

- 1.24 In the review year, the national salary and wage index increased by 2.85 percent. In the previous year, this index had increased by 5.03 percent. The annual average growth rates of the salary and wage index for were 1.23 percent in Koshi province, 3.37 percent in Madhesh province, 2.14 percent in Bagmati province, 3.41 percent in Gandaki province, 2.74 percent in Lumbini province, 3.58 percent in Karnali province, and 7.38 percent in Sudurpaschim province.

External Sector

International Trade

- 1.25 In 2024/25, total merchandise exports increased by 81.8 percent to Rs.277.03 billion, compared to a decline of 3.0 percent in the previous year. The share of total merchandise exports in GDP stood at 4.5 percent during the review year, which stood at 2.7 percent in the previous year.
- 1.26 Out of the total merchandise exports, exports to India surged by 117.8 percent to Rs.224.68 billion in 2024/25 compared to a 3.3 percent decline in the previous year. Notably, exports of commodities such as soyabean oil, polyester yarn, jute goods, and tea increased to India during the review period.
- 1.27 Merchandise exports to China increased by 1.6 percent to Rs.2.63 billion in 2024/25 compared to a 46.6 percent increase in the previous year. Primarily, the exports of woolen carpet, handicrafts, and ready-made Garments have been increased to China in the review year.
- 1.28 Exports to other countries increased by 6.7 percent to Rs.49.71 billion in 2024/25, compared to a 4.3 percent decline in the previous year. Notable increases were observed

in exports of pashmina, musical instruments and their parts and accessories, noodles, Nepalese paper and tea, among others.

- 1.29 Total merchandise imports increased by 13.3 percent to Rs.1804.12 billion in 2024/25, compared to a 1.2 percent decline in the previous year. The share of merchandise imports in GDP stood at 29.5 percent during the review year, up from 27.9 percent in the previous year.
- 1.30 Imports from India increased by 7.5 percent to Rs.1071.20 billion in 2024/25, compared to a 3.0 percent decline in the previous year. The imports of vehicles and spare parts, sponge iron, other machinery and parts, paddy and rice, and medicine is increased from India.
- 1.31 Merchandise imports from China increased by 14.2 percent to Rs.341.1 billion in 2024/25, compared to a 34.2 percent increase in the previous year. Imports of telecommunication equipments and parts, ready-made garments, textiles, electrical equipments, and computer and parts among others increased from China.
- 1.32 Merchandise imports from other countries increased by 31.7 percent to Rs.391.82 billion in 2024/25, improving from a 17.6 percent decline in the previous year. Notable increases were recorded in imports of crude soyabean oil, edible oil, oil seeds, other machinery and parts, and transport equipment and parts.
- 1.33 In 2024/25, trade deficit increased by 6.0 percent to Rs.1527.09 billion, compared to a 1.0 percent decrease in the previous year. The ratio of the total trade deficit to GDP stood at 25.0 percent in the review year, down from 25.2 percent in the previous year. The trade deficit with India decreased by 5.3 percent to Rs.846.51 billion, while the deficit with China increased by 14.3 percent to Rs.338.47 billion. Likewise, the trade deficit with other countries increased by 36.3 percent to Rs.342.10 billion.
- 1.34 Total merchandise trade increased by 19.2 percent to Rs.2081.15 billion in 2024/25, improving from a 1.3 percent decline in the previous year. The share of total trade in GDP was 34.1 percent in the review year, up from 30.6 percent in the previous year. Trade with India expanded by 17.8 percent to Rs.1,295.88 billion, compared to a 3.1 percent decline in the previous year. Trade with China expanded by 14.1 percent to Rs.343.73 billion, from 34.2 percent increment in the previous year. Similarly, trade with other countries increased by 28.3 percent to Rs.441.54 billion, compared to a 16.0 percent decline in the prior year.
- 1.35 The export-import ratio stood at 15.4 percent in 2024/25, higher than 9.6 percent recorded in the previous year. India's share in total exports, imports, trade deficit, and total trade stood at 81.1 percent, 59.4 percent, 55.4 percent, and 62.3 percent respectively which were 67.7 percent, 62.6 percent, 62.0 percent, and 63.0 percent respectively in the previous year.

Service Account

- 1.36 In 2024/25, the service account recorded a deficit of Rs.90.94 billion compared to the deficit of Rs.55.86 billion in the previous year.
- 1.37 Service income decreased by 5.6 percent to Rs.238.66 billion in 2024/25, which was increased by 31.4 percent in the previous year. In the review year, travel income increased by 7.7 percent to Rs.88.66 billion compared to a 32.1 percent increase in the previous year.
- 1.38 Gross service payments increased by 6.8 percent to Rs.329.60 billion in the review year, compared to a 13.4 percent increase in the previous year. Travel expenditure, a component of service payments, rose by 18.1 percent to Rs.223.72 billion, compared to a 31.1 percent rise in the previous year.

Transfer

- 1.39 In 2024/25, net transfer income increased by 19.3 percent to Rs.1874.30 billion. Such income had increased by 14.7 percent in the previous year.
- 1.40 In the review year, transfer income increased by 19.5 percent to Rs.1886.16 billion compared to an increase of 14.6 percent last year. Similarly, transfer payments increased by 77.1 percent to Rs.11.86 billion in the review year, which declined by 14.0 percent in the previous year.
- 1.41 Workers' remittance inflows increased by 19.2 percent to Rs.1723.27 billion in the review year, compared to a 16.5 percent increase in the previous year. The ratio of remittance inflows to GDP stood at 28.2 percent in the review year, up from 25.3 percent a year earlier.
- 1.42 Pension income declined by 6.1 percent to Rs.64.37 billion in the review year, compared to a 8.9 percent decrease in the previous year.

Current Account and Balance of Payments

- 1.43 In 2024/25, the current account registered a surplus of Rs.409.20 billion, up from a surplus of Rs.221.71 billion in the previous year. In the review year, the ratio of current account surplus to GDP was 6.7 percent compared to 3.9 percent of GDP in the previous year.
- 1.44 Transfers under the capital account declined by 69.2 percent to Rs.9.85 billion in the review year. Within the financial account, net foreign direct investment decreased by 13.0 percent to Rs.7.31 billion from a Rs.8.40 billion in the previous year.
- 1.45 The Balance of Payments (BOP) recorded a surplus of Rs.594.54 billion in 2024/25, an increase from the surplus of Rs.502.49 billion in the previous year.
- 1.46 Government sector foreign debt receipts increased by 0.9 percent to Rs.125.40 billion in 2024/25 compared to the increase of 21.7 percent in the previous year. Meanwhile,

principal repayments on government debt rose by 20.0 percent to Rs.47.01 billion, following a 13.2 percent increase in the previous year.

Foreign Exchange Reserves

- 1.47 Gross foreign exchange reserves increased by 31.2 percent to Rs.2677.68 billion in mid-July 2025, compared to an increase of 32.6 percent to Rs.2041.10 billion in mid-July 2024. In U.S. Dollars terms, foreign exchange reserves increased by 27.7 percent to USD 19.50 billion, which was increased by 30.4 percent in the previous year.
- 1.48 Foreign exchange reserves held by the NRB increased by 30.6 percent to Rs.2414.64 billion in mid-July 2025, up from Rs.1848.55 billion a year earlier. The NRB accounted for 90.2 percent of the total foreign exchange reserves, while the share of Indian currency in the reserves stood at 23.1 percent.

Reserve Adequacy Indicators

- 1.49 Based on the import of 2024/25, the banking sector's foreign exchange reserves as of mid-July 2025 is sufficient to cover 18.2 months of merchandise imports and 15.4 months of merchandise and services imports.
- 1.50 In the review year, the ratio of foreign exchange reserves to GDP, total imports, broad money supply and reserve money were 43.8 percent, 128.1 percent, 34.1 percent, and 231.2 percent respectively. In the previous year, these ratios were 35.8 percent, 108.6 percent, 29.3 percent, and 204.6 percent, respectively (Table 1.3).

Table 1.3: Reserve Adequacy Indicators

Description	2022/23	2023/24	2024/25
1. Foreign Exchange Reserve Position Sufficient for Financing Imports (In Months)			
a. Merchandise	11.7	15.6	18.2
b. Merchandise and Services	10.0	13.0	15.4
2. Gross Foreign Exchange Reserve/GDP (percent)	28.7	35.8	43.8
3. Gross Foreign Exchange Reserve/Imports* (percent)	83.0	108.6	128.1
4. Gross Foreign Exchange Reserve/Broad Money Supply (percent)	24.9	29.3	34.1
5. Gross Foreign Exchange Reserve/Reserve Money (percent)	166.3	204.6	231.2

* Merchandise and service imports.

Foreign Assets and Liabilities Position

- 1.51 As of mid-July 2025, the country's foreign assets stood at Rs.2929.69 billion, while foreign liabilities at Rs.2146.43 billion. As a result, the net international investment position (IIP) recorded a surplus of Rs.783.26 billion, compared to a surplus of Rs.305.84 billion in mid-July 2024.

Trend of Exchange Rate

- 1.52 The exchange rate of the Nepalese Rupee against the Indian Rupee was kept fixed during 2024/25 as well. Compared to mid-July 2024, the Nepalese currency depreciated by 2.66 percent against the US Dollars, 5.92 percent against the Pound Sterling, 9.04 percent

against the Euro, and 8.75 percent against the Japanese Yen during the review period (Table 1.4).

Table 1.4: The trend of the Exchange Rate of the Nepalese Rupee

Foreign Currency	Buying Rate in NPR			Appreciation (+) / Depreciation (-) Percentage	
	Mid-July			2024	2025
	2023	2024	2025		
1 US Dollar	131.17	133.36	137.00	-1.64	-2.66
1 Pound Sterling	171.95	173.29	184.19	-0.77	-5.92
1 Euro	147.19	145.46	159.91	+1.19	-9.04
10 Japanese Yen	9.45	8.45	9.26	+11.83	-8.75

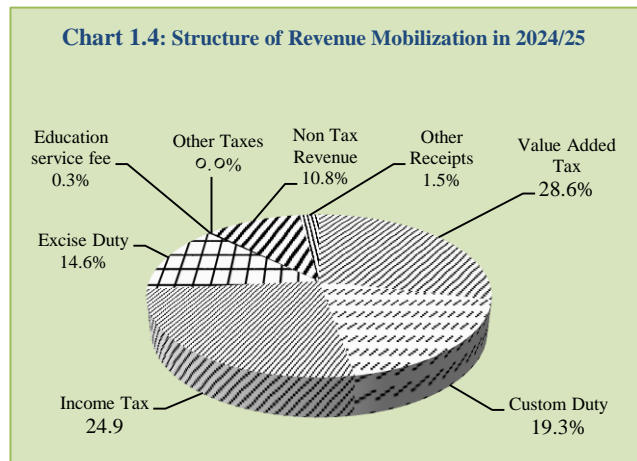
Export Import Price Index

1.53 On a year-on-year basis, the Unit Value Export Price Index based on customs data decreased by 2.3 percent as of mid-July 2025. In contrast, the import value price index increased by 0.5 percent during the same period. Additionally, the terms of trade (ToT) index, which rose by 1.7 percent in mid-July 2024, decreased by 2.8 percent in mid-July 2025.

Fiscal Situation

Government Revenue

1.54 According to the Ministry of Finance (Financial Comptroller General Office-FCGO), government revenue mobilization (including transfers to provincial and local governments and other receipts) increased by 10.5 percent to Rs.1196.19 billion in 2024/25. The revenue was increased by 7.1 percent to Rs.1082.72 billion in the previous year. The ratio of revenue to GDP stood at 19.6 percent in the review year, slightly higher than 19.0 percent recorded in the previous year.



1.55 Value Added Tax (VAT) increased by 10.1 percent to Rs.341.93 billion in the review year, with a rise of 8.3 percent to Rs.310.45 billion in the previous year.

1.56 Income tax rose by 5.1 percent to Rs.297.81 billion in the review year compared to a 12.6 percent rise to Rs.283.46 billion in the previous year.

1.57 Customs revenue increased by 14.9 percent to Rs.230.91 billion during the review year, following a rise of 10.4 percent to Rs. 201.02 billion in the previous year.

1.58 Excise duty rose by 19.7 percent to Rs.175.16 billion in 2024/25, following a rise of 2.3 percent to Rs.146.35 billion a year earlier.

1.59 Of the total revenue mobilized (including other receipts) in the review year, VAT contributed 28.6 percent, income tax 24.9 percent, customs duty 19.3 percent, and excise

duty 14.6 percent (Chart 1.4). These shares stood at 28.7 percent, 26.2 percent, 18.6 percent, and 13.5 percent, respectively, in the previous year.

- 1.60 Non-tax revenue mobilization increased by 12.8 percent to Rs.128.94 billion in the review year, following a 24.7 percent rise to Rs.114.34 billion in the previous year.
- 1.61 In the review year, tax revenue accounted for 87.8 percent, non-tax revenue 10.8 percent, and other receipts 1.5 percent of total revenue. The shares of direct and indirect tax revenue in total tax revenue were 28.8 percent and 71.2 percent, respectively. In the previous year, tax revenue comprised 87.2 percent, non-tax revenue 10.6 percent, and other receipts 2.2 percent, with direct and indirect tax revenue accounting for 30.4 percent and 69.6 percent, respectively.

Government Expenditure

- 1.62 According to the Ministry of Finance (Financial Comptroller General Office-FCGO), total government expenditure increased by 9.3 percent to Rs.1523.11 billion in 2024/25. In the previous year, such expenditure had amounted to Rs.1393.40 billion.

Table 1.5: Government Expenditure and Revenue

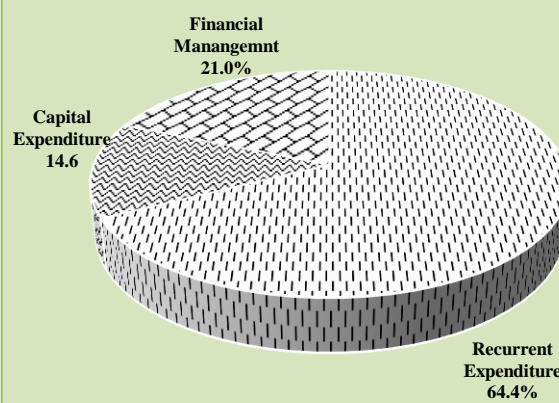
Description	Amount (In Billion)			Percentage Change	
	2022/23	2023/24*	2024/25#	2022/23	2023/24
Total Expenditure	1421.33	1393.40	1523.11	-2.0	9.3
<i>Recurrent Expenditure</i>	991.51	929.13	980.38	-6.3	5.5
<i>Capital Expenditure</i>	234.62	192.03	222.68	-18.2	16.0
<i>Financial Management</i>	195.20	272.25	320.04	39.5	17.6
Total Revenue	957.35	1058.87	1178.82	10.6	11.3
<i>Tax Revenue</i>	865.63	944.55	1049.88	9.1	11.2
<i>Non Tax Revenue</i>	91.72	114.31	128.94	24.6	12.8
<i>Other Receipts</i>	53.30	23.85	17.37	-55.2	-27.2
<i>Total Receipts</i>	1010.65	1082.72	1196.19	7.1	10.5

Source: Ministry of Finance, Financial Comptroller General Office

* Actual, # Estimated

- 1.63 In 2024/25, recurrent expenditure increased by 5.5 percent to Rs.980.38 billion compared to Rs.929.13 billion in the previous year.
- 1.64 Capital expenditure increased by 16.0 percent to Rs.222.68 billion in the review year, up from Rs.192.03 billion in the previous year.
- 1.65 Financing expenditure increased by 17.6 percent to Rs.320.04 billion in 2024/25, up from Rs.272.25 billion in the preceding year.

Chart 1.5: Structure of Government Expenditure in 2024/25



1.66 Of the total government expenditure in the review year, recurrent expenditure accounted for 64.4 percent, capital expenditure 14.6 percent, and financing expenditure 21.0 percent. (Chart 1.5).

1.67 Based on banking transactions, total government expenditure increased by 10.0 percent to Rs. 1,480.7 billion in 2024/25. In the previous year, such expenditure was Rs. 1,346.21 billion.

Table 1.6: Major Government Finance Indicators
(Percent of GDP)

Particulars	2022/23	2023/24	2024/25
Total expenditure	26.5	24.4	24.9
Recurrent Expenditure	18.5	16.3	16.1
Capital Expenditure	4.4	3.4	3.6
Financial Management	3.6	4.8	5.2
Revenue	18.8	19.0	19.6
Tax Revenue	17.8	18.5	19.3

1.68 As a share of GDP, recurrent, capital, and financing expenditures stood at 16.1 percent, 3.6 percent, and 5.2 percent respectively in 2024/25 compared to 16.3 percent, 3.4 percent, and 4.8 percent in the previous year (Table 1.6).

Sources of Financing the Budget Deficit

1.69 In 2024/25, total domestic borrowing mobilization amounted to Rs.329.99 billion, with net domestic borrowing standing at Rs.86.08 billion. These figures represent 5.4 percent and 1.4 percent of GDP respectively. In comparison, the previous fiscal year recorded a total domestic borrowing of Rs.234.42 billion and net borrowing of Rs.51.80 billion. During the review year, the principal repayment of domestic debt totaled Rs.243.91 billion.

Cash Balance

1.70 At the end of 2024/25, the GoN maintained a cash balance of Rs.130.73 billion with the NRB, including the balances of provincial and local governments. from the cash balance was recorded Rs.93.96 billion at the end of the previous fiscal year.

Government Debt

1.71 As of mid-July 2025, the outstanding external debt of the GoN stood at Rs.1,401.42 billion, while domestic debt amounted to Rs.1,268.22 billion, having the total outstanding public debt to Rs.2,669.65 billion. The total outstanding debt was Rs.2,438.49 billion in the mid-July of

Table 1.7: Government Debt Situation

S.N.	Government Debt Indicators	2022/23	2023/24	2024/25
1.	Total Debt/Gross Domestic Product	42.8	42.7	43.7
2.	External Debt/Gross Domestic Product	21.8	22.0	22.9
3.	Domestic Debt/Gross Domestic Product	21.0	20.7	20.8
4.	External Debt/Exports	744.7	825.5	505.9
5.	External Debt Service/Exports	22.0	26.5	17.1
6.	Domestic Debt Service/ Revenue	11.4	16.9	20.4
7.	Total Debt Service/Revenue	14.8	20.6	24.3
8.	External Debt Service/Revenue	3.4	3.7	4.0

Source: FCGO and NRB

the previous year. The total outstanding debt-to-GDP ratio stood at 43.7 percent in the review year, which was 42.7 percent in the previous year. Additional indicators related to government debt are presented in Table 1.7.

Provincial Government Fiscal Situation

1.72 In 2024/25, the total expenditure of provincial governments, based on banking transactions, amounted to Rs.198.57 billion. During the review period, provincial governments collected a total of Rs.203.42 billion in the revenue. Of this amount, Rs.152.93 billion was transferred by the federal government, comprising revenue shares from grants and the divisible fund. Additionally, provincial governments mobilized Rs.50.49 billion through their revenue and other sources.

Policy Provisions Related to Revenue

1.73 In the budget of 2024/25, the GoN has adopted the following revenue policy.

- Reform the revenue system to expand domestic economic activities, promote investment, and prioritize and encourage domestic production and enterprises,
- Develop a sustainable, transparent, and equitable revenue system by expanding the scope of revenue and protecting the tax base,
- Expand the scope of tax and increase tax compliance through taxpayer education and awareness programs,
- Control revenue leakage by strengthening inter-agency coordination,
- Enhance the efficiency and professionalism of revenue administration.

Tax Rates

1.74 In 2024/25, import tariff rates were maintained at ten slabs: 1, 5, 10, 15, 20, 30, 40, 60, 70, and 80 percent, compared to nine rates in the previous year. Export tariffs remained at two rates of 10 percent and 200 percent. The number of excise duty rates applicable in 2024/25 stood at fifteen slabs: 5, 7, 10, 15, 20, 25, 30, 35, 40, 50, 55, 60, 75, 100 and 105 percent. The threshold for tax exemption on the income of natural persons remained unchanged.

Table 1.8: Tax Rates

Heading	2023/24	2024/25
1. Import Duties (Percent)	5, 10, 15, 20, 30, 40, 60, 70, 80	1, 5, 10, 15, 20, 30, 40, 60, 70, 80
2. Export Duties (Percent)	200, 10	200, 10
3. Excise (Percent)	5, 7, 10, 15, 20, 25, 35, 30, 40, 45, 50, 55, 60, 65, 75, 80, 85, 90, 95, 100, 105	5, 7, 10, 15, 20, 25, 30, 35, 40, 50, 55, 60, 80, 100, 105
4. VAT (Percent)	13	13
5. Income Tax		
In the case of a natural person		
(a) Threshold for 1% income tax		
(i) Individual	Rs.5,00,000/-	Rs.5,00,000/-
(ii) Couple or Family	Rs.6,00,000/-	Rs.6,00,000/-
(b) Above the threshold subject to 1% income tax		
(i) On the first Rs. 100,000 (up to an additional Rs. 200,000 in FY 2022/23).	10%	10%
(ii) On the next Rs. 200,000 (up to an additional Rs. 300,000 in FY 2022/23).	20%	20%
(iii) Then, up to Rs. 20,00,000.	30%	30%
(iv) On income exceeding Rs. 20,00,000.	36%	36%
Corporate Tax		

Macroeconomic and Financial Situation

Heading	2023/24	2024/25
(a) Flat Rate on Corporate Net Income		
(i) Banks, finance companies, and Financial Institutions	30 Percent	30 Percent
(ii) Telecommunication & Internet service provider, Remittance service provider, Securities business, Merchant Banking Business and Commodity Broker business	30 Percent	30 Percent
(iii) Businesses involved in Cigarettes, tobacco, cigars, alcoholic drinks, and beer-related transactions	30 Percent	30 Percent
(iv) Others	25 Percent	25 Percent
(b) Partnership Firm	25 Percent	25 Percent
(c) Cooperative tax in order: Rural Municipality, Sub-Metropolitan City, Metropolitan City.	7.5, 10 and 15 Percent	7.5, 10 and 15 Percent
6. Capital Gain Tax		
(a) In the case of capital gains arising from the disposal of interests in an entity listed with the Nepal Securities Board:		
(i) Where the ownership period exceeds 365 days	5 Percent	5 Percent
(ii) Where the ownership period is 365 days or less	7.5 Percent	7.5 Percent
(b) In the case of capital gains arising from the disposal of land or a private building owned by a natural person:		
(i) Where the ownership of the property is five years or more	5 Percent	5 Percent
(ii) Where the ownership of the property is less than five years	7.5 Percent	7.5 Percent
(iii) In the case of land or property owned by any other person	1 Percent	1 Percent
House Land Rent Tax	10 Percent	10 Percent
Meeting Allowance	15 Percent	15 Percent
Commission	15 Percent	15 Percent
Lottery, Gift, Prize	25 Percent	25 Percent
Interest Tax	5 Percent	6 Percent
Provident Fund and Pension	5 Percent	5 Percent
Government Securities	5 Percent	5 Percent
Dividend Tax	5 Percent	5 Percent
In the case of gold		
First 50 grams, for each 10-gram	Rs.9500/-	Rs.9500/-
In case of 50-100 grams, for each 10 grams	Rs.10,500/- duty plus additional three percent	Rs.10,500/-duty plus additional three percent
In case of above 100 grams, for each 10-gram	To be seized	To be seized
Others		
Infrastructure Development Fee	Petrol & Diesel Rs.10/Litre	Petrol & Diesel Rs.10/Litre
Road Maintenance and Improvement Charge	Petrol Rs 4/Litre and Diesel Rs. 2/Litre	Petrol Rs 4/Litre and Diesel Rs. 2/Litre
Pollution Control Fee (on petrol and diesel)	Rs. 1.5/ Litre	Rs. 1.5/ Litre
Telephone Ownership Fee		
Charges applicable installation fees	Rs.500	Rs.500
On the use of SIM cards and recharge cards	2 Percent	2 Percent
Digital Services Tax	2 Percent	2 Percent

Source: Finance Bill 2024/25, Integrated Customs Tariff 2024/25.

Status of Public Enterprises

1.75 As of 2023/24, a total of 45 Public Enterprises (PEs) were in operation, comprising 10 in the industrial sector, 5 in public utilities, 4 in trading, 10 in financial services, 5 in the social sector, and 11 in services. Analysis of their financial performance

Table 1.9: Status of Public Enterprises

	Rs. In Ten Million			Growth Rate (percent)	
	2021/22	2022/23	2023/24	2022/23	2023/24
Government Investment	61816.5	66494.1	70393.9	7.6	5.9
<i>Share Investment</i>	32892.8	35640.5	36486.2	8.4	2.4
<i>Loan Investment</i>	28923.7	30853.6	33907.7	6.7	9.9
Shareholders' Fund	76133.3	99040.5	103758.5	30.1	4.8
Unfunded Liabilities	4736.0	5287.0	6261.3	11.6	18.4
Operating Income	57543.6	66163.4	66015.5	15.0	-0.2
Net Profit/Loss	154.2	4892.3	4262.2	3072.5	-12.9
Retained Profit/Loss	5240.8	6574.8	9272.4	25.5	41.0

Source: Annual Performance Review of Public Enterprises (2025), Ministry of Finance, Government of Nepal

- revealed that 28 PEs reported profits, 15 incurred losses, and transaction details of 2 institutions have not been obtained during the year. The net profit of the 28 profitable enterprises decreased by 11.50 percent, while the net loss of the 15 loss-making enterprises increased by 8.65 percent in the review year.
- 1.76 In 2023/24, net profit of Public Enterprises (PEs) reduced by 12.88 percent, falling from Rs.48.51 billion to Rs.42.62 billion (Table 1.9). Key contributors to the profits included Nepal Oil Corporation (Rs.9.55 billion), Nepal Telecom Limited (Rs.6.23 billion), Nepal Electricity Authority (Rs.10.53 billion), Agricultural Development Bank Limited (Rs.2.90 billion), Rastriya Banijya Bank Limited (Rs.2.55 billion), Nepal Bank Limited (Rs.2.84 billion), Deposit and Credit Guarantee Fund (Rs.4.65 billion), Citizen Investment Trust (Rs.1.16 billion), and Civil Aviation Authority of Nepal (Rs.3.39 billion), among others.
- 1.77 Total shareholders' fund of PEs, including GoN's share and loan investments, increased in 2023/24. GoN's share and loan investment rose by 5.9 percent compared to the previous fiscal year.
- 1.78 In 2023/24, the GoN received Rs.8.84 billion in dividends from PEs, compared to Rs.13.76 billion in 2022/23. This dividend accounted for 2.42 percent of GoN's total share investment. Dividends received from key PEs included Rs.6.59 billion from Nepal Telecom Limited, Rs.859.8 million from Rastriya Banijya Bank Limited and Rs.375.4 million from Nepal Stock Exchange Limited.
- 1.79 The net accumulated profit of PEs increased by 41.0 percent to Rs.92.72 billion in 2023/24, up from Rs.65.75 billion in the previous year.
- 1.80 In 2023/24, the unfunded liabilities of Public Enterprises (PEs), arising from employee-related obligations including retirement benefits, pensions, medical care, insurance, and post-retirement leave allowances increased by 18.4 percent to Rs.62.61 billion, up from Rs.52.87 billion in the previous year.

Monetary and Financial Situation

Monetary Situation

- 1.81 In 2024/25, broad money (M2) increased by 12.5 percent compared to a 12.9 percent increase in the previous year. Narrow money (M1) increased by 22.0 percent during the review year, compared to a 1.7 percent decrease in the previous year.
- 1.82 Currency in circulation increased by 12.6 percent, up from a 10.0 percent increase in the previous year, while demand deposits increased 36.7 percent, compared to a 15.9 percent decline in the previous year.
- 1.83 Net foreign assets, after adjustment on foreign exchange valuation gains and losses, expanded by Rs.594.54 billion (29.9 percent) during the review year, compared to Rs.502.49 billion (34.5 percent) growth in the previous year.
- 1.84 Domestic credit growth increased by 6.2 percent during the review year, compared to 6.1 percent growth in the previous year.
- 1.85 Net claims of the monetary sector on the GoN decreased by 3.4 percent (Rs.36.04 billion), a notable slowdown from the 4.0 percent rise seen in the previous year.
- 1.86 Claims of the monetary sector on the private sector increased by 8.1 percent (Rs.422.19 billion) compared to a 6.1 percent increase in the previous year.
- 1.87 Reserve money increased by 16.1 percent during the review year, up from a 7.7 percent increase in the previous year.
- 1.88 Deposit mobilization of the BFIs increased by 12.6 percent, slightly lower than the 13.0 percent growth recorded in the previous year. Similarly, credit extended to the private sector increased by 8.4 percent during the review year, up from 5.8 percent increase in the previous year.

Interbank Transactions and Utilisation of Standing Deposit and Liquidity Facilities

- 1.89 In 2024/25, interbank transactions of commercial banks totaled Rs.1,571.86 billion, while those among other financial institutions (excluding transactions among commercial banks) amounted to Rs.151.73 billion (Table 1.10). In the previous year, these transactions were Rs.3,863.48 billion and Rs.362.99 billion, respectively.

Table 1.10: Interbank Transactions and Utilisation of Standing Liquidity Facility

Particulars	2022/23	2023/24	2024/25
Interbank transactions of commercial banks (Rs.in billion)	3,942.15	3,863.48	1,571.86
Interbank rate of commercial banks (In Percent) ¹	2.98	2.99	2.92
Interbank transactions of other financial institutions except among commercial banks (Rs.in billion)	352.07	362.99	151.73
Inter-bank rate of other financial institutions (In percent) ¹	4.70	2.99	3.00
Use of standing liquidity facility (SLF) (Rs.in billion)	2,727.11	1.2	-
Standing deposit facility (SDF) (Rs.in billion)	-	3,522.35	21,508.40

¹ Weighted average interest rate during the period of mid-June to mid-July

Liquidity Management

- 1.90 The NRB has been conducting Open Market Operations in accordance with *the provisions outlined in Nepal Rastra Bank, Open Market Operations Regulations, 2021 (Fifth Amendment, 2024)*. Both regular and structural open market operations are carried out with consideration of various factors, including Liquidity Monitoring and Forecasting Framework report prepared by the Economic Research Department, banking system's liquidity position, deposit and lending trends, interbank rates, current account and balance of payments status, government revenue and expenditure, as well as other relevant economic and financial indicators. Regular open market operations employ instruments such as repo/reverse repo auctions and deposit collection instruments, whereas structural operations involve outright purchase/sale auctions, long-term repo/reverse repo auctions, long-term deposit collection auctions, and issuance of Nepal Rastra Bank bonds.
- 1.91 In 2024/25, a total liquidity of Rs.24,651.35¹ billion was mopped up through open market operations. Of this amount, Rs.3,142.95 billion was absorbed through deposit collection auctions and Rs.21,508.40 billion through the standing deposit facility. Conversely, liquidity injection during the review year amounted to Rs.2.70 billion through the overnight liquidity facility.

Foreign Exchange Transactions

- 1.92 In 2024/25, Nepal Rastra Bank injected a net liquidity of Rs.787 billion through the net purchase of US\$5.83 billion from the foreign exchange market (commercial banks). In the previous year, net liquidity injection amounted to Rs.783.47 billion through the net purchase of US\$5.89 billion (Table 1.11). During the review year, Indian Currency (IC) worth Rs.567.61 billion was purchased by selling US\$ 4.2 billion. In comparison, the previous year saw IC purchases of Rs.535.07 billion against US\$ 4.02 billion sales.

Table 1.11: Overall Situation of Foreign Exchange Transactions

(Rs.in billion)

Particulars	2022/23	2023/24	2024/25
1. US\$ purchase	712.50	783.47	787
2. US\$ sale	-	-	-
3. Net liquidity injection (1-2)	712.50	783.47	787
4. Purchase of IC by selling US\$	596.37	535.07	567.61

Situation of Interest Rates

- 1.93 The short-term interest rates are declined in mid-July 2025 compared to mid-July 2024. The 91-days weighted average Treasury bills' rate stood at 2.95 percent in mid-July 2025, down from 3.00 percent in mid-July 2024. The weighted average interbank rate among BFIs, the operating target of monetary policy, averaged 2.96 percent in mid-July 2025, compared to 2.99 percent in mid-July 2024.

¹ On transaction basis.

Table 1.12: Weighted Average Interest Rate (Percent)

Particular	Mid-July 2023	Mid-July 2024	Mid-July 2025
91-day treasury bills rate	6.35	3.00	2.95
Inter-bank rate of BFIs	3.14	2.99	2.96
Base rate			
Commercial banks	10.03	8.00	6.02
Development banks	12.15	9.71	8.03
Finance companies	13.41	11.21	8.97
Deposit rate			
Commercial banks	7.86	5.77	4.19
Development banks	9.14	6.63	4.88
Finance companies	9.79	7.93	6.01
Lending Rate			
Commercial banks	12.30	9.93	7.85
Development banks	14.10	11.34	8.95
Finance companies	14.82	12.55	10.22

1.94 In mid-July 2025, the average base rate of commercial banks, development banks, and finance companies stood at 6.02 percent, 8.03 percent, and 8.97 percent respectively. These rates were 8.00 percent, 9.71 percent, and 11.21 percent respectively in mid-July 2024. The weighted average deposit rate was 4.19 percent for commercial banks, 4.88 percent for development banks, and 6.01 percent for finance companies in mid-July 2025. These rates were 5.77 percent for commercial banks, 6.63 percent for development banks, and 7.93 percent for finance companies in mid-July 2024. Similarly, the weighted average lending rate was 7.85 percent for commercial banks, 8.95 percent for development banks, and 10.22 percent for finance companies in mid-July 2025. These rates were 9.93 percent for commercial banks, 11.34 percent for development banks, and 12.55 percent for finance companies in mid-July 2024 (Table 1.12).

Status of Sources and Uses of Funds of the BFIs

Commercial Banks

- 1.95 In 2024/25, the total assets and liabilities of commercial banks expanded by 12.0 percent (Rs.867.78 billion) to Rs.8,095.38 billion, compared to a 12.9 percent rise (Rs.824.29 billion) in the previous year.
- 1.96 In 2024/25, total deposit mobilization of commercial banks increased by 13.7 percent (Rs.784.87 billion) to Rs.6,531.87 billion as of mid-July 2025. This reflects an improvement compared to the 13.3 percent (Rs.674.77 billion) growth recorded in the previous year. During the review year, demand deposits and savings deposits increased by 38.9 percent and 36.5 percent respectively, while the fixed deposits declined by 2.0 percent. In contrast, demand deposits was decreased by 16.0 percent, while saving and fixed deposits was increased 28.2 percent and 9.7 percent respectively in the previous year.

- 1.97 During the review year, loan and advances of commercial banks increased by 7.2 percent (Rs.424.61 billion) to Rs.6,295.65 billion as of mid-July 2025. In the previous year, loans and advances of commercial banks increased by 7.7 percent (Rs.419.77 billion). During the review year, commercial banks' claims on the private sector increased by 8.6 percent (Rs.386.03 billion), up from a 5.8 percent increase (Rs.246.95 billion) in the previous year. Consequently, the ratio of commercial banks' claims on the private sector to the GDP stood at 79.9 percent in mid-July 2025.
- 1.98 Out of of total credit portfolio as of mid-July 2025, loans and advances by commercial banks to priority sectors accounted for 33.26 percent (Rs.1821.49 billion). Within this, lending to the agriculture sector and non-agriculture² sector constituted 13.64 percent and 19.62 percent respectively.
- 1.99 During the review year, commercial banks' investment in government securities increased by 1.5 percent (Rs.15.58 billion) to Rs.1,031.18 billion in mid-July 2025. In the previous year, such investment was increased by Rs.124.78 billion.
- 1.100 As of mid-July 2025, the liquid assets of commercial banks, including investments in government securities, totaled Rs.1,747.10 billion. These liquid assets accounted for 26.71 percent of total deposits during the review year, slightly lower than 27.4 percent recorded in the previous year. Among the components of liquid assets, liquid funds grew by 28.4 percent during the review year. Meanwhile, commercial banks' balances held with foreign banks increased by 36.8 percent (Rs.69.63 billion) to Rs.258.87 billion, whereas balances held with the NRB increased by 33.6 percent (Rs.91.55 billion) to Rs.363.85 billion as of mid-July 2025.

Development Banks

- 1.101 During the review year, the total assets and liabilities of development banks increased by 5.1 percent (Rs.36.26 billion) to Rs.753.55 billion as of mid-July 2025, compared to a 7.9 percent increase (Rs.52.29 billion) in the previous year.
- 1.102 Total deposits, the primary source of resource mobilization, grew by 3.5 percent (Rs.21.07 billion) to Rs.629.32 billion during the review year. The liquid assets of development banks, including investments in government securities, stood at Rs.124.13 billion as of mid-July 2025, accounting for 19.7 percent of the total deposits, slightly lower than 20.20 percent recorded in the previous year. On liquid assets' component, liquid funds expanded by 9.9 percent to Rs.33.60 billion during the review year.
- 1.103 Loans and advances of development banks increased by 3.5 percent (Rs.22.45 billion) to Rs.659.93 billion as of mid-July 2025, compared to a 3.7 percent increase (Rs.22.96 billion) in the previous year. Credit to the private sector, a major component of loans and

² Energy and Cottage/SMEs.

advances, increased by 6.1 percent to Rs.511.43 billion, representing 8.4 percent of the GDP.

- 1.104 As of mid-July 2025, the outstanding credit extended by development banks to the agriculture, micro, cottage, small enterprises/businesses, energy, and tourism sectors accounted for 25.67 percent (Rs.132.22 billion) of their total credit portfolio.

Finance Companies

- 1.105 During the review year, the total assets and liabilities of finance companies increased by 3.40 percent (Rs.5.81 billion) to Rs.175.72 billion as of mid-July 2025. This followed a 11.2 percent increase to Rs.169.72 billion in the previous year. Deposit mobilization, increased by 2.90 percent (Rs.3.72 billion) to Rs.130.26 billion in mid-July 2025, compared to a 13.8 percent increase in the previous year.
- 1.106 The liquid assets of finance companies, including investments in government securities, amounted to Rs.25.39 billion in mid-July 2025, representing a 19.50 percent share in the total deposits. This ratio was 23.3 percent in the previous year. Among the components of liquid assets, liquid funds expanded by 9.2 percent to Rs.7.68 billion in mid-July 2025.
- 1.107 Loans and advances extended by finance companies increased by 0.2 percent (Rs. 0.31 billion) to Rs.147.95 billion in mid-July 2025, up 6.80 percent from the previous year. Within this portfolio, credit to the private sector grew by 8.4 percent to Rs.104.08 billion, equivalent to 1.7 percent of GDP.
- 1.108 As of mid-July 2025, outstanding credit extended by finance companies to the agriculture, micro, cottage, small enterprises/businesses, energy, and tourism sectors accounted for 19.50 percent (Rs.19.74 billion) of their total credit portfolio.

Microfinance Financial Institutions (MFIs)

- 1.109 As of mid-July 2025, the total assets and liabilities of MFIs increased by 9.7 percent, to Rs.607.56 billion. In this period, total deposits amounted to Rs.199.76 billion, while borrowings stood at Rs.239.50 billion. Total loans extended by MFIs reached to Rs.491.80 billion, alongside investments totaling to Rs.10.54 billion.

Infrastructure Development Bank

- 1.110 As of mid-July 2025, the assets and liabilities of Nepal Infrastructure Bank increased by 45.23 percent to Rs.42.84 billion. The bank's paid-up capital stood at Rs.21.60 billion, while loans and investments amounted to Rs.25.14 billion.

Resources and Utilization status of Non-bank Financial Institutions

Insurance Companies

- 1.111 As of mid-July 2025, a total of 37 insurance companies were in operation, comprising 14 life insurance, 14 non-life insurance, 2 reinsurance, and 7 micro-insurance companies. According the Nepal Insurance Authority, the total assets and liabilities of these insurance

companies increased by 16.5 percent to Rs.1093.96 billion, up from Rs.939.23 billion in mid-July 2024.

Employees Provident Fund (EPF)

1.112 Total assets/liabilities of the Employees' Provident Fund (EPF) increased by 9.0 percent to Rs.623.21 billion in mid-July 2025, compared to an 11.6 percent increase to Rs.571.32 billion in the previous year. The provident fund balance of employees grew by 11.7 percent, reaching Rs.578.99 billion in mid-July 2025, up from Rs.518.47 billion in mid-July 2024.

Citizen Investment Trust (CIT)

1.113 Total assets and liabilities of the Citizens Investment Trust (CIT) increased by 2.5 percent to Rs.311.07 billion as of mid-July 2025, compared to Rs.303.41 billion in the previous year. On the liabilities side, fund collection rose by 17.7 percent to Rs.271.72 billion from Rs.230.93 billion of the previous year. Similarly, loans and advances grew by 10.1 percent to Rs.87.04 billion as of mid-July 2025, compared to Rs. 79.06 billion a year ago.

Social Security Fund (SSF)

1.114 Social Security Fund's (SSF) total assets and liabilities increased by 21.0 percent to Rs.119.38 billion in mid-July 2025, compared to a 31.0 percent increase to Rs.98.33 billion in mid-July 2024. By the end of mid-July 2025, a total of 2,380,181 individuals were registered with the SSF, including 1,776,753 migrant workers, 720 informal sector workers, 418 self-employed individuals, and 20,976 employees from formal sector firms and companies.

Deposit and Credit Guarantee Fund (DCGF)

1.115 The Deposit and Credit Guarantee Fund (DCGF) has been providing credit guarantee services to priority sectors, including livestock and vegetable farming loans, concessional loans, foreign employment loans, micro and deprived sector loans, and small and medium-scale enterprise loans. As of mid-July 2025, the DCGF had guaranteed credit totaling Rs.328.38 billion, supported by total deposits amounting to Rs.1,579.05 billion (Table 1.13).

Table 1.13: Transaction Details of Deposit and Credit Guarantee Fund

Particulars	Mid-July			Percent Change	
	2023	2024	2025	2023/24	2024/25
Total deposit guaranteed (Rs.in billion)	1232.95	1430.46	1579.05	16.02	10.2
Total credit guaranteed (Rs.in billion)	216.44	257.72	328.38	19.07	27.42

Source: Deposit and Credit Guarantee Fund

Credit Information Centre Limited

1.116 According to Credit Information Centre Limited, a total of 6,265,826 credit information requests were made by 20 commercial banks, 17 development banks, 17 finance companies, and 52 microfinance institutions during 2024/25. The number of blacklisted

borrowers at the Centre increased to 129,974 as of mid-July 2025, up from 94,477 in mid-July 2024.

Financial Structure

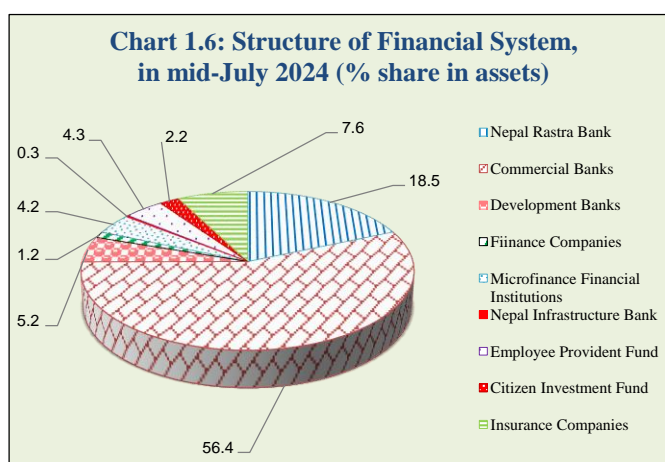
1.117 As of mid-July 2025, a total of 161 banks and non-bank financial institutions were in operation. This includes 122 BFIs (comprising 107 licensed by NRB and 15 others), 37 insurance companies, the Employees Provident Fund (EPF), the Citizens Investment Trust (CIT), and the Postal Saving Bank. Same number of institutions were in operation in the previous year as well.

Table 1.14: Number of Banks and Non-Bank Financial Institutions

Banks and Non-Bank Financial Institutions	Mid-July			
	2022	2023	2024	2025
Commercial banks	26	20	20	20
Development banks	17	17	17	17
Finance companies	17	17	17	17
Microfinance financial institutions	65	57	52	52
Infrastructure development bank	1	1	1	1
Licensed Institutions by NRB to conduct limited banking transactions	126	112	107	107
Other institutions	15	15	15	15
Insurance companies	40	34	37	37
Employees provident fund	1	1	1	1
Citizen investment trust	1	1	1	1
Postal saving bank	1	1	#	#
Total	184	164	161	161

The Deposit and Lending transactions of Postal Saving Bank have been transferred to Rastriya Banijya Bank Ltd. on 17 July 2023.

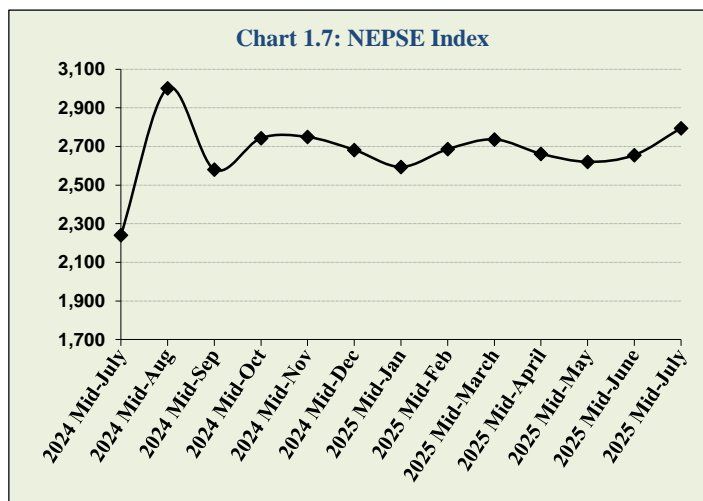
1.118 As of mid-July 2025, the NRB's share in the total assets/liabilities of the financial system stood at 18.5 percent. The corresponding shares of other financial institutions were: commercial banks at 56.4 percent, development banks at 5.2 percent, finance companies at 1.2 percent, microfinance institutions (MFIs) at 4.2 percent, infrastructure development bank at 0.3 percent, Employees Provident Fund (EPF) at 4.3 percent, Citizens Investment Trust (CIT) at 2.2 percent, and insurance companies at 7.6 percent (Chart 1.7). The ratio of total assets/liabilities of the banking system to GDP reached 235.1 percent in mid-July 2025.



Financial Expansion and Access

1.119 The number of BFIs licensed by the NRB remained unchanged at 107 as of mid-July 2025 compared to mid-July 2024. In mid-July 2025, the licensed institutions comprised 20

commercial banks, 17 development banks, 17 finance companies, 52 microfinance institutions, and 1 infrastructure development bank.



- 1.120 The total number of deposit and loan accounts in commercial banks, development banks, and finance companies increased to approximately 59.88 million deposit accounts and 1.96 million loan accounts in mid-July 2025, up from about 55.90 million deposit and 1.89 million loan accounts in mid-July 2024. Meanwhile, microfinance institutions had approximately 6.22 million members and 2.77 million loan accounts in mid-July 2025, compared to 6.00 million members and 2.66 million loan accounts a year earlier. Microfinance services have now expanded to all 77 districts across the country.
- 1.121 The number of BFIs branches (including of microfinance institutions) stood at 11,526 in mid-July 2025 to 11,530 in mid-July 2024.
- 1.122 Population per branch stood at 2,530 in mid-July 2025 compared to 2,529 in mid-July 2024.
- 1.123 In mid-July 2025, Bagmati province had the highest number of BFI branches at 3,038, while Karnali Province recorded the lowest with 479. In the previous year, these numbers were 3,038 and 475, respectively.
- 1.124 The number of mobile banking users of the BFIs rose to 27.7 million in mid-July 2025 from 24.6 million a year earlier. Similarly, debit card users of A, B, and C class BFIs increased to 13.6 million in mid-July 2025 compared to 12.9 million in mid-July 2024.

Securities Market

- 1.125 On a year-on-year basis, the NEPSE index rose by 24.7 percent to 2,794.79 points in mid-July 2025, following a 6.8 percent increase to 2,240.4 in mid-July 2024.
- 1.126 The NEPSE sensitive index increased by 23.2 percent to 489.3 points in mid-July 2025, up from 397.2 points in mid-July 2024. Likewise, the NEPSE float index increased by 26.6 percent to 193.3 points compared to 152.6 points a year earlier.
- 1.127 The total volume of share transactions increased by 189.0 percent to Rs.2,124.95 billion in 2024/25, up from Rs.734.68 billion in the previous fiscal year.
- 1.128 In mid-July 2025, market capitalization increased by 31.0 percent on year-on-year basis to Rs.4,656.99 billion. The market capitalization to GDP ratio stood at 76.25 percent in mid-July 2025 compared to 62.29 percent in mid-July 2024. During the review year, the share of BFIs (including insurance companies) in market capitalization accounted for 54.1

percent, hydropower 15.3 percent, investment companies 7.7 percent, manufacturing and processing 5.4 percent, hotels 2.7 percent, trading institutions 5 percent, and others 9.8 percent.

- 1.129 The paid-up value of listed shares on NEPSE increased by 6.0 percent to Rs.869.85 billion in mid-July 2025. In the review year, additional securities worth Rs.83.19 billion were listed, comprising ordinary shares worth Rs.40.21 billion, bonus shares Rs.24.42 billion, right shares Rs.13.23 billion, follow-on public offer (FPO) of Rs.112 million, among others
- 1.130 The number of companies listed on the Nepal Stock Exchange Limited reached to 272 as of mid-July 2025, up from 270 in mid-July 2024. Among these, 132 were BFIs (including insurance companies), 91 hydropower companies, 23 manufacturing and processing industries, 7 hotels, 7 investment companies, 4 trading companies, and 8 others.

Table 1: World Economic Growth Rate, Price, and Trade
(Annual Percent Change)

	2023	2024	Projection	
			2025	2026
World Output	3.5	3.3	3.2	3.1
Advanced Economies	1.8	1.8	1.6	1.6
United States	2.9	2.8	2	2.1
Euro Area	0.5	0.9	1.2	1.1
Japan	1.4	0.1	1.1	0.6
Emerging and Developing Economies	4.7	4.3	4.2	4
Emerging and Developing Asia	6.1	5.3	5.2	4.7
China	5.4	5	4.8	4.2
India	9.2	6.5	6.6	6.2
Goods Price				
Oil	-16.4	-1.8	-12.9	-4.5
Non-fuel	-5.7	3.7	7.4	4.1
Consumer Price				
World	6.6	5.8	4.2	3.7
Advanced Economies	4.6	2.6	2.5	2.2
Emerging and Developing Economies	8	7.9	5.3	4.7
World Trade (Merchandise and Services)	1.0	3.5	3.6	2.3

Source: International Monetary Fund, October 2025

Table 2: Macroeconomic Indicators

S.N.	Description	Percent Change		
		2022/23	2023/24	2024/25
1	Producers' Price:			
	GDP at constant (2010/11) price	1.98	3.67	4.61
	GDP at current price	7.85	6.37	6.97
2	Basic Price:			
	GDP at constant (2010/11) price	2.29	3.36	3.99
	GDP at current price	11.78	6.22	6.45
	• GNP at Current Price	8.48	6.87	6.74
	• Total consumption at current price	7.11	7.52	6.6
	• Gross domestic savings at current price	18.29	-8.34	12.64
	• Gross national savings at current price	23.45	11	9.55
	• Total investment at current price	-10.76	3.81	-1.29
	• Gross fixed capital formation at current price	-8.49	5.24	5.84
3	Gross National Disposable Income at current price	11.04	8.45	7.41
4	Money supply (M1)	1.19	-1.7	22
5	Broad money supply (M2)	11.19	12.87	12.5
6	Total domestic credit	8.9	6.07	6.18
7	Fixed deposits	12.34	13	12.58
8	Total exports	-21.4	-3	81.8
9	Total imports	-16.1	-1.2	13.3
10	Gross foreign exchange reserve	26.6	32.6	31.2
11	Government Revenue	-9.3	7.1	10.5
12	Government Expenditure	8.5	-2	9.3
13	Annual average consumer price inflation	7.74	5.44	4.06
14	Annual average wholesale price inflation	8.47	3.92	3.84
As Percent of Nominal GDP at Producers' Price				
1	Total consumption	92.8	93.8	93.4
2	Gross domestic saving	7.2	6.2	6.6
3	Gross national saving	33.9	35.4	36.2
4	Total investment at current price	31.1	30.4	28.1
5	Gross fixed capital formation	24.6	24.3	24.1
6	Gross national disposable income	123	126.7	129.2
7	Money supply (M1)	17.98	16.62	18.95
8	Broad money supply (M2)	115.13	122.16	128.46
9	Total domestic credit	115.2	114.91	114.01
10	Fixed deposits	106.39	113.02	118.94
11	Total exports	2.9	2.7	4.5
12	Total imports	30.1	27.9	29.5
13	Foreign exchange reserve	28.7	35.8	43.8
14	Government revenue	18.8	19	19.6
15	Government expenditure	26.5	24.4	24.9
16	Trade balance (-deficit)	-27.2	-25.3	25
17	Current account balance (-deficit)	-0.9	3.9	6.7
18	Total outstanding external debt	21.8	22	22.9
19	Total outstanding domestic debt	21	20.7	20.8

Source: Economic Survey, 2024-25; Financial Comptroller General Office

Table 3: Sectoral Growth Rate of Gross Domestic Product
(At 2010/11 price)

Description	Growth Rate (Percentage)		
	2022/23	2023/24 ^R	2024/25 ^P
1. Agriculture sector	3.02	3.35	3.28
Agriculture, forestry and fishing	3.02	3.35	3.28
2. Non agriculture sector	1.98	3.36	4.28
A. Industry sector	1.29	0.11	4.53
Mining and quarrying	0.91	3.23	1.99
Manufacturing	-1.7	-2.02	3.78
Electricity, gas, steam and air conditioning supply	19.76	10.96	13.82
Water supply, sewerage, waste management and remediation activities	3.22	1.27	2.09
Construction	-1.48	-2.2	2.21
B. Service sector	2.19	4.35	4.21
Wholesale and retail trade; repair of motor vehicles and motorcycles	-4.1	-0.36	3.3
Transportation and storage	1.45	13.43	9.45
Accommodation and food service activities	18.03	21.03	5
Information and communication	4.15	4.91	4.81
Financial and insurance activities	7.92	7.94	6.29
Real estate activities	2.91	2.43	2.72
Professional, scientific and technical activities	3.93	4.15	3.98
Administrative and support service activities	5.03	4.04	3.97
Public administration and defence; compulsory social security	5.46	4.27	2.24
Education	3.93	2.15	1.98
Human health and social work activities	6.57	5.31	4.77
Other service activities	5.64	4.27	3.92

R = Revised estimate

P = Preliminary estimate

Source: National Statistics Office

Table 4: Province-wise Economic Growth Rate and Share

Province	2023/24 ^R		2024/25 ^P	
	Growth Rate	Share	Growth Rate	Share
Koshi	3.31	15.90	3.34	15.90
Madhesh	3.74	13.16	4.50	13.16
Bagmati	3.70	36.20	5.18	36.52
Gandaki	4.09	9.06	5.51	8.98
Lumbini	3.94	14.27	4.70	14.23
Karnali	3.26	4.29	4.74	4.19
Sudur-Paschim	3.28	7.12	3.32	7.03
National	3.67	100.00	4.61	100.00

R = Revised estimate

P = Preliminary estimate

Source: National Statistics Office

Table 5: National Consumer Price Index

(Base Year 2023/24=100)

Annual Average

Groups & Sub-Groups	Weights %	2022/23	2023/24	2024/25	Percent Change	
					2023/24	2024/25
Overall Index	100	94.84	100.00	104.06	5.44	4.06
Food and Beverages	35.49	93.93	100.00	104.69	6.47	4.69
Cereal grains and their products	8.08	91.03	100.00	106.13	9.85	6.13
Pulses and Legumes	1.76	90.94	100.00	107.90	9.96	7.90
Vegetable	4.65	92.34	100.00	110.71	8.29	10.71
Meat and Fish	6.76	97.97	100.00	99.66	2.08	-0.34
Milk products and Eggs	4.28	93.03	100.00	103.27	7.49	3.27
Ghee and Oil	2.97	112.35	100.00	108.72	-10.99	8.72
Fruit	3.23	94.14	100.00	104.68	6.22	4.68
Sugar and Sugar products	1.10	91.02	100.00	101.15	9.87	1.15
Spices	1.80	79.12	100.00	97.38	26.40	-2.62
Non-alcoholic drinks	0.87	93.75	100.00	104.58	6.66	4.58
Non-food and Services	64.51	95.57	100.00	103.71	4.64	3.71
Alcoholic drinks	1.26	94.97	100.00	105.65	5.30	5.65
Tobacco products	1.03	97.73	100.00	104.37	2.33	4.37
Clothes and Footwear	5.65	95.64	100.00	106.09	4.56	6.09
Housing and Utilities	16.66	96.06	100.00	102.43	4.10	2.43
Furnishing and Household equipment	5.91	95.46	100.00	104.78	4.75	4.78
Health	5.51	96.34	100.00	102.23	3.80	2.23
Transportation	6.26	100.82	100.00	103.55	-0.82	3.55
Communication	3.60	99.57	100.00	102.02	0.43	2.02
Recreation and Culture	1.52	90.12	100.00	101.94	10.96	1.94
Education	4.67	92.82	100.00	103.97	7.73	3.97
Restaurants and Accomodation Services	8.00	93.35	100.00	103.51	7.12	3.51
Insurance and Financial Services	0.93	-	100.00	100.20	-	0.20
Miscellaneous goods and services	3.49	89.78	100.00	109.39	11.38	9.39

Table 6: National Wholesale Price Index

(Base Year 2017/18 = 100)

Annual Average

Groups & Sub-Groups	Weight (%)	Fiscal Year			Percent Change	
		2022/23	2023/24	2024/25	2023/24	2024/25
1. Overall	100	145.11	150.79	156.59	3.92	3.84
1.1 Primary	33.59	143.87	154.20	165.44	7.18	7.29
Food	31.27	143.55	154.80	166.89	7.83	7.81
Nonfood	2.31	148.18	146.07	145.83	-1.42	-0.17
1.2 Fuel and Power	8.76	168.19	160.70	154.40	-4.45	-3.92
Fuel and Power	5.66	205.55	193.97	184.20	-5.63	-5.03
Electricity	3.10	100.00	100.00	100.00	0.00	0.00
1.3 Manufactured	57.65	142.32	147.30	151.76	3.50	3.03
Food, Beverage & Tobacco	15.16	154.72	163.78	169.42	5.85	3.44
Textiles	1.01	152.88	170.34	168.47	11.42	-1.10
Leather and Leather Products	0.29	127.99	138.72	142.52	8.39	2.73
Wood and Wood Products	2.07	158.30	163.19	165.36	3.09	1.33
Paper and Paper Products	1.08	143.68	163.36	163.71	13.69	0.22
Chemicals and Chemical Products	6.55	147.66	153.15	155.38	3.72	1.45
Rubber and Plastics Products	1.92	122.12	121.80	121.00	-0.26	-0.66
Non-metallic Mineral Products	4.50	118.74	109.60	98.79	-7.69	-9.87
Basic Metals	12.55	149.67	154.59	168.11	3.29	8.75
Electric and Electronic Products	4.45	102.62	104.41	105.63	1.74	1.16
Machinery and Equipment	3.17	131.49	136.40	138.21	3.73	1.33
Transport, Equipments and Parts	3.80	144.05	147.15	151.90	2.15	3.23
Other	1.08	136.23	141.92	145.67	4.18	2.65
2. Broad Economic Classification	100	145.11	150.79	156.59	3.92	3.84
Consumption Goods	32.90	141.87	151.27	161.65	6.62	6.86
Intermediate Goods	56.30	151.24	155.32	158.85	2.70	2.27
Capital Goods	10.80	123.03	125.73	129.36	2.19	2.89
3. Construction Material	14	141.17	137.41	135.11	-2.67	-1.68

Table 7: National Salary and Wage Rate Index

(Base Year 2023/24=100)
Annual Average

Groups & Sub-Groups	Weight %	Fiscal Year			Percent Change	
		2022/23	2023/24	2024/25	2023/24	2024/25
Agriculture, Forestry and Fishing	100.00	95.86	100.00	104.87	4.32	4.87
Manufacturing	19.36	91.39	100.00	101.87	9.42	1.87
Construction	18.17	97.43	100.00	102.13	2.63	2.13
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	19.01		100.00	102.31		2.31
Transportation and Storage	15.12		100.00	102.76		2.76
Accommodation and Food Service Activities	5.35		100.00	102.64		2.64
Information and Communication	4.41	98.17	100.00	104.35	1.86	4.35
Financial and Insurance Activities	1.03	92.06	100.00	102.81	8.62	2.81
Public Administration and Defence	2.08	99.98	100.00	100.00	0.02	0.00
Education	2.64	99.27	100.00	103.23	0.74	3.23
Human Health and Social Work Activities	9.30		100.00	104.00		4.00
Overall Index	3.52	95.22	100.00	102.85	5.02	2.85

Table 8: Consumer Price Inflation in Nepal and India

(Y-o-y percent Change)

Fiscal Year	2022/23			2023/24			2024/25		
	Nepal	India	Deviation	Nepal	India	Deviation	Nepal	India	Deviation
August	8.26	7.00	1.26	7.52	6.83	0.69	4.09	3.65	0.44
September	8.64	7.41	1.23	8.19	5.02	3.17	3.86	5.49	-1.63
October	8.50	6.77	1.73	7.50	4.87	2.63	4.82	6.21	-1.39
November	8.08	5.88	2.20	5.38	5.55	-0.17	5.60	5.48	0.12
December	7.38	5.72	1.66	4.95	5.69	-0.74	6.05	5.22	0.83
January	7.26	6.52	0.74	5.26	5.10	0.16	5.41	4.31	1.10
February	7.88	6.44	1.44	5.01	5.09	-0.08	4.16	3.61	0.55
March	7.44	5.66	1.78	4.82	4.85	-0.03	3.75	3.34	0.41
April	7.76	4.70	3.06	4.61	4.83	-0.22	3.39	3.16	0.23
May	7.41	4.31	3.10	4.40	4.80	-0.40	2.77	2.82	-0.05
June	6.83	4.87	1.96	4.17	5.08	-0.91	2.72	2.10	0.62
July	7.44	7.44	0.00	3.57	3.60	-0.03	2.20	1.55	0.65
Average	7.74	6.06	1.68	5.44	5.11	0.34	4.06	3.91	0.16

Note :

1) CPI in Nepal (2023/24 = 100)

2) CPI in India (2012 = 100)

Table 9: Direction of Foreign Trade*

(Rs. in Million)

	2022/23 ^R	2023/24 ^R	2024/25 ^P	Percent Change	
				2023/24	2024/25
TOTAL EXPORTS	157140.7	152380.6	277030.2	-3.0	81.8
To India	106686.4	103177.1	224684.4	-3.3	117.8
To China	1765.8	2588.6	2630.0	46.6	1.6
To Other Countries	48688.5	46614.9	49715.8	-4.3	6.7
TOTAL IMPORTS	1611731.8	1592985.5	1804122.7	-1.2	13.3
From India	1027847.5	996682.2	1071198.9	-3.0	7.5
From China	222715.9	298774.6	341104.6	34.2	14.2
From Other Countries	361168.3	297528.7	391819.2	-17.6	31.7
TOTAL TRADE BALANCE	-1454591.1	-1440604.9	-1527092.5	-1.0	6.0
With India	-921161.1	-893505.1	-846514.5	-3.0	-5.3
with China	-220950.1	-296186.0	-338474.6	34.1	14.3
With Other Countries	-312479.8	-250913.8	-342103.4	-19.7	36.3
TOTAL FOREIGN TRADE	1768872.5	1745366.1	2081152.9	-1.3	19.2
With India	1134533.9	1099859.2	1295883.3	-3.1	17.8
With China	224481.7	301363.3	343734.6	34.2	14.1
With Other Countries	409856.8	344143.7	441535.0	-16.0	28.3

(In Percent)

1. Ratio of Exports to Imports	9.7	9.6	15.4
India	10.4	10.4	21.0
China	0.8	0.9	0.8
Other Countries	13.5	15.7	12.7
2. Share in Total Exports			
India	67.9	67.7	81.1
China	1.1	1.7	0.9
Other Countries	31.0	30.6	17.9
3. Share in Total Imports			
India	63.8	62.6	59.4
China	13.8	18.8	18.9
Other Countries	22.4	18.7	21.7
4. Share in Trade Balance			
India	63.3	62.0	55.4
China	15.2	20.6	22.2
Other Countries	21.5	17.4	22.4
5. Share in Total Trade			
India	64.1	63.0	62.3
China	12.7	17.3	16.5
Other Countries	23.2	19.7	21.2
6. Share of Exports & Imports in Total Trade			
Export	8.9	8.7	13.3
Import	91.1	91.3	86.7

* Based on customs data

R= Revised, P= Provisional

Table 10: Exports of Major Commodities to India*

(Rs. in Million)

S.N.		Fiscal Year			Percent Change	
		2022/23 ^R	2023/24 ^R	2024/25 ^P	2023/24	2024/25
A	Major Commodities	93287.0	82060.9	187247.5	-12.0	128.2
1	Brans	1016.0	427.5	266.7	-57.9	-37.6
2	Cardamom	8256.0	7936.6	7674.0	-3.9	-3.3
3	Cattlefeed	81.9	0.1	0.0	-99.9	-
4	Cinnamon	198.2	201.0	174.5	1.4	-13.2
5	Copper Wire Rod	462.9	913.2	846.1	97.3	-7.3
6	Fruits	6.1	16.8	8.5	175.0	-49.3
7	G.I. pipe	374.9	794.3	449.1	111.9	-43.5
8	Ginger	1072.4	1127.3	398.5	5.1	-64.7
9	Handicraft Goods	38.7	26.7	13.9	-30.9	-48.0
10	Herbs	1101.2	1342.5	1605.9	21.9	19.6
11	Juice	6629.8	8658.7	7703.8	30.6	-11.0
12	Jute Goods	7241.1	6755.8	8222.9	-6.7	21.7
	Jute Goods - Hessian	3723.7	4040.6	5690.1	8.5	40.8
	Jute Goods - Sackings	3517.4	2715.2	2532.8	-22.8	-6.7
13	Marble Slab	23.9	12.3	22.2	-48.5	80.2
14	Medicine (Ayurvedic)	1287.8	1544.1	1755.0	19.9	13.7
15	Mustard & Linseed	0.0	0.0	0.0	-	-
16	Noodles	1055.2	924.0	1396.6	-12.4	51.1
17	Oil Cakes	2302.3	2955.8	3629.8	28.4	22.8
18	Palm Oil	20509.1	6336.5	2414.3	-69.1	-61.9
19	Paper	77.4	30.9	9.6	-60.1	-69.0
20	Particle Board	4704.1	7415.3	7099.6	57.6	-4.3
21	Pashmina	102.7	108.4	100.5	5.6	-7.4
22	Plastic Utensils	8.5	38.6	130.5	354.0	238.2
23	Polyster Yarn	8925.2	9382.5	12335.0	5.1	31.5
24	Readymade Garments	227.4	199.7	196.8	-12.2	-1.4
25	Rosin	1652.3	1478.6	2058.7	-10.5	39.2
26	Shoes and Sandals	1017.2	1277.7	2000.1	25.6	56.5
27	Skin	76.7	97.2	99.6	26.8	2.4
28	Soyabean Oil	8476.0	901.8	106790.8	-89.4	-
29	Tea	3436.9	3093.4	3983.3	-10.0	28.8
30	Textiles**	2377.8	2542.4	3091.3	6.9	21.6
31	Thread	1624.9	1827.6	1245.0	12.5	-31.9
32	Tooth Paste	544.2	781.8	756.4	43.7	-3.3
33	Turpentine	264.2	235.1	402.5	-11.0	71.2
34	Vegetables	186.5	182.2	147.9	-2.3	-18.8
35	Wire	221.6	636.4	109.5	187.1	-82.8
36	Zinc sheet	7705.7	11858.0	10108.5	53.9	-14.8
B	Others	13399.4	21116.2	37436.9	57.6	77.3
	Total (A+B)	106686.4	103177.1	224684.4	-3.3	117.8

* Based on customs data

** Includes PP fabric

R= Revised, P= Provisional

Table 11: Imports of Major Commodities from India*

(Rs. in Million)

S.N.		Fiscal Year			Percent Change	
		2022/23 ^R	2023/24 ^R	2024/25 ^P	2023/24	2024/25
A	Major Commodities	817363.5	784148.2	848278.0	-4.1	8.2
1	Agri. Equip.& Parts	5200.6	5274.2	7636.3	1.4	44.8
2	Aluminium Bars, Rods, Profiles, Foil etc.	8642.5	8376.0	7286.4	-3.1	-13.0
3	Baby Food & Milk Products	7593.2	7043.1	5953.9	-7.2	-15.5
4	Bitumen	7812.4	9010.7	10865.5	15.3	20.6
5	Books and Magazines	1127.0	1126.3	1157.0	-0.1	2.7
6	Cement	294.3	298.3	487.7	1.4	63.5
7	Chemical Fertilizer	1373.0	470.7	797.6	-65.7	69.4
8	Chemical	11287.3	11622.6	13144.5	3.0	13.1
9	Coal	20902.0	19573.7	21916.2	-6.4	12.0
10	Coldrolled Sheet Incoil	753.1	131.1	211.8	-82.6	61.6
11	Cooking Stoves	590.2	648.9	620.0	9.9	-4.4
12	Cosmetic Goods	3613.7	3969.4	4158.7	9.8	4.8
13	Cuminseeds and Peppers	2036.5	2612.6	3036.5	28.3	16.2
14	Dry Cell Battery	3334.6	3760.9	4227.5	12.8	12.4
15	Electrical Equipment	31821.4	38677.0	34431.0	21.5	-11.0
16	Enamel & other paints	5241.2	5337.5	7075.1	1.8	32.6
17	Ferrous products obtained by direct reduction of iron (Sponge Iron)	43601.8	39026.7	48766.0	-10.5	25.0
18	Fruits	10475.4	10880.0	9828.8	3.9	-9.7
19	Glass Sheet and G.Wares	6931.1	6233.3	7570.3	-10.1	21.5
20	Hot rolled sheet in coil	37065.3	20711.8	27649.5	-44.1	33.5
21	Incense Sticks	1228.3	1231.4	1311.3	0.3	6.5
22	Insecticides	3590.5	4257.5	4562.6	18.6	7.2
23	Live Animals	0.11	26.9	102.6	-	281.4
24	M.S. Billet	21135.7	13851.9	13832.5	-34.5	-0.1
25	M.S. Wire Rod, Bars, Coils & Others	9512.0	9939.5	15949.7	4.5	60.5
26	Medicine	32517.5	35328.4	38705.3	8.6	9.6
27	Molasses Sugar	216.1	426.4	388.8	97.3	-8.8
28	Other Machinery and Parts	42419.5	44257.7	47753.7	4.3	7.9
29	Other Stationary Goods	1537.3	1545.2	1562.8	0.5	1.1
30	Paper	10215.4	9987.3	10196.2	-2.2	2.1
31	Petroleum Products	307078.0	297637.7	284489.6	-3.1	-4.4
32	Pipe and Pipe Fittings	5699.8	5196.3	3863.4	-8.8	-25.7
33	Plastic Utensils	5068.3	4817.7	5161.3	-4.9	7.1
34	Polypropylene Granuals	4624.8	5954.2	7477.1	28.7	25.6
35	Radio, TV, Deck & Parts	1990.4	1281.6	1349.7	-35.6	5.3
36	Raw Cotton	199.9	162.5	97.9	-18.7	-39.8
37	Readymade Garments	6887.2	9391.8	9958.4	36.4	6.0
38	Rice/Paddy	36404.3	22098.3	39817.5	-39.3	80.2
39	Salt	2446.6	2507.8	2374.2	2.5	-5.3
40	Sanitaryware	3457.8	3241.9	3725.5	-6.2	14.9
41	Shoes and Sandles	1196.8	1050.5	837.7	-12.2	-20.3
42	Steel Sheet	1515.2	277.8	105.1	-81.7	-62.2
43	Tea	98.9	28.0	79.1	-71.7	182.1
44	Telecommunication Equipments and Parts	8384.7	9756.3	10460.4	16.4	7.2
45	Textiles	9586.7	10898.0	10605.6	13.7	-2.7
46	Thread	16841.9	12882.5	15959.9	-23.5	23.9
47	Tobacco	2976.4	3594.8	3832.4	20.8	6.6
48	Tyre, Tubes and Flapes	9122.8	11128.5	12057.8	22.0	8.4
49	Vegetables	16880.6	11268.4	13888.8	-33.2	23.3
50	Vehicles & Spare Parts	40230.8	51904.6	67254.1	29.0	29.6
51	Wire Products, Notbolt, Handles, Lock	4602.2	3432.0	3696.5	-25.4	7.7
B	Others	210484.0	212533.9	222920.9	1.0	4.9
	Total (A+B)	1027847.5	996682.2	1071198.9	-3.0	7.5

* Based on customs data, R= Revised, P= Provisional

Table 12: Exports of Major Commodities to China*

(Rs. in Million)

S.N.		Fiscal Year			Percent Change	
		2022/23 ^R	2023/24 ^R	2024/25 ^P	2023/24	2024/25
A	Major Commodities	1083.8	1114.1	1238.6	2.8	11.2
1	Agarbatti	8.0	20.4	24.4	155.1	19.2
2	Handicraft (Metal and Wooden)	102.5	265.2	209.4	158.6	-21.0
3	Noodles	514.2	149.8	24.3	-70.9	-83.8
4	Other handicraft goods	54.3	36.4	30.8	-33.0	-15.3
5	Pashmina	13.1	35.4	52.8	169.8	49.1
6	Readymade Garments	167.7	160.1	150.4	-4.6	-6.0
7	Readymade Leather Goods	0.4	14.8	2.1	-	-85.9
8	Rudrakshya	22.3	27.2	20.4	21.9	-25.1
9	Tanned Skin	0.0	12.2	0.0	-	-
10	Tea	1.1	0.9	7.0	-21.2	-
11	Woolen Carpet	200.0	391.6	717.0	95.9	83.1
B	Others	682.0	1474.5	1391.4	116.2	-5.6
	Total (A+B)	1765.8	2588.6	2630.0	46.6	1.6

* Based on customs data, R= Revised, P= Provisional

Table 13: Imports of Major Commodities from China*

(Rs. in Million)

S.N.		Fiscal Year			Percent Change	
		2022/23 ^R	2023/24 ^R	2024/25 ^P	2023/24	2024/25
A	Major Commodities	171109.4	197284.7	226796.1	15.3	15.0
1	Aluminium scrap, flake, foil, bars, & rods	553.3	64.2	116.3	-88.4	81.2
2	Apple	5155.8	7574.7	9741.6	46.9	28.6
3	Bags	1409.4	1923.3	2064.8	36.5	7.4
4	Camera	1062.6	1251.8	1571.9	17.8	25.6
5	Ceramic Products	1054.0	989.9	1144.6	-6.1	15.6
6	Chemical	3180.2	2619.8	3791.9	-17.6	44.7
7	Chemical Fertilizer	12585.6	11837.4	9312.2	-5.9	-21.3
8	Computer and Parts	9956.9	10883.5	13013.5	9.3	19.6
9	Cosmetic Goods	1011.7	1866.8	2223.5	84.5	19.1
10	Dry Cell Battery	85.8	126.8	152.3	47.8	20.1
11	Electrical Goods	15926.2	18353.2	21346.9	15.2	16.3
12	Fastener	326.9	442.0	437.5	35.2	-1.0
13	Garlic	1104.7	2223.9	6700.0	101.3	201.3
14	Glasswares	2373.5	1908.2	2052.3	-19.6	7.6
15	Medical Equip.& Tools	4897.2	2940.6	4043.0	-40.0	37.5
16	Medicine	1059.1	1355.9	2087.4	28.0	53.9
17	Metal & Wooden furniture	942.8	1613.1	1133.2	71.1	-29.7
18	Office Equip.& Stationary	1269.1	1012.2	1016.8	-20.2	0.5
19	Other Machinery and Parts	19142.9	24458.7	23902.5	27.8	-2.3
20	Other Stationaries	1117.9	1230.5	1382.1	10.1	12.3
21	P.V.C. Compound	383.4	655.0	1624.5	70.8	148.0
22	Parafin Wax	7.3	10.1	0.5	39.2	-95.4
23	Pipe and Pipe Fittings	1117.2	608.8	1336.6	-45.5	119.5
24	Plywood & Partical board	465.0	131.7	114.9	-71.7	-12.7
25	Polyethylene terephthalate (Plastic pet chips/Pet Resin)	1019.6	857.7	1002.7	-15.9	16.9
26	Polythene Granules	219.1	219.6	375.4	0.2	70.9
27	Raw Silk	2748.4	2697.0	3088.1	-1.9	14.5
28	Raw Wool	349.8	323.7	328.5	-7.4	1.5
29	Readymade Garments	16673.7	23084.8	28084.0	38.4	21.7
30	Seasoning Powder & Flavour for Instant Noodles	264.6	606.3	717.3	129.1	18.3
31	Shoes and Sandles	6131.9	8277.1	8141.7	35.0	-1.6
32	Silver	85.0	15.9	1320.8	-81.3	-
33	Smart Cards	1367.3	320.6	270.9	-76.6	-15.5
34	Solar Panel	1231.9	923.4	1856.1	-25.0	101.0
35	Steel Rod & Sheet	308.2	202.5	740.0	-34.3	265.5
36	Storage Battery	443.5	569.8	918.2	28.5	61.1
37	Telecommunication Equipments and Parts	25110.2	25998.2	30737.2	3.5	18.2
38	Textiles	15688.8	19740.9	21975.8	25.8	11.3
39	Thread	914.5	1917.6	912.8	109.7	-52.4
40	Toys	1485.8	2463.2	2810.1	65.8	14.1
41	Transport Equip.& Parts	4915.9	6540.1	6690.9	33.0	2.3
42	Tyre, Tubes and Flapes	309.8	481.0	1004.2	55.3	108.8
43	Video Television & Parts	3715.9	3227.7	3619.9	-13.1	12.1
44	Welding Rods	608.8	459.5	746.0	-24.5	62.4
45	Wheat Products	312.0	353.3	249.6	13.2	-29.4
46	Writing & Printing Paper	1016.2	1922.6	894.8	89.2	-53.5
B	Others	51606.5	101490.0	114308.5	96.7	12.6
	Total (A+B)	222715.9	298774.6	341104.6	34.2	14.2

* Based on customs data

R= Revised, P= Provisional

Table 14: Exports of Major Commodities to Other Countries*

(Rs. in Million)

S.N.		Fiscal Year			Percent Change	
		2022/23 ^R	2023/24 ^R	2024/25 ^P	2023/24	2024/25
A	Major Commodities	26374.5	24714.4	23836.9	-6.3	-3.6
1	Handicraft (Metal and Wooden)	463.4	327.9	291.6	-29.2	-11.1
2	Herbs	742.9	578.6	333.2	-22.1	-42.4
3	Musical instruments, parts and accessories	919.1	863.7	1050.7	-6.0	21.6
4	Nepalese Paper & Paper Products	683.8	640.8	641.0	-6.3	0.0
5	Noodles	726.6	892.4	956.3	22.8	7.2
6	Other handicraft goods	676.9	461.2	224.5	-31.9	-51.3
7	Pashmina	3078.3	2880.2	3070.9	-6.4	6.6
8	Pulses	491.7	358.7	170.0	-27.1	-52.6
9	Readymade Garments	5444.0	5934.8	5463.0	9.0	-7.9
10	Readymade Leather Goods	330.9	375.2	237.0	13.4	-36.8
11	Silverware and Jewelleries	643.6	417.9	439.4	-35.1	5.1
12	Tanned Skin	377.7	286.4	325.2	-24.2	13.5
13	Tea	492.2	517.4	577.7	5.1	11.7
14	Woolen Carpet	11303.5	10179.1	10056.5	-9.9	-1.2
B	Others	22314.0	21900.6	25878.8	-1.9	18.2
	Total (A+B)	48688.5	46614.9	49715.8	-4.3	6.7

* Based on customs data
R= Revised, P= Provisional

Table 15: Imports of Major Commodities from Other Countries*

(Rs. in Million)

S.N.		Fiscal Year			Percent Change	
		2022/23 ^R	2023/24 ^R	2024/25 ^P	2023/24	2024/25
A	Major Commodities	290660.7	228918.8	325358.8	-21.2	42.1
1	Aircraft Spareparts	5697.0	13406.0	7111.9	135.3	-47.0
2	Bags	66.5	68.5	79.6	3.0	16.1
3	Betelnut	1494.5	689.0	1044.3	-53.9	51.6
4	Camera	733.9	877.3	1418.1	19.6	61.6
5	Chemical	1627.5	1458.8	1797.4	-10.4	23.2
6	Chemical Fertilizer	26732.5	24123.6	21087.5	-9.8	-12.6
7	Cigarette Paper	76.1	162.0	207.0	112.8	27.7
8	Clove	72.4	286.4	372.3	295.6	30.0
9	Coal	10279.1	5962.6	3655.5	-42.0	-38.7
10	Coconut Oil	57.0	21.2	41.1	-62.9	93.9
11	Computer and Parts	1831.6	1847.4	2811.9	0.9	52.2
12	Copper Wire Rod, Scrapes & Sheets	4094.1	4180.4	3622.4	2.1	-13.3
13	Cosmetic Goods	1643.9	1967.5	2488.9	19.7	26.5
14	Crude Palm Oil	25915.5	10598.3	6817.0	-59.1	-35.7
15	Crude Soyabean Oil	35670.9	13444.6	108002.3	-62.3	-
16	Door Locks	12.9	9.6	11.4	-25.4	18.1
17	Dry Cell Battery	20.6	23.9	47.8	16.2	99.9
18	Edible Oil	18711.7	18238.8	29624.9	-2.5	62.4
19	Electrical Goods	2347.7	2829.7	2968.9	20.5	4.9
20	Flash Light	41.3	34.5	40.7	-16.7	18.0
21	Glasswares	747.6	1166.2	1319.7	56.0	13.2
22	Gold	43886.4	25934.7	19925.7	-40.9	-23.2
23	Insecticides	161.1	151.6	129.1	-5.9	-14.8
24	Medical Equip.& Tools	8454.3	10484.0	9220.5	24.0	-12.1
25	Medicine	14081.8	9219.7	5562.5	-34.5	-39.7
26	Office Equip.& Stationary	1244.2	1005.5	1307.3	-19.2	30.0
27	Oil seeds	9318.2	10751.1	14989.8	15.4	39.4
28	Other Machinery and Parts	11384.5	10135.5	10627.6	-11.0	4.9
29	Other Stationaries	3589.6	4159.1	4030.6	15.9	-3.1
30	P.V.C. Compound	2986.6	2650.2	2683.5	-11.3	1.3
31	Palm Oil	2720.3	2176.1	5959.7	-20.0	173.9
32	Peas	2665.6	3683.5	2461.1	38.2	-33.2
33	Petroleum Products	2799.0	3013.0	3298.6	7.6	9.5
34	Pipe and Pipe Fittings	127.9	248.3	177.8	94.1	-28.4
35	Polythene Granules	11777.3	7654.9	7347.0	-35.0	-4.0
36	Powder Milk	172.7	179.6	108.8	4.0	-39.4
37	Preparations, used in animals feeding	759.5	1082.1	1211.1	42.5	11.9
38	Pulses	6821.7	5272.6	7287.2	-22.7	38.2
39	Raw Wool	1138.6	1623.6	1102.9	42.6	-32.1
40	Readymade Garments	919.3	786.9	817.5	-14.4	3.9
41	Shoes and Sandles	454.8	551.4	598.2	21.2	8.5
42	Silver	2645.3	3269.3	5705.0	23.6	74.5
43	Small Cardamom	1358.4	1419.7	410.5	4.5	-71.1
44	Steel Rod & Sheet	27.8	23.2	40.6	-16.6	75.0
45	Storage Battery	390.8	319.3	228.1	-18.3	-28.6
46	Synthetic & Natural Rubber	262.4	225.4	327.6	-14.1	45.3
47	Synthetic Carpet	71.9	18.4	18.8	-74.5	2.1
48	Telecommunication Equipments and Parts	2907.2	1382.6	2378.8	-52.4	72.1
49	Tello	52.6	16.0	10.4	-69.6	-34.6
50	Textile Dyes	169.8	194.1	190.5	14.3	-1.9
51	Textiles	727.2	285.4	343.6	-60.8	20.4
52	Thread	5177.6	5350.3	6566.3	3.3	22.7
53	Toys	306.9	367.6	418.8	19.8	13.9
54	Transport Equip.& Parts	6689.5	7380.6	8575.7	10.3	16.2
55	Tyre, Tubes and Flapes	531.0	575.7	640.8	8.4	11.3
56	Video Television & Parts	2411.7	1758.4	2893.6	-27.1	64.6
57	Watches & Bands	921.8	932.1	842.4	1.1	-9.6
58	Writing & Printing Paper	1913.7	2331.9	1521.7	21.9	-34.7
59	X-Ray Film	515.0	521.2	593.3	1.2	13.8
60	Zinc Ingot	242.5	387.7	235.2	59.8	-39.3
B	Others	70507.6	68609.9	66460.4	-2.7	-3.1
	Total (A+B)	361168.3	297528.7	391819.2	-17.6	31.7

* Based on customs data

R= Revised, P= Provisional

Table 16: Summary of Balance of Payments

(Rs. in Million)

S.N.	Particulars	2022/2023 ^R			2023/2024 ^R			2024/2025 ^P		
		Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	Current account	1850079.1	1895997.3	-45918.2	2144551.9	1922845.0	221706.9	2549230.2	2140032.5	409197.7
1.A	Goods and Services	376009.9	1855058.3	-1479048.4	435140.5	1878745.4	-1443604.8	547301.4	2090868.0	-1543566.6
1.A.a	Goods	183631.0	1582793.5	-1399162.5	182366.7	1570113.9	-1387747.3	308638.5	1761264.7	-1452626.1
1.A.a.1	General merchandise	183631.0	1538893.6	-1355262.6	182366.7	1544154.7	-1361788.0	308638.5	1741318.9	-1432680.4
1.A.a.1.1	<i>O/W Oil/Petrol</i>	16019.5	305572.9	-289553.4	13245.1	288747.8	-275502.7	14148.6	269452.1	-255303.6
1.A.a.2	Net exports of goods under merchanting	-	-	-	-	-	-	-	-	-
1.A.a.3	Nonmonetary gold	0.0	43899.9	-43899.9	0.0	25959.3	-25959.3	0.0	19945.7	-19945.7
1.A.b	Services	192379.0	272264.9	-79885.9	252773.8	308631.4	-55857.6	238662.8	329603.3	-90940.5
1.A.b.1	Manufacturing services on physical inputs owned by others	-	-	-	-	-	-	14.4	0.7	13.7
1.A.b.2	Maintenance and repair services n.i.e.	1873.3	411.5	1461.8	112.1	283.9	-171.7	260.7	953.8	-693.2
1.A.b.3	Transport	21206.5	81880.3	-60673.9	33544.9	73440.3	-39895.4	27890.3	61406.5	-33516.2
1.A.b.4	Travel	62300.9	144516.6	-82215.6	82326.6	189434.0	-107107.4	88660.8	223717.9	-135057.1
1.A.b.4.1	<i>Business</i>	138.4	1641.1	-1502.7	1424.2	3241.8	-1817.5	182.7	4373.6	-4191.0
1.A.b.4.2	<i>Personal</i>	62162.5	142875.5	-80713.0	80902.3	186192.2	-105289.9	88478.1	219344.3	-130866.2
1.A.b.4.2.1	Health-related	926.9	481.4	445.6	2327.6	2837.8	-510.1	405.3	490.1	-84.8
1.A.b.4.2.2	Education-related	4340.2	100423.3	-96083.1	6018.1	125131.9	-119113.8	3889.2	138484.7	-134595.6
1.A.b.4.2.3	Other	56895.4	41970.8	14924.5	72556.6	58222.5	14334.0	84183.7	80369.4	3814.2
1.A.b.5	Construction	-	-	-	-	-	-	1167.6	2052.0	-884.4
1.A.b.6	Insurance and pension services	1325.4	12150.0	-10824.6	1108.9	12043.7	-10934.7	749.3	14010.1	-13260.8
1.A.b.7	Financial services	-	-	-	-	-	-	1914.4	1592.1	322.3
1.A.b.8	Charges for the use of intellectual property n.i.e.	-	-	-	-	-	-	15.4	1859.9	-1844.5
1.A.b.9	Telecommunication., computer, and information services	15609.4	2188.4	13421.0	15544.3	1945.5	13598.8	22333.4	6148.2	16185.2
1.A.b.9.1	<i>Telecommunications services</i>	-	-	-	-	-	-	5845.7	3564.5	2281.2
1.A.b.9.2	<i>Computer services</i>	-	-	-	-	-	-	16434.6	2498.9	13935.6
1.A.b.9.3	<i>Information services</i>	-	-	-	-	-	-	53.2	84.8	-31.7
1.A.b.10	Other business services	-	-	-	-	-	-	57558.2	12448.4	45109.8
1.A.b.10.1	<i>Research and development services</i>	-	-	-	-	-	-	230.4	54.5	175.9
1.A.b.10.2	<i>Professional and management consulting services</i>	-	-	-	-	-	-	37024.1	4256.5	32767.6
1.A.b.10.3	<i>Technical, trade-related, and other business services</i>	-	-	-	-	-	-	20303.7	8137.3	12166.4
1.A.b.11	Personal, cultural, and recreational services	-	-	-	-	-	-	3818.3	911.2	2907.0
1.A.b.11.1	<i>Audiovisual and related services</i>	-	-	-	-	-	-	3530.3	789.0	2741.3
1.A.b.11.2	<i>Other personal, cultural, and recreational services</i>	-	-	-	-	-	-	288.0	122.3	165.7
1.A.b.12	Government goods and services n.i.e.	11484.0	1875.8	9608.2	23743.1	1621.6	22121.5	34280.1	4502.4	29777.7
1.B	Primary income	96661.7	33155.2	63506.5	131470.3	37402.4	94068.0	115767.8	37300.7	78467.0
1.B.1	Compensation of employees	-	-	-	-	-	-	14478.1	833.8	13644.2
1.B.2	Investment income	48449.6	27513.6	20936.0	90755.1	29522.1	61232.9	99656.2	36459.3	63196.9
1.B.2.1	Direct investment	0.0	19003.4	-19003.4	0.0	19358.4	-19358.4	14.8	16654.9	-16640.1
1.B.2.1.1	Income on equity and investment fund shares	0.0	19003.4	-19003.4	0.0	19358.4	-19358.4	14.8	16654.9	-16640.1

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1.B.2.1.1.1	<i>Dividends and withdrawals from income of quasi-corporations</i>	0.0	19003.4	-19003.4	0.0	19358.4	-19358.4	14.8	16654.9	-16640.1
1.B.2.1.1.2	<i>Reinvested earnings</i>	-	-	-	-	-	-	-	-	-
1.B.2.1.2	Interest	-	-	-	-	-	-	-	-	-
1.B.2.2	Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.B.2.3	Other investment	1921.5	8510.3	-6588.8	4737.1	10163.7	-5426.6	4486.2	19804.5	-15318.2
1.B.2.4	Reserve assets	46528.2	0.0	46528.2	86018.0	0.0	86018.0	95155.3	0.0	95155.3
1.B.3	Other primary income	-	-	-	-	-	-	1633.5	7.6	1625.9
1.C	Secondary income	1377407.5	7783.7	1369623.8	1577941.0	6697.3	1571243.7	1886161.1	11863.8	1874297.3
1.C.1	General government	13019.9	0.0	13019.9	11656.1	0.0	11656.1	18022.0	0.0	18022.0
1.C.1.1	<i>O/W Current international cooperation</i>	13019.9	0.0	13019.9	11656.1	0.0	11656.1	18022.0	0.0	18022.0
1.C.2	Financial corporations, nonfinancial corporations, households, & NPISHs	1364387.6	7783.7	1356603.9	1566284.9	6697.3	1559587.6	1868139.0	11863.8	1856275.3
1.C.2.1	Personal transfers (Current transfers between resident and nonresident households)	1240686.4	6612.8	1234073.6	1445315.1	6060.2	1439254.9	1731270.3	11254.8	1720015.5
1.C.2.1.1	<i>O/W Workers' remittances</i>	1240686.4	6612.8	1234073.6	1445315.1	6060.2	1439254.9	1723270.1	11172.3	1712097.8
1.C.2.2	Other current transfers	123701.2	1170.9	122530.3	120969.8	637.1	120332.7	136868.7	608.9	136259.8
1.C.2.2.1	Social contributions	-	-	-	-	-	-	-	-	-
1.C.2.2.2	Social benefits (Pension)	75257.6	0.0	75257.6	68579.9	0.0	68579.9	64365.2	0.0	64365.2
1.C.2.2.3	Net nonlife insurance premiums	-	-	-	-	-	-	-	-	-
1.C.2.2.4	Nonlife insurance claims	1116.1	843.0	273.1	2413.3	66.6	2346.7	2410.0	117.2	2292.9
1.C.2.2.5	Current international cooperation	-	-	-	-	-	-	32205.3	0.0	32205.3
1.C.2.2.6	Miscellaneous current transfers	-	-	-	-	-	-	37888.2	491.7	37396.4
2	Capital account (Capital transfers)	7542.3	0.7	7541.7	6029.0	217.3	5811.7	9858.5	23.1	9835.3
2.1	General Government	7542.3	0.0	7542.3	6029.0	0.0	6029.0	9858.5	23.1	9835.3
2.1.1	Debt forgiveness	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2	Other capital transfers	7542.3	0.0	7542.3	6029.0	0.0	6029.0	9858.5	23.1	9835.3
2.2	Financial corporations, nonfinancial corporations, households, and NPISHs	-	-	-	-	-	-	0.0	0.0	0.0
2.2.1	Debt forgiveness	-	-	-	-	-	-	0.0	0.0	0.0
2.2.2	Other capital transfers	-	-	-	-	-	-	0.0	0.0	0.0
	Net lending (+) / net borrowing (-) (balance from current and capital account)	1857621.5	1895998.0	-38376.5	2150580.9	1923062.3	227518.6	2559088.7	2140055.6	419033.0
		Net acquisition of financial assets	Net incurrence of liabilities	Net	Net acquisition of financial assets	Net incurrence of liabilities	Net	Net acquisition of financial assets	Net incurrence of liabilities	Net
3	Financial account	316072.8	245323.9	70748.9	499669.7	189901.0	309768.7	614461.2	152988.7	461472.5
	Net lending (+) / net borrowing (-) (balance from financial account)	316072.8	245323.9	70748.9	499669.7	189901.0	309768.7	614461.2	152988.7	461472.5
3.1	Direct investment	0.0	6170.5	-6170.5	0.0	8400.7	-8400.7	0.0	7305.5	-7305.5
3.1.1	Equity and investment fund shares	0.0	6170.5	-6170.5	0.0	8400.7	-8400.7	0.0	7305.5	-7305.5
3.1.1.1	Equity other than reinvestment of earnings	0.0	7977.8	-7977.8	0.0	8474.7	-8474.7	0.0	12019.0	-12019.0
3.1.1.2	Refund of investment	0.0	-1807.3	1807.3	0.0	-73.9	73.9	0.0	-4713.5	4713.5
3.1.1.3	Reinvestment of earnings	-	-	-	-	-	-	-	-	-

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3.1.2	Debt instruments	-	-	-	-	-	-	-	-	-
3.2	Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.3	Financial derivatives (other than reserves) and employee stock options	-	-	-	-	-	-	-1949.4	-1894.9	-54.5
3.4	Other investment	6828.9	239153.4	-232324.4	12384.8	181500.2	-169115.4	25820.5	147578.1	-121757.6
3.4.1	Other equity	213.0	0.0	213.0	216.1	0.0	216.1	538.4	0.0	538.4
3.4.2	Currency and deposits	0.0	16886.7	-16886.7	0.0	1076.0	-1076.0	0.0	1610.3	-1610.3
3.4.1.1	NRB	0.0	46.3	-46.3	0.0	-26.7	26.7	0.0	16.0	-16.0
3.4.1.2	Deposit-taking corporations, except the NRB	0.0	16840.5	-16840.5	0.0	1102.6	-1102.6	0.0	1594.2	-1594.2
3.4.1.3	General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.4.1.4	Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.4.3	Loans	0.0	91850.7	-91850.7	0.0	91842.1	-91842.1	0.0	101550.1	-101550.1
3.4.3.1	NRB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.4.3.1.1	<i>Credit and loans with the IMF</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.4.3.2	Deposit-taking corporations, except the NRB	0.0	4188.4	-4188.4	0.0	-16134.5	16134.5	0.0	-7726.2	7726.2
3.4.3.2.1	<i>Drawings</i>	0.0	33256.5	-33256.5	0.0	12759.6	-12759.6	0.0	6160.3	-6160.3
3.4.3.2.2	<i>Repayments</i>	0.0	-29068.2	29068.2	0.0	-28894.1	28894.1	0.0	-13886.5	13886.5
3.4.3.3	General government	0.0	67502.2	-67502.2	0.0	85147.3	-85147.3	0.0	78387.8	-78387.8
3.4.3.3.1	<i>Drawings</i>	0.0	102120.1	-102120.1	0.0	124323.6	-124323.6	0.0	125399.9	-125399.9
3.4.3.3.2	<i>Repayments</i>	0.0	-34617.9	34617.9	0.0	-39176.3	39176.3	0.0	-47012.1	47012.1
3.4.3.4	Other sectors	0.0	20160.1	-20160.1	0.0	22829.3	-22829.3	0.0	30888.5	-30888.5
3.4.3.4.1	<i>Drawings</i>	0.0	22605.0	-22605.0	0.0	22946.4	-22946.4	0.0	39730.8	-39730.8
3.4.3.4.2	<i>Repayments</i>	0.0	-2444.9	2444.9	0.0	-117.1	117.1	0.0	-8842.3	8842.3
3.4.4	Insurance, pension, and standardized guarantee schemes (F60)	-	-	-	-	-	-	-	-	-
3.4.5	Trade credit and advances	6914.0	128070.4	-121156.4	12150.9	88729.8	-76578.9	25282.1	42652.9	-17370.8
3.4.6	Other accounts receivable/payable	-298.1	0.0	-298.1	17.8	0.0	17.8	0.0	-401.8	401.8
3.4.7	Special drawing rights (Net incurrence of liabilities)	0.0	2345.5	-2345.5	0.0	-147.7	147.7	0.0	2166.6	-2166.6
3.5	Reserve assets	309243.9	0.0	309243.9	487284.9	0.0	487284.9	590590.1	0.0	590590.1
3.5.1	Monetary gold	-2551.2	0.0	-2551.2	1098.8	0.0	1098.8	2249.9	0.0	2249.9
3.5.2	Special drawing rights	-1410.0	0.0	-1410.0	-1745.0	0.0	-1745.0	-1735.6	0.0	-1735.6
3.5.3	Reserve position in the IMF	0.4	0.0	0.4	3.0	0.0	3.0	0.0	0.0	0.0
3.5.4	Other reserve assets	313204.7	0.0	313204.7	487928.1	0.0	487928.1	590075.8	0.0	590075.8
3.5.4.1	Currency and deposits	313204.7	0.0	313204.7	487928.1	0.0	487928.1	590075.8	0.0	590075.8
3.5.4.1.1	NRB	279256.5	0.0	279256.5	489000.3	0.0	489000.3	519841.2	0.0	519841.2
3.5.4.1.2	Deposit-taking corporations, except the NRB	33948.2	0.0	33948.2	-1072.2	0.0	-1072.2	70234.6	0.0	70234.6
3.5.4.2	Securities	-	-	-	-	-	-	-	-	-
3.5.4.3	Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.5.4.4	Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Net errors and omissions			109125.4			82250.1			42439.5
	Changes in reserve net			285823.2			502491.1			594539.4

Table 17: Gross Foreign Exchange Reserve

(Rs. in Million)

	Mid-July			Percent Change	
	2023 ^R	2024 ^R	2025 ^P	2023/24	2024/25
Nepal Rastra Bank	1345776.4	1848554.9	2414643.3	37.4	30.6
Convertible	1013087.8	1400975.1	1814280.8	38.3	29.5
Inconvertible	332688.6	447579.8	600362.5	34.5	34.1
Commercial Banks	193586.0	192547.8	263040.4	-0.5	36.6
Convertible	179573.0	180617.0	245402.5	0.6	35.9
Inconvertible	14013.0	11930.8	17637.9	-14.9	47.8
Total Reserve	1539362.4	2041102.7	2677683.7	32.6	31.2
Convertible	1192660.8	1581592.1	2059683.4	32.6	30.2
Inconvertible	346701.6	459510.7	618000.4	32.5	34.5
	US Dollars in Million			Percent Change	
Nepal Rastra Bank	10236.4	13830.3	17586.6	35.1	27.2
Convertible	7705.8	10481.6	13214.0	36.0	26.1
Inconvertible	2530.5	3348.6	4372.6	32.3	30.6
Commercial Banks	1472.5	1440.6	1915.8	-2.2	33.0
Convertible	1365.9	1351.3	1787.3	-1.1	32.3
Inconvertible	106.6	89.3	128.5	-16.3	43.9
Total Reserve	11708.8	15270.9	19502.4	30.4	27.7
Convertible	9071.7	11832.9	15001.3	30.4	26.8
Inconvertible	2637.1	3437.9	4501.1	30.4	30.9

R= Revised, P= Provisional

Table 18: International Investment Position (IIP)

(Rs. in Million)

S.N.	Heading	Mid-July		
		2023 ^R	2024 ^R	2025 ^P
A	Assets	1654496.9	2230194.9	2929691.1
1	Direct Investment			
2	Portfolio Investment			
3	Other Investments	214353.7	272498.4	370772.2
	Other Equity	12495.8	13409.5	14219.7
	Currency and Deposits	68022.1	61236.9	63508.6
	Loans	1568.4	2873.0	4839.9
	Trade credit and advances	7704.1	65366.3	90648.4
	Other account receivable	124563.4	129612.8	197555.6
4	Official Reserve Assets	1440143.2	1957696.5	2558918.9
B	Liabilities	1831512.4	1924352.0	2146430.6
1	Direct Investment	295496.6	332970.9	340276.3
2	Portfolio Investment			
3	Other Investments	1536015.8	1591381.1	1806154.3
	Other Equity			
	Currency and Deposits	72858.8	73859.6	82776.3
	Loans	1295346.4	1384205.2	1545098.3
	Trade credit and advances	127998.7	93407.4	136060.3
	Other account payable	905.4	1150.0	1293.9
	Special drawing rights (Net incurrence of liabilities)	38906.6	38758.9	40925.5
	Net IIP	-177015.6	305842.9	783260.5

P= Provisional

R= Revised

Table 19: Government Budgetary Operation+(Based on Banking Transactions)
(Based on the statistics of Mid-July)

Heading	Amount in Ten Million Rupees			Percentage Change	
	2022/23	2023/24	2024/25P	2023/24	2024/25
Total Expenditure	137919.98	134621.23	148069.75	-2.4	10.0
Recurrent	98732.6	92370.5	0.0	(6.44)	-
<i>a.Domestic Resources</i>	94892.6	89622.9	0.0	-	-
<i>b.Foreign Loans</i>	2736.6	1840.3	0.0	-	-
<i>c.Foreign Grants</i>	1103.4	907.3	0.0	-	-
Capital	22429.0	17882.4	0.0	(20.27)	-
<i>a.Domestic Resources</i>	16036.8	11370.3	0.0	-	-
<i>b.Foreign Loans</i>	5838.3	6100.6	0.0	-	-
<i>c.Foreign Grants</i>	554.0	411.5	0.0	-	-
Financial	16758.4	24368.3	0.0	45.41	-
<i>a.Domestic Resources</i>	16518.0	24112.3	0.0	-	-
<i>b.Foreign Loans</i>	0.0	256.0	0.0	-	-
<i>c.Foreign Grants</i>	240.4	0.0	0.0	-	-
Total Resources	88777.6	96684.5	107627.5	8.9	11.3
2.1 Revenue and Grants	83447.3	94299.1	105890.5	13.0	12.3
<i>i. Revenue</i>	95417.5	105292.3	117882.0	10.3	12.0
<i>i.a. Federal Government</i>	83406.0	92904.8	103601.0	11.4	11.5
<i>i.b. Province and Local Govt.(Transferable)</i>	12011.5	12387.5	14281.0	3.1	15.3
<i>ii. Foreign Grants</i>	41.4	1394.3	2289.5	3270.6	64.2
2.2 Other Receipts	5330.3	2385.5	1737.0	-55.2	-27.2
Deficit(-) / Surplus (+)	-49142.4	-37936.7	-40442.3	-22.8	6.6
Sources of Financing	34567.5	34040.0	43009.0	-1.5	26.3
Internal Loans	24873.8	24569.3	32907.6	-1.2	33.9
Domestic Borrowings	25599.8	23442.1	32999.1	-8.4	40.8
<i>(i) Treasury Bills</i>	5500.0	5500.0	11500.0	0.0	109.1
<i>(ii) Development Bonds</i>	3000.0	17900.0	21095.0	496.7	17.8
<i>(iii) National Savings Certificates</i>	0.0	0.0	0.0	-	-
<i>(iv) Citizen Saving Certificates</i>	0.0	37.0	390.0	-	954.7
<i>(v) Foreign Employment Bond</i>	0.0	5.2	14.1	-	172.5
Overdrafts	0.0	0.0	0.0	-	-
Others@	-725.9	1127.1	-91.4	-255.3	-108.1
Principal Refund and Share Divestment	1181.4	726.1	244.8	-38.5	-66.3
Foreign Loans	8512.3	8744.6	9856.6	2.7	12.7
Total resources available to the Federal Government	-14574.9	-3896.7	2566.7	-73.3	-165.9
Province Government Expenditure	20463.2	18402.4	19857.2	-10.1	7.9
Province Government Resources+++	19193.9	19165.7	20461.6	-0.1	6.8
1. Grant and Revenue Transfer from Federal Government	14885.7	14359.3	15292.8	-3.5	6.5
2. Revenue and Recovery	4308.2	4806.4	5168.8	11.6	7.5
2.1 Province, Revenue & Bereju	4201.2	4711.1	5048.7	12.1	7.2
2.2 Deposits	107.0	95.3	120.1	-10.9	26.0
Deficit (-)/Surplus (+) of Province Government	-1269.3	763.3	604.4	-	-20.8
Change in Balance of Local Government	-459.0	6430.0	-555.2	-1500.8	-108.6
Change in Balance of Govt. Office Accounts	-315.8	-41.2	1061.6	-86.9	-2674.9
V. A. T. Fund Account	0.6	45.6	-3.7	7894.7	-108.1
Customs Fund Account	-270.9	56.2	9.7	(120.76)	(82.84)
Reconstruction Fund Account	0.0	0.0	0.0	-	-
Others	-45.5	-143.0	1055.7	214.2	-838.0
Current Balance of General Government	-16618.9	3255.4	3677.5	-119.6	13.0
A. Last year's Cash Balance in the Treasury	22441.7	5822.8	9395.5	-74.1	61.4
B. Adjustment	0.0	317.4	0.0	-	-
Cash Balance of General Government	5822.8	9395.5	13073.1	61.4	39.1

+ Based on data reported by Banking Department of NRB, commercial banks conducting government transactions and report released from 81 DTCOs and payment centres. Expenditure excludes unrealized cheques and direct payments.

@ Other Amounts earned by Nepal Government's Bond transactions, P = Provisional

Table 20: Government Revenue Collection

Annual

(Rs. in Ten Million)

Heading	Amount			Growth Rate		Composition	
	2022/23	2023/24	2024/25P	2023/24	2024/25	2023/24	2024/25
Value Added Tax	28663.2	31045.0	34193.2	8.3	10.1	28.7	28.6
Customs	18211.6	20102.4	23090.6	10.4	14.9	18.6	19.3
Income Tax	25180.9	28346.5	29781.3	12.6	5.1	26.2	24.9
Excise	14306.8	14635.2	17516.5	2.3	19.7	13.5	14.6
Educational Service Tax	200.3	326.4	405.9	62.9	24.4	0.3	0.3
Other Tax	9172.0	11434.2	12894.5	24.7	12.8	10.6	10.8
Non-Tax Revenue	95734.9	105889.6	117882.0	10.6	11.3	97.8	98.5
Other Receipts*	5330.3	2385.3	1737.0	-55.2	-27.2	2.2	1.5
Total Revenue/Receipts	101065.1	108274.9	119619.0	7.1	10.5	100.0	100.0

P: Provisional

* अन्य प्राप्तमा सडक मर्मत र सुधार शुल्क, सडक निर्माण तथा मर्मत शुल्क, फर्म र एजन्सी दर्ता शुल्क र स्वामित्व प्रमाणपत्र शुल्क समावेश गरिएको छ ।

स्रोत : अर्थ मन्त्रालय

Table 21: Government Outstanding Domestic Debt of the GoN+

(Rs. in Ten Million)

S.N.	Instruments and Ownership	Amount			Amount Change		Percentage Change	
		2022/23	2023/24	2024/25P	2023/24	2024/25	2023/24	2024/25
1	Treasury Bills	45781.6	40369.2	37556.2	-5412.3	-2813.0	-11.8	-7.0
	<i>a. Nepal Rastra Bank</i>	4535.3	0.0	25.0	-4535.3	25.0	-100.0	-
	<i>b. Commercial Banks</i>	35318.5	37392.5	30931.4	2074.0	-6461.1	5.9	-17.3
	<i>c. Development Banks</i>	2502.7	1470.8	546.3	-1031.9	-924.5	-41.2	-62.9
	<i>d. Finance Companies</i>	206.0	550.9	144.9	344.9	-406.0	167.4	-73.7
	<i>e. Others</i>	3219.1	955.0	5908.7	-2264.1	4953.7	-70.3	518.7
2	Development Bond	65644.7	76194.7	87375.7	10550.0	11181.0	16.1	14.7
	<i>a. Nepal Rastra Bank</i>	2494.9	1648.4	878.6	-846.5	-769.8	-33.9	-46.7
	<i>b. Commercial Banks</i>	53832.2	64235.8	72254.5	10403.6	8018.7	19.3	12.5
	<i>c. Development Banks</i>	6652.1	7753.4	8506.6	1101.4	753.1	16.6	9.7
	<i>d. Finance Companies</i>	1796.9	1697.1	1625.8	-99.8	-71.3	-5.6	-4.2
	<i>e. Others</i>	868.7	860.0	4110.2	-8.7	3250.3	-1.0	378.0
3	Citizen Saving Bond	1075.0	1112.0	1341.5	37.0	229.5	3.4	20.6
	<i>a. Nepal Rastra Bank (Secondary Market)</i>	390.1	390.6	300.2	0.5	-90.4	0.1	-23.1
	<i>b. Commercial Banks</i>	0.0	0.0	0.0	0.0	0.0	-	-
	<i>c. Development Banks</i>	0.0	0.0	0.0	0.0	0.0	-	-
	<i>d. Finance Companies</i>	0.0	0.0	0.0	0.0	0.0	-	-
	<i>e. Others</i>	684.9	721.4	1041.3	36.5	319.9	5.3	44.3
4	Foreign Employment Bond	17.5	22.7	33.0	5.2	10.3	29.4	45.5
	<i>a. Nepal Rastra Bank</i>	0.7	0.7	0.7	0.0	0.0	0.0	0.0
	<i>b. Others</i>	16.9	22.1	32.4	5.2	10.3	30.6	46.9
5	Total Domestic Debt	112518.8	117698.6	126306.5	5179.8	8607.8	4.6	7.3
	<i>a. Nepal Rastra Bank</i>	7420.9	2039.7	1204.5	-5381.3	-835.2	-72.5	-40.9
	<i>b. Commercial Banks</i>	89150.7	101628.3	103185.9	12477.6	1557.6	14.0	1.5
	<i>c. Development Banks</i>	9154.8	9224.2	9052.8	69.5	-171.4	0.8	-1.9
	<i>d. Finance Companies</i>	2002.9	2248.0	1770.7	245.1	-477.3	12.2	-21.2
	<i>e. Others</i>	4789.5	2558.4	11092.6	-2231.2	8534.2	-46.6	333.6
6	Balance at NRB (Overdraft (+)/Surplus(-))	5822.8	9395.5	13073.1	3572.8	3677.5	61.4	39.1

+IMF promissory bond is not included.

Table 22: Monetary Survey

(Rs. in Millions)

Monetary Aggregates	2023	2024	2025	Changes during the fiscal year					
	Jul	Jul (R)	Jul (P)	2023/24		2024/25			
				Amount	Percent	Amount	Percent		
1. Foreign Assets, Net	1457557.2	1989278.5	2664942.9	502491.1	^{1/} 34.5	594539.4	^{2/} 29.9		
1.1 Foreign Assets	1633729.1	2150244.3	2821959.3	516515.1	31.6	671715.1	31.2		
1.2 Foreign Liabilities	176171.9	160965.7	157016.4	-15206.2	-8.6	-3949.3	-2.5		
a. Deposits	72724.0	73751.5	82710.9	1027.4	1.4	8959.5	12.1		
b. Other	103447.9	87214.3	74305.5	-16233.6	-15.7	-12908.8	-14.8		
2. Net Domestic Assets	4721498.1	4984785.3	5180662.6	292517.5	^{1/} 6.2	277002.3	^{2/} 5.6		
2.1 Domestic Credit	6182656.6	6558038.2	6963109.0	375381.6	6.1	405070.8	6.2		
a. Net Claims on Government	1019065.1	1057446.9	1021408.1	38381.8	3.8	-36038.9	-3.4		
Claims on Government	1077292.8	1151402.4	1152138.9	74109.6	6.9	736.5	0.1		
Government Deposits	58227.6	93955.5	130730.8	35727.8	61.4	36775.4	39.1		
b. Claims on Non-Financial Government Enterprises	3647.9	5920.6	5055.4	2272.7	62.3	-865.2	-14.6		
c. Claims on Financial Institutions	256594.8	292175.9	311955.6	35581.2	13.9	19779.7	6.8		
Government	1045.5	1262.1	1312.0	216.7	20.7	49.8	3.9		
Non-Government	255549.3	290913.8	310643.7	35364.5	13.8	19729.9	6.8		
d. Claims on Private Sector	4903348.8	5202494.7	5624689.9	299145.9	6.1	422195.1	8.1		
2.2 Net Non-Monetary Liabilities	1461158.5	1573252.9	1782446.4	82864.1	^{1/} 5.7	128068.5	^{2/} 8.1		
3. Broad Money (M2)	6179055.3	6974063.9	7845605.5	795008.5	12.9	871541.7	12.5		
3.1 Money Supply (a+b), M1+	2803365.4	3311483.5	4313321.2	508118.0	18.1	1001837.7	30.3		
a. Money Supply (M1)	965162.4	948807.3	1157186.1	-16355.2	-1.7	208378.8	22.0		
Currency	528695.7	581729.1	655249.8	53033.3	10.0	73520.8	12.6		
Demand Deposits	436466.7	367078.2	501936.2	-69388.5	-15.9	134858.0	36.7		
b. Saving and Call Deposits	1838203.0	2362676.2	3156135.1	524473.2	28.5	793458.9	33.6		
3.2 Time Deposits	3375689.9	3662580.4	3532284.3	286890.5	8.5	-130296.0	-3.6		
4. Broad Money Liquidity (M3)	6251779.4	7047815.3	7928316.4	796036.0	12.7	880501.1	12.5		

R = Revised, P = Provisional

1/ Adjusting the exchange valuation gain/loss of Rs 29230.2

2/ Adjusting the exchange valuation gain/loss of Rs.81125.0

Table 23: Central bank Survey

(Rs. in Mi llions)

Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
1. Foreign Assets	1440143.2	1957696.5	2558918.9	517553.3	35.9	601222.4	30.7
1.1 Gold Investment	65812.7	82431.3	117904.9	16618.6	25.3	35473.6	43.0
1.2 SDR Holdings	25708.0	23872.0	23373.8	-1835.9	-7.1	-498.2	-2.1
1.3 Reserve Position in the Fund	2846.0	2838.2	2996.9	-7.9	-0.3	158.7	5.6
1.4 Foreign Exchange	1345776.4	1848554.9	2414643.3	502778.5	37.4	566088.4	30.6
2. Claims on Government	74209.4	20396.9	12044.9	-53812.5	-72.5	-8352.0	-40.9
2.1 Treasury Bills	45352.7	0.0	250.0	-45352.7	-100.0	250.0	-
2.2 Development Bonds	24949.0	16484.0	8786.2	-8465.0	-33.9	-7697.8	-46.7
2.3 Other Government Papers	3907.7	3912.9	3008.7	5.2	0.1	-904.2	-23.1
2.4 Loans and Advances	0.0	0.0	0.0	0.0	-	0.0	-
3. Claims on Non-Financial Government Enterprises	33.6	33.6	30.6	0.0	0.0	-3.1	-9.2
4. Claims on Non-Banking Financial Institutions	643.7	643.7	611.9	0.0	0.0	-31.8	-4.9
4.1 Government	643.7	643.7	611.9	0.0	0.0	-31.8	-4.9
4.2 Non-Government	0.0	0.0	0.0	0.0	-	0.0	-
5. Claims on Banks and Financial Institutions	1497.8	0.0	0.0	-1497.8	-100.0	0.0	-
5.1 Refinance	1497.8	0.0	0.0	-1497.8	-100.0	0.0	-
5.2 Repo Lending and SLF	0.0	0.0	0.0	0.0	-	0.0	-
6. Claims on Private Sector	6532.9	8937.5	7562.0	2404.6	36.8	-1375.5	-15.4
7. Other Assets	61429.9	71090.3	82279.9	9660.4	15.7	11189.6	15.7
Assets = Liabilities	1584490.6	2058798.5	2661448.2	474307.9	29.9	602649.6	29.3
8. Reserve Money	925920.6	997403.8	1157948.8	71483.1	7.7	160545.0	16.1
8.1 Currency Outside ODCs	528695.7	581729.1	655249.8	53033.3	10.0	73520.8	12.6
8.2 Currency Held by ODCs	99280.0	100578.3	97178.4	1298.3	1.3	-3399.9	-3.4
8.3 Deposits of Commercial Banks	259728.4	272297.7	363847.7	12569.3	4.8	91550.0	33.6
8.4 Deposits of Development Banks	20021.4	23550.8	26119.1	3529.4	17.6	2568.3	10.9
8.5 Deposits of Finance Companies	5127.3	5548.1	6362.0	420.7	8.2	814.0	14.7
8.6 Other Deposits	13067.7	13699.8	9191.7	632.1	4.8	-4508.1	-32.9
9. Govt. Deposits	58227.6	93955.5	130730.8	35727.8	61.4	36775.4	39.1
10. Deposit Auction	20000.0	355450.0	654050.0	335450.0	1677.3	298600.0	84.0
11. Reverse Repo	40000.0	0.0	0.0	-40000.0	-100.0	0.0	-
12. NRB Bond	0.0	0.0	0.0	0.0	-	0.0	-
13. Foreign Liabilities	39041.4	38867.0	41049.7	-174.3	-0.4	2182.7	5.6
14. Capital and Reserve	417413.4	483753.8	593897.3	66340.4	15.9	110143.5	22.8
15. Other Liabilities	83887.6	89368.5	83771.6	5480.9	6.5	-5596.9	-6.3

R = Revised, P = Provisional

Table 24: Other Depository Corporation Survey

(Rs. in million)

Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
1. Total Deposits	5710015.9	6452386.4	7263874.9	742370.5	13.0	811488.5	12.6
1.1 Demand Deposits	441983.6	374672.2	517349.0	-67311.4	-15.2	142676.8	38.1
a. Residential	423399.0	353378.4	492744.5	-70020.6	-16.5	139366.1	39.4
b. Non-Residential	18584.6	21293.8	24604.5	2709.2	14.6	3310.7	15.5
1.2 Saving Deposits	1518857.2	1954389.0	2672596.3	435531.8	28.7	718207.3	36.7
a. Residential	1501753.8	1934153.7	2644888.4	432399.9	28.8	710734.7	36.7
b. Non-Residential	17103.4	20235.3	27707.9	3131.9	18.3	7472.5	36.9
1.3 Fixed Deposits	3358152.6	3642260.7	3508695.5	284108.0	8.5	-133565.2	-3.7
a. Residential	3331942.3	3622636.1	3487824.2	290693.8	8.7	-134811.9	-3.7
b. Non-Residential	26210.3	19624.6	20871.3	-6585.7	-25.1	1246.7	6.4
1.4 Call Deposits	347269.1	441115.9	520773.2	93846.9	27.0	79657.2	18.1
a. Residential	336449.2	428522.5	511246.7	92073.3	27.4	82724.2	19.3
b. Non-Residential	10819.9	12593.4	9526.4	1773.5	16.4	-3067.0	-24.4
1.5 Margin Deposits	43753.4	39948.6	44461.0	-3804.8	-8.7	4512.3	11.3
a. Residential	43747.5	39944.3	44460.1	-3803.3	-8.7	4515.8	11.3
b. Non-Residential	5.8	4.4	0.8	-1.5	-25.5	-3.5	-80.7
2. Borrowings from Nepal Rastra Bank	1497.8	0.0	0.0	-1497.8	-100.0	0.0	-
3. Foreign Liabilities	64406.5	48347.2	33255.8	-16059.3	-24.9	-15091.4	-31.2
4. Other Liabilities	1400519.8	1579094.4	1692043.4	178574.6	12.8	112949.0	7.2
4.1 Paid-up Capital	424936.0	436456.3	443699.5	11520.3	2.7	7243.3	1.7
4.2 General Reserves	407741.8	518332.9	616877.3	110591.1	27.1	98544.4	19.0
4.3 Debentures	163419.9	177154.0	185008.1	13734.1	8.4	7854.1	4.4
4.4 Other Liabilities	404422.1	447151.3	446458.5	42729.1	10.6	-692.8	-0.2
Assets = Liabilities	7176440.1	8079828.1	8989174.1	903388.0	12.6	909346.0	11.3

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Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
5. Liquid Funds	577731.0	594509.4	756516.1	16778.4	2.9	162006.7	27.3
5.1 Cash in Hand	99280.0	100578.3	97178.4	1298.3	1.3	-3399.9	-3.4
5.2 Balance with Nepal Rastra Bank	284877.2	301396.6	396328.8	16519.4	5.8	94932.2	31.5
5.3 Foreign Currency in Hand	2872.4	3276.8	4127.8	404.4	14.1	851.0	26.0
5.4 Balance Held Abroad	190687.1	189243.5	258878.9	-1443.6	-0.8	69635.5	36.8
5.5 Cash in Transit	14.3	14.3	2.1	-0.1	-0.4	-12.2	-85.3
6. Loans and Advances	6159491.1	6622009.4	7073624.1	462518.4	7.5	451614.7	6.8
6.1 Claims on Government	1003083.4	1131005.5	1140094.0	127922.2	12.8	9088.5	0.8
6.2 Claims on Non-Financial Government Enterprises	3614.3	5887.0	5024.9	2272.7	62.9	-862.1	-14.6
6.3 Claims on Financial Enterprises	255951.1	291532.3	311343.7	35581.2	13.9	19811.5	6.8
a. Government	401.8	618.4	700.1	216.7	53.9	81.6	13.2
b. Non-Government	255549.3	290913.8	310643.7	35364.5	13.8	19729.9	6.8
6.4 Claims on Private Sector	4896815.9	5193557.2	5617127.9	296741.3	6.1	423570.7	8.2
a. Principal	4797030.7	5073968.6	5497702.6	276937.9	5.8	423734.0	8.4
i. Non-financial Private Corporations	3009579.6	3210598.6	3450370.4	201018.9	6.7	239771.8	7.5
ii. Households	1787451.1	1863370.0	2047332.2	75918.9	4.2	183962.2	9.9
b. Interest Accrued	99785.1	119588.6	119425.2	19803.4	19.8	-163.4	-0.1
6.5 Foreign Bills Purchased & Discounted	26.5	27.5	33.6	1.0	4.0	6.1	22.2
7. NRB Bond	0.0	0.0	0.0	0.0	-	0.0	-
8. Other Assets	439218.0	863309.2	1159033.9	424091.2	96.6	295724.7	34.3

Table 25: Condensed Assets and Liabilities of Commercial Banks

(Rs. in million)

Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
1. Total Deposits	5072233.8	5746999.7	6531868.8	674765.9	13.3	784869.1	13.7
1.1 Demand Deposits	431059.8	362013.0	502851.0	-69046.8	-16.0	140838.0	38.9
a. Residential	412650.4	340752.1	478252.6	-71898.3	-17.4	137500.6	40.4
b. Non-Residential	18409.3	21260.9	24598.4	2851.6	15.5	3337.5	15.7
1.2 Saving Deposits	1366476.2	1752142.7	2391465.7	385666.5	28.2	639322.9	36.5
a. Residential	1349428.4	1731965.7	2364035.3	382537.3	28.3	632069.6	36.5
b. Non-Residential	17047.8	20177.1	27430.4	3129.3	18.4	7253.3	35.9
1.3 Fixed Deposits	2897609.2	3177729.9	3112938.0	280120.7	9.7	-64791.9	-2.0
a. Residential	2872785.4	3158976.4	3092141.3	286191.0	10.0	-66835.1	-2.1
b. Non-Residential	24823.8	18753.5	20796.7	-6070.3	-24.5	2043.2	10.9
1.4 Call Deposits	333615.9	415443.9	480973.1	81827.9	24.5	65529.2	15.8
a. Residential	324267.4	404432.0	471446.7	80164.6	24.7	67014.7	16.6
b. Non-Residential	9348.6	11011.9	9526.4	1663.3	17.8	-1485.5	-13.5
1.5 Margin Deposits	43472.8	39670.3	43641.0	-3802.5	-8.7	3970.8	10.0
a. Residential	43466.9	39665.9	43640.2	-3801.0	-8.7	3974.3	10.0
b. Non-Residential	5.8	4.4	0.8	-1.5	-25.5	-3.5	-80.7
2. Borrowings from Nepal Rastra Bank	1149.3	0.0	0.0	-1149.3	-100.0	0.0	-
3. Foreign Liabilities	64406.5	48347.2	33255.8	-16059.3	-24.9	-15091.4	-31.2
4. Other Liabilities	1265518.7	1432252.5	1530264.5	166733.8	13.2	98012.0	6.8
4.1 Paid-up Capital	369857.3	379020.5	385327.2	9163.1	2.5	6306.7	1.7
4.2 General Reserves	370300.6	472134.0	559843.0	101833.4	27.5	87709.0	18.6
4.3 Debentures	154981.8	168717.9	176272.4	13736.1	8.9	7554.5	4.5
4.4 Other Liabilities	370379.0	412380.1	408821.9	42001.1	11.3	-3558.2	-0.9
Assets = Liabilities	6403308.3	7227599.4	8095389.0	824291.1	12.9	867789.6	12.0

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Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
5. Liquid Funds	543278.4	556901.5	715239.5	13623.1	2.5	158338.0	28.4
5.1 Cash in Hand	90215.0	92309.0	88821.9	2094.1	2.3	-3487.1	-3.8
5.2 Balance with Nepal Rastra Bank	259728.4	272297.7	363847.7	12569.3	4.8	91550.0	33.6
5.3 Foreign Currency in Hand	2638.5	3042.9	3694.8	404.5	15.3	651.9	21.4
5.4 Balance Held Abroad	190682.6	189238.0	258873.5	-1444.6	-0.8	69635.5	36.8
5.5 Cash in Transit	13.8	13.8	1.6	-0.1	-0.4	-12.2	-88.2
6. Loans and Advances	5451259.8	5871034.6	6295651.3	419774.8	7.7	424616.7	7.2
6.1 Claims on Government	891507.1	1016283.1	1031859.0	124776.0	14.0	15575.9	1.5
6.2 Claims on Non-Financial Government Enterprises	3519.2	5808.6	4527.5	2289.4	65.1	-1281.1	-22.1
6.3 Claims on Financial Enterprises	223471.2	252666.8	277766.6	29195.6	13.1	25099.7	9.9
a. Government	401.8	618.4	700.1	216.7	53.9	81.6	13.2
b. Non-Government	223069.4	252048.4	277066.5	28979.0	13.0	25018.1	9.9
6.4 Claims on Private Sector	4332735.8	4596248.5	4981464.6	263512.7	6.1	385216.1	8.4
a. Principal	4249211.2	4496163.3	4882191.4	246952.1	5.8	386028.0	8.6
i. Non-financial Private Corporations	2827365.8	2998810.1	3245348.9	171444.3	6.1	246538.8	8.2
ii. Households	1421845.4	1497353.3	1636842.4	75507.9	5.3	139489.2	9.3
b. Interest Accrued	83524.6	100085.1	99273.2	16560.6	19.8	-811.9	-0.8
6.5 Foreign Bills Purchased & Discounted	26.5	27.5	33.6	1.0	4.0	6.1	22.2
7. NRB Bond	0.0	0.0	0.0	0.0	-	0.0	-
8. Other Assets	408770.2	799663.4	1084498.3	390893.2	95.6	284834.9	35.6

R= Revised, P = Provisional

Table 26: Condensed Assets and Liabilities of Development Banks

(Rs. in million)

Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
1. Total Deposits	566171.0	608251.5	629321.4	42080.5	7.4	21069.9	3.5
1.1 Demand Deposits	10611.0	11488.9	16678.2	877.9	8.3	5189.3	45.2
a. Residential	10435.7	11456.4	16676.1	1020.6	9.8	5219.8	45.6
b. Non-Residential	175.2	32.5	2.0	-142.7	-81.5	-30.5	-93.7
1.2 Saving Deposits	132842.9	176769.5	249682.6	43926.6	33.1	72913.0	41.2
a. Residential	132791.4	176724.3	249425.2	43932.8	33.1	72701.0	41.1
b. Non-Residential	51.5	45.3	257.3	-6.2	-12.1	212.0	468.2
1.3 Fixed Deposits	380578.7	374405.4	310027.5	-6173.3	-1.6	-64377.9	-17.2
a. Residential	379217.6	373586.6	309984.3	-5631.0	-1.5	-63602.3	-17.0
b. Non-Residential	1361.1	818.8	43.2	-542.3	-39.8	-775.6	-94.7
1.4 Call Deposits	41886.1	45342.2	52141.1	3456.1	8.3	6798.9	15.0
a. Residential	40414.8	43760.7	52141.1	3345.8	8.3	8380.5	19.2
b. Non-Residential	1471.3	1581.6	0.0	110.2	7.5	-1581.6	-100.0
1.5 Margin Deposits	252.3	245.5	792.1	-6.8	-2.7	546.5	222.6
a. Residential	252.3	245.5	792.1	-6.8	-2.7	546.5	222.6
b. Non-Residential	0.0	0.0	0.0	0.0	-	0.0	-
2. Borrowings from Nepal Rastra Bank	300.0	0.0	0.0	-300.0	-100.0	0.0	-
3. Foreign Liabilities	0.0	0.0	0.0	0.0	-	0.0	-
4. Other Liabilities	98538.9	109043.5	124232.6	10504.7	10.7	15189.0	13.9
4.1 Paid-up Capital	40206.9	42170.7	43023.8	1963.8	4.9	853.1	2.0
4.2 General Reserves	26826.0	34185.1	44680.0	7359.1	27.4	10494.9	30.7
4.3 Debentures	7490.7	7488.2	7488.1	-2.5	0.0	-0.1	0.0
4.4 Other Liabilities	24015.2	25199.5	29040.7	1184.3	4.9	3841.2	15.2
Assets = Liabilities	665009.9	717295.1	753554.0	52285.2	7.9	36258.9	5.1

Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
5. Liquid Funds	27600.0	30578.0	33597.2	2978.0	10.8	3019.2	9.9
5.1 Cash in Hand	7340.3	6787.9	7039.8	-552.4	-7.5	251.9	3.7
5.2 Balance with Nepal Rastra Bank	20021.4	23550.8	26119.1	3529.4	17.6	2568.3	10.9
5.3 Foreign Currency in Hand	233.8	233.8	432.8	0.0	0.0	198.9	85.1
5.4 Balance Held Abroad	4.5	5.4	5.4	1.0	21.5	0.0	0.0
5.5 Cash in Transit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6. Loans and Advances	614521.4	637476.3	659927.7	22955.0	3.7	22451.4	3.5
6.1 Claims on Government	91547.6	92242.3	90528.3	694.7	0.8	-1714.0	-1.9
6.2 Claims on Non-Financial Government Enterprises	0.6	0.6	458.7	0.0	-1.3	458.1	71527.6
6.3 Claims on Financial Enterprises	58280.6	55435.8	49526.4	-2844.9	-4.9	-5909.4	-10.7
a. Government	0.0	0.0	0.0	0.0	-	0.0	-
b. Non-Government	58280.6	55435.8	49526.4	-2844.9	-4.9	-5909.4	-10.7
6.4 Claims on Private Sector	464692.6	489797.6	519414.3	25105.1	5.4	29616.7	6.0
a. Principal	458659.2	481809.7	511429.3	23150.5	5.0	29619.6	6.1
i. Non-financial Private Corporations	149009.7	178143.1	167797.7	29133.4	19.6	-10345.4	-5.8
ii. Households	309649.5	303666.6	343631.6	-5982.9	-1.9	39965.0	13.2
b. Interest Accrued	6033.4	7988.0	7985.1	1954.6	32.4	-2.9	0.0
6.5 Foreign Bills Purchased & Discounted	0.0	0.0	0.0	0.0	-	0.0	-
7. NRB Bond	0.0	0.0	0.0	0.0	-	0.0	-
8. Other Assets	22888.5	49240.7	60029.1	26352.2	115.1	10788.4	21.9

R= Revised, P = Provisional

Table 27: Condensed Assets and Liabilities of Finance Companies

(Rs. in million)

Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
1. Total Deposits	111155.9	126538.9	130256.5	15383.0	13.8	3717.6	2.9
1.1 Demand Deposits	2728.5	2597.0	1948.8	-131.5	-4.8	-648.2	-25.0
a. Residential	2728.5	2596.6	1944.7	-131.9	-4.8	-651.9	-25.1
b. Non-Residential	0.0	0.4	4.1	0.4	-	3.7	952.5
1.2 Saving Deposits	19538.1	25476.8	31448.0	5938.6	30.4	5971.3	23.4
a. Residential	19534.0	25463.8	31427.9	5929.7	30.4	5964.1	23.4
b. Non-Residential	4.1	13.0	20.2	8.9	216.5	7.2	55.5
1.3 Fixed Deposits	80130.1	90292.9	85821.5	10162.8	12.7	-4471.4	-5.0
a. Residential	80104.7	90240.6	85790.1	10136.0	12.7	-4450.5	-4.9
b. Non-Residential	25.5	52.3	31.4	26.8	105.1	-20.9	-39.9
1.4 Call Deposits	8730.8	8139.4	11010.4	-591.4	-6.8	2870.9	35.3
a. Residential	8730.8	8139.4	11010.3	-591.4	-6.8	2870.9	35.3
b. Non-Residential	0.0	0.0	0.0	0.0	-	0.0	-
1.5 Margin Deposits	28.3	32.9	27.9	4.5	16.0	-5.0	-15.2
a. Residential	28.3	32.9	27.9	4.5	16.0	-5.0	-15.2
b. Non-Residential	0.0	0.0	0.0	0.0	-	0.0	-
2. Borrowings from Nepal Rastra Bank	48.5	0.0	0.0	-48.5	-100.0	0.0	-
3. Foreign Liabilities	0.0	0.0	0.0	0.0	-	0.0	-
4. Other Liabilities	41394.9	43183.2	45276.7	1788.2	4.3	2093.5	4.8
4.1 Paid-up Capital	14871.7	15265.1	15348.5	393.3	2.6	83.5	0.5
4.2 General Reserves	10615.1	12013.8	12354.4	1398.7	13.2	340.6	2.8
4.3 Debentures	947.5	947.9	1247.6	0.5	0.0	299.7	31.6
4.4 Other Liabilities	14960.6	14956.4	16326.3	-4.2	0.0	1369.8	9.2
Assets = Liabilities	152599.4	169722.1	175533.3	17122.8	11.2	5811.1	3.4

Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
5. Liquid Funds	6852.6	7029.9	7679.4	177.3	2.6	649.5	9.2
5.1 Cash in Hand	1724.7	1481.4	1316.7	-243.3	-14.1	-164.7	-11.1
5.2 Balance with Nepal Rastra Bank	5127.3	5548.1	6362.0	420.7	8.2	814.0	14.7
5.3 Foreign Currency in Hand	0.1	0.0	0.3	-0.1	-73.1	0.2	657.3
5.4 Balance Held Abroad	0.0	0.0	0.0	0.0	-	0.0	-
5.5 Cash in Transit	0.4	0.4	0.4	0.0	0.0	0.0	0.0
6. Loans and Advances	138187.5	147638.6	147951.2	9451.1	6.8	312.6	0.2
6.1 Claims on Government	20028.7	22480.1	17706.7	2451.4	12.2	-4773.4	-21.2
6.2 Claims on Non-Financial Government Enterprises	94.4	77.7	38.7	-16.7	-17.7	-39.1	-50.3
6.3 Claims on Financial Enterprises	18676.8	17569.7	13956.9	-1107.1	-5.9	-3612.8	-20.6
a. Government	0.0	0.0	0.0	0.0	-	0.0	-
b. Non-Government	18676.8	17569.7	13956.9	-1107.1	-5.9	-3612.8	-20.6
6.4 Claims on Private Sector	99387.5	107511.1	116249.0	8123.5	8.2	8737.9	8.1
a. Principal	89160.4	95995.6	104082.0	6835.2	7.7	8086.4	8.4
i. Non-financial Private Corporations	33204.1	33645.4	37223.8	441.3	1.3	3578.4	10.6
ii. Households	55956.2	62350.2	66858.2	6393.9	11.4	4508.0	7.2
b. Interest Accrued	10227.2	11515.5	12166.9	1288.3	12.6	651.5	5.7
6.5 Foreign Bills Purchased & Discounted	0.0	0.0	0.0	0.0	-	0.0	-
7. NRB Bond	0.0	0.0	0.0	0.0	-	0.0	-
8. Other Assets	7559.3	15053.6	19902.6	7494.3	99.1	4849.0	32.2

R= Revised, P = Provisional

Table 28: Outstanding Sectoral Credit of Banks and Financial Institutions

(Rs. in million)

Headings	2023	2024	2025	Changes during the fiscal year			
	Jul	Jul (R)	Jul (P)	2023/24		2024/25	
				Amount	Percent	Amount	Percent
1. Agriculture*	414661.3	418598.2	417888.9	3936.9	0.9	-709.3	-0.2
2. Mines	11776.2	11897.8	11755.1	121.6	1.0	-142.7	-1.2
3. Productions	752814.1	819236.5	884047.4	66422.4	8.8	64811.0	7.9
4. Construction	202963.1	207996.9	231392.6	5033.8	2.5	23395.7	11.2
5. Metal Productions, Machinery, and Electrical Tools and fitting	70274.6	70287.2	73073.2	12.5	0.0	2786.0	4.0
6. Transportation Equipment Production and Fitting	51901.2	52035.4	52327.0	134.2	0.3	291.5	0.6
7. Transportation, Communications and Public Services	353559.6	412533.3	476623.5	58973.8	16.7	64090.1	15.5
8. Wholesaler and Retailers	984430.7	999545.4	1033244.3	15114.6	1.5	33699.0	3.4
9. Finance, Insurance, and Fixed Assets	365631.3	396069.9	440738.0	30438.7	8.3	44668.0	11.3
10. Service Industries	407959.7	433146.5	488550.1	25186.8	6.2	55403.6	12.8
11. Consumable Loan	926396.3	1013638.4	1151768.8	87242.1	9.4	138130.4	13.6
12. Local Government	1126.5	1218.2	1234.0	91.7	8.1	15.8	1.3
13. Others	335784.6	330969.4	329427.5	-4815.2	-1.4	-1541.9	-0.5
Total	4879279.2	5167173.1	5592070.3	287893.8	5.9	424897.2	8.2

R= Revised, P = Provisional

Table 29: Priority Sector Lending By Bank and Financial Institutions

(Rs. in million)

S.N	Priority Sector	Fiscal Year		
		2022/23	2023/24	2024/25
Commercial Banks				
1	Agriculture	551,179.14	589,790.53	656,752.36
2	Energy	297,789.19	363,040.50	431,678.67
3	Tourism	182,242.25	198,631.84	219,616.86
4	MSMEs	421,574.83	393,798.58	513,443.77
Total		1,452,785.41	1,545,261.45	1,821,491.65
Development Banks				
1	Agriculture	34,436.02	35,259.86	34,059.56
2	Energy	7,296.91	9,595.57	12,676.39
3	Tourism	28,584.58	28,888.75	33,244.01
4	MSMEs	46,319.21	52,649.82	52,238.91
Total		116,636.72	126,394.00	132,218.87
Finance Companies				
1	Agriculture	6,875.44	6,754.71	7,203.82
2	Energy	826.28	886.80	383.59
3	Tourism	4,727.71	5,353.95	4,871.82
4	MSMEs	7,654.26	6,106.78	7,279.49
Total		20,083.69	19,102.24	19,738.72

R= Revised, P = Provisional

Table 30: Priority Sector Lending By Bank and Financial Institutions

(Rs. in million)

Headings	Mid-July			Percentage Change	
	2023	2024 ^R	2025 ^P	2023/24	2024/25
Sources					
Capital Fund	59479.93	63015.38	69039.71	5.9	9.6
Deposits	167092.71	176660.82	199756.08	5.7	13.1
Borrowings	214238.06	230745.93	239468.39	7.7	3.8
Others	61779.89	76472.23	81297.99	23.8	6.3
Profit/Loss	5191.09	6836.59	8876.15	31.7	29.8
Sources = Uses	507781.68	553730.94	598438.32	9.0	8.1
Uses					
Liquid Fund	26963.32	34591.55	42568.03	28.3	23.1
Investment	9342.42	10191.02	10499.65	9.1	3.0
Loans and Advances	432237.45	455852.59	489672.83	5.5	7.4
Others	38184.88	52634.49	55116.97	37.8	4.7
Profit/Loss	1053.61	461.30	580.84	-56.2	25.9

R= Revised, P = Provisional

Table 31: Sources and Uses of Insurance Companies

(Rs. in million)

Headings	Mid-July			Changes			
				2023/24		2024/25	
	2023	2024 ^R	2025 ^P	Amount	Percent	Amount	Percent
<u>Sources</u>							
Paid up capital	78059.0	87880.0	99433.1	9821.0	12.6	11553.1	13.1
Reserves	534641.4	82847.1	78588.7	-451794.3	-84.5	-4258.3	-5.1
Other Liabilities	68203.8	768506.6	915936.3	700302.8	1026.8	147429.7	19.2
Sources = Uses	680904.2	939233.7	1093958.1	258329.5	37.9	154724.5	16.5
<u>Uses</u>							
Cash and bank balance	8158.5	22904.6	37771.1	14746.1	180.7	14866.5	64.9
Investment	602667.4	825598.6	934295.9	222931.2	37.0	108697.2	13.2
Fixed assets	5110.3	11877.3	14742.0	6767.0	132.4	2864.7	24.1
Other assets	64968.1	78853.2	107149.2	13885.1	21.4	28296.0	35.9

R= Revised, P = Provisional

Source: Nepal Insurance Authority

Table 32: Sources and Uses of Employment Provident Fund

(Rs. in million)

Headings	Mid-July			Changes			
	2023	2024 ^R	2025 ^P	2023/24		2024/25	
				Amount	Percent	Amount	Percent
<u>Sources</u>							
Provident Fund	461783.2	518475.3	578985.4	56692.1	12.3	60510.1	11.7
Reserves and Other Provisions	50256.6	52852.2	44223.5	2595.6	5.2	-8628.7	-16.3
Sources = Uses	512039.8	571327.5	623208.9	59287.7	11.6	51881.4	9.1
<u>Uses</u>							
Cash and Bank Balance	3840.8	14933.6	18238.1	11092.8	288.8	3304.5	22.1
Investment	177527.9	199775.3	228482.3	22247.4	12.5	28707.1	14.4
Fixed Deposit	145542.1	167903.2	155340.0	22361.1	15.4	-12563.2	-7.5
Government Securities	1054.7	1083.7	38334.3	29.0	2.7	37250.5	3437.3
Shares and Other Investment	30931.1	30788.4	34808.1	-142.7	-0.5	4019.7	13.1
Loans and Advances	327855.7	353177.2	372667.5	25321.5	7.7	19490.3	5.5
Loans to Project	81840.3	90372.5	88297.1	8532.2	10.4	-2075.4	-2.3
Loans to Contributors	246015.4	262804.7	284370.4	16789.3	6.8	21565.7	8.2
Fixed Assets	1552.3	1816.9	1992.4	264.6	17.0	175.5	9.7
Other Assets	1262.9	1624.4	1828.6	361.5	28.6	204.2	12.6

R= Revised, P = Provisional

Source: Employee Provident Fund

Table 33: Sources and Uses of Citizen Investment Trust

(Rs. in million)

Headings	Mid-July			Changes			
				2023/24		2024/25	
	2023	2024 ^R	2025 ^P	Amount	Percent	Amount	Percent
<u>Sources</u>							
Paid up Capital	5313.8	5313.8	6481.7	0.0	0.0	1168.0	22.0
Reserve and Surplus	22369.5	18153.9	31015.9	-4215.6	-18.8	12862.0	70.8
Fund Collection	204139.2	230930.2	271723.6	26791.1	13.1	40793.3	17.7
Other Liabilities	33738.6	49013.9	1845.5	15275.3	45.3	-47168.4	-96.2
Sources = Uses	265561.0	303411.8	311066.7	37850.8	14.3	7655.0	2.5
<u>Uses</u>							
Liquid Assets	3821.5	11570.4	6157.4	7748.9	202.8	-5413.0	-46.8
Investment	147203.6	164655.2	212649.3	17451.6	11.9	47994.1	29.1
Loans and Advances	73830.6	79066.7	87083.9	5236.1	7.1	8017.2	10.1
Other Assets	40705.3	48119.5	5176.2	7414.3	18.2	-42943.4	-89.2

R= Revised, P = Provisional

Source: Citizen Investment Trust

Table 34: Structure of Nepalese Financial System

(Rs. in million)

Headings	2022/23			2023/24 ^R			2024/25 ^P		
	Amount	Percent		Amount	Percent		Amount	Percent	
	Total Assets/Liabilities	Share	Ratio with GDP	Total Assets/Liabilities	Share	Ratio with GDP	Total Assets/Liabilities	Share	Ratio with GDP
Financial Institutions	9342335.0	86.5	174.1	10756646.0	85.6	188.4	12327206.5	85.9	201.8
Nepal Rastra Bank	1584490.6	14.7	29.5	2058798.5	16.4	36.1	2661448.2	18.5	43.6
Commercial Banks	6403308.3	59.3	119.3	7227599.4	57.5	126.6	8095389.0	56.4	132.6
Development Banks	665009.9	6.2	12.4	717295.1	5.7	12.6	753554.0	5.2	12.3
Finance Companies	152599.4	1.4	2.8	169722.1	1.4	3.0	175533.3	1.2	2.9
Microfinance Financial Institutions	507781.7	4.7	9.5	553730.9	4.4	9.7	598438.3	4.2	9.8
Nepal Infrastructure Bank	29145.2	0.3	0.5	29499.9	0.2	0.5	42843.7	0.3	0.7
Contractual Saving Institutions	1458505.0	13.5	27.2	1813972.9	14.4	31.8	2028233.7	14.1	33.2
Employment Provident Fund	512039.8	4.7	9.5	571327.5	4.5	10.0	623208.9	4.3	10.2
Citizen Investment Fund	265561.0	2.5	4.9	303411.8	2.4	5.3	311066.7	2.2	5.1
Insurance Companies	680904.2	6.3	12.7	939233.7	7.5	16.5	1093958.1	7.6	17.9
Postal Saving Bank		0.0	0.0		0.0	0.0		0.0	0.0
Total	10800840.0	100.0	201.2	12570618.9	100.0	220.2	14355440.2	100.0	235.1
Gross Domestic Product			5366996.2			5709097.1			6107220.8
Market Capitalization of Capital Market			3082519.6			3553677.2			4656989.4
Ratio of Market Capitalization to GDP			57.4			62.2			76.3

R= Revised

P= Provisional

Source: Related Organizations

Table 35: Capital Market Indices

(Rs. in million)

Description		Mid-July			Percentage Change	
		2023	2024	2025	2023/24	2024/25
1	Number of Listed Companies	254	270	272	6.3	0.7
2	Paid up Capital of Listed Companies	728952.8	820817.9	869855.1	12.6	6.0
3	Market Capitalization	3082519.6	3553677.2	4656989.4	15.3	31.0
4	Annual Turnover	467126.9	734684.5	2124915.56	57.3	189.2
5	Number of Transaction Days	236	229	231	-3.0	0.9
6	Number of Transaction Companies	404	433	440	7.2	1.6
7	Number of Transaction	8644715	14795645	22235207	71.2	50.3
8	Number of Listed Securities (Thousand)	7387006.41	8322509.53	8822529.97	12.7	6.0
9	Number of Transacted Shares (Thousand)	1277111	2052151	4844877	60.7	136.1
10	Ratio of Paid up Capital to GDP	13.6	14.4	14.2	5.9	-0.9
11	Ratio of Transaction Amount to Paid up Capital	64.1	89.5	244.3	39.7	172.9
12	Ratio of Transaction Amount to Market Capitalization	15.2	20.7	45.6	36.4	120.7
13	Ratio of Market Capitalization to GDP	57.4	62.2	76.3	8.4	22.5
14	NEPSE Index (Closing)	2097.1	2240.4	2794.8	6.8	24.7
15	NEPSE Sensitive Index (Closing)	394.2	397.2	489.3	0.8	23.2
16	NEPSE Float Index (Closing)	145.0	152.6	193.3	5.3	26.6

R= Revised, P = Provisional

Source: Nepal Stock Exchange Ltd.

Table 36: Listed Securities in Nepal Stock Exchange

(Rs. in million)

Headings	2023/24			2024/25		
	Number of Shares (Thousand)	Amount	Share (Percentage)	Number of Shares (Thousand)	Amount	Share (Percentage)
On the basis of Institutions						
Commercial Banks	641137.2	37654.7	28.9	324176.7	11887.8	14.3
Development Banks	21637.9	3963.8	3.0	258780.6	14628.1	17.6
Beema Companies	329564.8	32956.5	25.3	143057.6	14305.8	17.2
Finance Companies	2306.7	230.7	0.2	1138.7	383.9	0.5
Microfinance Financial Institutions	17113.8	1711.4	1.3	32668.0	3266.8	3.9
Production and Processing Companies	0.0	0.0	0.0	0.0	0.0	0.0
Hotels	0.0	0.0	0.0	0.0	0.0	0.0
Trading Companies	0.0	0.0	0.0	0.0	0.0	0.0
Hydropower	341368.9	34136.9	26.2	105866.1	10586.6	12.7
Others	198122.4	19812.2	15.2	236299.2	28129.9	33.8
Total	1551251.6	130466.2	100.0	1101986.9	83188.8	100.0
On the basis of Securities						
Ordinary Shares	1114660.2	86807.0	66.5	559715.4	40211.7	48.3
Righe Shares	219767.0	21976.7	16.8	132308.8	13230.9	15.9
Bonus Shares	216522.1	21652.2	16.6	244233.9	24423.4	29.4
Government Securities	0.0	0.0	0.0	0.0	0.0	0.0
Convertible Preference Shares	0.0	0.0	0.0	0.0	0.0	0.0
Debentures Issued by Banks	0.0	0.0	0.0	0.0	0.0	0.0
Mutual Funds	0.0	0.0	0.0	125000.0	1250.0	1.5
FPO	302.3	30.2	0.0	1120.1	112.0	0.1
Others	0.0	0.0	0.0	39608.6	3960.9	4.8
Total	1551251.6	130466.2	100.0	1101986.9	83188.8	100.0

R= Revised, P = Provisional

Source: Nepal Stock Exchange Ltd.

Table 37: Listed Companies and Market Capitalization

(Rs. in million)

Headings	Number of Listed Companies			Market Capitalization (Amount in Rs. Million)						Percentage Change in Market Capitalization	
	2023	2024	2025	2023 Jul		2024 Jul		2025 Jul		2023/24	2024/25
	Jul	Jul	Jul	Amount	Share	Amount	Share	Amount	Share		
Financial Institutions	136	132	132	1941127.0	63.0	2084049.3	58.6	2520133.5	54.1	7.4	20.9
<i>Commercial Banks</i>	20	19	19	953494.7	30.9	943402.9	26.5	1171101.9	25.1	-1.1	24.1
<i>Development Banks</i>	16	16	16	143375.4	4.7	163104.0	4.6	218565.2	4.7	13.8	34.0
<i>Finance Companies</i>	20	20	20	62014.3	2.0	84099.3	2.4	83201.0	1.8	35.6	-1.1
<i>Microfinance Financial Institutions</i>	59	53	50	306101.2	9.9	360361.9	10.1	395040.9	8.5	17.7	9.6
<i>Insurance Companies</i>	21	24	27	476141.4	15.4	533081.2	15.0	652224.5	14.0	12.0	22.3
Production and Processing	19	22	23	136760.7	4.4	228254.0	6.4	251391.9	5.4	66.9	10.1
Hotels	7	7	7	104783.1	3.4	100485.2	2.8	125573.6	2.7	-4.1	25.0
Trading	4	4	4	15354.8	0.5	17746.2	0.5	232870.6	5.0	15.6	1212.2
Investment Companies	6	7	7	219026.1	7.1	260193.3	7.3	358009.0	7.7		37.6
Hydropower	79	91	91	407389.0	13.2	536690.0	15.1	713483.3	15.3	31.7	32.9
Others	3	7	8	258078.9	8.4	326259.2	9.2	455527.5	9.8	26.4	39.6
Total	254	270	272	3082519.5	100.0	3553677.2	100.0	4656989.3	100.0	15.3	31.0

R= Revised, P = Provisional

Source: Nepal Stock Exchange Ltd

Annex 1.1: List of Banks and Financial Institutions (Licensed by NRB)

(As of Mid July 2025)

A. Commercial Banks

(Rs. in Crore)

S. N.	Name	Head Office	Operation Date (A.D.)	Paid up Capital	Working Area
1	Nepal Bank Ltd.	Dharmapath, Kathmandu	1937-11-15	1,469.40	National Level
2	Agriculture Development Bank Ltd.	Ramshahpath, Kathmandu	1968-01-21	1,928.79	National Level
3	Nabil Bank Ltd.	Beena Marg, Kathmandu	2022-07-11*	2,705.70	National Level
4	Nepal Investment Mega Bank Ltd.	Durbarmarg, Kathmandu	2023-01-11*	3,412.86	National Level
5	Standard Chartered Bank Nepal Ltd.	Nayabaneshwor, Kathmandu	1987-01-30	1,004.24	National Level
6	Himalayan Bank Ltd.	Kamaladi, Kathmandu	2023-02-24*	2,165.66	National Level
7	Nepal SBI Bank Ltd.	Kesharmahal, Kathmandu	1993-07-07	1,089.92	National Level
8	Everest Bank Ltd.	Lazimpat, Kathmandu	1994-10-18	1,294.47	National Level
9	Kumari Bank Ltd.	Tangal, Kathmandu	2023-01-01*	2,622.59	National Level
10	Laxmi Sunrise Bank Ltd.	Hattisar, Kathmandu	2002-04-03	2,434.65	National Level
11	Citizens Bank International Ltd.	Narayanhitipath, Kathmandu	2007-04-20	1,476.90	National Level
12	Prime Commercial Bank Ltd.	Kamalpokhari, Kathmandu	2007-09-24	1,940.26	National Level
13	Sanima Bank Ltd.	Alkapuri, Naxal, Kathmandu	2012-02-15	1,358.15	National Level
14	Machhapuchhre Bank Ltd.	Lazimpat, Kathmandu	2012-07-09*	1,162.14	National Level
15	NIC Asia Bank Ltd.	Thapathali, Kathmandu	2013-06-30*	1,491.76	National Level
16	Global IME Bank Ltd.	Kamaladi, Kathmandu	2023-01-09*	3,811.59	National Level
17	NMB Bank Ltd.	Babarmahal, Kathmandu	2019-09-28*	1,836.67	National Level
18	Prabhu Bank Ltd.	Babarmahal, Kathmandu	2023-01-10*	2,354.25	National Level
19	Siddhartha Bank Ltd.	Hattisar, Kathmandu	2016-06-21*	1,409.00	National Level
20	Rastriya Banijya Bank Ltd.	Singhadurbarplaza, Kathmandu	2018-05-02*	1,563.74	National Level

*Joint operation date after Merger / Acquisition

B. Development Banks

(Rs. in Crore)

SN	Name	Head Office	Operation Date (A.D.)	Paid up Capital	Working Area
1	Narayani Development Bank Ltd.	Ratna Nagar, Chitawan	2001-10-17	26.25	1-3 District Level (Nawalparasi, Chitwan, Makawanpur)
2	Karnali Development Bank Ltd.	Nepalgunj, Banke	2004-02-18	50.28	1-5 District Level (Banke, Bardiya, Dang, Pyuthan, Rolpa)
3	Excel Development Bank Ltd.	Birtamod, Jhapa	2005-07-21	124.97	Province Level (Koshi Province)
4	Miteri Development Bank Ltd.	Dharan, Sunsari	2006-10-13	121.71	Province Level (Koshi Province)
5	Muktinath Bikas Bank Ltd.	Kamaladi, Kathmandu	2007-01-03	704.69	National Level
6	Corporate Development Bank Ltd.	Birgunj, Parsa	2007-11-07	52.50	1-5 District Level (Parsa, Bara, Rautahat, Sarlahi, Mohattari)
7	Sindhu Bikas Bank Ltd.	Barhabise, Sindhupalchowk	2010-09-09	55.75	1-5 District Level (Sindhupalchowk, Kavre, Dolkha, Makawanpur, Chitwan)
8	Salapa Bikash Bank Ltd.	Diktel, Khotang	2012-07-16	35.00	1 District Level (Khotang)
9	Green Development Bank Ltd.	Pokhara, Kaski	2013-08-25	56.97	1-5 District Level (Baglung, Myagdi, Kaski, Tanahu, Nawalparasi East)

10	Sangrila Development Bank Ltd.	Baluwatar, Kathmandu	2014-07-13*	355.63	National Level
11	Shine Resunga Development Bank Ltd.	Butawal, Rupandehi	2019-10-14*	487.57	National Level
12	Jyoti Bikas Bank Ltd.	Kamaladi, Kathmandu	2019-03-29*	439.58	National Level
13	Garima Bikas Bank Ltd.	Lazimpat, Kathmandu	2021-11-14*	568.05	National Level
14	Mahalaxmi Bikas Bank Ltd.	Durbar Marg, Kathmandu	2017-07-02*	429.65	National Level
15	Lumbini Bikas Bank Ltd.	Dillibazar, Kathmandu	2017-07-09*	362.37	National Level
16	Kamana Sewa Bikas Bank Ltd.	Gyaneshwor, Kathmandu	2017-08-04*	351.08	National Level
17	Saptakoshi Development Bank Ltd.	Dhankutabazaar, Dhankuta	2019-07-07*	83.43	1-7 District Level (Morang, Ilam, Panchthar, Jhapa, Sunsari, Dhankuta, Terhathum)

*Joint operation date after Merger / Acquisition

C. Finance Companies

(Rs. in Crore)

S. N.	Name	Head Office	Operation Date (A.D.)	Paid up Capital	Working Area
1	Nepal Finance Ltd.	2021-07-11*	Kamaladi, Kathmandu	75.94	National Level
2	Nepal Share Markets and Finance Ltd.	1993-10-19	Ramshahapath, Kathmandu	23.33	National Level
3	Goodwill Finance Ltd.	1995-05-15	Hattisar, Kathmandu	94.61	National Level
4	Progressive Finance Ltd.	1996-02-26	Tinkune, Kathmandu	84.81	National Level
5	Janaki Finance Co. Ltd.	1997-03-07	Janakpurdham, Dhanusha	69.05	Province Level (Madhesh Province)
6	Pokhara Finance Ltd.	1997-03-16	Pokhara, Kaski	108.26	National Level
7	Multipurpose Finance Ltd.	1998-04-15	Rajbiraj, Saptari	61.02	Province Level (Madhesh Province)
8	Samridhi Finance Company Limited	2001-08-10	Hetauda, Makawanpur	81.89	National Level
9	Capital Merchant Banking & Finance Ltd.	2002-02-01	Battisputali, Kathmandu	93.51	National Level
10	Guheshwori Merchant Banking & Finance Ltd.	2002-06-13	Pulchowk, Lalitpur	101.22	National Level
11	ICFC Finance Ltd.	2004-07-15	Tangal, Kathmandu	118.35	National Level
12	Manjushree Finance Ltd.	2007-10-17	Nayabaneshwor, Kathmandu	135.16	National Level
13	Reliance Finance Ltd.	2014-05-08*	Pradarsani Marg, Kathmandu	112.15	National Level
14	Gorkhas Finance Ltd.	2016-04-10*	Dillibazar, Kathmandu	86.80	National Level
15	Shree Investment & Finance Co. Ltd.	2017-02-01*	Dillibazar, Kathmandu	100.00	National Level
16	Central Finance Ltd.	2017-03-23*	Kupondole, Lalitpur	94.89	National Level
17	Best Finance Ltd.	2018-08-02*	Chabahil, Kathmandu	89.04	National Level

*Joint operation date after Merger / Acquisition List of Banks and Financial Institutions (Licensed by NRB) Paid-up capital based on the financial statement of Mid July, 2025

D Micro Finance Financial Institutions

(Rs. in Crore)

S. N.	Name	Head Office	Operation Date (A.D.)	Paid up Capital	Working Area
1	Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	1999-07-17	Naxal, Kathmandu	261.21	National Level
2	Deprosc Laghubitta Bittiya Sanstha Ltd.	2001-07-03	Bharatpur, Chitwan	155.10	National Level
3	Chhimek Laghubitta Bittiya Sanstha Ltd.	2001-12-10	Old Baneshwor, Kathmandu	321.53	National Level
4	Swabalamban Laghubitta Bittiya Sanstha Ltd.	2002-02-22	Kamal Pokhari, Kathmandu	165.66	National Level
5	Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd.	2023-07-09*	Babarmahal, Kathmandu	431.26	National Level
6	Nerude Mirmire Laghubitta Bittiya Sanstha Ltd.	2024-03-13*	Banepa, Kavrepalanchowk	139.78	National Level
7	Mithila Laghubitta Bittiya Sanstha Ltd.	2009-04-29	Dhalkebar, Dhanusha	22.39	Province Level (Madhesh Province)
8	Sworojgar Laghubitta Bittiya Sanstha Ltd.	2009-12-15	Banepa, Kavrepalanchowk	70.39	National Level
9	First Microfinance Laghubitta Bittiya Sanstha Ltd.	2009-12-28	Gyaneshwor, Kathmandu	134.49	National Level
10	Kalika Laghubitta Bittiya Sanstha Ltd.	2020-01-08*	Pokhara, Kaski	40.77	National Level
11	Janautthan Samudayik Laghubitta Bittiya Sanstha Ltd.	2010-11-09	Butwal, Rupandehi	17.01	19 District Level (Kailali, Kanchanpur, Banke, Bardiya, Dang, Kapilvastu, Rupandehi, Nawalparasi East, Nawalparasi West, Chitwan, Parsa, Surkhet, Dadeldhura, Gulmi, Palpa, Tanahu, Arghakhanchi, Pyuthan, Salyan)
12	Suryodaya Womi Laghubitta Bittiya Sanstha Ltd.	2022-04-02*	Banepa, Kavrepalanchowk	79.19	National Level
13	Laxmi Laghubitta Bittiya Sanstha Ltd.	2012-06-04	Maharajgunj, Kathmandu	44.17	National Level
14	Himalayan Laghubitta Bittiya Sanstha Ltd.	2012-07-05	Chuchepati, Kathmandu	31.98	National Level
15	Vijaya Laghubitta Bittiya Sanstha Ltd.	2013-03-28	Dhulikhel, Kavre	74.50	National Level
16	NMB Laghubitta Bittiya Sanstha Ltd.	2013-03-31	Pokhara, Kaski	72.14	National Level
17	Forward Microfinance Laghubitta Bittiya Sanstha Ltd.	2013-05-17	Duhabi Bhaluwa, Sunsari	119.60	National Level
18	Global IME Laghubitta Bittiya Sanstha Ltd.	2013-05-19	Pokhara, Kaski	61.89	National Level
19	Mahuli Laghubitta Bittiya Sanstha Ltd.	2020-11-23*	Bakduhuwa, Saptari	36.99	National Level
20	Meromicrofinance Laghubitta Bittiya Sanstha Ltd.	2013-07-18	Battar, Nuwakot	141.90	National Level
21	Samata Gharelu Laghubitta Bittiya Sanstha Ltd.	2024-07-07*	Banepa, Kavrepalanchowk	62.91	National Level
22	RSDC Laghubitta Bittiya Sanstha Ltd.	2013-09-11	Butwal, Rupandehi	103.41	National Level
23	Samudayik Laghubitta Bittiya Sanstha Ltd.	03/07/2024*	Banepa, Kavrepalanchowk	17.08	Bagmati Province and 5 additional districts (Solukhumbu, Okhaldhunga, Khotang, Bhojpur, Sankhuwasabha)
24	National Microfinance Laghubitta Bittiya Sanstha Ltd.	2021-07-14*	Nilkantha, Dhading	133.16	National Level
25	Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	2014-08-15*	Butwal, Rupandehi	98.25	National Level

26	Wean Nepal Laghubitta Bittiya Sanstha Ltd.	2021-11-01*	Banepa, Kavrepalanchowk	8.43	Province Level (Bagmati Province)
27	Unnati Sahakarya Laghubitta Bittiya Sanstha Ltd.	2020-07-10*	Siddharthanagar, Rupandehi	24.69	National Level
28	NADEP Laghubitta Bittiya Sanstha Ltd.	2015-05-15	Gajuri, Dhading	48.58	National Level
29	Support Laghubitta Bittiya Sanstha Ltd.	2015-07-12	Itahari, Sunsari	12.24	Province Level (Koshi Province)
30	Aarambha Chautari Laghubitta Bittiya Sanstha Ltd.	2021-11-16*	Banepa, Kavrepalanchowk	36.71	National Level
31	Asha Laghubitta Bittiya Sanstha Ltd.	2016-08-29	Madanpur, Nuwakot	73.30	National Level
32	Gurans Laghubitta Bittiya Sanstha Ltd.	2016-11-16	Dhankutabazaar, Dhankuta	11.58	Province Level (Koshi Province)
33	Ganapati Laghubitta Bittiya Sanstha Ltd.	2016-12-09	Shuklagandaki, Tanahu	15.16	National Level
34	Infinity Laghubitta Bittiya Sanstha Ltd.	2017-01-07*	Gaidakot, Nawalparasi	49.74	National Level
35	Swabhimani Laghubitta Bittiya Sanstha Ltd.	2017-05-22	Tilottama, Rupandehi	15.34	Province Level (Lumbini Province)
36	Sampada Laghubitta Bittiya Sanstha Ltd.	2024-07-13*	Bandipur, Tanahu	70.09	National Level
37	NIC Asia Laghubitta Bittiya Sanstha Ltd.	2021-03-21*	Banepa, Kavrepalanchowk	173.94	National Level
38	Samaj Laghubitta Bittiya Sanstha Ltd.	2018-05-01	Malangawa, Sarlahi	2.29	1-3 District Level (Sarlahi, Mahottari, Dhanusha)
39	Mahila Laghubitta Bittiya Sanstha Ltd.	2018-10-18	Banepa, Sanga, Kavrepalanchowk	21.75	National Level
40	Manushi Laghubitta Bittiya Sanstha Ltd.	2018-11-17	Banepa, Bhaisepati, Kavrepalanchowk	10.94	National Level
41	Unique Nepal Laghubitta Bittiya Sanstha Ltd.	2022-01-14*	Kohalpur, Banke	14.86	4-10 District (Bardiya, Banke, Kailali, Kanchanpur, Dang, Kapilvastu, Rupandehi, Nawalparasi, Surkhet, Dadeldhura)
42	Upakar Laghubitta Bittiya Sanstha Limited	2019-03-27	Kohalpur, Banke	10.61	Province Level (Lumbini Province)
43	Dhaulagiri Laghubitta Bittiya Sanstha Limited	2019-02-19	Baglung - 2, Baglung	13.31	National Level
44	CYC Nepal Laghubitta Bittiya Sanstha Limited	2023-03-14*	Pokhara, Kaski	26.64	National Level
45	NESDO Samriddha Laghubitta Bittiya Sanstha Limited	2019-03-05	Kushma, Parbat	29.13	National Level
46	Swastik Laghubitta Bittiya Sanstha Limited	2019-03-26	Lahan, Siraha	3.47	Province Level (Madhesh Province)
47	Shrijanshil Laghubitta Bittiya Sanstha Limited	2019-03-15	Golbazar, Siraha	10.94	National Level

*Joint operation date after Merger / Acquisition
Paid-up capital based on the financial statement of Mid July, 2025

Infrastructure Development Bank

(Rs. in Crore)

S.N.	Name	Head Office	Operation Date (A.D.)	Paid up Capital	Working Area
1	Nepal Infrastructure Bank Limited	2019-03-06	New Baneshwor, Kathmandu	2,160.00	National Level

Other Institution

A. Cooperative

S.N.	Name	Head Office	Contact Office	License approved Date
1	Rastriya Sahakari Bank Ltd.	Pulchowk, Lalitpur	Baneshwor, Kathmandu	2067-04-04

B. Hire-Purchase

S.N.	Name	Head Office	Contact Office	License approved Date
1	Omni Hire Purchase Pvt.Ltd.	Adarshnagar, Birgunj	Adarshanagar, Birgunj	2071-01-24
2	Hulas FinServe Hire Purchase Ltd.	Teku, Kathmandu	Teku, Kathmandu	2071-04-18
3	Sipradi Hire Purchase Pvt. Ltd.	Gairidhara, Kathmandu	Thapathali, Kathmandu	2071-07-20
4	M.A.W. Hire Purchase Pvt. Ltd.	Biratnagar, Morang	Teku, Kathmandu	2071-09-30
5	Batas Hire Purchase Pvt. Ltd.	Pokhara, Kaski	Gairidhara, Kathmandu	2071-10-21
6	Syakar Hire Purchase Pvt. Ltd.	Kantipath, Kathmandu	Kantipath, Kathmandu	2073-03-10
7	Jagadamba Hire Purchase Ltd.	Naxal, Kathmandu	Naxal, Kathmandu	2073-09-17
8	Venture Hire Purchase Pvt. Ltd.	Panipokhari, Kathmandu	Panipokhari, Kathmandu	2076-08-03
9	Manokamana Hire Purchase Pvt. Ltd.	Kantipath, Kathmandu	Kantipath, Kathmandu	2076-09-27
10	Agni Hire Purchase Pvt. Ltd.	Panipokhari, Kathmandu	Panipokhari, Kathmandu	2077-07-13

C. Hire-Purchase

S.N.	Name	Office	Contact Office	License approved Date
1	Mashreq Bank PSC	Dubai, UAE	New Baneshwor, Kathmandu	2067-06-26
2	Doha Bank	Doha, Qatar	Thapathali, Kathmandu	2074-01-11
3	ICICI Bank Limited	Mumbai, India	Thapathali, Kathmandu	2076-10-21

D. Hydropower Investment and Development Company

S.N.	Name	Head Office	Contact Office	License approved Date
1	Hydroelectricity Investment & Development Company Ltd.	Babarmahal, Kathmandu	Babarmahal, Kathmandu	2069-03-26

PART – 2
ACTIVITIES OF NEPAL RASTRA BANK

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ACTIVITIES OF NEPAL RASTRA BANK

Monetary Policy for 2024/25

- 2.1 In accordance with the NRB Act 2002, the Monetary Policy for 2024/25 was released on 26 July 2024 with the objectives to maintain price stability, ensure balance of payments stability, and support sustainable economic growth. The NRB conducted the three periodic review of the policy: first quarter review on 29 November 2024, the mid-term review on 25 February 2025, and the third quarter review on 25 May 2025.

Objectives and Targets

- 2.2 The monetary policy for 2024/25 was formulated against the backdrop of signs of economic recovery following a period of stagnation caused by the COVID-19 pandemic. The monetary policy was formulated at a time when the inflation rate was within the desired level, and the external sector showed improvement, highlighted by a significant increase in foreign exchange reserves. Despite abundant liquidity in the banking system and declining interest rates, projected credit growth was not achieved due to the sluggish internal demand. Moreover, risks persisted related to rising fuel and food prices, due to supply disruptions caused by the ongoing conflict between Russia and Ukraine, tensions in the Middle East, as well as other uncertainties .
- 2.3 In this context, the monetary policy was formulated with the primary objectives of maintaining price and balance of payments stability, and financial stability. It was aimed to complement the GoN's budget to support the economic activities. To keep the economy dynamic, monetary and regulatory policies were formulated to direct credit flows towards productive sectors, ensure financial stability with a focus on the quality of credit, and establish a sound coordination between monetary and regulatory policies.
- 2.4 Within this background and the objectives mentioned above, the monetary policy for 2024/25 continued the cautiously accommodative policy stance. Given the gradual improvement in the inflation, foreign exchange reserves and the aggregate demand, the first quarter review, the mid-term review, and the third quarter review of the monetary policy also continued the cautiously acommodative stance.
- 2.5 The monetary policy aimed to manage inflation pressures caused by monetary expansion, with a target of keeping inflation around 5 percent for the year 2024/25. The annual average inflation for 2024/25 was 4.06 percent (Table 2.1). Additionally, it sought to maintain foreign exchange reserves that would be sufficient to cover at least seven months' imports of goods and services. The foreign exchange reserves maintained at the end of 2024/25, were sufficient to cover imports for 15.4 months (Table 2.1).

Table 2.1: Inflation and the adequacy of foreign exchange reserves

Particulars	2022/23	2024/25	2024/25	
			Target	Actual
Annual Average Inflation (in percent)	7.74	5.44	5.0	4.06
Adequacy of foreign exchange reserves (Goods and Services imports, in months)	10.0	13.0	7.0	15.4

- 2.6 In 2024/25, broad money (M2) growth was projected to be around 12.0 percent. In the mid-July 2025, the growth of the broad money (M2) was at 12.50 percent (Table 2.2). Likewise, in 2024/25, the growth of the private sector credit was 8.40 percent against the projection of 12.50 percent (Table 2.2). Though the business environment in 2024/25 improved quite significantly compared to the previous fiscal year, the private sector credit grew below the projected level.

Table 2.2: Broad Money and Domestic Credit

Particulars	2022/23	2024/25	2024/25	
			Target	Actual
Broad Money Growth (in percent)	11.2	13.0	12.0	12.5
Private Sector's credit Growth (in percent)	4.6	6.1	12.5	8.4

Intermediate and Operating Targets of Monetary Policy

- 2.7 The monetary policy for 2024/25 continued the pegged exchange rate of the Nepali Rupee against the Indian Rupees a nominal anchor, which is also an intermediate target of the monetary policy. The policy's transmission mechanism aims to influence interest rates in the banking sector through the adjustments in the policy rate and interbank rate, thereby maintaining price and external sector stability.
- 2.8 The monetary policy for 2024/25 adopted the weighted average interbank rate among the BFIs as an operating target and a basis for the liquidity management strategy. The operating target was set by considering the recent developments, systems, and international best practices in the monetary policy operations.

Instruments of Monetary Policy

- 2.9 To implement the cautiously accommodative stance, the monetary policy for 2024/25 reduced the bank rate, the upper limit of the interest rate corridor, to 6.50 percent from 7.0 percent; and the policy rate to 5.0 percent from 5.5 percent. Likewise, the deposit collection rate, the lower limit of the interest rate corridor, was kept unchanged at 3.0 percent (Table 2.3). The cash reserve ratio and the statutory liquidity ratio to be maintained by BFIs were kept unchanged (Table 2.4).

Table 2.3: Interest Rate Corridor and the Policy Rate (Percent – Every Year)

Particulars	2024 July	2024 October	2024 January	2025 April	2025 July
Bank Rate	7.0	6.5	6.5	6.5	6.5
Policy Rate	5.5	5.0	5.0	5.0	5.0
Deposit Collection Rate	3.0	3.0	3.0	3.0	3.0

Table 2.4: CRR and SLR to be maintained by BFIs (Percent)

Headings	2022/23	2023/24	2024/25
Cash Reserve Ratio			
“A” Class Institutions	4.0	4.0	4.0
“B” Class Institutions	4.0	4.0	4.0
“C” Class Institutions	4.0	4.0	4.0
Statutory Liquidity Ratio			
“A” Class Institutions	12.0	12.0	12.0
“B” Class Institutions	10.0	10.0	10.0
“C” Class Institutions	10.0	10.0	10.0

- 2.10 The monetary policy for 2024/25 stated to conduct an automatic and rule-based open market operations so as to keep the weighted average interbank rate among the BFIs close to the policy rate. The weighted average interbank rate among the BFIs was 2.99 percent in 2024/25.

Monetary Management

Liquidity Management

- 2.11 The amendments to the “Nepal Rastra Bank Open Market Operations Regulation, 2078” and the “Nepal Rastra Bank Open Market Operations Procedure, 2078” has been made in accordance with the provisions of the monetary policy for 2024/25.
- 2.12 During the review period, deposit collection auctions and the Standing Deposit Facility instruments were utilized under the open market operations and interest rate corridors, to manage liquidity volatility in the market. During this period, a total of Rs. 3,142.95 billion was absorbed through deposit collection auctions conducted with multiple transactions.
- 2.13 Under the Intraday Liquidity Facility limit, BFIs are being allowed to pledge the government securities as collateral and utilize up to 90 percent of the value of pledged securities for up to three months while maintaining the daily liquidity facility limit.
- 2.14 During the review period, the Standing Deposit Facility (SDF), which was implemented to keep the weighted average interbank rate within the interest rate corridor, was utilized 149 times, and liquidity totaling Rs. 21,508.40 billion was absorbed.

Table 2.5: Liquidity absorption in 2024/25

S.No.	Instruments	Number of times	Amount (Rs. in billion)
1	Deposit Auction	90	3,142.95
2	Standing Deposit Facility	149	21,508.40
	Total		24,651.35

Transactions related to Government Securities

- 2.15 As per the provision in Section 75, Sub-section (7) of NRB Act 2002, 91-day T-bills worth Rs. 2.02 billion and 182 T-bills worth Rs. 250 million were purchased upon the request of Public Debt Management Office.

- 2.16 The government securities owned by the Nepal Rastra Bank at the end of 2024/25 amounted to Rs.12.04 billion.

Table 2.6: List of Government Securities owned by Nepal Rastra Bank

S. N.	Types of Debt Instruments	Amount (Rs. In Million)			Percentage Change	
		2022/23	2023/24	2024/25	2023/24	2024/25
1.	Treasury Bills	45353	-	250	-	100
2.	Development Bond	24949	16484	8786.2	-33.92	-46.70
3.	Citizen Saving Bond	3901.2	3906.4	3002.1	0.13	-23.15
4.	Foreign Employment Saving Bond	6.5	6.5	6.5	-	-
Total		74209.7	20396.9	12044.8		

- 2.17 Since GoN's Public Debt Management Office, started internal debt management: debt issuance from 28 March 2024 and secondary market transaction, payment, and management of government bonds from 15 June 2024; the NRB t, reimbursed only the principal and interest earned on Development Bonds, Citizen Saving Bond, and Foreign Employment Saving Bond maturing before 15 June 2024 . In 2024/25, a total of Rs.54.2 million including principal and interest have been reimbursed through the NRB.

Financial Sector Reform, Regulation and Enhancing Financial Access

Regulation and Financial Sector Reform

Regulatory Provisions

- 2.18 During 2024/25, various circulars, guidelines and notices were issued to regulate the BFIs. Moreover, several provisions for loan restructuring and rescheduling were implemented to enhance economic activity and strengthen the banking sector.

a. Capital related provisions

- During 2024/25, the Counter Cyclical Buffer was set to zero percent in accordance with the Capital Adequacy Framework, 2015 for the BFIs and Infrastructure Development Bank following in accordance with the Capital Adequacy Framework, 2018..
- Provision was made to count regulatory reserve's Accrued Interest Receivable on pass loans and the Interest Capitalized Reserve as supplementary capital while calculating the capital fund.

b. Amendment to the provisions related to Cash Reserve Ratio

- According to the regulations, institutions licensed by the NRB in categories “A”, “B” and “C” are required to maintain a cash reserve ratio of four percent of their total deposit liabilities. Of this amount, the provision of 70 percent to be kept on a daily basis has been increased to a minimum of 90 percent.

c. Amendment to Single Obligor Limit

- The single obligor limit for loans disbursed by the BFIs secured against gold and silver as collateral is set at Rs. 5 million.

- The previous single obligor limit of Rs.150 million for margin-type loans to institutional investors, established with the primary objective of investing in the securities market, has been removed.
- d. Amendment to Loan to Value Ratio and Debt Service to Gross Income Ratio**
 - BFIs are permitted to maintain a Loan-to-Value Ratio of up to 60 percent for loans granted for the purchase of electric vehicles for any purposes, as well as for other types of vehicles intended for personal use.
 - The maximum limit of the Debt Service to Gross Income (DTI) ratio is set at 70 percent for the loans disbursed to purchase or construct houses and land, after updating the specified information..
- e. Amendments to Provisions related to Interest Rate**
 - A new provision has been introduced to charge interest on up to Rs 20 million loans granted to food production, livestock, fisheries, agriculture-related industries, agricultural equipment manufacturing, export-oriented industries, handicrafts and skill-based businesses, information technology, tourism, other enterprises related to domestic production, and manufacturing industries, utilizing 100 percent domestic raw materials (excluding import-related businesses) by adding a premium of only 2 percentage points to the base rate.
- f. Addition and Amendment in the blacklisting-related directives**
 - In the case of forced loans arising from claims under a constructor's guarantee, borrowers and associated parties will only be blacklisted if such loans remain due for more than one year in 2024/25.
 - A provision has been made to prevent the blacklisting of Private Equity and Venture Capital (PEVC) institutions that hold a stake of 50 percent or less in small and medium enterprises (SMEs), solely due to the blacklisting of those SMEs .
 - Before blacklisting a borrower's guarantor, the collateral provided by the borrower as security must first be auctioned to recover any outstanding dues. If the funds recovered from this auction are insufficient, the guarantor should be given 90 days to settle the remaining amount.
 - Blacklisted individuals, firms, companies, and organizations are permitted to open accounts to receive legally entitled social security allowances and pension payments. They can also withdraw their remuneration, social security allowances, pensions, and other payments as stipulated by the law.
- g. Amendment to the provisions related to loan restructuring and rescheduling**
 - The restructuring and rescheduling of loans for hydropower projects are prohibited if their grace periods have been extended due to an inability to operate at full capacity because the construction of full capacity transmission lines is incomplete, even though these hydropower projects have already started operations.

- For financing provided to construction enterprises for projects, whether completed or still under construction, that have secured funding from a public agency, for which payment is still pending, a provision is made allowing the licensed institutions to reschedule and/or restructure construction-related financings upon the borrower's request based on the cash-flow analysis, necessity and justifications for the rescheduling and/or restructuring.
 - On borrower's request, a provision is made allowing a one-time rescheduling and/or restructuring of loans up to Rs.20 million disbursed to priority sectors (agriculture, energy, and micro, cottage, small, and medium enterprises) that the borrowers face unintended and circumstantial difficulties and upon.. The rescheduling and/or restructuring can be done after recovering at least 10 percent of the accrued interest should be based on the necessity and be justified with an analysis of the business plan, cash flow, and other relevant factors..
- h. Amendment to Working Capital Guidelines, 2022**
- The timeline for loans disbursed before the implementation of the Working Capital Loan Guidelines, 2022 which took effect on October 18, 2022 such that it exceeded the limits set by the guidelines during the first review or renewal be converted into term loans has been extended from a maturity period ending at the end of mid-July 2025 to the end of mid-July 2027, while keeping the installment amounts unchanged.
 - An arrangement has been made the variance-related clause of the Working Capital Loan Guideline, 2022 to make effective only from mid-July 2026.
- i. Amendment in Provision Related to Risk Weights**
- The risk weight for Personal Hire purchase and Personal Auto Loans has been set at 100 percent.
 - The risk weight for all loans secured against shares is now maintained at 100 percent. Previously, loans up to Rs.5 million had a risk weight of 100 percent, while loans exceeding Rs.5 million had a risk weight of 125 percent.
- j. Amendment of provisions related to loan classification**
- A loan may be classified under the 'watchlist' category if it is financed for the establishment of an industry, project, or business that remains non-operational due to certain unforeseen circumstances, provided the borrower continues to make regular payments of both principal and interest as per the agreed terms.
 - For the forced loans arising from claims under a contractor's guarantee, a provision is made to classify these loans based on the number of overdue period in 2024/25 if the loan was not classified as bad loans in 2023/24 due to the inability to recover it within 90 days.
- k. Amendment in Loan Loss Provision**
- On pass loans category, BFIs required to maintain a loan loss provision of 1.0 percent.
- l. Amendment in Provisions Related to Deprived Sector and Directed Sector Lending**

- A provision has been made under the Deprived Sector Lending framework, allowing licensed institutions to extend wholesale lending to any single "D" class licensed institution, with a maximum limit of 40 percent of their total wholesale lending.
 - For the existing credit limit for the BFIs to extend a minimum of 15 percent of their total loans to the micro, cottage, small and medium enterprises sector by mid-July 2028 has been set at Rs. 20 million.
 - Investments in energy-related debt securities, including energy bonds issued by public corporations and public limited companies operating in the energy sector, allowed to be counted for the specified limit to invest to the energy sector.
 - The maximum limit for the Regulatory Retail Portfolio (RRP) increased from Rs.20 million to Rs.25 million.
 - The deadline to meet the previously specified minimum sectoral lending threshold extended to mid-July 2028 from mid-July 2027.
- m. Provisions related to Combating Money Laundering and Financing for Terrorism**
- In accordance with the amendments made to the Asset and Money Laundering Prevention Act, and the Asset and Money Laundering Prevention Rules, directive have been issued to BFIs and the Infrastructure Development Bank Ltd.
 - A "Guideline on Targeted Financial Sanctions for Financial Institutions" has been issued regarding the obligations of Reporting Entities concerning the prevention of money laundering.
 - For the first time, the NRB has issued a directive to the Social Security Fund regarding combating of money laundering and financing for terrorism. Additionally, the provisions related to combating money laundering and financing for terrorism for the Employees' Provident Fund, Citizens' Investment Trust, and the NRB licensed Hire Purchase Companies have been amended to incorporate the latest changes made to the relevant Act and Regulation.
 - A provision has been made to restrict "A" class banks from obtaining approval to establish branches, contact/representative offices in jurisdictions listed under the FATF's "High-Risk Jurisdictions Subject to a Call for Action", "Jurisdictions under Increased Monitoring" and the UN Sanction List.
- n. Other provisions:**
- A provision has been made to BFIs requiring to recognize interest income in accordance with the NFRS 9- Expected Credit Loss Related Guidelines, 2024 issued by the NRB
 - A provision has been made allowing BFIs to sell the securities purchased at least one year before, subject to the total selling to maximum 20 percent of the core capital in a fiscal year.

- A provision is made the BFIs a mandatory arrangements to open accounts based on a national identity card or its number. Nepali citizens residing abroad can open accounts with a licensed financial institution online, using alternative documents in place of a national identity card or its number. Additionally, a provision is made to adopt appropriate Customer Due Diligence measures consistent with the inherent risksto verify that the mobile number provided is registered to the customer.
 - A provision has been made to transfer the amount in the Interest Capitalized Term Loan (ICTL) for the hydropower projects with a capacity of 50 MW or more that have capatilized interest to the retained earning account after deducting it from the Interest Capitalized Reserve (ICR), once the project is certified as 60 percent completed. For other projects with capatilized interest that have commenced commercial operations, the entire amount in the ICTL may be transferred to the retained earnings account, also deducting from the ICR.
- o. Addition/Amendment to Micro Finance Related Provisions**
- Microfinance institutions should maintain a loan loss provision of 1.0 percent on pass loans.
 - To enhance financial inclusion, by providing loans in a simplified manner to borrowers of micro finance financial institutions, a provision has been made for borrowers of those institutions to receive loans up to Rs.25,000, guaranteed by their family members. Additionally, microfinance institutions may provide loans up to Rs.300,000 per family for low-cost housing.
 - While providing microcredit against group guarantees or collateral, it is permitted for up to two microfinance institutions to provide loans to a borrower within the prescribed loan limits.
 - Microfinance financial institutions are required to allocate a portion of their net profit from the corresponding fiscal year to the Client Protection Fund, fixed at 1.5 percent in mid-July 2025, 2.0 percent in mid-July 2026, and 3.0 percent in mid-July 2027.
 - While recruiting, transferring, promoting, posting, and evaluating the branch managers or employees at higher levels, microfinance institutions should conduct a thorough background analysis. Promotions and responsibilites should be granted based on specific training and relevant work experience. Special qualifications, including training and related certification courses, should also be considered during these processes.
 - Microfinance institutions are required to prepare an annual Corporate Governance Report and publish it on their website for public access.
 - It has been provisioned that defaulters of microfinance institutions should be classified into two categories: willful and non-willful defaulters, based on specific criteria. Additionally, although microfinance institutions have included non-willful defaulters in the Credit Information Bureau's blacklist, these borrowers may be removed from the blacklist for a period of six months if the institution believes the borrower is likely to make an effort and repay the loan within a short timeframe.

- The service fee charged by micro finance financial institutions for new loans has been reduced from 1.5 percent to 1.3 percent. Furthermore, it is stipulated that no amount other than the specified service fee can be deducted from the sanctioned loan amount and retained as savings while disbursing the loan.
- Micro finance financial institutions are prohibited from using any form of insulting or harsh practices for loan recovery. In addition, new directives have been issued mandating that these institutions appoint an officer and specify the process to handle grievances from service recipients..
- Micro finance financial institutions are required to prepare financial statements in accordance with the Nepal Financial Reporting Standards (NFRSs). If the NFRSs do not address a particular issue, the International Financial Reporting Standards (IFRSs) should be applied.
- When determining the interest rate on loans, microfinance institutions may add a premium of up to 3 percent to their base rate. However, the final interest rate must not exceed the rate obtained by adding 8 percent to the latest average base rate of commercial banks.

p. Additional Directives:

- The Nepal Green Finance Taxonomy, 2024 has been introduced to encourage environmentally responsible lending and investments by BFIs which also serves as a reference for such investments.
- The "Bank Account Freeze and Unfreeze Bylaw, 2024", has been implemented to clarify, enhance transparency, and systematize the processes related to the suspension and release of accounts held with the BFIs.
- To ensure systematic, transparent and effective operations of Savings and Credit Cooperatives, directives and standards have been approved as mandated by the Nepal Rastra Bank Act.
- "Guidelines on Corporate Social Responsibility of Banks and Financial Institutions, 2025" has been issued to ensure expenditures on Corporate Social Responsibility(CSR) are transparent, effective and purposeful, guaranteeing their use for the greater benefit of the nation.
- The "Procedure for Certifying Dishonored Cheques, 2025" has been issued, incorporating amendments related to cheque dishonor in the Banking Offences and Punishment Act, 2008 (second amendment, 2025).
- "Operational Guidelines for Microfinance Financial Institutions, 2024" has been issued to guide microfinance institutions in operating on the principles of social banking, focusing on areas such as credit management, internal control systems, staff administration, business operations, and customer protection.

- The "Risk Management Guidelines for Microfinance Institutions" has been issued to ensure effective risk management functions within microfinance institutions.

Financial Stability Report and Publication of Statistics

- 2.19 The NRB regularly publishes the Financial Stability Report. The 16th edition of this report, based on data as of mid-July 2024, has been released.
- 2.20 The NRB regularly preparing and releasing monthly statements using data received from BFIs in accordance with the Unified Directives issued by the NRB. These statements are being published on its official website.

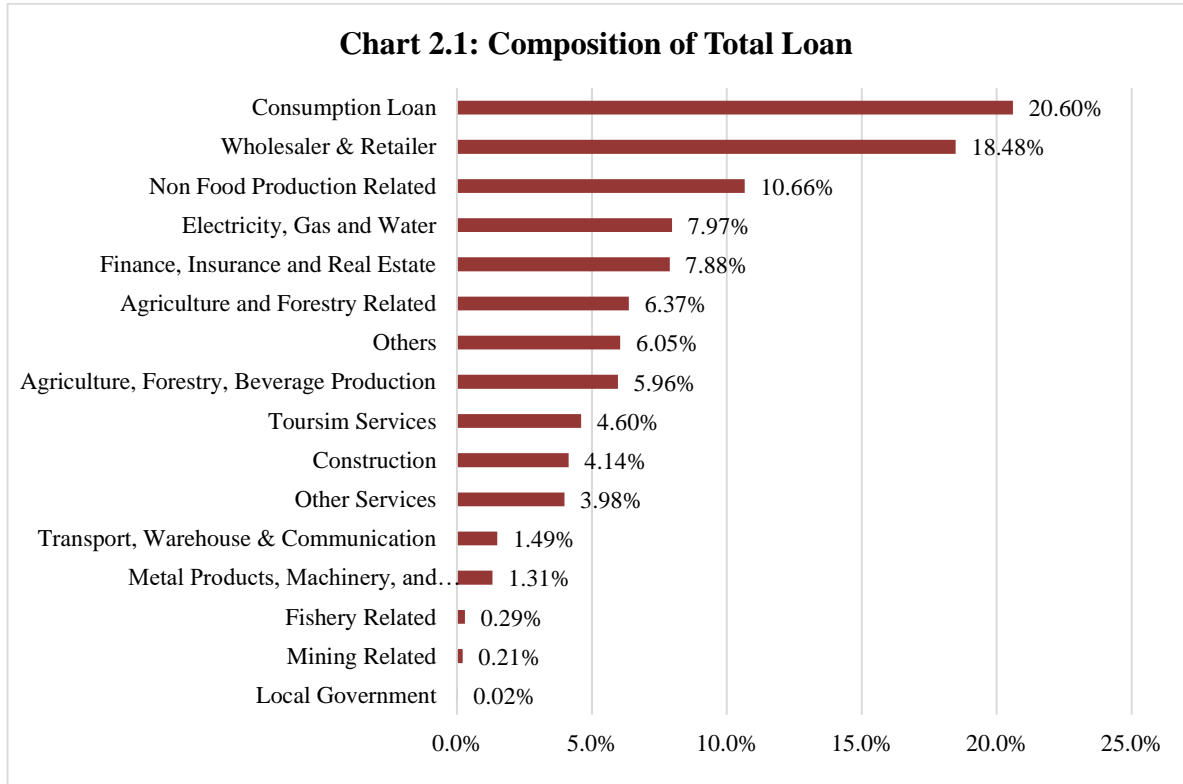
Enhancing Financial Access

- 2.21 Financial access has improved along with the expansion of financial institutions' networks. By mid-July 2025, all local levels have a commercial bank presence, aligning with the Government Nepal's objective to establish at least one commercial bank branch in every local level.

Table 2.7: Commercial Bank Branches at Local Level

Province	No. of Local Level	No. of Local Level with Access to Commercial Bank Branch		
		Mid-July 2023	Mid-July 2024	Mid-July 2025
Koshi	137	137	137	137
Madesh	136	136	136	136
Bagmati	119	119	119	119
Gandaki	85	85	85	85
Lumbini	109	109	109	109
Karnali	79	79	79	79
Sudurpaschim	88	87	87	88
Total	753	752	752	753

- 2.22 By mid-July 2025, there were 107 BFIs in operation including the Infrastructure Development Bank. During the same period, the total number of BFI branches reached 11,526, while there were 822 branchless banking centers. The population served per branch increased slightly to 2,530 in mid-July 2025 from 2,529 mid-July 2024. by .
- 2.23 As of mid-July 2025, the total paid-up capital for the 20 commercial banks amounted to Rs.385.33 billion, while that the capital for development banks was Rs.43.05 billion, and for finance companies it was Rs.15.30 billion. Furthermore, during the review year, total deposit mobilized by BFIs increased by 12.44 percent to Rs.7,303 billion. Similarly, the total credit extended by BFIs increased by 8.18 percent to Rs.5,591 billion compared to the previous year.



Freezing, unfreezing, and requesting details of accounts maintained with various BFIs

2.24 During 2024/25, the freezing, unfreezing and seeking additional information of various accounts held with BFIs were conducted following requests from several investigative and regulatory bodies like Crime Investigation Office of the Nepal Police, the Inland Revenue Department, Taxpayer Service Offices, the Commission for the Investigation of Abuse of Authority, and the Office of the Problematic Cooperative Management Committee.

Concessional Loans, and Deprived Sector Lending

2.25 As of mid-July 2025, a total Rs.78.66 billion loan has been extended to 94,920 borrowers under the "Unified Procedure for Interest Subsidy on Concessional Loans, 2018."

2.26 As per the existing provision requiring the BFIs to lend minimum 5.0 percent of their total outstanding loans and advances to the deprived sector, commercial banks, development banks, and finance companies allocated 5.40 percent, 6.61 percent, and 5.48 percent of their total outstanding loans and advances to the deprived sector, respectively as of mid-July 2025,

Approval for margin trading loans

2.27 Based on the recommendation from the Nepal Stock Exchange Limited (NEPSE), a total of 35 share broker institutions have been authorized to provide margin trading loans in accordance with Section 76 of the Nepal Rastra Bank Act, 2002.

Supervision of BFIs

Bank Supervision

- 2.28 Full-scope on-site inspections of 20 commercial banks and Nepal Infrastructure Bank Limited were conducted in 2024/25, following the implementation of a risk-based supervision method.
- 2.29 Targeted on-site inspections focusing on IT and cyber risks were carried out at 4 commercial banks. Efforts have been made to address deficiencies identified during these on-site inspections, particularly in areas such as information security, IT governance, IT operations, and outsourcing management. Continuous evaluation of the banks is being undertaken based on the reports submitted.
- 2.30 During the review year, a total of 220 complaints and grievances were received during the full scope and targeted on-site inspections from various agencies and individuals. These concerns were addressed through special on-site and off-site inspections. Of the complaints received, 61.8 percent was related to payment against bank guarantees, 23.2 percent related to financial services, 4.5 percent involved issues with bank employees, 3.6 percent was concerned about corruption, and 6.8 percent fell under other categories.
- 2.31 As part of off-site supervision, based on the reports received regularly from commercial banks, the following activities have been carried out:
- Fortnightly monitoring reports on Cash Reserve Ratio (CRR) were prepared
 - Daily monitoring of the Credit to Deposit (CD) ratio and compilation of monthly reports
 - Regular monitoring and preparation of monthly reports on Statutory Liquidity Ratio (SLR) and interest rate spread
 - Monitoring and preparation of quarterly reports on Deprived Sector lending
 - Monitoring and preparation of quarterly reports on the Priority Sector Lending
 - Monitoring of the capital adequacy of commercial banks on a monthly basis
 - Preparation of quarterly off-site supervision reports incorporating financial analysis of commercial banks and the Infrastructure Development Bank. The report provided assessments of compliance with prevailing laws and directives, CAELS analysis, Early Warning Signals (EWS), and stress testing results.
 - Key financial indicators based on the financial analysis of commercial banks were published quarterly on banks' website.
 - Approval was granted to 20 commercial banks and Nepal Infrastructure Bank Limited to publish their financial statements of 2024/25, in accordance with Nepal Financial Reporting Standards (NFRS).

- When approving banks to publish their financial statements, banks were instructed to address and fix the observations made by external auditors, as well as those identified during on-site inspections and off-site supervision. They were also directed to ensure that such issues do not occur again.
- 2.32 Regular monitoring has been carried out to ensure compliance over the observations on-mentioned in reports prepared based on full-scope, targeted, and special on-site inspections conducted by the bank, regular off-site supervision as well as directives issued on these concerns. Semi-annual monitoring reports have been prepared comprising all the commercial banks.
- 2.33 The Annual Bank Supervision Report for 2023/24 was published, incorporating fullscope supervision, an analysis of the financial positions of commercial banks, and contemporary issues.
- 2.34 Based on the loan loss provision data received from banks, brief reports were prepared to assess whether adequate loan loss provisioning had been carried out in accordance with the observations noted in supervision reports.
- 2.35 Reports were prepared based on the data and information received from commercial banks through Supervisory Information System (SIS).
- 2.36 Analysis of interconnectedness among major borrowers of the commercial banks has been conducted.
- 2.37 The Supervisory Review and Evaluation Process (SREP) was out based on the Internal Capital Adequacy Assessment Process (ICAAP) reports submitted by banks.
- 2.38 The key indicators of commercial banks are as follows (Table 2.8).

Table 2.8: Key Indicators of Commercial Banks

S.N.	Indicators	Mid-July 2024	Mid-July 2025
1	Total number	20 (21, including NIFRA)	20 (21, including NIFRA)
2	Total paid up capital (in Billion)	379.02	385.33
3	Primary Capital (in Billion)	561.49	600.01
4	Total Capital fund (in Billion)	713.71	764.68
5	Total Deposit (in Billion)	5756.77	6541.65
6	Total Loans and Advances (in Billion)	4569.08	4963.15
7	Primary Capital Adequacy Ratio (Percentage)	10.10	10.03
8	Total Capital Adequacy Ratio (Percentage)	12.84	12.78
9	Loan Utilization Ratio (Percentage)	78.65	76.63
10	Net Liquidity Ratio (Percentage)	32.21	35.07
11	Statutory Liquidity Ratio (Percentage)	28.73	30.13
12	Ratio of non-performing loan (Percentage)	3.76	4.44
13	Ratio of Deprived Sector Loan (Percentage)	6.03	5.41

Financial Institutions Supervision

- 2.39 In 2024/25, full-scope and targeted on-site inspections were conducted for 17 development banks and 17 finance companies. Risk-based supervision was performed for 8 of the development banks. Additionally, inspections were completed for 2 problematic finance companies.
- 2.40 Based on grievances received from customers and agencies through various channels, special inspections were conducted for 1 development bank and 4 finance companies .
- 2.41 Monitoring of the enforcement actions recommended in the on-site inspection reports was conducted.
- 2.42 Approval was granted for 15 development banks and 13 finance companies to publish their financial statements as of mid-July 2024, in preparation for their annual general meetings.
- 2.43 Quarterly off-site inspection reports are being regularly prepared to monitor compliance with regulatory provisions. This includes assessments of Capital Adequacy, Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Credit to Deposit (CD) ratio, Base Rate, Spread Rate, Sectoral Lending, and Deprived Sector Lending for development banks and finance companies.
- 2.44 During 2024/25, 3 finance companies and 1 development bank were reprimanded for non-compliance with applicable laws and regulations of the NRB. Additionally, 4 development banks and 5 finance companies received written warnings, while cash penalties were imposed on 2 finance companies and 1 development bank. Furthermore, Prompt Corrective Action (PCA) measures were implemented against 1 development bank, and another development bank was declared problematic and subsequently placed under the management control of the NRB.
- 2.45 The Chief Executive Officers of 7 development banks and 8 finance companies were warned under Clause (A) of Sub-section (2) of Section 100 of the NRB Act, 2058, for non-compliance with subsidized loan guidelines and directives issued by the NRB.
- 2.46 The Annual Supervision Reports were published for the 'B' and 'C' class financial institutions for 2023/24 .
- 2.47 Based on the unaudited financial statements of development banks as of mid-July 2025, the average non-performing assets (NPA) ratio was 4.63 percent, while the average capital adequacy ratio (CAR) was 13.93 percent. These figures were 3.62 percent and 13.38 percent respectively in mid-July 2024. Similarly, for finance companies, the average NPA ratio increased to 8.59 percent and the average CAR dropped to 13.39 percent as of mid-July 2025, compared with 7.13 percent and 14.77 percent respectively in the previous year.
- 2.48 The major financial indicators for development banks and finance companies as of mid-July 2025 are as follows (Table 2.9).

Table 2.9: Key Indicators of Development Banks and Finance Companies (Unaudited)

S.N.	Indicators	Development Banks	Finance Companies
1.	Total Paid Up Capital (Rs. In Billion)	42.55	14.13
2.	Core Capital (Rs. In Billion)	57.51	12.55
3.	Total Capital Fund (Rs. In Billion)	71.30	14.83
4.	Total Deposit (Rs. In Billion)	625.87	131.16
5.	Total Loan and Advances (Rs. In Billion)	521.65	101.40
6.	Core Capital Ratio (In percentage)	11.23	11.33
7.	Total Capital Ratio (In percentage)	13.93	13.39
8.	Total Credit to Deposit (CD) Ratio (In percentage)	84.06	77.63
9.	Liquidity Ratio (In percentage)	26.72	32.31
10.	Statutory Liquidity Ratio (In percentage)	24.60	26.28
11.	Non- Performing Loans Ratio (In percentage)	4.63	8.59
12.	Deprived Sector Loan Ratio (In percentage)	6.62	5.83
13.	Directed Sector Lending (In percentage)	25.59	20.25

Note: The table excluded the data of problematic declared Karnali Development Bank, Nepal Share Market and Finance Ltd and Capital Merchant Banking and Finance Company Ltd.

Micro Finance Financial Institutions Supervision

- 2.49 As of mid-July 2025, there are 52 microfinance institutions (MFIs) licensed by the NRB. Among these, 3 are licensed as wholesale credit providers and 49 as retail credit providers. The MFIs operate through a network of 5,026 branches, have organized 1.478 million groups, serve 6.221 million members, and have 2.706 million borrowers. Of the 49 retail MFIs, 2 institutions are authorized to collect deposits from the general public. Of the 52 institutions, 39 are national-level, 9 are provincial-level, and 4 are district-level microfinance institutions.
- 2.50 In 2024/25, full scope on-site inspections were conducted for 40 MFIs, along with special inspections for 3 other MFIs .
- 2.51 During the review period, the second semi-annual Enforcement Report for 2023/24 and the first semi-annual Enforcement Report for 2024/25 were prepared. Additionally, the fourth quarterly offsite supervision report for 2023/24 and the first, second, and third quarterly offsite supervision reports for 2024/25 were also completed.
- 2.52 The Annual Supervision Report for MFIs for 2023/24 has been published.
- 2.53 The Board of Directors, Chief Executive Officer, and Company Secretary of one MFI were fined for failing to obtain prior approval from the Bank before buying or selling promoter shares that exceeded 2 percent of the paid-up capital.
- 2.54 In 2024/25, the process outlined in the Prompt Corrective Action Bylaws, 2074 was initiated for one microfinance institution that failed to maintain the mandatory minimum capital adequacy ratio .
- 2.55 The major Sources and Uses of MFIs as of mid-July 2025 are as follows (Table 2.10).

Table 2.10: Sources and Uses for 2024/25 (Unaudited)

(Rs. in 10 Million)

S.N.	Indicators	Mid July 2023	Mid July 2024	Mid July 2025 (unaudited)
1.	Capital and Reserve	5932	6302	6752
2.	Saving and Deposits	16709	17666	19975
3.	Borrowings	21424	23074	23949
4.	Others	4709	5675	7118
5.	Profit	519	686	923
6.	Total Sources	49293	53403	58717
7.	Liquid Assets	2696	3459	4251
8.	Investments	934	1019	1053
9.	Loans and Advances	43224	45585	49180
10.	Others	2334	3294	4171
11.	Loss	105	46	62
12.	Total Uses	49293	53403	58717

Non-bank Financial Institutions Supervision

- 2.56 The Non-bank Financial Institution Inspection and Supervision Guideline, 2081 was formulated and implemented in 2024/25 to oversee the inspection and supervision of all institutions within its supervisory scope.
- 2.57 During the review period, full-scope on-site inspections were conducted for 12 remittance companies and 10 banks performing remittance transactions. Additionally, on-site inspections were completed for the Hydroelectricity Investment and Development Company Limited and the National Co-operative Bank Limited .
- 2.58 Within the Kathmandu valley, onsite inspections were carried out at 98 companies, including 34 money changers, 24 tour, travel and trekking companies, 8 hire purchase companies, 12 hotels, 1 casino, 6 cargo companies, 6 airline companies, and 7 other licensed entities engaged in foreign exchange transactions. Outside the Kathmandu valley, onsite inspections were conducted for 28 licensed entities, which included 12 money changers, 12 hotels, 1 travel and tours, 2 casinos, and 1 other licensed entity involved in foreign exchange transactions.

Money Laundering Prevention Supervision

- 2.59 In 2024/25, a separate division was established to oversee the monitoring of money laundering activities.
- 2.60 In 2024/25, regular inspections were conducted for 40 reporting entities to ensure compliance with money-laundering prevention regulations. Additionally, special inspections were carried out 27 times across 23 entities . On-site inspections of all ‘A’ class commercial banks were also conducted regarding Targeted Financial Sanctions during this review period.
- 2.61 During the review period, one ‘A’ class commercial bank, two ‘B’ class development banks and two payment service providers were imposed with fined with financial and non-financial penalties for failing to comply with applicable laws, acts, bylaws, and directives on combating money laundering, terrorist financing, and proliferation financing.
- 2.62 The bank has regularly submitted annual reports on AML/CFT activities undertaken by it to the Office of the Prime Minister and Council of Ministers (OPMCM) via a dedicated portal.

- 2.63 The goAML information board is utilized for interaction and communication with the Financial Intelligence Unit.

Foreign Exchange Management

Foreign Exchange Regulation

- 2.64 In 2024/25, the NRB issued the Swap Transactions Bylaw, 2024 to help the BFIs minimise and manage the exchange rate risks on foreign currency transactions.
- 2.65 The Foreign Investment and Foreign Loan Management Bylaw, 2021 (Including the Fourth Amendment) has been issued incorporating the amendment in Foreign Exchange (Regulation) Act, 1962 , and the Foreign Investment and Technology Transfer Act, 2019.
- 2.66 The ceiling on import payments made through Document Against Payment and Document Against Acceptance, except for the letter of credit transactions, denominated in convertible currencies, from countries other than India, has been set at USD 100,000.
- 2.67 The ceiling on payments in convertible currencies to third countries other than India via Draft/TT has set at USD 50,000.
- 2.68 During the review period, gold and silver industries that manufacture silver ornaments, artistic goods, utensils, etc. is permitted to import silver raw materials of upto USD 300,000 or equivalent in other convertible foreign currency per transaction for its own use. For other Gold/Silver merchants, a limit of USD 100,000 or equivalent in other convertible foreign currency per transaction while importing silver.
- 2.69 Nepali citizens traveling to countries other than India can avail a foreign exchange facility of up to USD 2,500 or equivalent convertible foreign currency as per the passport facility. Similarly, individuals traveling for personal visits to the autonomous region of Tibet, China via the land route (excluding individuals crossing the border regularly) and to SAARC countries (excluding India) via the land route, are subject to a maximum limit of USD 1,000 per visit, and up to USD 2,000 per fiscal year.
- 2.70 During the review period, the BFIs are allowed to issue a credit card for a limit up to USD 25,000 provided that the balance remains in the customers' account and such transaction is settled in a convertible currency under the prevailing conditions.
- 2.71 A provision to allow for payments of up to USD 25,000 to any foreign institution from any convertible foreign currency account held by a Nepali citizen for the services rendered has been made. These payments must be backed by documentation demonstrating that the account holder or their family members have received services from that institution.
- 2.72 A provision has been made to allow Nepali citizen with foreign currency income and a balance maintained in a foreign currency account, to utilise up to USD 25,000 or its equivalent in convertible foreign currency balance in one or multiple transactions per year during their foreign travels through the banking instruments by producing necessary documents.

- 2.73 For 2024/25, Nepali citizens earning foreign currency income, such as salary, allowance, and pension from international organizations, can deposit it, upon proof, into a convertible currency account. They may utilize up to 70 percent of their balance to import goods, services, or for tourism-related purchases under the prevailing arrangement. However, this limit does not apply if the amount is up to USD 25,000 per transaction or up to USD 30,000 cumulatively in a year.
- 2.74 For accounts opened by institutions in convertible foreign currency during the review period, payments up to USD 25,000 can be made for invisible imports and miscellaneous services for self or for the Sister Concern, after obtaining the necessary documents.
- 2.75 The limit of USD 25,000 has been maintained for import payments to foreign institutions as per the agreement for remittance business, under prevailing norms, from commission income maintained in a convertible currency account.
- 2.76 A limit of USD 25,000 or equivalent has been set for travel, trekking, cargo, courier, hotel, airline, their GSA/PSA, and other entities for making payment to foreign institutions using the repatriation account, from the amount remained after repatriation.
- 2.77 During 2024/25, foreign employment firms that send up to 100 workers may spend up to USD 25,000 per year from their foreign currency account, in single or multiple transactions upon request, for business promotion and entertainment while abroad. Firms sending more than 100 workers per year are capped at USD 30,000 per year for the same expenses, in single or multiple transactions.
- 2.78 Licensed 'A' class Banks and 'B' class National Level Development Banks are permitted to issue electronic cards or other electronic payment instruments that allow an expenditure up to USD 100,000 annually, either through a single transaction or multiple transactions, earmarking the funds in accounts opened by Non-Resident Nepalis (NRNs) or NRN-promoted institutions located abroad for deposit collection purposes.
- 2.79 While importing through a Letter of Credit (LC) using copy document, a provision has been made to present the original document within 60 days from the issuance of Bi.Bi.Ni. Form No. 4/4-ga.
- 2.80 During the review period, a provision has been made to import within 120 days from the exchange facility date, while importing from third countries (excluding India) through a Draft/TT without a Letter of Credit (LC).
- 2.81 A provision has been made to allow urgent import of aircraft, telecommunication, and medical equipment spare parts' of up to USD 100,000 using international airport customs, provided the seller offers the goods on credit.
- 2.82 A provision has been made to pay Demurrage and Detention charges to the Port Authority, Customs/Container Service Provider, or related entity/institution, based on the bill/invoice issued. To process this, a copy of the related transportation record for import or export goods, along with transport number, is required.

- 2.83 A provision has been made to provide a passport exchange facility up to USD 500 to a Nepali Citizen travelling to Australia for foreign employment.
- 2.84 BFIs allowed to provide Nepali citizens with an annual exchange facility of USD 15,000 for medical treatment at foreign hospitals, the purchase of medicines, and treatment-related equipment.
- 2.85 A provision has been made to allow the repatriation of remuneration in convertible currencies to Indian citizens working in Nepal, who receive their remuneration in a convertible currency. Indian citizens working in Nepal who are paid in convertible currency can now send their earnings home into the convertible currency.
- 2.86 For 2024/25, the limit of USD 25,000 has been set for BFIs to pay fees, such as affiliation and examination fees, for educational institutions located in Nepal and affiliated to a foreign university, after obtaining permission from the Government of Nepal.
- 2.87 A provision has been made for the BFIs to provide an exchange facility for payment to an Indian firm, company, or institution for the constructing body of buses/minibuses upto INR 1.5 million per vehicle.
- 2.88 A provision has been made whereby the concerned commercial bank could provide exchange facility to firms, companies, and institutions to import services from India and third countries provided the firms, companies, and institutions receive foreign currency on export from third countries (including India).
- 2.89 A provision requiring money changers to obtain approval from this bank for the facility using Point of Sale (POS) and QR codes has been scrapped.
- 2.90 A provision has been made to allow an Indian citizen who is working and receiving remuneration in convertible foreign currency to open and operate a foreign currency account, subject to the proof of documents.
- 2.91 A provision has been made for a firm/company/industry who has taken a loan in convertible foreign currency but is unable to earn in foreign currency due to various reasons and is thus unable make installment or interest payment in convertible foreign currency, could make such payment in Nepali Rupees at the prevailing exchange rate, until mid-July 2025.
- 2.92 Hotels may provide an exchange facility of up to USD 1,000, or the equivalent in convertible foreign currency, to customers during their stay. This limit applies per customer, whether the amount is exchanged in a single transaction or in multiple transactions.
- 2.93 A provision has been made that no entity, other than a licensed remittance company as per the Nepal Rastra Bank Remittance Bylaws, 2023, could appoint sub-agents or sub-representatives.
- 2.94 The Omani Riyal has been added to the list of convertible foreign currencies.
- 2.95 A limit has been set for 'A' class licensed banks on derivatives transactions under proprietary, both buying and selling, to not exceed beyond 20 percent of core capital.

License for Foreign Exchange Transactions

- 2.96 As on mid-July 2025, the bank has issued foreign exchange transaction license to 20 Commercial Banks, 9 Development Banks, 7 Finance Companies, 8 Casinos, and 2,261 Other Institutions as per Nepal Rastra Bank Foreign Exchange Transaction License and Inspection Bylaws, 2020 (with amendments). Similarly, licenses have been issued to 308 Money Changers as per the Nepal Rastra Bank Money Changer License and Inspection Bylaws, 2020 (with amendments).
- 2.97 As per Nepal Rastra Bank Remittance Bylaws, 2023 (with amendments), 19 Commercial Banks, 5 Development Banks, and 24 Other Remittance companies have been licensed to carry out remittance business.

Goods and Service Import/Export

- 2.98 During the review period, the NRB has provided foreign currency facilities for service purchase equivalent to NPR 21.52 billion through 1,679 files of firms, companies, or institutions registered in Nepal under an agreement with a foreign firm, company, or institution in addition to the foreign currency exchange within the limit provided by commercial banks. ,
- 2.99 With an objective to promote export, Rs. 1.20 billion cash grants paid by commercial banks to various exporting firms and companies have been reimbursed.

Foreign Exchange Reserves and Investment

- 2.100 Foreign exchange reserves, which stood at USD 13.62 billion as of mid-July 2024, have increased to USD 17.50 billion as of mid-July 2025.
- 2.101 To effectively manage foreign exchange reserves focusing on safety, liquidity, and profitability, instruments such as Treasury Bills and Notes issued by the Central Banks, Chinese government Bonds, FIXBIS and Medium Term Investment (MTI) issued by the Bank for International Settlements and time deposit of various Banks have been concentrated. During this period, due to fluctuations in international gold price, the targeted investment limit in gold could not be achieved.
- 2.102 The NRB has invested in US Dollar, Euro, Pound Sterling, Chinese Yuan, Japanese Yen, Australian Dollar, Canadian Dollar, and Indian Rupee-denominated investible instruments. As of Mid-July 2025, the major share of investment remains in the US Dollar (59.06 percent).
- 2.103 Due to downward revision in policy rates by the Federal Reserve Bank and most central banks, the yield on foreign exchange reserves for 2024/25 is limited to 4.23 percent.
- 2.104 As a part of investment management, the NRB has listed CIMB Bank Berhad, Singapore; Mashreq Bank PSC, UAE; and Standard Chartered Bank, Singapore as investment-eligible counterparties for 2024/25 and has initiated business after the Relationship Management Application (RMA) process.
- 2.105 To improve foreign exchange reserve management, the NRB formulated the Foreign Exchange Investment Policy, 2025. This policy incorporates suggestions from the IMF's

Technical Assistance Report (Nepal: Improving the Foreign Exchange Reserves Management Framework).

Foreign Investment and Foreign Loan

- 2.106 During 2024/25, the NRB approved Rs. 79.92 billion foreign currency inflows as foreign investment comprising of the following: Rs. 71.22 billion as prior notification to NRB, Rs. 8.46 billion for foreign investment where the shareholding percentage of existing Nepali shareholders decreased; and Rs. 0.23 billion as prior investment inflow endorsement. Moreover, during the same period, the NRB has granted approval to bring foreign loans totaling Rs. 60.43 billion, including Rs. 8.65 billion for licensed banks/financial institutions and Rs. 51.78 billion for other industries/companies.
- 2.107 During the review period, foreign investment amounting to Rs. 11.30 billion and foreign loan amounting to Rs. 54.83 billion have been accounted with this bank. In addition to this, approval for foreign currency exchange was granted to return the direct investment, repayment of the principal and interest on the foreign loans, dividends earned from foreign investment, royalty for technology transfer, and various fees related to foreign investment amounting to Rs. 33.06 billion.

Payment Systems

- 2.108 In 2024/25, a total of 20 commercial banks, 17 development banks, 15 finance companies, and 12 micro finance institutions had been licensed to operate as Payment Service Providers (PSPs), in line with NRB's provision for authorizing licensed BFIs to provide payment services. During the review period, the licenses of 13 payment-related institutions were also renewed.
- 2.109 Licensed payment institutions have been granted approval to operate, or to initiate the process of operating cross-border payment services in cooperation with foreign institutions that perform Acquiring services. Fone Pay Payment Services Ltd. has been authorized to provide Issuing services for Person-to-Merchant (P2M) payments in India through QR codes, using payment instruments issued in Nepal (excluding cards).
- 2.110 In line with the "Payment and Settlement Bylaw (with Amendment), 2020", 2 PSPs received final approval to begin integrated operations following their merger.
- 2.111 The licenses of 2 PSPs were revoked after they were found to be non-compliant with several provisions of the "Payment and Settlement Act, 2015", the Payment and Settlement Bylaw (with Amendment), 2020", the "Unified Directives on Payment Systems, 2025", and the "Money Laundering Prevention Act, 2008".
- 2.112 The license of one PSP, which had remained inactive for a long time, was not renewed. Additionally, another PSP's license was cancelled due to non-compliance with its directives.
- 2.113 Digital transactions grew significantly in 2024/25, supported by improvements in digital payment infrastructure, promotion of digital payments, and the increasing use of digital payment instruments by the public (Tables 2.11 and 2.12).

Table 2.11: Payment Systems Indicator

S.N	Indicator	Mid-July 2024	Mid-July 2025	Percentage Change
1.	Payment Service Operator (PSO)	9	9	–
2.	Payment Service Provider (PSP)	26	23	-15.38%
3.	PSP Agents	17,563	4,27,787	2335.73%
4.	Wallet Users	2,34,61,107	2,67,65,660	14.09%
5.	Debit Card	1,28,93,528	1,36,65,792	5.99%
6.	Credit Card	2,89,239	3,18,428	10.09%
7.	Prepaid Card	1,81,724	2,50,695	37.95%
8.	Mobile Banking Users	2,46,48,846	2,77,41,284	12.55%
9.	Internet Banking Users	19,19,322	22,19,341	15.63%
10.	RTGS Participants	44	44	–
11.	connectIPS Users	12,76,886	14,41,471	12.89%
12.	ECC Members	54	54	–

2.114 As of the review period, 44 licensed BFIs, including 20 commercial banks, 11 development banks, 12 finance companies, and one Nepal Infrastructure Development Bank, were connected to the Real Time Gross Settlement (RTGS) system. Details of the transactions processed through the RTGS system during this period are provided in Table 2.12.

Table 2.12: Details of Transactions through RTGS System

Currency	Transaction Number	Transaction Amount (Rs. millions)
Customer Transfer	3,48,649	59,28,221
Interbank Transfer	58,008	50,36,436
NCHL Settlements	3,52,083	89,23,977
NRB Payments	82,899	5,51,00,082

2.115 In 2024/25, onsite inspections were conducted for 16 licensed payment institutions, including 13 Payment Service Providers (PSPs) and 3 Payment System Operators (PSOs). Special AML/CFT-focused onsite inspections were carried out for 5 institutions, and offsite supervision was completed for 22 institutions. Based on the inspection findings, warnings were issued and corrective actions were taken for 7 institutions. Additionally, onsite inspections of RTGS operations were completed for 6 BFIs during the review period.

2.116 The "Payment System-Related Unified Directives, 2025" has been issued with relevant updates, covering areas such as payment system security, risk identification and management, corporate governance, cross-border payment transactions, and provisions regarding authorized representatives.

2.117 "The Dividend Distribution Guidelines for Licensed Payment Institutions (except Banks and Financial Institutions), 2025" has been issued to promote transparency and sound management in profit allocation and dividend distribution among licensed payment institutions (except BFIs).

- 2.118 The Digital Finance Innovation Hub (DiFI-Hub), established as a collaborative platform for the private sector and relevant regulatory bodies to foster innovation in the banking and payment systems sector by providing financial innovators with streamlined access to regulators, has commenced operations.
- 2.119 An amendment to the unified circular has been made to accept cross-border payment instruments other than SWIFT.
- 2.120 The proposal to introduce the Visa B2B Connect solution in Nepal, submitted by Visa Worldwide Pte. Ltd., a payment system operator licensed by this Bank, was deliberated within the Digital Finance Innovation Hub (DiFI-Hub) established at the Bank, and the mechanism subsequently provided Non-Binding Guidance to the institution.
- 2.121 A directive has been issued to establish transaction limits for payments made through the USSD system and to define the necessary security provisions, with the objective of promoting its use.
- 2.122 During review period, a total of 22 licenced payment institution including 17 PSPs and 5 PSOs, have been approved for publishing financial statements.
- a. Approval has been granted for operating following innovation based technology-driven services: "Prepaid card based Tourist App" targeting visitors to Nepal, "Remit as Merchant Payment" to facilitate remittance transactions for Nepalese citizens residing abroad,
- 2.123 The approval has been granted for operating the innovation-based financial products and services like "Digital wallet for travelers" enabling foreign nationals arriving in Nepal to make electronic payments via QR codes linked to cards issued abroad, "Provision of Wallet Registration" by obtaining KYC details through API sharing from Nepal Telecom and Rastriya Banijya Bank Ltd., and "Door Step Banking" for delivering essential banking facilities to customers at their homes through Point of Sale (POS) machines.
- 2.124 Payment and Settlement related oversight report for 2023/24 has been prepared.
- 2.125 The CBDC Base Prototype Version 0.1 has been developed and tested to support the implementation of Central Bank Digital Currency (CBDC). Furthermore, practical demonstration regarding the operation of the system has been presented virtually to bank's employees.
- 2.126 Technical assistance regarding the Central Bank Digital Currency has been received from the International Monetary Fund.

Information Technology

- 2.127 Human Resource Information System, currently in use, has been integrated with systems such as Payroll, Pension, SRFSYS, DISP and others via Application Programming Interface (API).

- 2.128 Upgraded ECC and New RMIS (Risk Management Information System) have been put into operation in bank's Banking Department, Surkhet office, and Dhangadi office.
- 2.129 Migration from SWIFT Alliance Entry to SWIFT Alliance Cloud has been completed and implemented ensuring the SWIFT system operates in a securely, reliably, and efficiently .
- 2.130 During the review period, Consumer Price Index (CPI) Software, and ACUMER System, a Payment Messaging of Asian Clearing Union, have been brought into operation.
- 2.131 The Financial Sector Computer Emergency Response Team (FinCERT) has been established to provide immediate support in identifying cybersecurity risks, mitigating their impact and addressing cybersecurity incidents.
- 2.132 Cyber Security Framework and IT Governance Framework have been prepared to manage the security risks associated with the bank's information technology infrastructure. In addition, a Security Information and Event Management (SIEM) system has been implemented to centrally collect log data from the bank's various systems and analyze suspicious activities, enabling the timely identification of potential cyber attacks on its Information Technology System.
- 2.133 An IT Disaster Recovery Plan has been developed to ensure the continuity of the bank's critical business functions and processes in the event of a disaster. A Cybersecurity Unit has been established with the appointment of a Chief Information Security Officer (CISO) and an Information Security Officer to strengthen the bank's information security.
- 2.134 "Information Technology Change Management Policy, 2081" and "Information Technology Change Management Procedure, 2081" have been prepared and implemented.
- 2.135 Web Application Firewall has been implemented to protect bank's web based applications in operation from data breach.

Currency Management

- 2.136 The security features and technical specifications of the banknotes have been revised and updated in accordance with international standards, ensuring enhanced safety and quality. Six international security printing companies have been included in the prequalification list for the design, printing, and supply of banknotes.
- 2.137 The Bank has taken delivery of the following denominations and quantities of banknotes, which were securely deposited in its vault in accordance with the contract for their design, printing and supply during 2024/25.
- a. Out of a total of 350 million banknotes of Rs. 5 denomination, 130 million banknotes under the first lot.
 - b. Out of a total of 340 million banknotes of Rs. 10 denomination, 90 million banknotes under the first lot.
 - c. A total of 310 million Rs. 20 banknotes

2.138 As of mid-July 2025, the stock of new banknotes of various denominations stood at Rs.51 billion 518 million and 249 thousand. The previous year's stock was stock was Rs.145 billion 70 million 499 thousand (Table 2.13).

Table 2.13: Note Stock details

Denomination	Mid- July 2023	Mid-July 2024	Mid-July 2025	Increment %	
				Mid- July 2024	Mid-July 2025
1	50,000	50,000	50,000	-	-
2	6,300,000	6,300,000	6,300,000	-	-
5	457,500,000	171,250,000	650,000,000	-62.57	279.56
10	1,362,899,040	724,399,040	1,444,899,040	-46.85	99.46
20	670,000,000	2,021,000,000	5,647,000,000	201.64	179.42
50	1,352,500,000	287,500,000	285,000,000	-78.74	-0.87
100	11,925,000,000	5,010,000,000	4,785,000,000	-57.99	-4.49
500	82,075,000,000	62,250,000,000	22,700,000,000	-24.15	-63.53
1000	118,700,000,000	74,600,000,000	16,000,000,000	-37.15	-78.55
Total Amount	216,549,249,040	145,070,499,040	51,518,249,040	-33.01	-64.49

2.139 During 2024/25, a total of 3,850 boxes of new banknotes of various denominations were issued (Stock Out) as detailed below (Table 2.14)

Table 2.14: Details of Issued Notes from Stock in 2023/24

Denomination	Total stock out in box (50,000 banknotes per box)	Amount (Rs)
5	685	17,12,50,000
10	311	15,55,00,000
20	54	5,40,00,000
50	1	25,00,000
100	45	22,50,00,000
500	1,582	39,55,00,00,000
1000	1,172	58,60,00,00,000
Total	3,850	98,75,82,50,000

2.140 As of mid-July 2025, banknotes in circulation totaled Rs.761.41 billion. This marked a 10.33 percent increase from Rs.690.15 billion in the same period of the previous fiscal year (Table 2.15).

Table 2.15: Details of Banknotes in Circulation (as of Mid July 2025)

Denomination	Banknotes in circulation (in pieces)	Amount (Rs.)
1	160,974,635	160,974,635
2	92,539,330	185,078,660
5	752,501,786	3,762,508,930
10	584,571,201	5,845,712,010
20	383,937,227	7,678,744,540
25	2,280,803	57,020,075
50	272,221,588	13,611,079,400
100	314,132,890	31,413,289,000
250	349,685	87,421,250
500	330,271,771	165,135,885,500
1000	533,472,286	533,472,286,000
Total		761,410,000,000

- 2.141 As of mid-July 2025, worn-out, soiled, torn, and unfit banknotes of various denominations worth NPR **745.69** billion were destroyed. These notes were deposited or brought in for exchange by financial institutions and the general public as they were unfit for circulation (Table 2.16).

Table 2.16 : Details on Total Unfit Banknotes Destroyed (as of mid-July 2025)

Denomination (Rs.)	Up to 2023/24	Up to 2024/25	Total Destruction in 2024/25	Total Destruction in 2024/25 (Rs.)
5	1,069,321,931	1,098,529,930	29,207,999	146,039,995
10	1,030,984,490	1,072,862,165	41,877,675	418,776,750
20	712,846,551	742,295,800	29,449,249	588,984,980
50	644,611,041	670,718,831	26,107,790	1,305,389,500
100	747,923,672	775,966,493	28,042,821	2,804,282,100
500	343,759,388	359,470,332	15,710,944	7,855,472,000
1000	417,316,520	423,738,837	6,422,317	6,422,317,000
Total				19,541,262,325

- 2.142 The Bank has continued to conduct various public-awareness initiatives promoting the careful use of banknotes as these are national property. Additionally, to ensure the effective implementation of the Clean Note Policy and to encourage the circulation of fit (clean) banknotes, arrangements were made to distribute fit (clean) banknotes instead of fresh notes in festive seasons like Dashain, Tihar, and Chhat.
- 2.143 The Bank has continued destroying unfit notes and converting them into briquettes through the Banknote Shredding and Briquetting System (BSBS), thereby gradually modernizing the currency management practices.
- 2.144 During review period, the Note Chest Transaction System (NCTS) was implemented to report the note chest transactions from commercial banks' note chests. The inspection and supervision of note chests have continued to improve effectiveness of these transactions .

Human Resource Management

- 2.145 As of mid-July 2025, 1,197 employees are working at the bank. This comprises 1,119 administrative staff and 78 technical service staff. Among the total employees, there are 694 officer-level, 443 assistant-level, and 60 non-graded employees. The ratio of officer-level to assistant and non-graded staff stands at 1.38:1 as of mid-July 2025. Additionally, 286 individuals serve in various support roles under contractual appointments.
- 2.146 During the 2024/25, a total of 119 new employees were appointed in the Bank, including 66 as Assistant Directors (Officer Third) and 53 as Assistants (Assistant Second). During this time, 43 employees left the Bank; 40 retired mandatorily, 1 resigned, and 2 passed away.
- 2.147 The half-yearly progress report of Human Resource Plan (2080/81–2084/85) has been prepared.
- 2.148 During the review period, the “Nepal Rastra Bank Employee Health and Workplace Safety Policy, 2081” was issued. Similarly, “Nepal Rastra Bank Performance Evaluation Procedure, 2081”; “Nepal Rastra Bank Employee Secondment Procedure, 2081” and the “Nepal Rastra

Bank International Training Travel Arrangement Procedure, 2081” were issued. In addition, necessary amendments were made on the “Medical Treatment Expense Assistance Procedure for Retired Employees, 2075”; “Nepal Rastra Bank International Training Policy, 2076”; “Nepal Rastra Bank Support Service Contract Appointment Procedure, 2077”; “Nepal Rastra Bank Service Award Procedure, 2078,” and “ Nepal Rastra Bank Internal Travelling Procedure, 2079.”

- 2.149 In accordance with Rule 172 of the Nepal Rastra Bank Employees Service Bylaws, 2068 and the provisions outlined in the Nepal Rastra Bank Service Award Procedure, 2078; the Nepal Rastra Bank Excellent Service Award was conferred to one employee, and the Nepal Rastra Bank Best Service Award was conferred to four employees in celebration of the Bank’s 70th anniversary.
- 2.150 During the review period, permanent vacancies at various levels were filled through performance evaluation-based promotions for 40 positions, internal competition for 21 positions, and open competition for 52 positions. In addition, vacancies announced in 2023/24 that were awaiting results were subsequently recruited through internal and open inclusive competition.
- 2.151 During the review period, a total of 35 personnel were recruited on a contractual basis, including 4 Rakshak, 8 Sipahi, 3 Female Sipahi, 7 Pipa, 11 Driver, and 2 Engineers.

Miscellaneous

Budget Management, Corporate Risk Mitigation and Strategic Plan

Budget and Risk Management

- 2.152 The annual budget for 2025/26 was approved by the Board of Directors in its meeting on July 7, 2025, in accordance with the NRB Budget Formulation, Implementation and Monitoring Guidelines, 2023.
- 2.153 During the review period, the Bank has formulated and implemented the Business Continuity Plan, 2025.
- 2.154 During the review period, Risk Management Review Reports were prepared for the fourth quarter of 2023/24 and the first, second, and third quarters of 2024/25. Furthermore, risk management inspections were conducted across various departments/offices/ divisions/units, and the recommendations derived therefrom have been implemented.

Implementation of Strategic Plan

- 2.155 A mid-term review of the Bank’s Fourth Strategic Plan (2022–2026) was concluded based on progress reports up to the end of mid-October 2024. Of the 184 action items targeted for this period, 79 have been completed, 89 are currently in progress, 4 have been removed from the plan and 12 are yet to be initiated.

Anti-Money Laundering Act

- 2.156 The Financial Intelligence Unit, Nepal (FIU-Nepal) has been acting as the primary point of contact for all follow-up processes arising from the Asia Pacific Group's (APG) 2022/23 mutual evaluation on AML/CFT and actions related to FATF and taking necessary coordinating/ collaborating roles after placing Nepal was placed under the increased monitoring jurisdictions list in February 2025 .
- 2.157 FIU-Nepal has been exchanging information with key investigative and regulatory authorities through the goAML system, regarding the dissemination of conclusions from Suspicious Transaction/Activity Reports (STR/SAR) analysis; feedback, and national and international coordination.
- 2.158 The FIU-Nepal has been playing a coordinating role in exchanging necessary information, clarifications, and documents with the APG Secretariat regarding the Mutual Evaluation process.
- 2.159 Pursuant to the Asset (Money) Laundering Prevention Act, 2008, the FIU-Nepal receives Threshold Transaction Reports (TTR), Suspicious Transaction/Activity Reports (STR/SAR), and additional information as required from reporting entities. Reports have been received after onboarding Financial Institutions (FIs) such as banks and financial institutions, payment service providers, payment system operators, money remitters/transferrers, exchange counters, Citizen Investment Trust, Social Security Fund, Employees Provident Fund, Infrastructure Development Bank, hire purchase loan providers, cooperative banks, insurance companies, securities companies and cooperative societies; and Designated Non-Financial Businesses and Professions (DNFBPs) such as casinos, real estate agents, dealers in precious metals and dealers in precious stones and accountants in the goAML System.
- 2.160 In 2024/25, the FIU-Nepal has received a total of 2,236,067 threshold transaction details (provisional). The FIU-Nepal analyzes suspicious transaction/activity reports and maintains records for further analysis if additional required information is received, or forwards them to the investigating authorities.

**Table 2.17: Provisional details of Suspicious Transaction/Activity
(Received in 2024/25)**

Particulars	Number
STR/SAR Received	9,565
STR/SAR Analyzed	2,175
SAR/STR Recorded	1,258
Dissemination of conclusion of analysis	917

- 2.161 By the end of the review period, the FIU-Nepal had signed Memorandum of Understanding (MoU) with 20 foreign bodies (FIU) carrying out similar work on the basis of reciprocity.
- 2.162 Through the Egmont Group's Egmont Secure Web (ESW), the FIU-Nepal continued to request and provide information from foreign FIUs performing similar functions. During the review period, the FIU-Nepal conducted 64 information exchanges with foreign FIUs.

- 2.163 The FIU-Nepal has been continuously functioning as the secretariat of the Coordination Committee (CC) on Prevention of Money Laundering, established under the Prevention of Money Laundering Act, 2008.
- 2.164 A strategic analysis report on ‘Cyber Enabled Fraud’ has been published.
- 2.165 The FIU-Nepal conducted 30 interactions, seminars, knowledge exchange programs and other activities with reporting entities, law enforcement agencies, regulatory authorities, and other stakeholders, through in-person and virtual means.

Law and Justice/Advocacy

- 2.166 During 2024/25, the bank provided its feedback on the draft amendment to the Payment and Settlement Act, 2075, and on the draft Foreign Exchange Management Act, 2024 to the Government of Nepal, Ministry of Finance.
- 2.167 The details of appeals against regulatory actions taken involving banks and financial institutions, licensed by this bank, and concerned officials for violating directives issued by the NRB; and the cases pending in various courts, in which this bank is also a defendant, are as follows (Table 2.18).

Table 2.18 : Cases details remaining in the court

S.N.	Cases	Number
1.	Case pending to be decided as of Mid July 2025	194
2.	Cases decided in the FY 2023/24	169
3.	Liquidation related cases as of Mid July 2025	3

- 2.168 During the review period, 289 documents related to court cases were digitized and updated in the Litigation Management System (LMS) .
- 2.169 A total of 63 legal opinions were provided in response to requests from various departments, offices, divisions, units.

Internal Auditing

- 2.170 Nepal Rastra Bank, Audit Committee Directive, 2025 was issued during 2024/25.
- 2.171 The three-year Risk Based Audit plan for 2025/26 to 2027/28 has been updated by revising the Audit Universe and Risk Ranking of all departments, offices, branches, units of the bank.
- 2.172 The annual report for 2023/24 and the quarterly reports for 2025/26 of the Bank's Audit Committee have been prepared and submitted to the Board of Directors.
- 2.173 Risk-based audits were conducted of the Foreign Exchange Management Department, Information Technology Department, Human Resource Management Department, Financial Intelligence Unit, Bank Supervision Department, Corporate Planning and Risk Management Department, Asset and Service Management Department, Micro finance Financial Institution Supervision Department, Non-Bank Financial Institution Supervision Department and the Governor's Office have been audited on a risk-based basis for the annual period. Similarly,

special internal audits of the Foreign Exchange Management Department and the Mint Division were completed during the review period.

- 2.174 The status report on the implementation of directions and progress on onsite internal audit observations for all 8 provincial offices and the Financial Management Department, Currency Management Department and Banking Department for the second half of 2023/24 and the first half of 2024/25, as well as for the annual period of other departments was generated. Offsite audits of the Currency Management Department, Banking Department and all the 8 provincial offices for the first and third quarters of 2024/25 were completed.
- 2.175 The Internal Control Operational Framework was issued and implemented. Similarly, System Audit and Vulnerability Assessment and Penetration Testing (VAPT) of softwares including GL, HRIS, RTGS, SWIFT, as well as the overall information technology system, were conducted.

Assets and Service Management

- 2.176 The Banking Department and Currency Management Department located at the central office premises at Baluwatar were shifted to a newly constructed building at Thapathali. The Bank Supervision Department, Corporate Planning and Risk Management Department and Money Laundering Prevention Supervision Division located at the building of the Rastriya Banijya Bank Ltd, Durbarmarg were shifted to the central office premises at Baluwatar. In addition, the Bankers' Training Center located at Agriculture Development Bank in Bode, Bhaktapur was shifted to the newly constructed building at Thapathali.
- 2.177 In 2024/25, a proposal was approved to conduct an Extensive Asset Quality Review (Loan Portfolio Review – LPR) of 10 commercial banks. This review will be assisted by an independent international third-party auditor and is part of the Structural Benchmark of the International Monetary Fund's Extended Credit Facility.
- 2.178 A notice has been issued for the procuring the Portfolio Analysis and Reporting System, and the Risk Based Internal Audit Software has been purchased.
- 2.179 The vaults and related security system for the newly constructed building at Baluwatar and Thapathali have been purchased. Additionally, the final report from the consultant, covering the drawings/designs, bills of quantities for works including interior design, furniture, fixtures, as well as report to prepare bidding documents, have been received.

Banking Transaction

- 2.180 At the request of agencies/offices of the GoN, 40 letters of credit were issued in 2024/25. In addition, 30 letters of credit were closed during the review year.
- 2.181 Two Authorization to pay (A/P), worth a total of 1.883 billion Japanese yen were opened in 2024/25 to receive grant from JICA, Government of Japan, for the construction of various projects implemented by different agencies and offices of the GoN.
- 2.182 Government Transactions Directive 2076 (Second Amendment, 2081) has been issued and implemented. In addition, the Overdraft Regulations 2081 were approved by the Board of Directors of Nepal Rastra Bank and sent to the Ministry of Finance for approval.

- 2.183 During the review period, government transactions conducted by 24 branches and central offices of various commercial banks were inspected, including 20 located outside the valley and 4 within it..
- 2.184 During the review period, permission was granted for 10 branches of 2 commercial banks and 2 branches of the Rastriya Banijya Bank to conduct government transactions. Specifically, 6 branches of commercial banks were authorized to manage "Ka" accounts for the GoN, 2 branches for "Kha" accounts of the Provincial Government, and 2 branches for "Ga" accounts of the Local Government. In total, 10 branches of commercial banks received approval to handle these government transactions.
- 2.185 During the review period, on-site inspection was conducted to assess the implementation of the Electronic Cheque Clearing (ECC) and the Interbank Payment System (IPS) at the 4 provincial offices of the bank.
- 2.186 During the review period, the following transactions were conducted in Nepalese and convertible foreign currencies through the Electronic Cheque Clearing (ECC) and the Interbank Payment System (IPS) (Table 2.19).

Table 2.19 :Transaction details through ECC system and IPS

S.No.	Medium	Currency	No. of Transactions	Transaction Amount
1	ECC - Inward	Nepalese	12,339	Rs. 48.34 billion
		US Dollar	1	US\$ 25 thousand
		Euro	1	Euro 1 hundred thousand
2	ECC - Outward	Nepalese	1,633	Rs. 16.65 billion
		US Dollar	301	US\$ 603 thousands
3	IPS - Inward	Nepalese	35,028	Rs. 31.92 billion
		US Dollar	3	US\$ 626 thousands
4	IPS - Outward	Nepalese	3,49,842	Rs. 53.06 billion

- 2.187 During 2024/25, a portion of the foreign currency notes deposited with the bank, amounting to Rs. 5.47 billion, was transferred to designated foreign agency accounts. During this review period, a Bank Note Purchase Agreement was executed with Mashreq Bank PSC in Dubai to facilitate the deposit of these foreign currencies.
- 2.188 In 2024/25, the bank purchased Rs. 64.39 billion in Indian Rupees from commercial banks and sold Rs. 343.17 billion in Indian Rupees to them. During the same period, the bank also purchased Rs. 10 million in cash from the Reserve Bank of India in Kolkata.
- 2.189 The approved and insured limits as well as the current balances of INR Chests under the Banking Department, are presented in the following table.

Table 2.20: Information related to INR Note Chest

S.N.	Name of the Bank	Branch	Approved Limit and Insured Amount	Balance as on 2024/25
1	Rastriya Banijya Bank Limited	Rajbiraj	6,000,000.00	-
2	Rastriya Banijya Bank Limited	Siraha	6,000,000.00	-

3	Rastriya Banijya Bank Limited	Inarwa	6,000,000.00	-
4	Rastriya Banijya Bank Limited	Kalaiya	2,500,000.00	-
5	Rastriya Banijya Bank Limited	Bhadrapur	5,000,000.00	-
6	Rastriya Banijya Bank Limited	Head Office	20,000,000.00	-
7	Nepal Bank Limited	Head Office	20,000,000.00	-
8	Rastriya Banijya Bank Limited	Parasi	500,000.00	100,000.00
9	Rastriya Banijya Bank Limited	Baitadi	1,500,000.00	1,000,000.00
10	Rastriya Banijya Bank Limited	Darchula	1,000,000.00	400,000.00
11	Rastriya Banijya Bank Limited	Bardaghat	1,000,000.00	100,000.00
12	Nepal Bank Limited	Kakarvitta	6,000,000.00	500,000.00
Total			75,500,000.00	2,100,000.00

Mint Related Activities

- 2.190 In 2024/25, approval was received to mint souvenir coins and medallions featuring themes related to natural, archaeological, social, cultural, famous, religious, important festivals and historical significance and memorable events in all seven provinces.
- 2.191 The Mint Billing System (MBS) has been launched to issue electronic bills for the sale of gold bullion, souvenirs and medallions.
- 2.192 During the review period, various types of medals requested by 20 public entities and organizations have been minted and made available.

Meeting of the Board of Directors

- 2.193 In 2024/25, a total of 46 Board of Directors meetings and 46 Management Committee meetings were held. In comparison, the previous year recorded 37 Board meetings and 47 Management Committee meetings.

Foreign Aid Coordination

- 2.194 The Fifth and Sixth Review Missions under the IMF's Extended Credit Facility (ECF) were conducted in Kathmandu from 8-19 January 2025 and from May 26 to June 10, 2025, respectively. To date, the Government of Nepal has received SDR 251.1 Million under the ECF.
- 2.195 In remembrance of the founding Governor, late Himalayan Shamsheer Jabara, the Bank organized the '1st Himalaya Shamsheer Memorial Lecture' Program on September 24, 2024.
- 2.196 The 8th Joint Technical Coordination Committee (JTCC) Meeting between Nepal Rastra Bank and the Reserve Bank of India was held in Mumbai, India on November 22, 2024.
- 2.197 Article VIII Mission of International Monetary Fund was conducted from March 17 to 28, 2025.
- 2.198 In 2024/25, Nepal Rastra Bank received technical assistance from the International Monetary Fund on areas including the Residential Property Price Index, Central Bank Digital Currency, and IFRS-9 Expected Credit Loss model.
- 2.199 The Governor of the NRB was elected Chair of SARFII during the fifth SARFII Leaders' Roundtable held in El Salvador, for the term spanning September 2024 to September 2026.

Subsequently, the Sixth SARFII Leader's Roundtable and the EGFIP/PEG Meeting, and a capacity-building Training Program were conducted from February 17 to February 20, 2025.

2.200 The "Indian Currency (IC) Transport Agreement" was signed with Nepal Transit and Warehouse Management Company Ltd.

2.201 The following memorandum of Understanding (MOUs)/agreement were signed between the Bank and the International Institutions during the review period :

- MOU signed with the Central bank of Sri Lanka on "Exchange of Information on Regulation, Supervision, Crisis Management and Resolution of Financial Institutions and Capacity Building & Technical Assistance".
- MOU signed with SICPA SA, Switzerland on "Testing Agreement, CBDC's Sandbox Exploration".

Training, Symposium, Seminar, Visit and Interaction Program

2.202 During the review period, 179 of the 187 tasks approved in the annual work plan for 2024/25, including workshops, interactions, and training, have been completed.

2.203 In 2024/25, a total of 43 training and workshop programs were successfully conducted, attracting 1399 participants, including 448 women and 951 men from both within and outside Nepal Rastra Bank. A total of 216 resource persons, from both the Bank and external experts, contributed to these programs

2.204 During the review period, 464 participants attended international programs, trainings, seminars and workshops in-person. Additionally, 343 participants from the Bank participated in domestic training programs, while 262 took part in virtual sessions.

2.205 A Seminar titled "Regulatory and Oversight Framework of Payment System" was successfully held as part of the 2024 Bank of Korea-Knowledge Partnership Program (BOK-KPP).

2.206 Under the Financial Literacy Framework, 2079, six Financial Literacy and Digital Financial Literacy programs were conducted .

2.207 An interaction program emphasizing the significance of Financial Literacy for women-led businesses took place in Kathmandu, featuring the presence of women entrepreneurs. .

Financial Inclusion

2.208 In 2024/25, the computation of Financial Inclusion Index (FII) was initiated to assess the extent and progress of financial inclusion on an annual basis.

2.209 To enhance financial inclusion, On Lending Agreement with commercial banks has been done following the conclusion of Fund Channeling Agreement with the GoN, Ministry of Finance under the SEDRA Project Phase III .

2.210 The Financial Inclusion Portal is operational to map the status of financial access across nationwide.

Financial Literacy

- 2.211 In the review period, financial literacy messages is being transmitted through social media of the bank every Tuesday to promote digital/financial literacy.
- 2.212 In total, six short videos were produced and shared through the Bank's social media channels. Additionally, radio jingles promoting financial literacy are being aired across various FM stations nationwide. A documentary highlighting the Bank's key activities has also been produced and released on the Bank's official YouTube channel. Furthermore, a four-part documentary series titled "Garikhane Katha," has been created and broadcasted featuring the stories of entrepreneurs who utilize formal financial services for their businesses.
- 2.213 To improve the effectiveness of financial literacy training, a Training of Trainers (TOT) program was conducted in collaboration with the Bankers Training Center. This program added 25 new financial literacy trainers, bringing the total number to 48. Their information has been compiled and published on the Bank's website.
- 2.214 A financial literacy training manual has been developed and published to ensure consistency in financial literacy activities. In addition, a book titled 'Financial Literacy - Basic Concepts' has been published to further promote financial literacy and its effectiveness .
- 2.215 A suggestion has been submitted to the GoN, Ministry of Education, and the Curriculum Development Centre, proposing the inclusion of topics related to Financial and Digital Financial Literacy in the school-level curriculum.
- 2.216 Global Money Week, 2025 was celebrated nationwide from March 18 to 24, 2025 under the main slogan: " Think before you follow, wise money tomorrow ".

Market Conduct Supervision/Financial Consumer Protection

- 2.217 Market conduct supervision has been initiated from 2024/25. As part of this initiative, pilot testing of market conduct supervision has been carried out in 4 BFIs and full-scope market conduct supervision has been completed in 8 commercial banks and 1 development bank.
- 2.218 The detail of grievances presented in 2024/25 reported through various mediums are presented on Table 2.21.

Table 2.21: Detail of Complaints received in 2024/25

Details of the complaints	Online Portal	Written Application	Hello Sarkar	Others (Tel/Email)	Total
Received	3539	462	182	205	4388
Resolved	2763	443	130	197	3533
In Process	398	19	52	7	476
Invalid Complaint	280	–	–	–	280
Not under the Bank's Purview	98	–	–	1	99

Study, Research and Publication Related Activities

- 2.219 The Consumer Price Index and the Salary and Wage Rate Index have been published, with 2023/24 as the base year. In addition, policy measures concerning regulation and

- supervision, foreign exchange management and the payment system have been formulated, amended and directives issued, based on the monetary policy and its quarterly reviews.
- 2.220 The study report on the Foreign Direct Investment Survey has been completed and published.
- 2.221 The study report on the Second Salary and Wage Index Survey has been completed and published.
- 2.222 The publication of Balance of Payments statistics has commenced in accordance with the Balance of Payments Manual (BPM6) Guidelines by the IMF.
- 2.223 A Survey Study on Balance of Payments transactions via Digital Channels, Survey of Postal, Courier and Airline Services, Survey of Transport Services, Survey on Telecommunications Services in Nepal, survey study on Nepal Sodhanantar (NESO)-3 data have been completed to further enhance the accuracy of the Balance of Payments data.
- 2.224 A study report on 'USSD-Based Payment System and its Regulations: Suggestions for Nepal' has been prepared.
- 2.225 Study reports titled "Assessing the Utilization and Effectiveness of Directed Lending Program in Nepal" and "Human Resource Development and Management in Commercial Banks" of Nepal has been completed through outsourcing to external service providers.
- 2.226 A report titled "Wholesale CBDC Use Cases and Design Characteristics" has been prepared.
- 2.227 A "National Payment Switch (NPS) and the National Payment Ecosystem – Master Reference Document" has been prepared for the operation of the National Payment Switch and the National Payment Ecosystem.
- 2.228 As part of the agreement between the Bank of Korea and the NRB, the Knowledge Partnership Programme on the Regulatory and Oversight Framework of the Payment System for 2024 has been completed, and a study report has been published.
- 2.229 A task force established to review SMS charges levied on customers for financial transaction notifications has submitted a study report in accordance with the decision of the National Payments Board.
- 2.230 The annual Provincial Economic Activities Reports for all seven provinces for 2023/24 and the semi-annual Provincial Economic Activities Reports for 2024/25 have been published. Similarly, the Integrated Annual Economic Activities Report for 2023/24 and the Integrated Semi-Annual Economic Activities Reports for 2024/25 have been made available on the bank's official website.
- 2.231 The pre-udget study for 2025/26 has been completed for the GoN's Budget for 2025/26, and its recommendations have been submitted to the Ministry of Finance, GoN.
- 2.232 The Business Confidence Survey has been conducted on quarterly basis during the review year.

- 2.233 A special study report titled "The Contribution of Organic Orthodox Tea produced in Koshi Province to the National Economy and its Potential and Challenges in the Internal and External Markets" has been published.

Major Activities of Provincial Offices

- 2.234 In celebration of the 13th edition of Global Money Week, province offices organized financial literacy promotion programs under the slogan "Think before you follow, wise money tomorrow".
- 2.235 A training program on goAML has been conducted by provincial offices for reporting institutions involved in foreign exchange transactions.
- 2.236 Trainings on "Operation and Management of Government Transactions, Mangement and Account Reconciliation of Provincial Government" was conducted with the participation of employees from the BFIs handling government transactions within the jurisdiction of provincial offices, employees of the provincial treasury comptroller office, and the bank staff.
- 2.237 Provincial Offices organized a seminar titled "The Importance, Usefulness and Challenges of Economic Data Collection" for representatives of the stakeholder institutions that provide data for the Economic Activity Study Report.
- 2.238 A One-day orientation program focused on identifying and detecting suspicious foreign currency, banking transaction operations, note sorting, and counterfeit note identification has been organized with the participation of employees from the BFIs under provincial jurisdiction, provincial office staff, and Nepal Police personnel.
- 2.239 Provincial offices have completed inspections of currency note chests, as well as the inspections of licensed BFIs, tours, travels and trekking agencies, money changers and hotels authorized to transact in Indian and other convertible foreign currencies within their jurisdiction.
- 2.240 Provincial offices have facilitated coordination and management with relevant authorities to address customers' complaints about banking services.

Table 1: Currency in Circulation

Denomination	Mid-July 2023		Mid-July 2024		Mid-July 2025	
	Amount (Rs)	Percent	Amount (Rs)	Percent	Amount (Rs)	Percent
1	160,997,039	0.03%	160,986,603	0.02%	160,974,635	0.02%
2	185,151,436	0.03%	185,118,052	0.03%	185,078,660	0.02%
5	3,640,451,885	0.57%	3,741,125,185	0.54%	3,762,508,930	0.49%
10	5,867,673,450	0.92%	6,031,239,740	0.87%	5,845,712,010	0.77%
20	7,524,263,040	1.18%	8,024,619,020	1.16%	7,678,744,540	1.01%
25	57,047,200	0.01%	57,032,400	0.01%	57,020,075	0.01%
50	14,685,951,900	2.29%	14,082,194,950	2.04%	13,611,079,400	1.79%
100	30,394,594,800	4.75%	32,531,186,800	4.71%	31,413,289,000	4.13%
250	87,423,250	0.01%	87,422,750	0.01%	87,421,250	0.01%
500	130,670,884,000	20.41%	136,899,419,500	19.84%	165,135,885,500	21.69%
1000	446,805,562,000	69.80%	488,349,655,000	70.76%	533,472,286,000	70.06%
Total	640,080,000,000	100%	690,150,000,000	100%	761,410,000,000	100%

Table 2: Security against Currency in Circulation

(Rs.in Ten Million)

Mid-July	Gold	Silver	Foreign Currency and Securities	Total	Government Securities	Security against Note Issued	Share of Foreign Currency, Gold and Silver in Total Security (%)
				(1+2+3)			(4÷6)*100
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2006	70.3	-	7975.6	8045.9	417.2	8463.1	95.1
2007	-	-	8713.8	8713.8	417.2	9131.0	95.4
2008	-	-	10877.8	10877.8	417.2	11295.0	96.3
2009	-	-	13703.8	13703.8	417.2	14121.0	97.0
2010	-	-	15712.8	15712.8	417.2	16130.0	97.4
2011	-	-	16344.8	16344.8	417.2	16762.0	97.5
2012	-	-	19707.8	19707.8	417.2	20125.0	97.9
2013	-	-	23346.0	23346.0	-	23346.0	100.0
2014	-	-	27325.0	27325.0	-	27325.0	100.0
2015	-	-	31908.0	31908.0	-	31908.0	100.0
2016	-	-	38616.0	38616.0	-	38616.0	100.0
2017	-	-	43099.0	43099.0	-	43099.0	100.0
2018	-	-	49438.95	49438.95	-	49438.95	100.0
2019	-	-	225.77	225.77	-	225.77	100.0
2020	-	-	58806.00	58806.00	-	58806.00	100.0
2021	-	-	68350.00	68350.00	-	68350.00	100.0
2022	-	-	63247.00	63247.00	-	63247.00	100.0
2023	-	-	64008.00	64008.00	-	64008.00	100.0
2024	-	-	69015.00	69015.00	-	69015.00	100.0
2025	-	-	75,011.24	75,011.24	-	75,011.24	100.00

Table 3: Training Programs Conducted by Bankers Training Centre

S.N.	Training	Venue	Date	Days
1	Regulation and Supervision of Micro finance Financial Institutions	Bode	5–8 Aug 2024	4
2	AML CFT Regime and Supervisory Aspects	Bode	11–16 Aug 2024	6
3	Training on Arbitration	Bode	21–22 Aug 2024	2
4	Workshop on Income Tax of Staff and TDS Calculation in NRB	Bode	27 Aug 2024	1
5	Financial Stability and Macro Prudential Policies	Bode	1–4 Sep 2024	4
6	Risk Based Internal Audit	Bode	9–12 Sep 2024	4
7	Central Banking Training	Bhairahawa	22–27 Sep 2024	6
8	Monetary Management Theories and Practices	Bode	6–7 Oct 2024	2
9	Payment and Settlement System of Nepal	Bode	27–29 Oct 2024	3
10	Pre-Service Training for Assistant Directors	Bode	10–21 Nov 2024	12
11	Research Methodology and Report Writing	Bode	24–29 Nov 2024	6
12	Ethics and Behavior in Organization	Bode	1–2 Dec 2024	2
13	Pre-Service Training for Assistant Directors (I.T.)	Bode	1–6 Dec 2024	6
14	Procurement and Inventory Management in NRB	Pokhara	8–11 Dec 2024	4
15	Foreign Exchange Management in NRB	Bode	16–18 Dec 2024	3
16	Pre-Service Training for Assistants	Bode	8–21 Jan 2025	12
17	ToT for Financial Literacy Trainer	Bode	19–24 Jan 2025	6
18	Central Banking Training	Biratnagar	19–24 Jan 2025	6
19	Training on Core Banking Software of BFIs	Durbarmarg	26–27 Jan 2025	2
20	Macroeconomic Management in Nepal	Bode	2–7 Feb 2025	6
21	GL Software	Thapathali	9–11 Feb 2025	3
22	Risk Based Supervision	Bode	9–14 Feb 2025	5
23	Supervision of LC Transactions	Bode	16–17 Feb 2025	2
24	Currency Management in Nepal	Thapathali	23–25 Feb 2025	3
25	Training for Drivers and Other Mechanics	Dhulikhel	28 Feb 2025	1
26	Management Development Program	Bode	2–7 Mar 2025	6
27	Training for Office Subordinates	Pokhara	6–7 Mar 2025	2
28	Central Bank's Law & Application in Department Level Decision Making	Bode	9–11 Mar 2025	3
29	Orientation Program on Current Eco and Banking Affairs for Economic Journalists	Thapathali	10–12 Mar 2025	3
30	Financial Literacy	Bode	19 Mar 2025	1
31	Banking Operation	Thapathali	23–27 Mar 2025	5
32	Active Directory and Email Operational Training	Bode	30–31 Mar 2025	2
33	Orientation Program on Current Eco and Banking Affairs for Economic Journalists	Thapathali	30–31 Mar 2025	2
34	Coin Design, Engraving Modelling	Bode	4–6 May 2025	3
35	Financial Inclusion and Literacy	Bode	7–9 May 2025	3
36	Consumer Protection and Market Conduct Supervision	Bode	15–16 May 2025	2
37	Macroeconomic Modelling and Forecasting	Bode	18–23 May 2025	6
38	Letter and Memo Writing Skills	Pokhara	25–26 May 2025	2
39	Regulations and Supervision of Non-Bank Financial Institutions	Bode	2–4 Jun 2025	3
40	GL Workshop 2	Thapathali	8–10 Jun 2025	3
41	Cyber Security Issues in Payment and Settlement System in Nepal	Bode	15–17 Jun 2025	3
42	Pre-Service Training for Assistant Directors	Bode	22 Jun–3 Jul 2025	12
43	Pre-Service Training for Assistants	Thapathali	14–25 Jul 2025	12

Table 4: International Training, Seminar, Meeting and Workshops

A) In-Person Participation

S.N.	Host Institution	Frequency
1	Alliance for financial Inclusion	12
2	APRACA	2
3	APRACA and National Bank of Cambodia	3
4	Asia Pacific Group	11
5	Asia Pacific Network Information Center (APNIC)	1
6	Asian Clearing Union (ACU)	2
7	Asian Development Bank	5
8	Bangko Sentral ng Pilipinas	25
9	Bangladesh Bank	6
10	Bank for International Settlement (BIS)	10
11	Bank Indonesia	6
12	Bank of Korea	16
13	Banque De France	4
14	BBVA Turkey	2
15	Central Bank of Sri Lanka	25
16	China Banknote Printing and Minting	3
17	CICTAB	16
18	College of Supervisors	2
19	Deutsche Bundesbank	8
20	Egmont	3
21	FATF	4
22	Federal Reserve Bank	3
23	Financial Intelligence Unit of Latvia	1
24	Franklin Templeton	2
25	IMF SARTTAC	36
26	IMF STI	14
27	IntelliMindz	5
28	International Monetary Fund	12
29	IRIS Business Services Ltd.	12
30	Jersey Financial Services Commission and Toronto Centre	1
31	KOENIG	2
32	London Stock Exchange Group	4
33	Mashreq Bank PSc Dubai	4
34	Mint of Poland	2
35	Monetary Authority of Maldives	1
36	National Institute of Banking studies & Corporate Management (NIBSCOM)	58
37	Nepal Clearing House Limited	1
38	Reserve Bank of India	26
39	SARTTAC	6
40	Standard Chartered Bank	4
41	State Bank of Pakistan	2
42	The Royal Mint the original maker	3
43	The SEACEN CENTRE	87
44	The SEACEN CENTRE & ADB	2
45	Toronto Centre	1
46	US Department of Justice Criminal Division	2
47	World Bank	4
48	World Gold Council & Bank De France	1
49	Zurcher Kantonalbank	2
	Total	464

B) Designation-wise In-Person Participation

S.N.	Designation	Frequency
1	Governor	5
2	Deputy Governor	9
3	Board of Directors	4
4	Executive Director	37
5	Director	62
6	Director (IT)	6
7	Acting Director	5
8	Deputy Director	135
9	Deputy Director (IT)	5
10	Assistant Director	133
11	Senior Compiler	1
12	Assistant Director (IT)	6
13	Head Assistant	50
14	Head Assistant (IT)	3
15	Assistant	1
16	Assistant (IT)	2
	Total	464

C) Virtual Participation

S.N.	Host Institution	Frequency
1	APG	3
2	APG Diversity & Inclusion Network	2
3	APRACA	2
4	Asian Development Bank Institute	4
5	Bank Negara Malaysia	16
6	Bank of Korea	12
7	Bank of Russia	2
8	Banque De France	2
9	BIS	21
10	Business and Finance Consulting	4
11	CICTAB	4
12	CIMB Bank Berhad (Singapore)	48
13	Department of Money laundering Investigation, Nepal	3
14	Egmont Group	6
15	Fintelekt	2
16	Heifer International in Asia & ICA-AP	3
17	IMF	11
18	IMF SARTTAC	2
19	IMF/STA	4
20	SAARCFINANCE	13
21	South Asia Region Financial Inclusion Initiative (SARFII)	7
22	South Asian University (SAU)	10
23	The SEACEN Centre	56
24	United Nation Office on Drugs and Crime (UNODC)	6
25	United Nations Sustainable Stock Exchange (Un SEE) and IFC	4
26	University of Cambridge	14
27	World Bank Group	1
	Total	262

D) Designation-wise Virtual Participation

S.N.	Designation	Frequency
1	Executive Director	1
2	Director	13
3	Acting Director	2
4	Deputy Director	65
5	Deputy Director (IT)	5
6	Assistant Director	136
7	Assistant Director (IT)	2
8	Head Assistant	13
9	Statistician	2
10	Assistant	22
11	Assistant (IT)	1
	Total	262

Table 5: Domestic Training, Seminar, Meeting, and Workshops Hosted by Other Institutions

A) In-Person Participation

S.N.	Host Institution	Frequency
1	Alliance for Financial Inclusion (AFI)	10
2	Agricultural Development Bank Ltd.	1
3	Asia Pacific Rural Agricultural Association (APRACA)	3
4	Asian Development Bank Institute	2
5	Bank of Korea	32
6	Banking Finance & Insurance Institute of Nepal	7
7	Birendra Multiple Campus	1
8	Bitta Chettra Bewasthapan	17
9	BYAN	2
10	Central Department of Management	1
11	Cloud Tech Solution	14
12	Department of Customs	1
13	Fintek	3
14	Global Green Growth Institute (GGGI)	1
15	IMF	41
16	International Finance Corporation	21
17	Jiban Bigyan	10
18	Kaski Gold and Silvers Dealers' Association	2
19	Lalitpur District Federation of Saving & Credit Co-operative Society Ltd.	1
20	Ministry of Communication and Information Technology	2
21	Ministry of Energy, Water Resource and Irrigation	1
22	Ministry of Finance	2
23	Ministry of forest and environment	2
24	Ministry of Industry, Commerce and Supplies	1
25	National Banking Institute	3
26	National Planning Commission	1
27	Nelite System Private Limited	3
28	Nepal Administrative Staff College	34
29	Nepal Bank Limited	1
30	Nepal Engineers Association	2
31	Nepal Food Forum	1

S.N.	Host Institution	Frequency
32	Nepal Open University	5
33	Nepal Police	5
34	Nepal Police, Central Investigation Bureau	1
35	Nepal Telecommunications authority	2
36	Non-Bank Financial Institutions Supervision Department	13
37	NSAF/FNCCI/AECP	1
38	Office of Attorney General	1
39	PPMO	4
40	Public Debt Management Department	2
41	Rastra Surakhya Parisadh	1
42	Rastriya Beema Company	1
43	Sampati Suddhikaran Anusandhan Bibagh	3
44	Sarbajanik kharid anugaman karyalaya	2
45	Shramik Sanjal	1
46	Srishti Sadhana Kendra	13
47	Standard Chartered ASEAN and South Asia (ASA) Correspondent Banking Academy	2
48	SWIFT	3
49	The Association of Chartered Accountants of Nepal	12
50	The Institute of Chartered Accountants of Nepal	15
51	The Westminster College	1
52	Transparency International Nepal	1
53	Tribhuvan University, Central Department of Economics	10
54	United Nation	1
55	United Nation Fund for Population Activities (UNFPA)	1
56	United Nations Development Program (UNDP)	4
57	Nepal Yoga Institute and Retreat P. Ltd	15
	Total	343

B) Designation-wise In-Person Participation

S.N.	Designation	Frequency
1	Deputy Governor	1
2	Executive Director	16
3	Acting Executive Director	1
4	Director	36
5	Director (IT)	1
6	Acting Director	1
7	Deputy Director	95
8	Deputy Director (IT)	6
9	Assistant Director	139
10	Assistant Director (IT)	9
11	Head Assistant	7
12	Assistant	18
13	Assistant (IT)	12
14	Office Subordinate III	1
	Total	343

Table 6: Details of Fund Transfers and Transactions of Foreign Currency through Offices Located Outside Kathmandu Valley in 2024/25

S. N.	Office	Fund Transfers and Deposits								Purchase and Sale of Foreign Currencies					
		Amount (NRs. Ten Million)					IC (NRs. Ten Million)			Other Foreign Currencies		IC			
		Fund Transfer			Fund In ²		Fund Transfer		Fund In ³	NRs. Ten Million		NRs. Ten Million			
		No. of Currency Chests ¹	Frequency	Amount Rs	Frequency	Amount	Frequency	Amount	Frequency	Amount	Purchase	Balance ³	Purchase	Sale ⁴	Balance ³
1.	Biratnagar	6	30	1236.50	5	9.66	0	0	3	32	29.22	4.12	0	16.41	26.51
2.	Janakpur	12	61	2858	19	1472	5	55.82	1	40	4.74	2.69	5.09	26.47	29.48
3.	Pokhara	9	41	1550	10	122	1	0.05	1	16	84.30	5.62	0.42	9.5	11.96
4.	Siddharthanagar	9	62	2091	8	37.76	2	20	0	0	4.56	7.07	3.21	37.03	11.40
5.	Nepalgunj	13	42	1482	10	21.53	0	0	0	0	1.88	0.43	0.19	15.76	6.57
6.	Dhangadhi	9	30	884.78	10	56.59	1	5.71	1	16	4.13	2.81	1.07	9.19	10.58
7.	Birgunj	4	12	1513.46	9	66.52	1	100	3	20	0.61	0	0.14	18.47	12.07

1 Numbers of Currency Chests under the Office

2 Only deposits made out of currency chests by bank branches having currency chests

3 Outstanding as of mid-July 2025 after transfers to other offices

4 Only amount sold to clients by Office

Table 7: Description of Gold and Silver Commemorative Coins, Medallions and Medals Sold and Distributed in 2024/25

A) Gold Commemorative Coins:

S.N	Name	Wt.(gms)
1	900 Touch SAARC Coin	30
2	900 Touch SAARC Coin	15

B) Silver Commemorative coins and Medallions:

S.N	Name	WT. (gms)
1	Laxmi Medallion	10
2	Ganesh Medallion	10
3	Gaja Laxmi Medallion	10
4	Taksar Yantrikaran	15
5	Rajyanrohan 1 oz	31.103
6	SAARC proof coins	25
7	Gai Medallion 25gm	25
8	Gai Medallion 10 gm	10
9	Shree 5 Gyanendra Rajyaarohan	31.1
10	Niryaat Barsha	23
11	Byawasthaapan	23
12	Maarwaadi sewa samiti	18
13	Samyukta Rastra Sangh 50 Barsha	20
14	Rastra Bank Swarna Barsha	35
15	Rotary 100 barsha	35
16	Gurunanak 1000	10
17	Gurunanak 2500	25
18	Satyamohan joshi 1000	10
19	Satyamohan joshi 2500	25
20	Dhito Patra Board (SEBON) 2500	25

Appendix 2.1: Comprehensive Inspection of Commercial Banks

a) Comprehensive On-Site Inspection (Risk-based)

S.N	Name of commercial Bank	S.N	Name of commercial Bank
1	Nepal Bank Ltd.	12	Laxmi Sunrise Bank Ltd.
2	Rastriya Banijya Bank Ltd.	13	Siddhartha Bank Ltd.
3	Nabil Bank Ltd.	14	Agriculture Development Bank Ltd.
4	Nepal Investment Mega Bank Ltd.	15	Global IME Bank Ltd.
5	Standard Chartered Bank Nepal Ltd.	16	Citizens Bank International Ltd.
6	Himalayan Bank Ltd.	17	Prime Commercial Bank Ltd.
7	Nepal SBI Bank Ltd.	18	NMB Bank Ltd.
8	Everest Bank Ltd.	19	Prabhu Bank Ltd.
9	NIC Asia Bank Ltd.	20	Sanima Bank Ltd.
10	Machhapuchchhre Bank Ltd.	21	Nepal Infrastructure Bank Ltd.
11	Kumari Bank Ltd.		

b) Targeted On-Site Inspection (IT and Cyber Risk Specific)

S.N	Name of commercial Bank
1	Nepal Bank Ltd.
2	Nabil Bank Ltd.
3	NIC Asia Bank Ltd.
4	Global IME Bank Ltd.

c) Special Inspection

S.N	Name of commercial Bank	Number of Inspection
1	Kumari Bank Ltd.	1
2	Rastriya Banijya Bank Ltd.	1
3	Nepal Bank Ltd.	5
4	Nepal SBI Bank Ltd.	1
5	Citizens Bank International Ltd.	1
6	NIC Asia Bank Ltd.	2
7	Agriculture Development Bank Ltd.	1
8	Himalayan Bank Ltd.	2
9	Prabhu Bank Ltd.	3
10	Nabil Bank Ltd.	1
11	Laxmi Sunrise Bank Ltd.	1
	Total	19

Appendix 2.2: Comprehensive Inspection of Financial Institutions

a) Development Banks

S.N	Name of Financial Institution	S.N	Name of Financial Institution
1.	Narayani Development Bank Limited	8.	Lumbini Bikas Bank Limited
2.	Mahalaxmi Bikas Bank Limited	9.	Excel Development Bank Limited
3.	Jyoti Bikas Bank Limited	10.	Salapa Bikas Bank Limited
4.	Saptakoshi Development Bank Limited	11.	Garima Bikas Bank Limited
5.	Green Development Bank Limited	12.	Muktinath Bikas Bank Limited
6.	Corporate Development Bank Limited	13.	Shine Resunga Development Bank Limited
7.	Shangrila Development Bank Limited	14.	Kamana Sewa Bikash Bank Limited

b) Finance Companies

S.N	Name of Financial Institution	S.N	Name of Financial Institution
1.	Janaki Finance Co. Limited	6.	Goodwill Finance Limited
2.	Best Finance Limited	7.	Nepal Finance Limited
3.	Guheshwori Merchant Banking & Finance Limited	8.	Multipurpose Finance Limited
4.	Central Finance Limited	9.	Reliance Finance Limited
5.	Samridhhi Finance Company Limited	10.	Progressive Finance Limited

c) Targeted Inspection (Development Bank and Finance Companies)

S.N	Name of Financial Institution	S.N	Name of Financial Institution
1.	Karnali Development Bank Ltd.	6.	Shree Investment & Finance Co. Ltd.
2.	Sindhu Bikas Bank Ltd.	7.	Nepal Share Markets and Finance Ltd.
3.	Miteri Development Bank Ltd.	8.	Pokhara Finance Ltd.
4.	Manjushree Finance Ltd.	9.	Gorkhas Finance Ltd.
5.	ICFC Finance Ltd.	10.	Capital Merchant Banking & Finance Ltd.

d) Special Inspection (Development Bank and Finance Companies)

S.N	Name of Financial Institution	S.N	Name of Financial Institution
1.	Gorkhas Finance Ltd.	3.	Progressive Finance Limited
2.	Manjushree Finance Ltd.	4.	Janaki Finance Co. Ltd.

Appendix 2.3: Comprehensive Inspection of Micro Finance Institutions**a) On-Site Inspection**

S.N.	Name of Institution	S.N.	Name of Institution
1	Nerude Mirmire Laghubitta Bittiya Sanstha Ltd.	21	Asha Lagubitta Bittiya Sastha Ltd.
2	Samata Gharelu Laghubitta Bittiya Sanstha Ltd.	22	National Micro finance Laghubitta Bittiya Sanstha Ltd.
3	Matribhumi Laghubitta Bittiya Sanstha Ltd.	23	NESDO Samriddha Laghubitta Bittiya Sanstha Ltd.
4	NADEP Laghubitta Bittiya Sanstha Ltd.	24	Grameen Bikas Laghubitta Bittiya Sanstha Ltd.
5	Ganapati Laghubitta Bittiya Sastha Ltd.	25	Suryodaya Womi Laghubitta Bittiya Sanstha Ltd.
6	Infinity Laghubitta Bittiya Sanstha Ltd.	26	NMB Laghubitta Bittiya Sanstha Ltd.
7	Upakar Laghubitta Bittiya Sanstha Ltd.	27	Wean Nepal Laghubitta Bittiya Sanstha Ltd.
8	Mithila Laghubitta Bittiya Sanstha Ltd.	28	Vijaya Laghubitta Bittiya Sanstha Ltd.
9	Gurans Laghubitta Bittiya Sastha Ltd.	29	NIC Asia Laghubitta Bittiya Sanstha Ltd.
10	Swabhimani Laghubitta Bittiya Sanstha Ltd.	30	Mahila Laghubitta Bittiya Sanstha Ltd.
11	Aatmanirbhar Laghubitta Bittiya Sanstha Ltd.	31	Chhimek Laghubitta Bittiya Sanstha Ltd.
12	Mahuli Laghubitta Bittiya Sanstha Ltd.	32	Swastik Laghubitta Bittiya Sanstha Limited
13	Shrijanshil Laghubitta Bittiya Sanstha Ltd.	33	Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.
14	Samaj Laghubitta Bittiya Sanstha Ltd.	34	Swabalamban Laghubitta Bittiya Sanstha Ltd.
15	RSDC Laghubitta Bittiya Sanstha Ltd.	35	Laxmi Laghubitta Bittiya Sanstha Ltd.
16	Janautthan Samudayik Laghubitta Bittiya Sanstha Ltd.	36	Himalayan Laghubitta Bittiya Sanstha Ltd.
17	Deprosc Laghubitta Bittiya Sanstha Ltd.	37	Global IME Laghubitta Bittiya Sanstha Ltd.
18	Unique Nepal Laghubitta Bittiya Sanstha Ltd.	38	Sampada Laghubitta Bittiya Sanstha Ltd.
19	Unnati Sahakarya Laghubitta Bittiya Sanstha Ltd.	39	Mero micro finance Laghubitta Bittiya Sanstha Ltd.
20	First Micro finance Laghubitta Bittiya Sanstha Ltd.	40	Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd.

b) Special On-site Inspection of Micro Finance Institutions

S.N.	Name of Institution
1	Nerude Mirmire Laghubitta Bittiya Sanstha Ltd.
2	Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd.
3	Grameen Bikas Laghubitta Bittiya Sanstha Ltd.

Appendix 2.4: Inspection based on AML/CFT

a) AML/CFT based Regular Inspection

S.N	Name of Institution	S.N	Name of Institution
1	Sanima Bank Ltd.	21	City Wallet Pvt. Ltd.
2	Standard Chartered Bank Nepal Ltd.	22	Pokhara Finance Ltd.
3	NMB Bank Ltd.	23	Green Development Bank Ltd.
4	Siddhartha Bank Ltd.	24	Shine Resunga Development Bank Ltd.
5	Multipurpose Finance Ltd.	25	Gorkhas Finance Ltd.
6	Machhapuchhre Bank Ltd.	26	Nepal SBI Bank Ltd.
7	Everest Bank Ltd.	27	Guheshwori Merchant Banking & Finance Ltd.
8	Agriculture Development Bank Ltd.	28	Samsara Remit Pvt. Ltd.
9	Goodwill Finance Ltd.	29	Lumbini Bikas Bank Ltd.
10	Jyoti Bikas Bank Ltd.	30	Prime Commercial Bank Ltd.
11	Citizen Investment Trust	31	Nabil Bank Ltd.
12	Mahalaxmi Bikas Bank Ltd.	32	Ipay Remit Pvt. Ltd.
13	Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	33	Rastriya Banijya Bank Ltd.
14	ICFC Finance Ltd.	34	Hulas Remittance Pvt. Ltd.
15	Muktinath Bikas Bank Ltd.	35	Garima Bikas Bank Ltd.
16	Employees Provident Fund	36	Nepal Remit International Pvt. Ltd.
17	Chhimek Laghubitta Bittiya Sanstha Ltd.	37	Sangrila Development Bank Ltd.
18	Reliance Finance Ltd.	38	Esewa Ltd.
19	E-sewa Money Transfer Pvt. Ltd.	39	Citizens Bank International Ltd.
20	Hamro Patro Remit Pvt. Ltd. (हाम्रो रेमिट)	40	A.T.T. Remit Pvt. Ltd.

b) Special Inspection

S.N	Name of Institution	S.N	Name of Institution
1	Nepal Investment Mega Bank Ltd.	13	Prime Commercial Bank Ltd.
2	Jyoti Bikas Bank Ltd.	14	Siddhartha Bank Ltd.
3	Muktinath Bikas Bank Ltd.	15	Sanima Bank Ltd.
4	Nabil Bank Ltd.	16	Citizens Bank International Ltd.
5	Kumari Bank Ltd.	17	Prabhu Bank Ltd.
6	Rastriya Banijya Bank Ltd.	18	Laxmi Sunrise Bank Ltd.
7	Mahalaxmi Bikas Bank Ltd.	19	Nepal SBI Bank Ltd.
8	Smart Card Nepal Pvt. Ltd.	20	Everest Bank Ltd.
9	MyPay Money Transfer	21	Machhapuchhre Bank Ltd.
10	Kamana Sewa Bikas Bank Ltd	22	Himalayan Bank Ltd.
11	Global IME Bank Ltd.	23	Nepal Clearing House Ltd.
12	NIC Asia Bank Ltd.		

c) Thematic Study

S.N	Name of Institution	S.N	Name of Institution
1	Nepal Bank Ltd.	11	Citizens Bank International Ltd.
2	Agriculture Development Bank Ltd.	12	Prime Commercial Bank Ltd.
3	Nabil Bank Ltd.	13	Sanima Bank Ltd.
4	Nepal Investment Mega Bank Ltd.	14	Machhapuchhre Bank Ltd.
5	Standard Chartered Bank Nepal Ltd.	15	NIC Asia Bank Ltd.
6	Himalayan Bank Ltd.	16	Global IME Bank Ltd.
7	Nepal SBI Bank Ltd.	17	NMB Bank Ltd.
8	Everest Bank Ltd.	18	Prabhu Bank Ltd.
9	Kumari Bank Ltd.	19	Siddhartha Bank Ltd.
10	Laxmi Sunrise Bank Ltd.	20	Rastriya Banijya Bank Ltd.

Appendix 2.5: Employees detail of 5 Years

S.N.	Level	Mid-July 2021			Mid-July 2022			Mid-July 2023			Mid-July 2024			Mid-July 2025		
		Administration	Technical	Total	Administration	Technical	Total	Administration	Technical	Total	Administration	Technical	Total	Administration	Technical	Total
1	Officer Special	17	0	17	18	0	18	18	0	18	18	0	18	18	0	18
2	Officer First	49	1	50	51	4	55	50	5	55	51	5	56	44	5	49
3	Officer Second	162	10	172	186	12	198	200	9	209	203	9	212	212	9	221
4	Officer Third	269	14	283	287	3	290	340	9	349	336	9	345	393	13	406
	Officer Total	497	25	522	542	19	561	608	23	631	608	23	631	667	27	694
5	Assistant First	117	15	132	147	17	164	158	16	174	166	14	180	169	15	184
6	Assistant Second	263	34	297	232	30	262	239	26	265	222	25	247	215	36	251
7	Assistant Third	17	1	18	12	0	12	11	0	11	11	0	11	8	0	8
	Assistant Total	397	50	447	393	47	438	408	42	450	399	39	438	392	51	443
8	Office Subordinate First	12	0	12	25	0	25	24	0	24	22	0	22	15	0	15
9	Office Subordinate Second	24	0	24	7	0	7	6	0	6	6	0	6	5	0	5
10	Office Subordinate Third	0	0	0	43	0	42	40	0	40	41	0	41	40	0	40
11	Office Subordinate Fourth	56	0	56	9	0	9	6	0	6	0	0	0	0	0	0
	Office Subordinate Total	92	0	92	84	0	83	76	0	76	69	0	69	60	0	60
	Total	986	75	1061	1019	66	1082	1092	65	1157	1076	62	1138	1119	78	1197

Appendix 2.6: Details of Recruitments on Fiscal Year 2024/25

SN	Position	Service	Open Competition	Performance Evaluation	Internal Competition
1	Executive Director	Administration	-	8	-
2	Director	Administration	-	2	-
3	Deputy Director	Administration	-	10	5
4	Assistant Director	Administration	34	7	7
5	Assistant Director	Technical	-	-	-
6	Head Assistant	Administration	-	13	9
7	Head Assistant	Technical	-	3	-
8	Assistant	Administration	13	-	-
9	Assistant	Technical	5	-	-
Total			52	43	21

Appendix 2.7: Recruitment in Last 5 Years¹

Position	Medium of Recruitment	2020/21	2021/22	2022/23	2023/24	2024/25
Executive Director	Performance Evaluation	-	4	-	-	8
Director	Performance Evaluation	5	5	-	2	2
	Internal Competition	2	1	1	1*	-
	Technical	-	3	2	-	-
Deputy Director	Performance Evaluation	15	15	14	8	10
	Internal Competition	7	6	6	3*	5
	Technical	3	4	-	-	-
Assistant Director	Performance Evaluation	7	11	6	5	7
	Internal Competition	-	-	3	5*	7
	Open Competition	38	58**	18	32*	34
Head Assistant	Performance Evaluation	7	24	14	15	13
	Internal Competition	3	15	10	9*	9
	Technical	-	5	-	-	3
Assistant	Performance Evaluation	1	3	-	-	-
	Internal Competition	-	-	-	-	-
	Open Competition	11	25**	24	24*	13
	Technical	-	1	-	11*	5
Office Subordinate	Auto Promotion	2	58	-	-	-
Total		101	238	98	115	116

¹ Based on Vacancy Announcement year.

* Recruited on FY 2023/24.

** Recruited on FY 2022/23.

Appendix 2.8: Board of Directors (mid- July 2025)

SN	Position	Service
1	Prof. Dr. Biswo Nath Poudel	Chairman
2	Mr. Ghanshyam Upadhyaya	Member
3	Dr. Neelam Dhungana (Timsina)	Member
4	Mr. Bam Bahadur Mishra	Member
5	Mr. Chinta Mani Siwakoti	Member
6	Dr. Shankar Prasad Acharya	Member
7	Dr. Ravindra Prasad Pandey	Member

Appendix 2.9: List of Special Class and First Class Officers (In mid-July 2025)

Special Class Officers			
1	Mr. Rishikesh Bhatta	-	Corporate Planning and Risk Management Department
2	Mr. Pradeepraj Poudyal	-	Information Technology Department
3	Dr. Gunakar Bhatta	-	Office of the Governor
4	Mr. Naresh Shakya	-	Internal Audit Department
5	Mr. Revati Prasad Nepal	-	Foreign Exchange Management Department
6	Mr. Ramu Paudel	-	Currency Management Department
7	Mr. Vishrut Thapa	-	Human Resource Management Department
8	Mr. Dayaram Sharma	-	Monetary Management Department
9	Mr. Guru Prasad Paudel	-	Banks and Financial Institutions Regulation Department
10	Mr. Bimal Raj Khanal	-	Microfinance Institutions Supervision Department
11	Mr. Kiran Pandit	-	Payment Systems Department
12	Dr. Satyendra Timilsina	-	Financial Institutions Supervision Department
13	Mr. Chet Prasad Uprety	-	Non Bank Financial Institutions Supervision Department
14	Mr. Roshan Kumar Shigdel	-	Assets and Service Management Department
15	Dr. Ram Sharan Kharel	-	Economic Research Department
16	Dr. Dilli Ram Pokhrel	-	Banking Department
17	Mr. Dirgha Bahadur Rawal	-	Bank Supervision Department
18	Mr. Nishchal Adhikari	-	Information Technology Department

First Class Officers			
1	Mr. Anuj Dahal	-	Director, Financial Institutions Supervision Department
2	Mr. Dipak Raj Lamichhane	-	Director, Nepal Rastra Bank, Pokhara Office
3	Mr. Rajan Bikram Thapa	-	Director, Assets and Service Management Department
4	Mr. Rajendra Bhattarai	-	Director, Foreign Exchange Management Department
5	Mr. Hem Prasad Neupane	-	Director, Financial Inclusion and Consumer Protection Division
6	Mr. Mukti Nath Sapkota	-	Director, Internal Audit Department
7	Mr. Govinda Prasad Nagila	-	Director, Banks and Financial Institutions Regulation Department
8	Mrs. Meena Pandey	-	Director, Bank Supervision Department
9	Mr. Shubhash Chandra Ghimire	-	Director, Payment Systems Department
10	Mrs. Shrijana Bastola	-	Director, Human Resource Management Department
11	Mr. Buddha Raj Sharma	-	Director, Economic Research Department
12	Mr. Sudip Phuyal	-	Director, Currency Management Department
13	Mrs. Niva Shrestha	-	Director, Monetary Management Department
14	Mr. Dila Ram Subedi	-	Director, Nepal Rastra Bank, Janakpur Office
15	Mr. Keshab Bahadur K.C.	-	Director, Nepal Rastra Bank, Dhangadhi Office

Activities of Nepal Rastra Bank Annual

16	Mr. Shailendra Regmi	-	Director, Nepal Rastra Bank, Biratnagar Office
17	Mr. Birendra Datta Awasthi	-	Director, Human Resource Management Department
18	Mr. Devendra Gautam	-	Director, Banks and Financial Institutions Regulation Department
19	Mr. Ishwari Prasad Bhattarai	-	Director, Bank Supervision Department
20	Mr. Rajan Dev Bhattarai	-	Director, Financial Management Department
21	Mr. Laxmi Prasad Prasai	-	Director, Mint Division
22	Mr. Ramesh Acharya	-	Director, Nepal Rastra Bank, Siddharthanagar Office
23	Dr. Rajan Krishna Panta	-	Director, Corporate Planning and Risk Management Department
24	Mr. Durgesh Gopal Shrestha	-	Director, Corporate Planning and Risk Management Department
25	Mrs. Indra Chamlagai (Mainali)	-	Director, Banks and Financial Institutions Regulation Department
26	Mrs. Ranjana Poudel	-	Director, Financial Institutions Supervision Department
27	Mrs. Nira Talchabhadel	-	Director, Bankers Training Centre
28	Mr. Biggyan Raj Subedi	-	Director, Microfinance Institutions Supervision Department
29	Mr. Narayan Prasad Pokhrel	-	Director, Nepal Rastra Bank, Nepalgunj Office
30	Mr. Madav Dangal	-	Director, Economic Research Department
31	Mr. Satyendra Raj Subedi	-	Director, Economic Research Department
32	Mrs. Arya Joshi	-	Director, Money Laundering Prevention Supervision Division
33	Mr. Bashu Dev Bhattarai	-	Director, Financial Intelligence Unit
34	Mr. Ashok Ghimire	-	Director, Non Bank Financial Institutions Supervision Department
35	Mr. Binod Raj Lekhak	-	Director, Banking Department
36	Mr. Sharan Kumar Adhikari	-	Director, Office of the Governor
37	Mr. Girija Prasad Koirala	-	Director, Legal Division
38	Mr. Ajit Regmi	-	Director, Microfinance Institutions Supervision Department
39	Mrs. Bina Dhakal Paudel	-	Director, Foreign Exchange Management Department
40	Mr. Subash Acharya	-	Director, Bank Supervision Department
41	Dr. Hari Kumar Nepal	-	Director, Additional Position
42	Mr. Sushil Poudel	-	Director, Nepal Rastra Bank, Birgunj Office
43	Mr. Keshab Prasad Timilsina	-	Director, Financial Management Department
44	Mr. Rishiram Baral	-	Director, Banking Department
45	Er. Saurabh Dass Manandhar	-	Director (I.T.), Information Technology Department
46	Er. Krishna Ram Dhunju	-	Director (I.T.), Payment Systems Department
47	Er. Tarun Kumar Jha	-	Director (I.T.), Information Technology Department
48	Er. Sahdev Chand	-	Director (I.T.), Information Technology Department
49	Dr. Tej Narayan Thakur	-	Director (I.T.), Information Technology Department
50	Dr. Birendra Bahadur Budha	-	Acting Director, Economic Research Department
51	Mrs. Samjhana Dhakal		Acting Director, Payment Systems Department
52	Mrs. Nabina Dhakal		Acting Director, Non Bank Financial Institutions Supervision Department
53	Mr. Suman Neupane	-	Acting Director, Office of the Governor
54	Mrs. Pushpa Adhikary	-	Acting Director, Banking Department
55	Mr. Mohan Pudasaini	-	Acting Director, Assets and Service Management Department
56	Mr. Sanjeev Kumar Jha	-	Acting Director, Foreign Exchange Management Department
57	Mr. Kamal Prakash Kalathoki	-	Acting Director, Internal Audit Department
58	Mr. Prahlad Giri	-	Acting Director, Economic Research Department

PART – 3
ANNUAL FINANCIAL STATEMENT OF
NEPAL RASTRA BANK

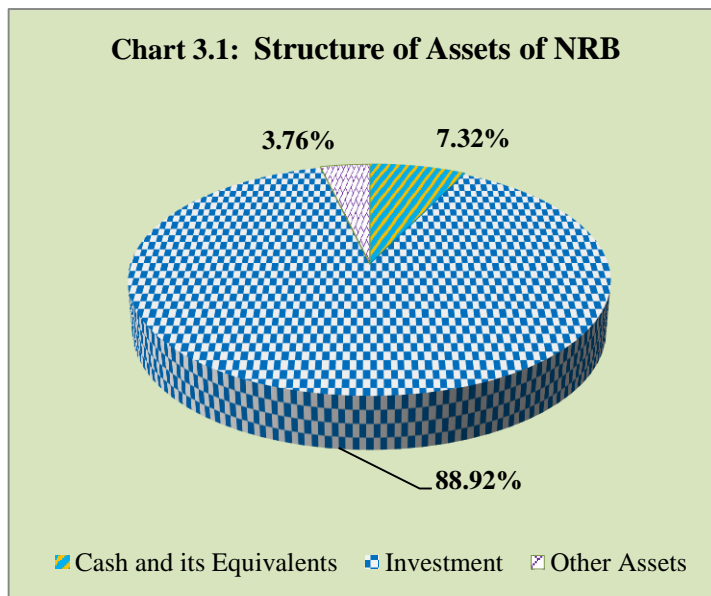
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PART – THREE
ANNUAL FINANCIAL STATEMENT OF
NEPAL RASTRA BANK

Assets and Liabilities

3.1 As of mid-July 2025, the total assets and liabilities of the NRB increased by 29.23 percent, reaching Rs. 2671.24 billion, compared to the corresponding period of the previous year.

3.2 In the asset composition of mid-July 2025, investments (including Gold Certificates) accounted for 88.92 percent of total assets, cash and bank balances for 7.32 percent, and other assets for 3.76 percent. In comparison, as of mid-July 2024, the respective shares were 89.23 percent, 6.37 percent, and 4.41 percent respectively.

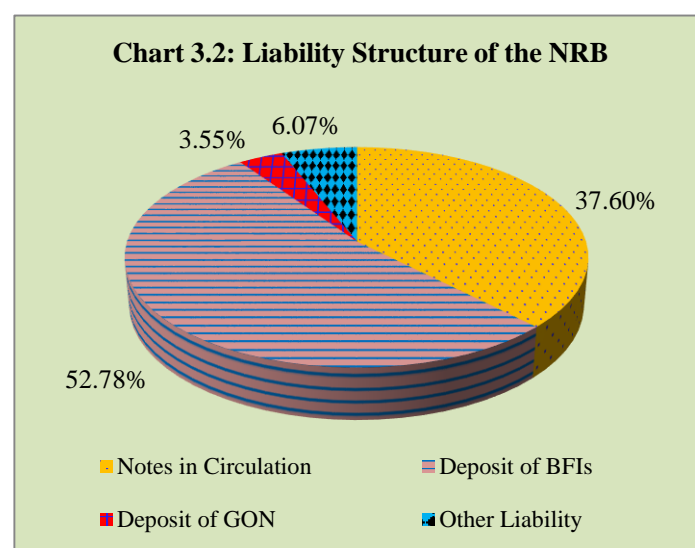


3.3 As of mid-July 2025, the NRB's investment in various instruments, including Gold Certificates, increased by 28.79 percent compared to mid-July 2024, reaching a total of Rs. 2375.26 billion. In the corresponding period of the previous year, such investments stood at Rs. 1844.30 billion.

3.4 Compared to mid-July 2024, the cash and bank balance assets of the NRB increased by 48.51 percent, amounting to Rs. 195.53 billion in mid-July 2025. These assets had stood at Rs. 131.66 billion in mid-July 2024.

3.5 As of mid-July 2025, liabilities accounted for 74.69 percent and equity for 25.31 percent of the total liabilities and equity. In mid-July 2024, these shares were 73.45 percent and 26.55 percent, respectively.

3.6 As of mid-July 2025, the composition of total liabilities of the NRB was as follows: currency in circulation accounted for 37.60 percent, deposit liabilities of banks and financial institutions (including the Standing Deposit Facility and deposits in both Nepalese and foreign currencies) represented 52.79 percent, deposit liabilities of the Government of Nepal made up 3.55 percent, and other



and other liabilities of the Government of Nepal made up 3.55 percent, and other

liabilities constituted 6.07 percent. In comparison, as of mid-July 2024, the respective shares were 44.79 percent for notes in circulation, 43.41 percent for BFI deposits, 4.21 percent for GoN's deposits, and 7.59 percent for other liabilities.

- 3.7 Currency in circulation rose by 10.30 percent, reaching Rs. 750.11 billion in mid-July 2025 from Rs. 680.05 billion in mid-July 2024.
- 3.8 Deposits of the BFIs in both domestic and foreign currencies (including SDF and Deposit Collection) surged by 59.81 percent to Rs. 1053.18 billion in mid-July 2025, up from Rs. 659.04 billion a year earlier.
- 3.9 Deposits of the GoN at the bank increased by 10.76 percent, reaching Rs. 70.84 billion in mid-July 2025, as compared to Rs. 63.95 billion in mid-July 2024.
- 3.10 Total equity grew by 23.18 percent in mid-July 2025 compared to the same period in 2024. Within this, reserve funds rose by 23.39 percent reaching to Rs. 671.03 billion, up from Rs. 543.82 billion in mid-july 2024.
- 3.11 The bank's share capital remained unchanged at Rs. 5 billion between mid-July 2024 and mid-July 2025.

Income Statement

- 3.12 As per the income statement for the period from mid-July 2024 to mid-July 2025, the NRB's net operating income increased by 10.25 percent, reaching Rs. 88.47 billion. Within the total net operating income for 2024/25, net interest income contributed 98.69 percent, the foreign exchange valuation accounted for a negative share of 0.10 percent, and other operating income represented 1.41 percent.
- 3.13 Net interest income rose by 10.08 percent during the review period, totaling Rs. 87.31 billion compared to the previous year. Conversely, income from foreign exchange transactions stood negative at Rs. 89.06 million. Other operating income stood at Rs. 1.25 billion during the review year.
- 3.14 The net income from foreign exchange and other asset revaluation before adjustment of gain or loss increased by 9.11 percent in 2024/25, reaching Rs. 80.48 billion. This compares to Rs. 73.76 billion in 2023/24.
- 3.15 Following the Board meeting held on 14 November 2025, the Board resolved to allocate the net profit to various designated reserve and statutory funds, in accordance with prevailing regulations. The remaining surplus amounting to Rs. 42 billion was transferred to the GoN.

Nepal Rastra Bank

Statement of Financial Position

As at 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

ASSETS	Note	32 Asar 2082	31 Asar 2081
Foreign currency financial assets			
Cash and balances with banks	4.1	195,522,615,444	131,658,377,029
Derivative financial assets		-	-
IMF related assets	4.2	23,552,113,844	23,991,803,148
Term deposit with foreign banks	4.3	561,777,218,459	598,508,477,426
Investments in foreign securities	4.4	1,668,276,021,551	1,127,741,874,366
Other receivables	4.5	-	-
Total foreign currency financial assets		2,449,127,969,298	1,881,900,531,969
Foreign currency non-financial assets			
Investment in Gold Certificates	4.6	118,193,529,311	83,322,433,218
Total foreign currency non-financial assets		118,193,529,311	83,322,433,218
Total foreign currency assets		2,567,321,498,609	1,965,222,965,187
Local currency financial assets			
Balances with banks		8,394,919	6,144,630
Investment in Government securities	4.7	15,185,270,309	23,047,152,978
Investment in bonds & term deposit	4.8	6,822,515,860	7,381,089,826
Advances and receivable from Government	4.9	260,548,220	1,946,658,278
Loan and advances to bank and financial institutions	4.10	118,231,579	118,433,601
Other loan and advances	4.11	9,144,728,192	9,399,741,857
Equity investment	4.12	5,005,736,072	4,302,806,764
Other receivables	4.13	2,063,528	1,745,467
Total local currency financial assets		36,547,488,679	46,203,773,401
Local currency non-financial assets			
Gold and silver assets	4.14	55,416,574,175	44,003,521,309
Inventories	4.15	1,922,307,587	1,449,807,211
Property, plant and equipment	4.16	6,309,276,910	6,437,994,139
Intangible assets	4.17	35,291,595	43,330,321
Other assets	4.18	3,687,102,248	3,662,986,225
Total local currency non-financial assets		67,370,552,515	55,597,639,205
Total local currency assets		103,918,041,194	101,801,412,606
Total assets		2,671,239,539,803	2,067,024,377,793

The significant accounting policies and notes form an integral part of the financial statements

Mr. Rajan Dev Bhattarai
Acting Executive Director
Financial Management Department

Dr. Ravindra Prasad Pandey
Board Member

Dr. Shankar Prasad Acharya
Board Member

Mr. Chintamani Siwakoti
Board Member

As per our report of even date

Mr. Bam Bahadur Mishra
Deputy Governor

Dr. Neelam Dhungana Timsina
Deputy Governor

CA Durga Prasad Gnawali
N.B.S.M. & Associates

CA Sudarshan Raj Pandey
S.R Pandey & Co.

Dr. Ghanshyam Upadhyaya
Secretary MOF/Board Member

Prof. Dr. Biswo Nath Poudel
Governor

CA Bijay Kumar Agrawal
B.K Agrawal & Co.

Mr. Baikuntha Bahadur Adhikari
Deputy Auditor General
Office of the Auditor General

Date: 28/07/2082

Place: Kathmandu

Nepal Rastra Bank

Statement of Financial Position

As at 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

Liabilities & Equity	Note	32 Asar 2082	31 Asar 2081
Foreign currency financial liabilities			
Derivative financial liabilities		-	-
Deposit of bank and financial institutions	4.19	10,493,587,420	12,868,855,095
IMF related liabilities	4.20	41,237,741,376	38,953,389,315
Total foreign currency financial liabilities		51,731,328,796	51,822,244,410
Local currency financial liabilities			
Bills Payable		54,245,636	111,732,583
Deposit of bank and financial institutions	4.19	388,635,552,440	290,718,269,398
Deposit of Government	4.21	70,837,099,174	63,953,391,009
Deposit of other institutions	4.22	12,502,055,256	20,063,196,070
Currency in circulation	4.23	750,112,422,154	680,048,802,701
Due to bank and financial institutions	4.24	654,050,000,000	355,450,000,000
IMF related liabilities	4.20	12,464,816,036	11,859,006,209
Surplus payable to Government		42,000,000,000	37,223,820,561
Other liabilities	4.25	2,027,025,539	1,592,587,318
Total local currency financial liabilities		1,932,683,216,235	1,461,020,805,849
Other liabilities			
Pension and other employment benefits payable	4.26	10,798,671,487	5,363,189,944
Total local currency liabilities		1,943,481,887,722	1,466,383,995,793
Total liabilities		1,995,213,216,518	1,518,206,240,203
EQUITY			
Capital		5,000,000,000	5,000,000,000
Reserves	4.27	671,026,323,285	543,818,137,590
Total equity		676,026,323,285	548,818,137,590
Total liabilities and equity		2,671,239,539,803	2,067,024,377,793

The significant accounting policies and notes form an integral part of the financial statements

Mr. Rajan Dev Bhattarai
Acting Executive Director
Financial Management Department

Dr. Ravindra Prasad Pandey
Board Member

Dr. Shankar Prasad Acharya
Board Member

Mr. Chintamani Siwakoti
Board Member

As per our report of even date

Mr. Bam Bahadur Mishra
Deputy Governor

Dr. Neelam Dhungana Timsina
Deputy Governor

CA Durga Prasad Gnawali
N.B.S.M. & Associates

CA Sudarshan Raj Pandey
S.R. Pandey & Co.

Dr. Ghanshyam Upadhyaya
Secretary MOF/Board Member

Prof. Dr. Biswo Nath Poudel
Governor

CA Bijay Kumar Agrawal
B.K. Agrawal & Co.

Mr. Baikuntha Bahadur Adhikari
Deputy Auditor General
Office of the Auditor General

Date: 28/07/2082

Place: Kathmandu

Nepal Rastra Bank

Statement of Net Income and Other Comprehensive Income
For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

	Note	32 Asar 2082	31 Asar 2081
OPERATING INCOME			
Foreign currency income and expenses			
Interest income on foreign currency financial assets	4.28	96,167,221,419	79,785,220,115
Interest expense on foreign currency financial liabilities	4.29	(1,352,545,497)	(1,618,999,680)
Net foreign currency income		94,814,675,922	78,166,220,435
Local currency income and expenses			
Interest income on local currency financial assets	4.30	1,627,366,258	3,336,345,665
Interest expense on local currency financial liabilities	4.31	(9,132,334,287)	(2,186,034,052)
Net local currency income		(7,504,968,029)	1,150,311,613
Net interest income		87,309,707,893	79,316,532,048
Other income			
Fee and commission income	4.32	18,162,871	120,714,523
Income on Gold Certificates	4.33	537,156,642	422,354,601
Gain or loss on sale of securities			
Realized gain/loss on foreign exchange transaction		(89,057,429)	(257,261,092)
Other income	4.34	997,072,635	920,665,908
Less: Fee and commission expense	4.35	(61,268,732)	(92,444,169)
Net other income		1,402,065,987	1,114,029,771
Allowance for ECL (loss)/gain on financial assets	4.36	(244,294,013)	(185,852,877)
Total net operating income		88,467,479,867	80,244,708,942
OPERATING EXPENSES			
Personnel expenses	4.37	5,063,361,907	3,873,034,981
Note printing expense		773,605,902	410,882,145
Administrative expenses	4.38	1,662,687,548	1,815,754,984
Depreciation, amortisation and impairment	4.39	485,174,069	382,716,123
Total operating expenses		7,984,829,426	6,482,388,233
Net profit/(loss) before revaluation gain/loss		80,482,650,441	73,762,320,709
Revaluation gain/(loss)			
Gold and silver revaluation gain/(loss)		46,886,685,765	26,596,033,683
Net foreign exchange revaluation gain/(loss)		45,029,959,182	14,995,429,467
Net profit/(loss) for the year		172,399,295,388	115,353,783,859

The significant accounting policies and notes form an integral part of the financial statements

Mr. Rajan Dev Bhattarai
Acting Executive Director
Financial Management Department

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Board Member

Dr. Shankar Prasad Acharya
Board Member

Mr. Chintamani Siwakoti
Board Member

As per our report of even date

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Mr. Baikuntha Bahadur Adhikari
Deputy Auditor General
Office of the Auditor General

Date: 28/07/2082

Place: Kathmandu

Nepal Rastra Bank

Statement of Net Income and Other Comprehensive Income

For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

	Note	32 Asar 2082	31 Asar 2081
Net profit/(loss) for the year		172,399,295,388	115,353,783,859
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Net unrealised gain from Equity Investment at FVOCI		693,191,508	635,186,270
Sub total		693,191,508	635,186,270
Items that will not be reclassified to profit or loss:			
Property revaluation gain/loss			
Re-measurement gain from defined benefit plan		(3,783,833,487)	101,846,034
Sub total		(3,783,833,487)	101,846,034
Total other comprehensive income		(3,090,641,979)	737,032,304
Total comprehensive income		169,308,653,409	116,090,816,163

The significant accounting policies and notes form an integral part of the financial statements

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Office of the Auditor General

Date: 28/07/2082

Place: Kathmandu

2024/25 Annual Financial Statement of Nepal Rastra Bank

Nepal Rastra Bank
Statement of Changes in Equity
For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

Note	Capital	General reserve	Monetary Liability Reserve	Financial Stability Fund	Exchange Equalisation Fund	Gold and Silver Equalisation Reserve	Fair Value Reserve	Acturial Gain Reserve	Open Market Operation Stabilization Fund	Other reserve	Retained Earning	Total
Balance as at 1 Sawan 2080	5,000,000,000	76,120,125,947	15,194,655,781	11,997,141,783	206,818,097,401	65,766,495,953	3,025,140,244	2,532,245,736	2,196,772,113	81,300,467,030	-	469,951,141,988
Net profit/(loss) for the year											115,353,783,859	115,353,783,859
Other comprehensive income for the year							635,186,270	101,846,034				737,032,304
Appropriation of profit :												
General reserve		11,274,655,157									(11,274,655,157)	-
Monetary liability reserve			3,688,116,035								(3,688,116,035)	-
Financial stability fund				3,688,116,035							(3,688,116,035)	-
Open Market Operation Stabilization Fund									10,666,821,436		(10,666,821,436)	-
Exchange equalisation fund					14,995,429,467						(14,995,429,467)	-
Gold and silver equalisation reserve						26,596,033,683					(26,596,033,683)	-
Other reserve										7,091,153,478	(7,091,153,478)	-
Net cumulative surplus fund										129,638,007	(129,638,007)	-
Inter fund transfer												
Administrative expense reimbursement/ adjustment of RSRF											-	-
Surplus transfer to Government											(37,223,820,561)	(37,223,820,561)
Balance as at 31 Asar 2081	5,000,000,000	87,394,781,104	18,882,771,816	15,685,257,818	221,813,526,868	92,362,529,636	3,660,326,514	2,634,091,770	12,863,593,549	88,521,258,515	-	548,818,137,590
Balance as at 1 Sawan 2081	5,000,000,000	87,394,781,104	18,882,771,816	15,685,257,818	221,813,526,868	92,362,529,636	3,660,326,514	2,634,091,770	12,863,593,549	88,521,258,515	-	548,818,137,590
Adjustment for Prior Period Income(Expense)											(100,292,215)	(100,292,215)
Restated Balance	5,000,000,000	87,394,781,104	18,882,771,816	15,685,257,818	221,813,526,868	92,362,529,636	3,660,326,514	2,634,091,770	12,863,593,549	88,420,966,300	-	548,717,845,375
Net profit/(loss) for the year											172,399,295,388	172,399,295,388
Other comprehensive income for the year							693,191,508	(3,783,833,487)				(3,090,641,979)
Appropriation of profit :												
General reserve		16,250,973,601									(16,250,973,601)	-
Monetary liability reserve			4,024,132,522								(4,024,132,522)	-
Financial stability fund				4,024,132,522							(4,024,132,522)	-
Open Market Operation Stabilization Fund									10,473,483,632		(10,473,483,632)	-
Exchange equalisation fund					45,029,959,182						(45,029,959,182)	-
Gold and silver equalisation reserve						46,886,685,765					(46,886,685,765)	-
Other reserve										1,807,077,854	(1,807,077,854)	-
Net cumulative surplus fund										1,902,850,310	(1,902,850,310)	-
Inter fund transfer												
Administrative expense reimbursement/ adjustment of RSRF											(175,499)	(175,499)
Surplus transfer to Government											(42,000,000,000)	(42,000,000,000)
Balance as at 32 Asar 2082	5,000,000,000	103,645,754,705	22,906,904,338	19,709,390,340	266,843,486,050	139,249,215,401	4,353,518,022	(1,149,741,717)	23,337,077,181	92,130,718,965	-	676,026,323,285

The significant accounting policies and notes form an integral part of the financial statements

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Deputy Auditor General
Office of the Auditor General

Date: 28/07/2082

Place: Kathmandu

Nepal Rastra Bank

Statement of Cash Flows

For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

	32 Asar 2082	31 Asar 2081
Cash flows from operating activities		
Interest income received	96,650,221,494	83,121,565,780
Fees, commission and other income received	1,464,987,442	1,381,653,043
Interest expense paid	(10,484,879,784)	(3,805,033,732)
Personnel expense paid	(3,411,713,851)	(3,117,608,908)
Fees and commission Expense paid	(61,268,732)	(92,444,169)
Note printing expense paid	(773,605,902)	(410,882,145)
Administrative expense paid	(1,662,687,548)	(1,815,754,984)
Net cash flow from operating activities before changes in operating assets and liabilities	81,721,053,119	75,261,494,885
Net (increase)/decrease in operating assets		
Loan and advances to BFIs	175,498	1,549,797,399
Other loan and advances	254,669,451	(1,473,964,953)
Advances and receivable from Government	1,462,289,498	(340,658,278)
Inventories	(472,500,376)	137,330,122
Other receivables	(458,623)	33,594,325
Other assets	(24,116,023)	(1,325,127,414)
Net increase/(decrease) in operating liabilities		
Deposit of bank and financial institutions	95,542,015,367	16,481,621,279
Deposit of Government	6,883,708,165	18,863,943,393
Deposit of other institutions	(7,561,140,814)	2,111,402,574
Due to Bank and Other Financial Institutions	298,600,000,000	295,450,000,000
Other liabilities	301,776,858	200,978,422
Cash flow from changes in operating assets and operating liabilities	394,986,419,001	331,688,916,869
Net cash flow from operating activities	476,707,472,120	406,950,411,754
Cash flows from investing activities		
Net purchase of property and equipment	(344,833,759)	(1,196,280,524)
Purchase of intangible assets	(3,584,354)	3,913,729
Sale of property and equipment	4,029,006	8,014,435
Net Sale/(purchase) of securities	(215,258,485,440)	(298,843,488,875)
Receipt from/(Investment) in term deposit	(6,601,053,610)	(104,620,791,992)
Net purchase of gold and silver	-	(360,615,532)
Net purchase of equity instruments	(9,737,800)	1,843,877,778
Dividend income received	82,940,200	70,973,442
Net cash flow from investing activities	(222,130,725,757)	(403,094,397,539)

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Mr. Baikuntha Bahadur Adhikari
Deputy Auditor General
Office of the Auditor General

Date: 28/07/2082

Place: Kathmandu

Nepal Rastra Bank

Statement of Cash Flows

For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

	32 Asar 2082	31 Asar 2081
Cash flows from financing activities		
Net increase/(decrease) in currency in circulation	70,063,619,453	54,260,930,171
Lease payments	(25,293,298)	(10,606,821)
Net increase/(decrease) in liabilities with IMF	2,958,852,264	(213,996,617)
Interest paid on IMF related liabilities	(68,690,376)	10,016,248
Surplus paid to Government	(37,223,820,561)	(25,000,000,000)
Net cash flow from financing activities	35,704,667,482	29,046,342,981
Net increase/(decrease) in cash and cash equivalents	290,281,413,845	32,902,357,196
Exchange rate effect on cash and cash equivalents	44,940,901,753	14,738,168,375
ECL effect on cash and cash equivalents	-	-
Cash and cash equivalents as at the beginning of the year	672,804,191,641	625,163,666,070
Cash and cash equivalents as at the end of the year	1,008,026,507,239	672,804,191,641

The significant accounting policies and notes form an integral part of the financial statements

Cash and cash equivalent includes following assets:

	32 Asar 2082	31 Asar 2081
Assets		
Foreign currency cash in hand	23,999,547,422	25,243,089,889
Balances with other central banks	100,360,702,752	51,280,897,155
Balances with banks	71,173,713,139	55,129,172,928
SDR Holdings	23,405,205,370	23,791,069,016
Term deposit with maturity upto 3 months	274,000,000	43,819,360,000
Treasury bills with maturity upto 3 months	788,813,338,556	473,540,602,653
Total	1,008,026,507,239	672,804,191,641

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Office of the Auditor General

Date: 28/07/2082

Place: Kathmandu

NEPAL RASTRA BANK

Notes Forming part of Financial Statements

Fiscal Year 2081-82 (2024-25 AD)

1 General Information

Nepal Rastra Bank (hereinafter referred to as 'NRB' or 'the Bank'), the Central Bank of Nepal, was incorporated under Nepal Rastra Bank Act, 2012 as superseded by Nepal Rastra Bank Act, 2058 (amended on 2073). The Bank is domiciled in Nepal and its central office is located at Baluwatar, Kathmandu. The Bank's jurisdiction is spread throughout the country. The primary objectives of the Bank are to maintain economic stability; price stability as well as external sector stability, promote financial access and develop secured, healthy and stable payment systems. In order to attain these objectives, the Bank's principal functions include:

- a. Formulating necessary monetary and foreign exchange policies
- b. Issuing Nepalese currency notes and coins and maintaining record of Nepalese currency in circulation
- c. Foreign reserve management
- d. Promoting stability and liquidity required in banking and financial sector
- e. Developing a secure, healthy and efficient system of payment
- f. Regulating, inspecting, supervising and monitoring the banking and financial system
- g. Promoting entire banking and financial system of Nepal

2 Basis of Preparation

2.1 Statement of Compliance

The Bank's financial statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standards Board, Nepal which are generally in compliance with the International Financial Reporting Standards as issued and applicable, except mentioned hereinafter. NFRS also include interpretations (IFRIC and SIC) as issued by International Accounting Standards Board.

The Bank's financial statements include Statement of Financial Position, Statement of Net Income and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to Accounts. The Bank's assets and liabilities are presented in the Statement of Financial Position in the order of their liquidity, and expenses are classified as per their nature.

2.2 Basis of Measurement

The Bank's financial statements are prepared on a historical cost basis except for following material items.

Items	Measurement Basis
Financial Instruments at Fair value through profit or Loss	Fair value
Debt Instruments and other similar financial Instruments	Fair value as well as Amortized Cost
Equity investments	Fair value
Monetary Gold	Fair value
Inventories (Including gold & silver kept for further processing)	Cost or Net realizable value whichever is lower
Net defined benefit liability/(assets)-gratuity & pension fund and staff security fund	Fair value of plan assets less the present value of the defined benefit obligation

2.3 Responsibility of Financial Statements

The Management of the Bank is responsible for preparation and presentation of the Bank's financial statements and for the estimates and judgments used in them. The Bank's financial statements are approved by the Board Meeting held on 28th Kartik 2082.

2.4 Presentation of Financial Statements

The Bank has presented its assets and liabilities broadly in order of liquidity in the statement of financial position. Income and expenses are presented in the statement of net income based on nature of income/expenses. The Bank's financial assets and financial liabilities, and their associated income and expenses are further distinguished between foreign currency and local currency.

The Bank's Cash Flow Statement has been prepared by using the "Direct Method" in accordance with the NAS 7- Statement of Cash Flow. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined in point No. 3.2 of the NAS 7- Statement of Cash Flow.

2.5 Functional and Presentation Currency

The Bank's functional and presentation currency is Nepalese Rupee (NRs). All financial information are presented in Nepalese Rupee except otherwise indicated. The figures have been rounded up to the nearest rupee.

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.7 Offsetting

Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position when and only when, the Bank has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Bank has offset the cash at vault with the currency in circulation and presented the net amount of currency in circulation as liabilities in the Statement of Financial Position.

2.8 Comparative Information

The comparative information is reclassified whenever necessary to conform with the current year's presentation. The narrative and descriptive information has been given in notes to the financial statements, where relevant, for the understanding of the current year's financial statements.

2.9 Fiscal Year

The financial statements relate to the fiscal year 2081/82 i.e. 1st Shrawan 2081 to 32nd Asar 2082 corresponding to Gregorian calendar 16th July 2024 to 16th July 2025. The previous year was 1st Shrawan 2080 to 31st Asar 2081 (17th July 2023 to 15th July 2024).

2.10 Use of Estimates, Assumptions or Judgments

The preparation of the financial statements in conformity with NFRS requires management to make judgment, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

The financial statements have been prepared on going concern basis. Estimated and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Information about significant areas of estimates, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

- Key assumptions used in discounted cash flow projections
- Measurement of defined benefit obligations
- Provisions and contingencies
- Determination of net realizable value
- Determination of useful life of the property, plants and equipment
- Determination of capitalization value and useful life of the intangible assets

2.11 Controlling Body

The controlling body of the Bank is the Government of Nepal (GoN) holding 100 percent of its share capital. In the normal course of its operations, the Bank enters into following transactions with GoN and state controlled enterprises/entities:

- The Bank shall be the banker and financial advisor of Government of Nepal and a financial agent of the Government of Nepal.
- Government of Nepal shall consult the Bank on any matters that are within the jurisdiction of its competence. It shall be the duty of the Bank to advice on matter consulted by the Government of Nepal.
- Government of Nepal shall, while preparing annual budget, consult the Bank on the domestic debt including overdrafts.
- The Bank shall submit a pre-budget review report to Government of Nepal each year on the economic and financial matters.

The Bank does not generally collect any commission, fees or other charges for services, which it renders to the Government of Nepal or related entities except where agreement states otherwise.

2.12 Basis of Consolidation

As per NFRS 10- Consolidated Financial Statements, “an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.” The Bank's investment in Rastriya Beema Sansthan and Agriculture Project Service Center is in excess of 50% of the paid up capital of those entities. These investments were made under the specific directives or policies of the Government of Nepal and other relevant statutes. Accordingly, the Bank did not exercise control or significant influence on the entities except for regulatory purposes. As the requirement of NFRS 10- Consolidated Financial Statements does not meet for consolidation, the consolidation of the financial statements of the subsidiaries is not done. These investments are accounted at fair value through other comprehensive income as per NFRS 9.

2.13 Basis of Accounting for Investment in Associates

NAS 28 mentions that an entity with joint control of, or significant influence over, an investee shall account for its investment in an associate or a joint venture using the equity method. Further, the standard clarifies that significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. The Bank's investment in National Productivity and Economic Development Ltd. is in excess of 20% of the paid up capital of the entity. These investments were made under the specific directives or policies of the Government of Nepal and other relevant statutes. Accordingly, the Bank did not exercise significant influence on the entities except for regulatory purposes. As the requirement of NAS 28- Investments in Associates for being the associates of the Bank does not meet, the equity accounting for such investment has not been done. These investments are accounted at fair value through other comprehensive income as per NFRS 9.

2.14 Changes in Accounting Policies

The bank has applied its accounting policies consistently and there is no any change in any accounting policy followed by the Bank during this fiscal year.

3 Significant Accounting Policies

3.1 Financial Assets and Financial Liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

(i) Recognition

The Bank initially recognizes loans and advances, deposit with other bank, investment in securities on the date of which the Bank becomes a party to the instruments. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date which is the date on which the Bank becomes a party to the contractual provisions of the instruments.

(ii) Classification and measurement

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

The Bank classifies its financial assets into one of the following categories:

- **Financial assets measured at amortized cost:**

Financial assets measured at amortized cost are non-derivative financial assets with fixed or determinable payments for which the business model of the Bank is to collect contractual cash flows and the contractual cash flows include solely payment of principal and interest only. Financial assets measured at amortized cost are initially recognized at fair value plus any transaction costs. Subsequent to initial recognition, such financial assets are measured at amortized cost using effective interest rate method less any impairment losses.

Following financial instruments are measured at amortized cost:

a) Cash in hand and balance with banks

Cash in hand and balance with banks includes notes and unrestricted balances held with banks domiciled domestically and at abroad. This also includes balances at current account of foreign central banks and Bank for International Settlement. These balances are measured at amortized cost and the transaction amount is the initial fair value of the asset. There is no any transaction cost on these balances and interest income if any on bank balances is recognized at effective interest rate. The Bank has recognized allowances for impairment on these assets using expected credit loss method.

b) IMF related assets

International Monetary Fund (IMF) related assets include Special Drawing Rights (SDR) holding of the Bank at IMF and interest receivable from IMF. These assets are measured at amortized cost. Initial measurement is made at fair value which is the transaction value and there is no any transaction cost. Interest income is recognized at effective interest rate. Due to the nature of the transaction with IMF, the allowance for impairment loss on this asset determined at zero.

c) Term deposit with banks

The term deposit with banks includes term deposit with foreign banks as well as domestic banks and financial institutions. These are the interest bearing deposit with banks for specific period of time. These assets are measured at amortized cost. Initial measurement is made at fair value which is the transaction value and there is no any transaction cost. Interest income is recognized at effective interest rate. The Bank has recognized allowances for impairment on these assets using expected credit loss method.

d) Investments in Government securities

Investment in Government securities includes investment in coupon bonds, treasury bills and treasury notes of foreign Government. This account also includes investment in development bonds, citizen saving bonds, foreign employment bonds and treasury bills issued by Nepal Government. These assets are measured at amortized cost. Initial measurement is made at fair value which is the transaction value. Transaction cost is recognized in this account. Any premium or discount paid/received on transaction or at the maturity of the investment is amortized over the tenure of specific instrument using effective interest rate. Interest income is recognized at effective interest rate. The Bank has recognized allowances for impairment on foreign Government securities using expected credit loss method. Allowance for impairment loss on Nepal Government's securities is determined at zero due to nature of relation with Nepal Government.

e) Loan and advances to bank and financial institutions

Loan and advances to bank and financial institutions stand for loan and advances made as per monetary policy instrument. This includes standing liquidity facilities, repo transactions, lender of last resort and refinance facilities. These assets are measured at amortized cost. Initial measurement is made at fair value which is the transaction value. Interest income is recognized at effective interest rate. The Bank has recognized allowances for impairment using expected credit loss method. Allowance for impairment

loss on standing liquidity facility and repo transactions are determined at zero due to nature of transaction. These transactions are fully secured by collateral of Nepal Government securities.

f) Other Loan and Advances

Loan and advances to others include loans to employees, pension advance, construction advance, travelling advance, other advances etc. These assets are measured at amortized cost. Initial measurement is made at fair value. Since, the loan to employees is subsidized or interest free loan, its fair value is measured by adopting valuation technique of projected cash flow method. Fair value of other assets is taken as transaction value. Interest income on loan to staff is recognized at effective interest rate. The Bank has recognized allowances for impairment using expected credit loss method.

- **Financial assets measured at fair value through other comprehensive income:**

Financial assets measured at fair value through other comprehensive income include investment in equity instruments of other entities. The Bank has made irrevocable election at initial recognition to recognize the changes in fair value through other comprehensive income. All investments in equity instrument of other entities are classified under this heading. These investments are initially measured at fair value. The initial fair value is the transaction value. Transaction cost, if any is recognized in the investment amount. The subsequent measurement of these assets is done at fair value. The fair value is market value of particular instrument. If market value is not available for any instruments, its fair value is determined by adopting valuation method. The change in fair value is recognized in other comprehensive income.

- **Financial assets measured at fair value through profit or loss:**

All financial assets other than measured at amortized cost and at fair value through other comprehensive income are measured at financial assets measured at fair value through profit or loss. Assets classified under this class are measured at fair value. Transaction cost is recognized in statement of net income. The change in fair value is recognized to statement of net income. There is no any asset classified under this heading during the year.

(iii) De-recognition

The Bank derecognizes financial assets when the contractual rights to the cash flow from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of the ownership of the financial assets are transferred or in which the Bank neither transfer nor retains substantially all of the risk and rewards of the ownership and it does not retain control of the financial assets.

On de-recognition of financial assets, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the assets derecognized) and the consideration received (including any new assets obtained less any new liability assumed) is recognized in income or expenditure. Any interest in transferred financial assets that does not qualify for de-recognition that is created or retained by the Bank is recognized as a separate assets or liability.

B. Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity, a contract that will or may be settled in the entity's own equity instrument.

i) Recognition and Measurement

All financial liabilities are recognized initially on the trade date, which is the date that the bank becomes a party to the contractual provisions of the instrument except for Debt Securities which are initially recognized on the date that they are issued. Such financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized costs using effective interest rate method.

ii) De-recognition

A financial liability is derecognized when its contractual obligations are discharged, cancelled or expired.

C. Offsetting

The financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only when, the Bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Please refer to Note 2.7 for further details.

D. Amortized cost measurement

The 'amortized cost' of a financial asset and financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between initial amount recognized and the maturity amount minus any reduction for impairment.

E. Fair value measurement

The Bank measures financial instruments, such as, investment in equity instrument, at fair value at each reporting date. The fair values of financial instruments measured at amortized costs are disclosed in Note 5.6.4.

Fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction. The fair value measurement is based on the presumption that the transaction to sell the assets or transfer the liability takes place in the principal market. Quoted market values represent fair value when a financial instrument is traded in an organized and liquid market. Where quoted market values are not available, fair values are estimated by other techniques such as discounted cash flows. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Details related to fair value hierarchy is presented in Note 5.6.5.

F. Impairment of financial assets

The Bank recognizes loss allowances for expected credit loss (ECL) on the financial instruments that are measured at amortized cost. Loss allowance on financial assets measured at fair value through other comprehensive income is not recognized as this class of assets includes investment in equity instrument only which are measured at fair value. The loss allowance is recognized in profit or loss.

The Bank measures loss allowances at an amount equal to 12 months ECL for Stage 1 financial instruments. Stage 1 financial instruments include financial assets which are not due or due for up to 30 days as well as assets which are in investment grade i.e. sovereign and other investment grade rated assets. Life time loss allowance is measured on financial instrument which are classified as "Stage 2 financial instruments". Stage 2 financial instruments includes asset which are past due for more than 30 days but up to 90 days. Stage 2 financial instruments also include assets which are referred to non investment grade investment. Life time ECL is also measured for credit impaired assets which is referred to as "Stage 3 financial instruments" A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the assets is past due for more than 90 days or a breach of contract such as a default;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization

Measurement of allowances for expected credit loss

The Bank uses "internal default experience" method for measurement of allowances for expected credit loss. For the financial assets on which there is no any default history, allowance for expected credit loss is measuring by adopting "mapping to external data" method. The mechanism of the ECL calculations is outlined below with the key elements.

- **Exposure at Default**

The Exposure at Default is an estimate of the exposure at a future default date. The exposure at default includes principal amount and interest receivable. The committed amount of investment is also included in exposure at default.

- **Probability of Default (PD)**

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period. The Bank considers a particular obligor has defaulted in any of following two events:

- The obligor is past due for more than 90 days, or
- The Bank considers that the obligor is unlikely to pay its credit obligations to the banking group in full, without recourse by the Bank to actions such as realizing security if any held.

The Bank uses credit rating specific PD's of issuers/counterparties from S&P for all its foreign investments amortized cost. Sovereign credit rating is used for central bank, foreign government and bank for international settlement. PD's for local currency is calculated based on default history. In the absence of default history, a floor rate for PD is used as backstop.

- **Loss Given Default (LGD)**

The Loss Given Default is an estimate of the loss arising in the case where a default due and those that the lender would expect to receive, including from the realization of any collateral. The Bank determines LGD for local assets based on historical recovery rates. Floor rate, for financial assets without default experience, is used as backstop.

Write off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in "impairment losses on financial instruments" in the Statement of Income and OCI.

G. Designation at fair value through Profit or Loss

The Bank has designated financial assets and financial liabilities at fair value through profit or loss in either of the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3.2 Cash and Cash Equivalents

Cash and Cash Equivalents include notes, unrestricted balances held with banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value. The Bank holds Cash and Cash Equivalents for management of its short-term commitments and it is carried at amortized cost in the Statement of Financial Position. Allowance for expected credit loss is recognized on Cash and Cash Equivalents.

3.3 Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking. These assets are accounted for on trade date.

Trading assets and liabilities are initially recognized and subsequently measured at fair value in the statement of financial position with transactions cost recognized in statement of income. All changes in the fair value are recognized as part of the net trading income in statement of income. Further, the difference in the book value of the trading assets and the disposal proceeds is recognized in statement of net income.

3.4 Gold and Silver

Gold and silver assets include paper gold deposit, trading gold; and physical gold and silver held at reserve. Gold and silver is measured at fair value. Fair value of paper gold deposit and trading gold at initial recognition is measured at transaction price. Subsequently, the fair value is taken as fixing rate from London Bullion and Metal Association. The fair value of gold and silver held at reserve is measured as market rate offered by Federation of Nepal Gold and Silver Dealers Association. Transaction cost is recognized in statement of net income. The change in fair value is recognized in statement of net income. Revaluation gain/loss arises on gold and silver is appropriated to “Gold and Silver Equalization Reserve” at the time appropriation of profit.

3.5 Foreign Currency Transaction

Income and expenditure denominated in foreign currency are translated into Nepalese Rupees on the basis of exchange rate prevailing on the value date.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rate of exchange prevailing on that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year/origination date, adjusted for effective interest and payment during the year and the amortized cost in the foreign currency translated at the rate of exchange at the reporting date.

Non-monetary assets and liabilities are measured at fair value in a foreign currency are translated into the functional currency at the rate of exchange prevailing at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in the foreign currency are translated using the rate of exchange on the date of transactions.

An amount equivalent to the net exchange gain/loss during the year is transferred to/from ‘Exchange Equalization Fund’ through Statement of Appropriation.

3.6 Income tax

Income of the Bank is exempted from taxes under section 8 of the Nepal Rastra Bank Act, 2058 as well as Section 10 of Income Tax Act, 2058.

3.7 Property, Plant and Equipment

Property, plant and equipments are tangible items that:

- a. are held for use in production or supply of goods or services or for administrative purposes; and
- b. are expected to be used during more than one period.

i. Recognition

The cost of an item of property, plant and equipments is recognized as an asset if, and only if:

- a. it is probable that future economic benefits associated with the item will flow to the Bank; and
- b. cost of the item can be measured reliably.

However, any asset having value below Rs.25,000 other than land is directly expensed to statement of net income in the year of purchase.

The cost of construction or acquisition of the item of property, plant and equipments is capitalized under the respective head of Property, Plant and Equipments only on completion of the construction work.

ii. Measurement

a. Initial Measurement

The cost of an item of property, plant and equipments comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. However, administration and other general overhead costs are not be capitalized.

b. Subsequent Measurement

Property, Plant and Equipments are measured using cost model. Hence, the value of the assets is recognized as cost less accumulated depreciation and any accumulated impairment losses.

iii. De-recognition

The carrying amount of an item of property, plant and equipments is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property and equipments (calculated as the difference between the net proceeds from disposal and carrying amount of the items) is recognized within other income in Statement of Net Income.

iv. Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. Land is not depreciated. All other property, plant and equipments are depreciated from immediate next month of the date they are available for use or in respect of self-constructed assets, from the date that the construction is completed and ready for use. Similarly, while disposing any depreciable assets, the depreciation is charged till the immediate preceding month from the date of disposal.

Depreciation is charged on straight line method over the estimated useful life of current and comparative years of significant items of property, plant and equipments. The Bank estimates the useful life and residual value of the depreciable assets. Since the Bank does not have any intention to sell or dispose the items of Property, Plant and Equipments before the expiry of their useful life, the residual value of all such assets has been considered to be Re 1. Useful lives are reviewed on each reporting date and adjusted if required.

The estimated useful lives of the significant items of Property, Plant and Equipments are as follows:

Class of assets	Estimated useful life
Building	Above 33 years
Building- Temporary Structure	5 years
Office Equipment	5 years
Computer & Accessories	4 years
Fixtures and fittings	10 years
Machinery Equipments	5 years
Vehicles	4-5 years
Others	5 years

v. Impairment

At each reporting date, the Bank reviews the carrying amounts of its assets under Property, Plant and Equipments to determine where there is an indication of impairment. If such indication exists (i.e. if Book Value > Recoverable Amount), then the asset's recoverable amount is estimated.

Impairment losses are recognized in Statement of Net Income. Any reimbursements received from Insurance Companies related to the claims of the impaired assets are recognized separately as "Other Income" in the Statement of Net Income.

vi. Assets received in grant

Grant at fair value is not recognized until there is reasonable assurance that the bank will comply with the conditions attaching to them and the grant will be received. The Bank follows the alternative approach to account for the assets received in grant i.e. it records both the assets and the grant amount in nominal value.

Accordingly, equipments acquired under grant are recognized as "Grant Assets" at nominal value and included under respective head of property, plant and equipments.

3.8 Intangible Assets

An Intangible Asset is an identifiable non-monetary asset without physical substance. Intangible assets include software purchased by the Bank.

i. Recognition

An intangible asset shall be recognized if, and only if:

- a. The asset is identifiable
- b. It is probable that the economic benefits that are attributable with the item will flow to the Bank; and
- c. Cost of the asset can be measured reliably.

ii. Measurement

Intangible assets are measured initially at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use. Subsequently, the intangible assets are measured at cost less accumulated amortization and any impairment losses. Costs incurred in the ongoing maintenance of software are expensed immediately as incurred. Subsequent cost on software is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

iii. Amortization

Software, useful life of which have been defined by terms of contract or conditions for use are amortized on straight line basis over the useful life of asset. Software, useful life of which have not been clearly defined by terms of contract or condition of use as well have a definite useful lives due to technological obsolescence are amortized on straight line basis over estimated useful life of ten years and five years for business application software and other software respectively.

iv. Impairment

When there is an indication of impairment (i.e. if Book Value > Recoverable Amount), then the impairment of such intangible asset is recognized. Impairment losses are recognized in Statement of Net Income.

v. De-recognition

Intangible assets are derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising formed-recognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognized in Statement of Net Income on disposal.

3.9 Leases

Payments made under operating leases are accounted as per NFRS 16. At the inception of the lease, the Bank recognizes right of use assets and lease liabilities. Right of use assets is measured at cost which comprises the amount of initial measurement of lease liabilities, any lease payments made at or before the commencement of the lease less any incentives received, any initial direct cost incurred by the Bank and an estimated cost of dismantling and removing the underlying asset. The right of use assets is subsequently depreciated using straight line method from the commencement date to the end of the lease term. In addition, the right of use assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability is measured at present value of lease payments that are not paid at the commencement of the lease. The lease payments are discounted by incremental borrowing rate to determine the present value. The Bank does not have any borrowing during the year, so general refinance rate is taken as proxy of incremental borrowing rate of the Bank. Subsequently, the carrying amount of lease liability is increased to reflect the interest on lease liability, decreased by the amount of lease payments and adjusted for re-measurement of carrying amount to reflect any reassessment or lease modification.

The lease liability is re-measured when there is changes in future lease payments than the agreed amount or the Bank opts for the extension of lease term. When the lease liability is re-measured, corresponding adjustment is made to the carrying amount of the right of use assets, or is recorded in income statement if the carrying amount of the right of use assets has been reduced to zero.

Interest on lease liability is recognized in statement of net income. Interest amount is determined in each period during the lease term at the amount that produce constant periodic rate of interest on outstanding lease liabilities. Variable payments if any that is not included in the measurement of lease liabilities are recognized in statement of net income in the period in which the event or condition that triggers those payments occurs.

3.10 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the supply of services or for administrative purpose.

3.11 Impairment of Non-Financial Assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine where there is an indication of impairment. If such indication exists, then the asset's recoverable amount is estimated. The Bank assesses whether events or changes in circumstances indicate that the carrying value may be impaired, whether there is an indication that a non-financial asset may be impaired. If any such indication exists, the Bank makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The 'recoverable amount' of an asset is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Impairment losses are recognized in Statement of Net Income. Impairment loss is reversed only to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

3.12 Inventories

Inventories of the Bank include gold and silver stock physically held for minting and processing purpose, coin stock, metal and numismatic stock and dispensary stock. Inventories are initially measured at cost and it is carried at cost or net realizable value whichever is lower. Cost for gold and silver is determined on the basis of specific identification method where as cost for other inventories is determined under the weighted average method. Other stores items are charged directly to Statement of Net Income.

Allowance is made for slow moving inventories. Numismatic and Medallion coins and Non-moving metals are written down to zero as there is no any net realizable value of those assets in the normal course of the business. The loss is recognized in Statement of Net Income. Carrying amount of inventories are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Changes in the net realizable value below the cost are recognized as income/expenses in the Statement of Net Income.

3.13 Deposits and Borrowings

Deposits and borrowings (debt securities issued) are the source of funds of the Bank in addition to its reserves. The Bank accepts interest free deposits from Government of Nepal (GON) since it acts as a banker of GON as per Nepal Rastra Bank Act, 2058. Similarly, being the banker of all banks, the Bank accepts deposits from the banks and financial institutions as well. Further, deposits from other institutions such as Public Entity, Foreign Central Banks, International Banks and other International Organizations are also accepted by the Bank during the course of its operation. These deposits are accounted for as Financial Liabilities.

Further, deposits and borrowings (including debts securities issued) are initially measured at fair value minus incremental direct transaction cost and subsequently measured at their amortized cost using the effective interest method, except where the Bank designates liabilities at fair value through profit or loss.

3.14 IMF Related Liabilities

IMF Related Liabilities include Special Drawing Rights (SDR) Allocation and Interest bearing loan under Rapid Credit Facility (RCF) and Extended Credit facility (ECF). Interest needs to be paid on amount of loan provided by IMF where as no any interest needs to be paid on deposit amount placed by IMF in NRB. Such liability is accounted at amortized cost. Contractual interest rate is considered to be the effective interest rate for accounting purpose since there is no any other directly attributable cost incurred for this purpose.

The liability is derecognized when such liability is paid off or when IMF waives the right to receive the amount of liability. Any difference in the book value and amount paid to settle the liability is recognized in Statement of Net Income.

3.15 Currency in Circulation

Currency in circulation represents notes issued by the Bank as a sole currency issuing authority in Nepal. Currency notes issued by the Bank are legal tender under the Nepal Rastra Bank Act, 2058. This represents the liability of the Bank towards the holder of the currency note. The liability for notes in circulation is recorded at face value in the balance sheet. These liabilities are secured by assets including foreign currency and foreign securities etc. as permitted by Nepal Rastra Bank Act, 2058.

The Bank also issues coins of various denominations for circulation. Currency in circulation liability does not include the liability on account of coins in circulation, as allowed by the Act.

The Bank offsets the cash at vault with the currency in circulation and presented the net amount of currency in circulation as liabilities in Statement of Financial Position.

All costs incurred during circulation of the currency are expensed in statement of net income. Any amount that has been removed from the economy is accounted for as disposal of Financial Liabilities.

3.16 Transactions on Repurchase Obligations (Repo) and Reverse Repo

Repurchase Arrangements (Repo) and Reverse Repo of securities are recorded as follows:

- a. Securities purchased under Repurchase Agreement (Repo) are recognized as loans and advances to BFIs under the heading of refinance and loan to banks. Interest income on Repo facility is recognized as per effective interest rate method. The difference between the purchase price and sale price is recognized as interest income over the tenure of the facility using effective interest rate.
- b. Securities sold under Reverse Repurchase Agreement ('Reverse Repo') are recognized as short term borrowings. Interest expense on Reserve Repo is recognized as per effective interest rate method. The difference between the sale price and purchase price is recognized as interest expenses over the tenure of the facility using effective interest rate.

Securities lent to counterparties are also retained in the statement of financial position.

3.17 Bills Payable and Bills Receivable

The Bank carries out the function of repayment of Government securities and interest thereon on behalf of the Government of Nepal (GON). Bills Payable primarily represents the year end undisbursed or unadjusted amount of payments received from GON in respect of interest/repayment liabilities of such securities. The year-end balance of Bills Purchased represents the amounts paid by the Bank to the security holders but the corresponding claim adjustment with Bills Payable is pending.

3.18 Provisions

A provision is recognized if as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Where the Bank expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is probable to be received.

3.19 Employee Benefits

- **Short term employee benefits**

Short term employee benefits are the benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and obligation can be estimated reliably. These includes salary, overtime, various allowance, staff Welfare etc.

- **Post Employment Benefits**

Post employment benefits are employee benefits that are payable after the completion of employment.

A. Defined Contribution Plan

A defined contribution plan is a post employment benefit plan under which an entity pays a fixed contribution to a separate entity and has no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution plans are recognized as employee benefit expenses in the Statement of Net Income in the periods during which the related services are rendered by employees. Pre-paid contributions are recognized as an asset to the extent that cash refund or reduction in future payments is available. Contributions to a defined contribution plan being due for more than 12 months after the end of the period in which the employees render the service are discounted at their present value. Following are the defined contribution plan provided by the Bank to its employees:

i. Contributory Retirement Fund

All permanent employees are entitled for participation in employee's Provident Fund (Retirement Fund) wherein the employees contribute at various rates of their current drawn salaries. The Bank contributes 10% of basic salary (with grade) to this fund, which is separately administered as a defined contribution plan as per Nepal Rastra Bank Staff By-Law, 2068: Rule 78, Sub-rule 1(a) & 1(c). The Bank's obligations for contributions to the above Fund are recognized as an expense in Statement of Net Income as the related services are rendered.

ii. Welfare Provident Fund

Certain amounts as prescribed by the Board of the Bank are annually transferred to this fund, which is meant to be a defined contribution scheme for the welfare of the employees, as per Nepal Rastra Bank Staff By-Law 2068: Rule 78 Sub-rule 1(b) and 1(c). Contributions by the Bank are expensed in Statement of Net Income as the related services are accounted.

B. Defined Benefits Plan

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The Bank recognizes all actuarial gains and losses arising from defined benefit plans immediately in the statement of other comprehensive income and all expenses related to defined benefits plans in employee benefit are expensed in Statement of Net Income.

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

Following are the defined benefit plans provided by the Bank to its employees:

i. Gratuity and Pension Scheme

Gratuity and Pension Scheme is a defined benefit obligation under which employees having service period of five years or more but less than twenty years are eligible for gratuity, which is based on last pay scale of staff's existing designation and completed years of service. Similarly, employees having service period of twenty years or more are eligible for pension, which is based on last pay scale of staff's existing designation and completed years of service. The Bank measures the obligation of this plan as valued by a qualified actuary using projected unit credit method. All expenses related to defined benefit plans in employee benefit are expensed in Statement of Net Income.

ii. Staff Security Fund

Staff Security Fund is defined benefit plan under which all the permanent employees are entitled to staff security fund at the time of retirement, death or termination from the service by any other circumstances at the predetermined factor prescribed by the Bank, which is based on last drawn salary and completed years of service as per Nepal Rastra Bank Staff By-Law 2068: Rule 78 Sub-rule 1(e). Employees having service period of thirty years are eligible for maximum sixty three months salary. The Bank measures the obligation of this plan as valued by a qualified actuary using projected unit credit method. All expenses related to defined benefit plans in employee benefit are expensed in Statement of Net Income.

- **Other long term employee benefits**

Other long-term employee benefits are all employee benefits other than short term employee benefits, post-employment benefits and termination benefits. The Bank's net obligation in respect of long term employee benefits is the amount of future benefits that employees earned in return for their service in the current and prior period. That benefit is discounted to determine its present value. The present obligation on these liabilities is determined by actuary adopting projected unit credit method. Re-measurement gains/losses are recognized in Statement of Net Income in the period in which they arise.

- i. **Leave Encashment**

As per Nepal Rastra Bank Staff By-Law, 2068: Rule 86, 87 and 91, the employees are entitled to en-cash their un-utilized accumulated leave at the time of retirement or any other prescribed time as decided by the management of the Bank. Home leave, Sick leave and Special Leave are defined benefit plans which are recognized when the leave remains un-availed at the time of closing date. Provision is created for liability on employees' leave based on obligation dischargeable to employees at balance sheet date.

- ii. **Staff Medical Fund**

Employees are eligible for medical benefits based on the specified slabs as per medical rules, last drawn salary and completed years of service, as per Nepal Rastra Bank Staff By-Law 2068: Rule 78 Sub-rule 1(d). Incremental liability is provided for and transferred to this Fund.

- **Termination Benefits**

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date; or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The termination benefits are expensed at the earlier of which the Bank can no longer withdrawn the offer of those benefits and when the Bank recognizes costs for restructuring. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

3.20 **Interest Income and Expenses**

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Bank and the amount of revenue can be measured reliably. Expenses are accounted on accrual basis.

Interest income/expenses is recognized in Statement of Net Income using the effective interest method when it is probable that the economic benefits associated with the transaction will flow to the Bank and the amount of revenue can be measured reliably.

The effective interest rate is the rate that exactly discount estimated future cash receipt or payment through expected life of the financial instrument or where appropriate a shorter period, to the net carrying amount of the financial asset and liability. While calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instruments but excluding future credit losses. The calculation includes all amount paid or received by the Bank that are an integral part of the effective interest rate of the financial instrument, including the transaction costs and other premium or discounts.

Interest income on stage 1 and stage 2 financial assets measured at amortized cost is recognized on gross carrying amount. Interest income on stage 3 financial assets is recognized on net carrying amount.

Interest income on investments from certain banks and financial institutions which are declared as problematic and receipt of interest from which is not forthcoming are not recognized.

3.21 **Non Interest Income**

- i. **Fees and Commission income**

Fees and commission income is earned for currency exchange and government transactions and other services. These are measured on accrual basis.

- ii. **Net trading income**

Net trading income comprises gains less losses relating to trading assets and liabilities and includes all realized and unrealized fair value changes.

- iii. **Net income from financial instruments designated at fair value**

All gains and losses from the changes in the fair value of financial assets and liabilities designated at fair value are recognized through Net Income. Interest income and expenses and dividend income arising on these financial instruments are also included, except for interest arising from debt securities issued by the Bank, and derivatives managed in conjunction with those debt securities which is recognized in Interest expense.

Net income from other financial instruments at fair value through profit and loss related to non-trading derivatives held for risk management purposes that do not form part of the qualifying hedge relationships are recognized through statement of net income. It includes realized and unrealized fair value changes, interest, dividend and foreign exchange differences.

iv. Other Income and Expenses

Other income and expenses are recognized on an accrual basis. The following incomes are recognized based on the recognition criteria explained here under.

- Balances unclaimed and outstanding for more than three clear consecutive accounting years in unclaimed account is written back to income.
- Dividend income is recognized when the right to receive income is established.
- Penal income is accounted on cash basis.
- Profit/loss from sale of precious metal and coins are recognized when the sale is made.
- Grant income is not recognized until there is reasonable certainty that the entity will comply with the conditions attaching to it, and that the grant will be received. Grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs is recognized in statement of net income of the period in which it becomes receivable.

Gains and losses arising from incidental activities to the main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

3.22 Note Printing Expenses

The Bank procures note printing service from note printing service providers outside from the country. Note printing expenses include cost of printing notes and cost incurred to bring note to our premises. These costs include transportation cost, transit insurance and loading/unloading expenses. Note printing expenses is recognized in statement of net income at the time of receipt of the notes by the Bank.

3.23 Unclaimed Account

Unclaimed account under Sundry Liabilities represents amount that remained unclaimed and outstanding for more than two years. Amount outstanding for more than three years in unclaimed account is transferred to miscellaneous income in Statement of Net Income.

3.24 Contingent Liabilities and Commitments

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. All outstanding letter of credit issued, capital commitments, litigation amount and unclaimed amount recognized as income, which are not recognized as liabilities in Statement of Financial Position, are shown under respective headings disclosed as Contingent Liabilities and Capital Commitments items. Where applicable, such amounts are measured at best estimates.

3.25 Consolidation of Project Accounts

The Bank manages and implements various projects, which are helpful in attaining its objectives, on its own by entering into project agreement with the funding agencies or subsidiary loan agreements with Government of Nepal or on behalf of Government of Nepal (GON).

The projects for which the Bank has entered into separate subsidiary loan agreements with Government of Nepal or has entered into separate project agreements with other funding agencies are consolidated with the Bank's account. For projects which are implemented by the Bank on behalf of the GON, the accounts of these projects are not consolidated with the Bank's financial statements as the Bank has no obligation towards such projects or any other counter party and there is no right of the Bank in assets, liabilities, equity, income and expenses of such projects. Disclosure of such projects is given in the notes.

3.26 Events Occurring after the Reporting Date

All material subsequent events after the reporting date have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

Nepal Rastra Bank
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	32 Asar 2082	31 Asar 2081
4.1 Cash and balances with banks		
Foreign currency cash in hand	23,999,547,422	25,243,089,889
Balances with other central banks	100,360,702,752	51,280,897,155
Balances with foreign banks	71,165,317,087	55,123,027,468
Money at overnight placements with other central banks	-	-
Interest receivable	23,678,678	35,000,282
Less: Allowances for expected credit loss	(26,630,495)	(23,637,765)
Total cash and balance with banks	195,522,615,444	131,658,377,029
4.2 IMF related assets		
Special drawing right holding	23,405,205,370	23,791,069,016
Interest receivable	146,908,474	200,734,132
Less: Allowances for expected credit loss	-	-
Total IMF related assets	23,552,113,844	23,991,803,148
Details disclosure regarding the financial position on IMF is provided in Note 5.14		
4.3 Term deposit with foreign banks		
Term deposit with maturity of 3 months or less	274,000,000	43,819,360,000
Term deposit with maturity of more than 3 months	558,266,487,853	551,169,998,743
Interest receivable	3,720,024,798	3,975,886,250
Less: Allowances for expected credit loss	(483,294,192)	(456,767,567)
Total term deposit with banks	561,777,218,459	598,508,477,426
4.4 Investment in foreign securities		
Investment measured at amortised cost		
Treasury bills	788,813,338,556	473,540,602,653
Treasury Notes	611,778,943,853	425,622,066,365
Mid Term Instruments (MTI)	164,166,295,695	126,282,230,415
Coupon bonds	95,421,600,620	96,453,226,913
Interest receivable	8,892,112,518	6,425,308,468
Less: Allowances for expected credit loss	(796,269,691)	(581,560,448)
Investment measured at fair value through OCI		
Treasury bills		
Treasury Notes		
Coupon bonds		
Less: Allowances for expected credit loss	-	-
Investment measured at fair value through profit or loss		
Treasury bills		
Treasury Notes		
Coupon securities		
Coupon bonds		
Total investment in securities	1,668,276,021,551	1,127,741,874,366

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As at 32 Asar 2082

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4.5	Other receivables	32 Asar 2082	31 Asar 2081
	Receivable from Asian Clearing Union		
	Other receivable	-	-
	Less: Allowances for expected credit loss	-	-
	Total interest and other receivable	-	-
4.6	Investment in Gold Certificates	32 Asar 2082	31 Asar 2081
	Investment in paper gold	117,904,935,071	82,431,302,171
	Trading gold	-	-
	Interest receivable on paper gold	288,594,240	891,131,047
	Total investment in gold certificates	118,193,529,311	83,322,433,218
	Details disclosure regarding the investment in gold is provided in Note 5.1		
4.7	Investment in Government securities	32 Asar 2082	31 Asar 2081
	Investment in treasury bills	245,398,000	-
	Investment in bond	11,781,247,570	20,362,590,200
	Investment in Government bond issued for IMF related liabilities	3,023,415,618	2,438,302,023
	Interest receivable	135,209,121	246,260,755
	Less: Allowances for expected credit loss	-	-
	Total investment in Government securities	15,185,270,309	23,047,152,978
4.8	Investment in bonds & term deposit	32 Asar 2082	31 Asar 2081
	Investment in corporate bonds	-	-
	Term deposit with Bank and Financial Institutions	6,789,800,000	7,284,800,000
	Interest receivable	59,180,047	122,829,432
	Less: Allowances for expected credit loss	(26,464,187)	(26,539,606)
	Total fixed deposit with Bank and Financial Institutions	6,822,515,860	7,381,089,826
4.9	Advances and receivables from Government	32 Asar 2082	31 Asar 2081
	Overdraft provided to Government	-	-
	Advance payment to Government	-	1,460,000,000
	Receivable from Government - IMF Bond	260,548,220	262,837,718
	Advance to project/fund operated by Government	-	-
	Interest Receivable	-	223,820,560
	Less: Allowances for expected credit loss	-	-
	Total advance to Government	260,548,220	1,946,658,278

Nepal Rastra Bank

Notes to the financial statements

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	32 Asar 2082	31 Asar 2081
4.10 Loan and advances to bank and financial institutions		
Standing liquidity facility	-	-
Refinance	-	-
Lender of last resort	-	-
Securities purchased under repurchase agreement	-	-
Other loans to BFIs	118,247,542	118,423,040
Interest receivable	-	26,553
Less: Allowances for expected credit loss	(15,963)	(15,992)
Total Loan and advances to bank and financial institutions	118,231,579	118,433,601
4.11 Other loan and advances		
Staff loans	11,224,100,867	11,257,077,314
Less: Amortization	(3,598,818,384)	(3,580,874,113)
Pension advance	1,440,611,864	1,652,831,031
Travelling advances to staff	12,670,020	5,062,201
Advance for construction	13,640,139	14,950,303
Staff endowment policy advance	4,659,850	5,854,850
Other advance	45,508,067	42,140,288
Interest receivable	2,355,769	2,699,983
Less: Allowances for expected credit loss	-	-
Total other loan and advances	9,144,728,192	9,399,741,857
4.12 Equity investment		
Investment in equity instruments measured at fair value through OCI		
Cost price	652,218,050	642,480,250
Fair Value Changes	4,353,518,022	3,660,326,514
Total equity investment	5,005,736,072	4,302,806,764
Details disclosure regarding the equity investment is provided in Note 5.6.5		
4.13 Other receivables		
Dividend receivable	-	-
Sundry debtors	-	-
Deposits	1,361,463	1,360,679
Other receivables	8,418,033	7,960,194
Less: Allowances for expected credit loss	(7,715,968)	(7,575,406)
Total interest and other receivables	2,063,528	1,745,467

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Notes to the financial statements

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4.14	Gold and silver assets	32 Asar 2082	31 Asar 2081
	Gold held in reserve at cost	27,351,269	27,351,269
	Silver held in reserve at cost	20,406,443	20,406,443
	Changes in fair value	55,368,816,463	43,955,763,597
	Total gold and silver assets	55,416,574,175	44,003,521,309
	Details disclosure regarding the gold and silver assets is provided in Note 5.1		
	Current year Income available for distribution		
4.15	Inventories	32 Asar 2082	31 Asar 2081
	Gold stock	1,653,930,869	1,092,816,617
	Silver stock	90,358,947	81,897,402
	Coin stock	172,971,329	270,083,340
	Numismatic stock	3,778,067	3,778,067
	Other metal stock	31,285,014	31,752,520
	Dispensary stock	1,164,901	660,805
	Gross inventories	1,953,489,127	1,480,988,751
	Less: Write down of inventories to net realizable value	-	-
	Coin stock	(22,465,540)	(22,465,540)
	Other metal stock	(8,716,000)	(8,716,000)
	Net inventories	1,922,307,587	1,449,807,211

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4.16 Property, Plant and equipment
Please see accounting policy in Note 3.7. The details are given as below:

Particulars	Land	Building	Temporary Structure	Computer & Accessories	Vehicles	Machinery Equipment	Office Equipment	Furniture and Fixture	Other Assets	Right of Use Assets	Capital Work in Progress	Total Assets
Depreciation Rate		3%	20%	20%	20%-25%	20%	20%	10%	20%			
Balance as on 1st Sawan 2080	360,623,152	882,113,840		377,642,041	722,035,891	549,276,051	203,827,013	83,545,773	6,821,310	179,181,148	3,820,006,590	7,185,072,809
Addition during the Year		98,261,227	1,448,196	112,048,515	55,400,000	68,894,986	17,815,362	24,390,047	689,872	24,983,768	877,211,670	1,281,143,642
Disposal/Write Off/Adjustment		(6,720,757)		(9,026,712)	(26,715,254)	(1,904,050)	(6,500,155)	(221,163)	(320,711)		(97,630,815)	(149,039,617)
Balance as on 31st Asar 2081	360,623,152	973,654,310	1,448,196	480,663,844	750,720,637	616,266,987	215,142,220	107,714,657	7,190,471	204,164,916	4,599,587,445	8,317,176,835
Balance as on 1st Sawan 2080	-	387,897,736		231,575,379	458,436,885	195,967,316	156,244,623	42,134,489	5,618,135	82,768,508	-	1,560,643,071
Depreciation for the Year		27,910,578	271,209	80,850,726	98,167,688	93,957,197	17,918,696	7,289,662	411,102	39,620,298		366,397,156
Disposal/Write Off/Adjustment		(4,707,410)		(7,994,696)	(26,715,245)	(1,904,048)	(6,025,607)	(189,818)	(320,707)			(47,857,530)
Balance as on 31st Asar 2081	-	411,100,904	271,209	304,431,409	529,889,328	288,020,465	168,137,712	49,234,333	5,708,530	122,388,806	-	1,879,182,696
Net Book Value as on 31st Asar 2081	360,623,152	562,553,406	1,176,987	176,232,435	220,831,309	328,246,522	47,004,508	58,480,324	1,481,941	81,776,110	4,599,587,445	6,437,994,139
Balance as on 1st Sawan 2081	360,623,152	973,654,310	1,448,196	480,663,844	750,720,637	616,266,987	215,142,220	107,714,657	7,190,471	204,164,916	4,599,587,445	8,317,176,835
Addition during the Year		7,008,462,839	9,230,919	53,402,393	36,489,500	643,311	18,921,482	32,201,274	1,638,211		206,006,725	7,366,996,654
Disposal/Write Off/Adjustment		(2,269,301,090)	-	(42,475,442)	(72,224,795)	(10,667,444)	(12,155,247)	(742,623)	(87,509)		(4,788,377,258)	(7,196,031,408)
Balance as on 32nd Asar 2082	360,623,152	5,712,816,059	10,679,115	491,590,795	714,985,342	606,242,854	221,908,455	139,173,308	8,741,173	204,164,916	17,216,912	8,488,142,081
Balance as on 1st Sawan 2081	-	411,100,904	271,209	304,431,409	529,889,328	288,020,465	168,137,712	49,234,333	5,708,530	122,388,806	-	1,879,182,696
Depreciation for the Year		148,831,059	2,650,464	78,121,609	88,395,857	101,043,757	16,544,386	10,171,275	618,962	25,613,001		471,990,370
Disposal/Write Off/Adjustment		(51,428,157)	319,203	(40,874,521)	(57,485,892)	(10,667,406)	(11,341,004)	(742,610)	(87,508)			(172,307,895)
Balance as on 32nd Asar 2082	-	508,503,806	3,240,876	341,678,497	560,799,293	378,396,816	173,341,094	58,662,998	6,239,984	148,001,807	-	2,178,865,171
Net Book Value as on 32nd Asar 2082	360,623,152	5,204,312,253	7,438,239	149,912,298	154,186,049	227,846,038	48,567,361	80,510,310	2,501,189	56,163,109	17,216,912	6,309,276,910

Nepal Rastra Bank

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4.17 Intangible Assets

Please refer accounting policies in Notes 3.8. The details of balance are as follows:

	Particulars	Computer Software			Capital Work in Progress	Total Intangible Assets
		Useful Life Defined by Contractual Agreements	Other Useful Life			
	Amortisation Rate		20%	10%		
Original Cost	Balance as on 1st Sawan 2080	20,065,540	43,365,821	243,872,285	-	307,303,646
	Addition during the Year	8,894,230	1,049,202	275,000		10,218,432
	Disposal/Write Off/Adjustment				-	-
	Balance as on 31st Asar 2081	28,959,770	44,415,023	244,147,285	-	317,522,078
Accumulated Amortisation	Balance as on 1st Sawan 2080	6,314,730	20,076,414	233,668,452	-	260,059,596
	Depreciation for the Year	6,032,881	6,319,158	1,480,122	-	13,832,161
	Disposal/Write Off/Adjustment		300,000			300,000
	Balance as on 31st Asar 2081	12,347,611	26,695,572	235,148,574	-	274,191,757
	Net Book Value as on 31st Asar 2081	16,612,159	17,719,451	8,998,711	-	43,330,321
Original Cost	Balance as on 1st Sawan 2081	28,959,770	44,415,023	244,147,285		317,522,078
	Addition during the Year	2,260,000	1,324,360	-		3,584,360
	Disposal/Write Off/Adjustment	(7,845,815)	-	-		
	Balance as on 32nd Asar 2082	23,373,955	45,739,383	244,147,285	-	321,106,438
Accumulated Amortisation	Balance as on 1st Sawan 2081	12,347,611	26,695,572	235,148,574		274,191,757
	Depreciation for the Year	3,881,891	6,253,982	1,487,208		11,623,081
	Disposal/Write Off/Adjustment	(7,845,810)	-	-		(7,845,810)
	Balance as on 32nd Asar 2082	8,383,692	32,949,554	236,635,782	-	277,969,028
	Net Book Value as on 32nd Asar 2082	14,990,263	12,789,829	7,511,503	-	35,291,595

4.18 Other Assets

Particulars	32 Asar 2082	31 Asar 2081
Deferred Employees Benefits	3,598,818,384	3,580,874,113
Project Assets	-	-
Prepaid expense	88,283,864	82,112,112
Other Assets		
Total	3,687,102,248	3,662,986,225

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4.19	Deposit of bank and financial institutions	32 Asar 2082	31 Asar 2081
	Foreign Currency		
	Deposit of commercial banks	10,435,799,865	12,847,372,512
	Deposit of development banks	57,787,555	21,482,583
	Deposit of finance companies	-	-
	Deposit of microfinance financial institutions	-	-
	Total foreign currency deposit	10,493,587,420	12,868,855,095
	Local Currency		
	Deposit of commercial banks	353,411,871,330	259,450,328,603
	Deposit of development banks	26,061,323,480	23,529,331,854
	Deposit of finance companies	6,362,021,232	5,548,059,069
	Deposit of microfinance financial institutions	2,800,336,398	2,190,549,872
	Total local currency deposit	388,635,552,440	290,718,269,398
	Total deposit of bank and financial institutions	399,129,139,860	303,587,124,493
4.20	IMF related liabilities	32 Asar 2082	31 Asar 2081
	Foreign Currency		
	Special Drawing Right allocation	40,980,517,183	38,627,474,746
	Interest bearing loans	-	-
	Interest payable	257,224,193	325,914,569
	Total foreign currency IMF related liabilities	41,237,741,376	38,953,389,315
	Local Currency		
	IMF account no.1	12,461,652,312	11,855,996,232
	IMF account no.2	3,163,724	3,009,977
	Total local currency IMF related liabilities	12,464,816,036	11,859,006,209
	Total IMF related liabilities	53,702,557,412	50,812,395,524
	Details disclosure regarding the financial position on IMF is provided in Note 5.14		
4.21	Deposit of Government	32 Asar 2082	31 Asar 2081
	Deposit of Central Government	(69,863,090,776)	(99,491,721,176)
	Deposit of Province Government	56,884,247,107	69,227,910,373
	Deposit of Local Authorities	83,815,942,843	94,217,201,812
	Total deposit of Government	70,837,099,174	63,953,391,009
4.22	Deposit of other institutions	32 Asar 2082	31 Asar 2081
	Deposit of public enterprises	2,554,758,886	2,249,194,159
	Deposit of Government for Interest Subsidy & Subsidies Loan	2,023,587,721	8,811,688,206
	LC margin deposit	5,986,549,456	8,445,825,910
	Deposit of other organisations	1,937,159,193	556,487,795
	Total deposit of other institutions	12,502,055,256	20,063,196,070
4.23	Currency in Circulation	32 Asar 2082	31 Asar 2081
	Currency Issued (Denomination)		
	1	160,974,635	160,997,039
	2	185,078,660	185,151,436
	5	3,762,508,930	3,640,451,885
	10	5,845,712,010	5,867,673,450
	20	7,678,744,540	7,524,263,040
	25	57,020,075	57,047,200

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	50	13,611,079,400	14,685,951,900
	100	31,413,289,000	30,394,594,800
	250	87,421,250	87,423,250
	500	165,135,885,500	130,670,884,000
	1000	533,472,286,000	446,805,562,000
	Gross Amount of Currency in Circulation	761,410,000,000	690,150,000,000
	Less: Cash at Vault of the Bank	(11,297,577,846)	(10,101,197,299)
	Net Amount of Currency in Circulation	750,112,422,154	680,048,802,701
4.23.1	Reserve against currency in circulation	32 Asar 2082	31 Asar 2081
	Foreign Treasury Bills	750,112,422,154	473,540,602,653
	Foreign Bank Balance (Including Term Deposits)	-	206,508,200,048
	Total	750,112,422,154	680,048,802,701
4.24	Due to bank and financial institutions	32 Asar 2082	31 Asar 2081
	Holding of NRB bond issued	-	-
	Deposit collection	377,450,000,000	950,000,000
	Reverse repo liabilities	-	-
	Standing Deposit Facility	276,600,000,000	354,500,000,000
	Total due to bank and financial institutions	654,050,000,000	355,450,000,000
4.25	Other liabilities	32 Asar 2082	31 Asar 2081
	Payable to Asian Clearing Union	178,096,167	130,217,162
	Deposit & Earnest money	46,834,350	24,753,000
	Unclaimed account	54,064,405	57,360,703
	Unclaimed Deposit of Bank and Financial Institutions	49,019,517	24,119,003
	Lease liabilities	68,016,924	93,310,222
	Loan from Government for project operation	-	-
	Provision for expense	86,315,071	2,765,845
	Taxes payable	73,267,947	41,786,447
	Payable to retired staff	324,807,634	334,754,908
	Other liabilities	1,146,603,524	883,520,028
	Total other liabilities	2,027,025,539	1,592,587,318
4.26	Pension and other employment benefits payable	32 Asar 2082	31 Asar 2081
	Pension and gratuity fund	24,368,286,017	20,674,784,248
	Less: Plan Assets for pension and gratuity fund	(19,341,500,033)	(19,764,593,229)
	Staff security fund	3,157,721,143	2,810,347,436
	Less: Plan Assets for staff security fund	(2,133,000,447)	(2,245,050,687)
	Leave encashment	1,742,473,465	1,404,336,645
	Staff medical fund	2,123,902,027	1,628,982,456
	Welfare Provident fund	880,789,315	854,383,075
	Total pension and other employment benefit payable	10,798,671,487	5,363,189,944

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4.27 Reserve	32 Asar 2082	31 Asar 2081
General Reserve	103,645,754,705	87,394,781,104
Monetary Liabilities Reserve	22,906,904,338	18,882,771,816
Financial Stability Fund	19,709,390,340	15,685,257,818
Open Market Operation Stabilization Fund	23,337,077,181	12,863,593,549
Exchange Equalization Fund	266,843,486,049	221,813,526,867
Gold and Silver Equalization Reserve	139,249,215,401	92,362,529,636
Net Cumulative Surplus Fund	3,971,688,506	2,169,130,410
Development Fund	77,595,989,244	76,595,989,244
Banking Development Fund	1,601,941,806	1,601,941,806
Mechanisation Fund	1,891,316,414	1,891,316,414
Scholarship Fund	61,594,504	61,594,504
Mint Development Fund	1,097,712,943	1,097,712,943
Gold Replacement Fund	5,606,163,443	4,799,085,589
Rural Self Reliance Fund	253,400,000	253,400,000
Rural Self Reliance Fund (Administration Expense Reimbursement Fund)	50,912,107	51,087,606
Actuarial Gain Reserve	(1,149,741,717)	2,634,091,770
Fair Value Reserve	4,353,518,021	3,660,326,514
Impact on Retained Earning due to ECL & Lease	-	-
Total Reserves	671,026,323,285	543,818,137,590

4.27 (a) Appropriation of Net Profit/(Loss)

Particulars	32 Asar 2082	31 Asar 2081
Net Income/(Expenditure) for the year	169,308,653,409	116,090,816,163
Less:		
Foreign Exchange Gain/(Loss) - Unrealised	(45,029,959,182)	(14,995,429,467)
Net Gold and Silver Revaluation Gain/(Loss)	(46,886,685,765)	(26,596,033,683)
Transfer to Fair Value Reserve	(693,191,508)	(635,186,270)
Transfer to Actuarial Reserve	3,783,833,487	(101,846,034)
Current year Income available for distribution	80,482,650,441	73,762,320,709
Transfer from Open Market Operation Stabilization Fund	9,026,516,368	2,088,750,238
Surplus before appropriations	89,509,166,809	75,851,070,947
Less: Appropriations		
General Reserve	(16,250,973,601)	(11,274,655,157)
Monetary Liability Reserve	(4,024,132,522)	(3,688,116,035)
Financial Stability Fund	(4,024,132,522)	(3,688,116,035)
Open Market Operation Stabilization Fund	(19,500,000,000)	(12,755,571,674)
Mint Development Fund	-	-
Mechanisation Fund	-	-
Banking Development Fund	-	-
Development Fund	(1,000,000,000)	(6,000,000,000)
Development Finance Project Mobilisation Fund	-	-
Gold Replacement Fund	(807,077,854)	(1,091,153,478)
Net Cumulative Surplus Fund	(1,902,850,310)	(129,638,007)
Balance Payable to Government of Nepal	42,000,000,000	37,223,820,561

Nepal Rastra Bank

Notes to the financial statements

For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

4.28 Interest income on foreign currency financial assets	32 Asar 2082	31 Asar 2081
Interest income on term/demand deposit	29,709,614,495	34,189,325,627
Interest income on Foreign Securities	62,039,115,830	41,499,583,052
Interest income on fixed income securities	3,539,921,690	3,009,534,429
Interest income on SDR holdings	878,569,404	1,086,777,007
Other FCY interest income	-	-
Total	96,167,221,419	79,785,220,115
4.29 Interest expense on foreign currency financial liabilities	32 Asar 2082	31 Asar 2081
Interest on SDR Allocation	1,328,096,568	1,578,272,946
Interest on interest bearing loans	-	-
Other interest expense	24,448,929	40,726,734
Total	1,352,545,497	1,618,999,680
4.30 Interest income on local currency financial assets	32 Asar 2082	31 Asar 2081
Interest income on Treasury Bills	19,527,486	950,733,324
Interest income on Government bonds	925,940,294	1,247,100,940
Interest income on Refinance	-	38,235,619
Interest income on Standing Liquidity Facility and Repo	-	748,110
Other LCY interest income	681,898,478	1,099,527,672
Total	1,627,366,258	3,336,345,665

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Notes to the financial statements

For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

4.31 Interest expense on local currency financial liabilities	32 Asar 2082	31 Asar 2081
Interest expense on Deposit Collection	5,155,464,319	1,186,248,874
Interest expense on Reverse Repo	-	25,564,380
Interest expense on SDF	3,871,052,049	876,936,984
Interest expense on Lease Liabilities	4,094,353	5,076,838
Other interest expense	101,723,566	92,206,976
Total	9,132,334,287	2,186,034,052
4.32 Fee and commission income	32 Asar 2082	31 Asar 2081
Commission Income	5,213,115	109,794,706
Letter of credit commission	817,448	719,973
RTGS fee	12,132,308	10,199,844
Total	18,162,871	120,714,523
4.33 Income on Gold Certificates	32 Asar 2082	31 Asar 2081
Income on Paper Gold	537,156,642	422,354,601
Gain or loss on revaluation of trading gold	-	-
Total	537,156,642	422,354,601
4.34 Other income	32 Asar 2082	31 Asar 2081
Income from Mint (Sale of Coin)	8,989	11,754
Gain from Sale of Precious Metals and Coins	269,921,211	668,798,876
Provisions written back	435,500	3,094,112
Fine/Penalty Charge	154,251,557	33,569,234
Profit/(Loss) on Sale of Investment Securities	-	-
Profit/loss on Sale of Assets	4,029,006	8,014,435
Dividend Income	82,940,200	70,973,442
Project Income/(Loss)	-	-
Grant Income	-	-
Miscellaneous income	485,486,172	136,204,055
Total Other Income	997,072,635	920,665,908

Nepal Rastra Bank

Notes to the financial statements

For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

4.35 Fee and commission expense	32 Asar 2082	31 Asar 2081
Agency commission and service charges	61,268,732	91,273,169
Other fee and commission expense	-	1,171,000
Total	61,268,732	92,444,169

4.36 Allowance for ECL (loss)/gain on financial assets	32 Asar 2082	31 Asar 2081
Cash & Bank Balance	(2,993,032)	(4,882,970)
Investment in Securities	(214,709,242)	(279,927,987)
Term Deposit	(26,451,205)	98,147,556
Loans and advances to BFIs	28	209,222
Other Receivables	(140,562)	601,302
Total	(244,294,013)	(185,852,877)

The details of movement and stagewise information on allowance for expected credit loss/gain is further disclosed in note no. 5.6.1.2

4.37 Personnel expenses	32 Asar 2082	31 Asar 2081
Salary	894,454,693	872,921,802
Allowances	1,082,426,058	1,046,533,648
Provident Fund Contribution	89,523,313	87,292,180
Staff Welfare Provident Fund Contribution	860,360,607	838,171,636
Pension & Gratuity Expense	481,309,569	335,718,660
Staff Security Expense	209,142,289	124,886,214
Staff Leave Compensation	493,848,189	229,012,600
Staff Medical Fund Contribution	655,151,572	97,919,671
Amortisation of deferred employees benefits	267,716,318	213,747,501
Others	29,429,299	26,831,069
Total	5,063,361,907	3,873,034,981

Nepal Rastra Bank

Notes to the financial statements

For the year ended 32 Asar 2082

(all amounts in Nepalese Rupees unless otherwise stated)

4.38 Administrative expenses	32 Asar 2082	31 Asar 2081
Directors Fees and Expenses	9,433,127	8,469,162
Mint Expenses	166,874	229,119,535
Security charges	306,719,464	284,677,123
Fund Transfer Expense	50,839,078	37,631,575
Travelling Expenses	354,793,338	420,579,044
Insurance Charges	105,199,475	107,431,965
Repair & Maintenance	66,921,078	46,846,747
Banking Promotion	88,803,621	113,453,856
Audit Fees and Expenses	5,122,386	4,782,945
Utilities Expenses	68,668,357	68,187,976
Postal and Communication Expenses	27,677,843	21,905,615
House Rent	22,705,156	6,808,415
Training Seminar and Membership	45,957,623	34,884,917
Expenses on Miscellaneous Assets	17,290,637	10,938,545
Consumable Expenses	25,614,696	20,119,756
Books and Periodicals	13,591,425	13,404,873
Software Annual Maintenance Charges	137,227,601	118,351,956
Meeting Fee and Expense	41,779,487	48,731,202
Advertisement	8,547,123	9,585,335
Wages	108,702,905	95,707,153
Miscellaneous Expenses	156,926,254	114,137,289
Total	1,662,687,548	1,815,754,984
4.39 Depreciation, amortisation and impairment	32 Asar 2082	31 Asar 2081
Depreciation on Property & Equipment	446,377,370	326,792,907
Impairment of Property & Equipment	1,560,618	2,470,755
Amortisation of intangible assets	11,623,080	13,832,163
Impairment of intangible assets	-	-
Depreciation on Right of Use Assets	25,613,001	39,620,298
Total	485,174,069	382,716,123

5. Significant Disclosures

5.1. Gold and Silver

The Bank has been holding gold and silver for reserve purpose as well as for minting purpose. The gold and silver held for reserve purpose, being the financial assets, has been measured at fair value and the gold and silver held for minting purpose, being the inventories of the Bank, has been measured at lower of cost or net realizable value.

The gold and silver measured at fair value along with its quantity is as follows:

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Weight (Kg)	Total Fair Value (NRs.)	Weight (Kg)	Total Fair Value (NRs.)
Investment in Paper Gold	7,280.53	117,904,935,071	7,280.53	82,431,302,171
Trading gold	-	-	-	-
Gold held in reserve	1,953.66	32,159,231,828	1,953.66	24,605,397,318
Silver held in reserve	120,037.90	23,257,342,347	120,037.90	19,398,123,991
Total		173,321,509,246		126,434,823,480

Fair value for investment in paper gold; and gold and silver held at reserve is determined based on the closing rate prevailing in London Bullion and Metal Association; and Nepal Gold & Silver Dealer's Association respectively. For gold physically held with the Bank, the rate for Fine Gold (9999) has been considered for the purpose of fair value.

Mint Division of the Bank has held gold and silver for minting purpose and is treated as inventories kept for further processing & minting. The inventories are measured at lower of cost or net realizable value. The gold and silver held by the Bank as inventories which is measured at cost or net realizable value whichever is lower is as follows:

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Weight (Kg)	Value (NRs.)	Weight (Kg)	Value (NRs.)
Gold held in Stock	347.62	1,653,930,869	306.1465	1,092,816,617
Silver held in Stock	3505.89	90,358,947	3,660.35	81,897,402
Total		1,744,289,816		1,174,714,019

5.2. Year-end Exchange Rates

The year-end exchange rates of Nepalese Rupees for major currencies used for reinstating the balances of foreign currency assets and liabilities were as per below:

S. N.	Currency	Current Year (2081/82)	Previous Year (2080/81)
1	US Dollar	137.00	133.36
2	UK Pound Sterling	184.19	173.29
3	Euro	159.91	145.46
4	Swiss Franc	171.93	149.14
5	Australian Dollar	89.90	90.47
6	Canadian Dollar	100.08	97.82
7	Singapore Dollar	106.90	99.45
8	Japanese Yen	0.926	0.845
9	Chinese Yuan	19.10	18.39
10	Saudi Arabian Riyal	36.53	35.56
11	Qatari Riyal	37.59	36.57
12	Thai Baht	4.22	3.69
13	UAE Dirham	37.30	36.31
14	Malaysian Ringgit	32.30	28.56
15	South Korean Won	0.0993	0.097
16	Swedish Kroner	14.20	12.71
17	Danish Kroner	21.43	19.49
18	Hong Kong Dollar	17.45	17.08
19	Kuwait Dinar	448.40	436.39
20	Bahrain Dinar	363.40	353.74
21	SDR	187.57	176.8
22	Indian Rupees	1.6	1.6
23	Omani Rial	355.83	-

5.3. Related Parties Disclosure

5.3.1. Key Management Personnel

The key management personnel are those persons having authority and responsibility of planning, directing and controlling the activities of the entity, directly or indirectly including the board members. The key management personnel of the Bank include members of its Board of Directors and Special Class Officers (Executive Directors). The key management personnel who are holding various positions in the Bank during the year are as follows:

S.N.	Name	Post	Date	Remarks
1	Prof. Dr. Biswo Nath Poudel	Governor	2082.02.06	
2	Mr. Maha Prasad Adhikari	Governor	2076.12.24	Discharge position w.e.f 2081.12.24
3	Mr. Madhu Kumar Marasini	Finance Secretary	2081.01.12	Discharge position w.e.f 2081.04.14
4	Dr. Ram Prasad Ghimire	Finance Secretary	2081.04.17	Discharge position w.e.f 2081.10.28
5	Dr. Ghanshyam Upadhyaya	Finance Secretary	2081.11.01	
6	Dr. Neelam Dhungana (Timsina)	Deputy Governor	2077.11.25	
7	Mr. Bam Bahadur Mishra	Deputy Governor	2077.11.25	
8	Mr. Chinta Mani Siwakoti	Board Member	2079.02.06	
9	Dr. Shankar Prasad Acharya	Board Member	2079.02.06	
10	Dr. Ravindra Prasad Pandey	Board Member	2080.01.26	
11	Rishikesh Bhatta	Executive Director	2075.05.12	
12	Pradeepraj Poudyal	Executive Director	2075.06.18	
13	Gunakar Bhatta	Executive Director	2075.07.06	
14	Naresh Shakya	Executive Director	2076.02.30	
15	Revati Prasad Nepal	Executive Director	2076.10.13	
16	Ramu Paudel	Executive Director	2077.01.12	
17	Vishrut Thapa	Executive Director	2077.01.12	
18	Dayaram Sharma	Executive Director	2078.06.19	
19	Guru Prasad Paudel	Executive Director	2078.09.23	
20	Bimal Raj Khanal	Executive Director	2078.12.01	
21	Kiran Pandit	Executive Director	2081.11.01	
22	Satyendra Timilsina	Executive Director	2081.12.04	
23	Chet Prasad Uprety	Executive Director	2081.12.31	
24	Roshan Kumar Shigdel	Executive Director	2081.12.31	
25	Ram Sharan Kharel	Executive Director	2081.12.31	
26	Dilli Ram Pokhrel	Executive Director	2082.02.13	
27	Dirgha Bahadur Rawal	Executive Director	2082.02.19	
28	Nishchal Adhikari	Executive Director	2082.03.27	
29	Dev Kumar Dhakal	Executive Director	2074.12.15	Discharge position w.e.f. 2081.08.06
30	Nephil Matangi Maskay	Executive Director	2074.10.25	Discharge position w.e.f. 2081.10.25
31	Ram Bahadur Manandhar	Executive Director	2077.01.12	Discharge position w.e.f. 2081.12.02
32	Suman Kumar Adhikari	Executive Director	2076.03.11	Discharge position w.e.f. 2081.12.24
33	Mukunda Kumar Chhetri	Executive Director	2074.12.28	Discharge position w.e.f. 2081.12.28
34	Pitambar Bhandari	Executive Director	2074.12.28	Discharge position w.e.f. 2081.12.28
35	Prakash Kumar Shrestha	Executive Director	2076.03.11	Discharge position w.e.f. 2082.02.10
36	Tulashi Prasad Ghimire	Executive Director	2078.06.19	Discharge position w.e.f. 2082.02.17
37	Ram Prasad Gautam	Executive Director	2081.08.16	Discharge position w.e.f. 2082.03.25

The transactions, if any, with director-related or key management personnel-related entities occurred in the normal course of the Bank's operations were conducted as arm's length transactions.

i. Transactions with Key Management Personnel

In addition to salaries, non-cash benefits (Vehicle Facility) were provided to special class officers and the executive board members. Furthermore, Governor and Deputy Governors are also entitled to post employee benefits. The data relating to total compensation paid to key management personnel are as follows:

Particulars	Current Year (NRs.)	Previous Year (NRs.)
Short term employee benefits	123,613,219	94,829,399
Post-employment and other long term benefits	146,977,767	5,140,976
Total	270,590,986	99,970,375

Other transactions with the Key Management Personnel and the status of year end balances with them are presented below:

Particulars	Current Year (NRs.)	Previous Year (NRs.)
Meeting Fees/Incidental Expenses to Directors	19,025,210	18,513,579
Loan Facilities	173,435,000	167,399,000
Total	192,460,210	185,912,579

ii. **Salary, Benefits and Other Facilities of Board Members**

Members of the Bank's board are entitled to a meeting allowance of NRs. 9,000 per meeting. Additionally, executive board members receive a salary along with various allowances. All board members are also entitled to benefits including fuel, vehicle repair, telephone, newspaper, internet, driver services, and medical facilities. The details of salaries, benefits, and other facilities provided to both executive and non-executive board members for the fiscal year 2081/82 are presented below:

Amount in NRs.

S.N.	Name	Post	Salary	Board Meeting Allowance	Other Allowances & Facilities
1	Prof. Dr. Biswo Nath Poudel	Governor	250,065	117,000	316,538
2	Mr. Maha Prasad Adhikari	Governor	1,188,903	288,000	4,110,403
3	Mr. Madhu Kumar Marasini	Finance Secretary	-	36,000	42,548
4	Dr. Ram Prasad Ghimire	Finance Secretary	-	162,000	189,532
5	Dr. Ghanshyam Upadhyaya	Finance Secretary	-	225,000	116,040
6	Dr. Neelam Dhungana (Timsina)	Deputy Governor	1,460,400	369,000	4,608,731
7	Mr. Bam Bahadur Mishra	Deputy Governor	1,460,400	378,000	4,347,739
8	Mr. Chinta Mani Siwakoti	Board Member	-	432,000	819,280
9	Dr. Shankar Prasad Acharya	Board Member	-	369,000	813,120
10	Dr. Ravindra Prasad Pandey	Board Member	-	414,000	871,280
TOTAL			4,359,768	2,790,000	16,235,210

5.3.2. **Government of Nepal**

The Bank, being the Central Bank of Nepal, was incorporated under Nepal Rastra Bank Act, 2012 (currently replaced by Nepal Rastra Bank Act, 2058) and the Government of Nepal (GON) is the controlling body of the Bank holding 100% of its capital.

i. **Transactions with Government of Nepal**

The transaction with GON and the status of year end balances with GON are as follows:

Particulars	Current Year (NRs.)	Previous Year (NRs.)
Transactions during the year		
Commission Income received from GON	-	105,997,589
Payment made to GON from surplus (As per Financial Statement of Previous Year)	37,223,820,561	25,000,000,000
Adjustment of Receivable from Surplus Payable to GON	-	-
Balances at the year end		
Deposit from GON	70,837,099,174	63,953,391,009
Advance to GON for Business Continuity Loan	-	1,460,000,000
Investment in Treasury Bills (GON)	245,398,000	-
Investment in Bonds (GON)	11,795,993,188	18,887,992,223
Investment in Saving Certificates (GON)	3,008,670,000	3,912,900,000
Interest and Commission Receivable	135,209,121	465,260,755

ii. **Government of Nepal Treasury Position**

Balance of Government of Nepal as of 32nd Asar 2082 as per the records of the Bank is a surplus balance of NRs. 70,837,099,174 (PY NRs. 63,953,391,009). The Government transactions are being verified by the Comptroller General's Office of GON on regular interval.

5.4. Inter-Office Transactions

There is no any net balance at the end of the year on inter-office transactions.

5.5. Assets Received in Grant

The various assets received as grants under the Financial Sector Restructuring Project (Phase I and Phase II) were valued at NRs. 11,585,586, with a written-down balance of NRs. 7 (PY NRs. 7) at the end of the fiscal year. With the technical and financial assistance of the Department for International Development (DFID), a Disaster Recovery Site was established in Biratnagar, valued at approximately NRs. 232,059,005 (comprising NRs. 89,344,232, USD 240,463, and GBP 646,544), which also had a written-down balance of NRs. 16 (PY NRs. 16) at year-end. Additionally, under the auspices of the Financial, Commonwealth &

Development Office of the UK, the development of the Supervisory Information System (SIS) had been successfully completed and handed over. The associated computer hardware and software for this system were valued at NRs. 141,820,115 with a written-down balance of NRs. 26 (PY NRs. 26) at the end of the fiscal year.

5.6. Financial Instruments

Financial Risk Management– Overview

Risk Management Framework

The Bank's Board of Directors has the overall responsibility for the establishment and oversight of the Bank's Risk Management Framework. The Board of Directors has formed the Risk Management Committee, which is responsible for developing and monitoring the Bank's risk management policies. The committee reports regularly to the Board of Directors about its activities.

The Bank's risk management policies are established to identify and analyze the risk faced by the Bank, set appropriate risk limits and control, and monitor risks and adherence to the limit. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Bank's activities. The Bank through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Bank's Audit Committee oversees how the management monitors compliance with the Bank's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit Committee is assisted in its oversight role by Internal Audit Department. Internal Audit Department undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Bank has exposure to the following risk arising from financial instruments:

- A. Credit Risk
- B. Liquidity Risk
- C. Market Risk

5.6.1. Credit Risk

Credit risk is the risk of financial loss to a party if a customer or counterparty to a financial instruments fails to meet its contractual obligation. The Bank's credit risk in relation to the financial instruments is the risk that its customer or counterparty fails to discharge its obligation in accordance with agreed terms and cause the Bank to incur a financial loss. The Bank's credit risk arises principally from the Bank's investment securities and receivable from customers. The credit risk in the Bank's foreign exchange reserve is monitored and reviewed by using credit limits based on credit ratings by international rating agency.

5.6.1.1. Exposure to Credit Risk

The maximum exposure to credit risk at the year end is as follows:

a) By Nature of Assets

Particulars	Amount in NRs.	
	As on 32.03.2082	As on 31.03.2081
Foreign currency financial assets		
Cash and balances with banks	195,522,615,444	131,658,377,029
Derivative financial assets	-	-
IMF related assets	23,552,113,844	23,991,803,148
Term deposit with foreign banks	561,777,218,459	598,508,477,426
Investments in foreign securities	1,668,276,021,551	1,127,741,874,366
Other receivables	-	-
Total foreign currency financial assets	2,449,127,969,298	1,881,900,531,969
Local currency financial assets		
Balances with Banks	8,394,919	6,144,630
Investment in Government securities	15,185,270,309	23,047,152,978
Investment in bonds & term deposit	6,822,515,860	7,381,089,826
Advances and receivable from Government	260,548,220	1,946,658,278
Loan and advances to bank and financial institutions	118,231,579	118,433,601
Other loan and advances	9,144,728,193	9,399,741,857
Equity investment	5,005,736,072	4,302,806,764
Other receivables	2,063,527	1,745,467
Total local currency financial assets	36,547,488,679	46,203,773,401
Total financial assets	2,485,675,457,977	1,928,104,305,370

b) By Geographical Region

S. No.	Particulars	Amount in NRs.	
		As on 32.03.2082	As on 31.03.2081
1	Bahrain	48,129,650,863	72,536,162,985
2	Canada	10,159,543,778	-
3	China	96,905,378,890	97,660,618,707
4	Hongkong	72,373,258,126	138,904,228,300
5	India	595,736,218,184	440,434,524,707
6	Spain	33,354,843,338	33,183,659,335
7	Qatar	68,625,118,470	55,208,255,724
8	Singapore	167,396,278,723	152,053,436,239
9	Switzerland	284,457,288,934	274,939,735,484
10	U.A.E	44,158,615,152	-
11	USA	833,588,723,278	486,359,861,475
12	Nepal	232,130,931,869	177,919,920,028
	Total	2,487,015,849,605	1,929,200,402,984
	<i>Less: Expected Credit Loss</i>	<i>(1,340,391,627)</i>	<i>(1,096,097,614)</i>
	Grand Total	2,485,675,457,977	1,928,104,305,370

c) By Nature of the Entity

Amount in NRs.

S. No.	Particulars	As on 32.03.2082	As on 31.03.2081
1	Bank for International Settlements	230,047,639,841	190,384,661,635
2	Central Banks	99,838,855,452	48,888,735,996
3	Foreign Commercial Banks	570,317,800,607	593,991,005,341
4	International Monetary Fund	23,552,113,844	23,991,803,148
5	Foreign Government	1,502,678,206,508	1,000,463,201,741
6	Domestic Banks and FIs	6,967,227,589	9,209,899,586
7	Government of Nepal	15,445,818,529	23,309,990,695
8	Equity Instruments	5,005,736,072	4,302,806,764
9	Other Parties	33,162,451,163	34,658,298,078
	Total	2,487,015,849,604	1,929,200,402,984
	<i>Less: Expected Credit Loss</i>	(1,340,391,627)	(1,096,097,614)
	Grand Total	2,485,675,457,977	1,928,104,305,370

d) By Credit Rating

Particulars	As on 32.03.2082		As on 31.03.2081	
	Amount (NRs.)	%	Amount (NRs.)	%
Foreign Currency				
AAA	22,567,769,943	0.91%	79,418,855,976	4.12%
AA+	886,060,955,225	35.65%	489,284,457,268	25.38%
AA	4,429,075,859	0.18%	787,265,923	0.04%
AA-	124,876,766,692	5.02%	122,582,793,801	6.34%
A+	235,443,913,675	9.47%	240,559,963,528	12.46%
A	195,498,498,387	7.87%	148,377,995,062	7.70%
A-	47,519,134,047	1.91%	47,029,622,346	2.42%
BBB+	1,669,818,488	0.07%	1,481,525,453	0.08%
BB+	-	0.00%	-	0.00%
BB	-	0.00%	-	0.00%
BBB-	654,745,251,574	26.34%	514,018,022,894	26.64%
Other*	277,622,979,784	11.17%	239,421,995,501	12.42%
Total	2,450,434,163,673	98.58%	1,882,962,497,752	97.60%
<i>Less: Expected Credit Loss</i>	(1,306,194,375)		(1,061,965,783)	
Total Foreign Currency Financial Assets	2,449,127,969,298		1,881,900,531,969	
Local Currency				
Other*	36,581,685,931	1.47%	46,237,905,232	2.40%
<i>Less: Expected Credit Loss</i>	(34,197,252)		(34,131,831)	
Total Financial Assets	2,485,675,457,977	100%	1,928,104,305,370	100%

All of the above ratings are as per S&P.

*Rating not available or rating not required as per NRB's Investment Policy

5.6.1.2. Loss Allowances for Expected Credit Loss

The Bank had recognized the allowances for impairment based on Incurred Loss model as per the requirement of NAS 39: Financial Instruments- Recognition and Measurement. From the fiscal year 2078-79, the Bank has changed its accounting policy to recognize allowance for impairment based on Expected Credit Loss model as per the requirement of NFRS 9: Financial Instruments. The change in models of accounting for allowances for impairment has resulted into the changes in accounting policy and has been required by NFRS 9. Impairment on financial asset is measured at

the end of each reporting period and the movement in the allowances for impairment of financial assets during the year is as follows:

Amount in NRs.

Particulars	Allowances for Expected Credit Loss for					
	Bank Balance	Investment in Securities	Term Deposits	Loans and advances to BFIs	Other Receivable	Total
Balance as on 31st Asar 2080	18,755,626	301,632,462	581,454,728	225,213	8,176,708	910,244,737
Impairment Loss Recognized	4,882,970	279,927,783	-	-	-	284,810,752
Amount Written Off	-	-	-	-	-	-
Reversal of Impairment Loss	-	-	(98,147,556)	(209,222)	(601,302)	(98,958,079)
Balance as on 31st Asar 2081	23,638,596	581,560,245	483,307,172	15,991	7,575,406	1,096,097,410
Impairment Loss Recognized	2,993,033	214,709,445	26,451,204	-	140,562	244,294,245
Amount Written Off	-	-	-	-	-	-
Reversal of Impairment Loss	-	-	-	(27)	-	(27)
Balance as on 32nd Asar 2082	26,631,629	796,269,690	509,758,377	15,963	7,715,968	1,340,391,627

Credit Exposure Movement- ECL Stage wise

Amount in NRs.

Allowances for Expected Credit Loss for	Balance as on 32 nd Asar 2082				Balance as on 31 st Asar 2081			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Bank Balance	22,197,229	-	4,434,400	26,631,629	19,204,196	-	4,434,400	23,638,596
Investment in Securities	796,269,690	-	-	796,269,690	581,560,245	-	-	581,560,245
Term Deposits	484,211,250	-	25,547,126	509,758,377	457,760,046	-	25,547,126	483,307,172
Loan and advances to BFIs	15,963	-	-	15,963	15,991	-	-	15,991
Other Receivables	2,428,716	-	5,287,252	7,715,968	2,288,052	-	5,287,354	7,575,406
Total	1,312,897,757	-	35,268,778	1,340,391,627	1,060,828,529	-	35,268,881	1,096,097,410

Financial assets are written off (either in full or partially) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

5.6.1.3. Credit Quality

The credit quality of counterparty of the financial assets is assessed based on the credit policy (Investment Directives) formed by the Board of Directors. Investment is made in the foreign counterparty whose credit rating is within the acceptable standard. In case of domestic investment, investment is made in the counterparty who meets the minimum standard level set by the credit policy. An analysis of credit quality of financial assets not impaired is as follows:

Amount in NRs.

Counterparties	As on 32.03.2082	As on 31.03.2081
External Credit Rating at least AAA/BBB- from credit rating agency	570,294,121,929	594,188,564,514
Non Rated Counterparties	24,023,226,099	25,045,530,718
Central Banks	99,838,855,452	48,888,735,996
Bank for International Settlement	230,047,639,841	190,384,661,635
Foreign Government	1,502,678,206,508	1,000,463,201,741
International Monetary Fund	23,552,113,844	23,991,803,148
Government of Nepal	15,445,818,529	23,309,990,695

Financial Assets with Other Counterparties:		
Party with Normal Risk	21,074,641,551	22,866,688,686
Party with High Risk	61,225,851	61,225,851
Total	2,487,015,849,604	1,929,200,402,984
<i>Less: Expected Credit Loss</i>	(1,340,391,627)	(1,096,097,614)
Grand Total	2,485,675,457,977	1,928,104,305,370

5.6.1.4. Collateral held and other credit enhancement

The Bank holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Type of Credit Exposure	% of Exposure subject to collateral requirement		Principal type of collateral held
	As on 32.03.2082	As on 31.03.2081	
Securities purchased under Resale Agreement	110	110	Government Securities
Refinance to BFIs	100	100	Good Loans of BFIs
Standing Liquidity Facilities	110	110	Government Securities
Loans to Staff	100-125	100-125	Land and Buildings, Insurance Policies, Retirement Fund Balance, and Accrued Retirement Benefits.

5.6.2. Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting the obligation associated with the financial liabilities that are settled by delivering cash or other financial assets. The Bank's approach to managing liquidity risk is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, provide finance to maintain liquidity in financial market and provide for foreign exchange to finance import of the country under both the normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. In order to control liquidity risk, the Bank has maintained sufficient balance in the current account with other central banks, demand and call deposits with foreign banks and investment in highly liquid securities. The Bank maintains cash and cash equivalents and other highly marketable securities in excess of expected cash flows on financial liabilities and other obligations.

Further, the Bank has credit arrangement for Rapid Credit Facilities (RCF) and Extended Credit Facilities (ECF) provided by the International Monetary Fund in case of stressed condition like deficit of balance of payment of the country.

5.6.2.1. Assets Held for Managing Liquidity Risk

The Bank holds a diversified portfolio of cash, balances with foreign banks and high-quality highly-liquid securities to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise:

- Cash and balances with foreign banks in the form of demand and call deposit
- Balance with foreign central banks and Bank for International Settlement
- Investment in Government of Nepal and foreign governments' bonds and other securities that are readily acceptable in repurchase agreements with central banks; and
- A secondary source of liquidity in the form of highly liquid instruments in the Bank's trading portfolios

5.6.2.2. Maturity Profile of Financial Assets and Financial Liabilities

The Bank's remaining contractual maturities and other forms of financial assets and financial liabilities at the end of the reporting period are shown in the table 1.

Table 1
The contractual maturities and other forms of financial assets and financial liabilities as at 32.03.2082

(Current Year Figures (NRs.))

Particulars	Contractual and Other Cash Flows					
	Carrying Amount	up to 1 month	1-3 months	3-12 months	1 -3 Years	More than 3 Years
Foreign currency financial assets						
Cash and balances with banks	195,549,245,938	195,549,245,938				
Derivative financial assets	-					
IMF related assets	23,552,113,844	23,552,113,844				
Term deposit with foreign banks	562,260,512,651	3,857,024,798	137,000,000	558,266,487,853	-	-
Investments in foreign securities	1,669,072,291,241	259,128,452,711	275,051,793,440	625,853,289,486	488,565,022,509	20,473,733,093
Other receivables	-					
Total foreign currency financial assets	2,450,434,163,674	482,086,837,292	275,188,793,440	1,184,119,777,339	488,565,022,509	20,473,733,093
Local currency financial assets						
Balances with banks	8,396,052	8,396,052				
Investment in government securities	15,185,270,309	1,579,970,947	245,398,000	4,545,660,797	2,996,572,780	5,817,667,785
Investment in bonds & term deposit	6,848,980,047	334,780,047	747,700,000	5,766,500,000		
Advances and receivable from Government	260,548,220	260,548,220				
Loan and advances to bank and financial institutions	118,247,542			118,247,542		
Other loan and advances						
Staff loan	11,224,100,867	349,069,537	662,221,951	1,346,892,104	1,571,374,121	7,294,543,153
Pension advance	1,440,611,864	44,803,029	84,996,100	172,873,424	201,685,661	936,253,650
Travelling advances to staff	12,670,020	12,670,020				
Staff endowment policy advance	4,659,850	4,659,850				
Other advance	45,508,067	45,508,067				
Interest receivable	2,355,769	2,355,769				
Equity investment	5,005,736,072					5,005,736,072
Total local currency financial assets	40,157,084,678	2,642,761,538	1,740,316,051	11,950,173,867	4,769,632,562	19,054,200,661
Total financial assets	2,490,591,248,353	484,729,598,830	276,929,109,492	1,196,069,951,206	493,334,655,071	39,527,933,754
Foreign currency financial liabilities						
Derivative financial liabilities	-					
Deposit of bank and financial institutions	10,493,587,420		10,493,587,420			
IMF related liabilities	41,237,741,377	41,237,741,377				
Total foreign currency financial liabilities	51,731,328,797	41,237,741,377	10,493,587,420	-	-	-
Local currency financial liabilities						
Bills payable	54,245,636	54,245,636				
Deposit of bank and financial institutions	388,635,552,439	77,727,110,488		38,863,555,244	272,044,886,707	
Deposit of government	70,837,099,174	14,875,790,827	17,000,903,802	22,667,871,736	16,292,532,810	
Deposit of other institutions	12,502,055,255	3,000,493,261	2,875,472,709	6,626,089,285		
IMF related liabilities	12,464,816,037	12,464,816,037				
Other liabilities	2,027,025,538		2,027,025,538			
Total local currency financial liabilities	486,520,794,079	108,122,456,248	21,903,402,049	68,157,516,265	288,337,419,517	-
Total Financial Liabilities	538,252,122,876	149,360,197,625	32,396,989,469	68,157,516,265	288,337,419,517	-
Net Financial Assets Position	1,952,339,125,476	335,369,401,205	244,532,120,023	1,127,912,434,941	204,997,235,554	39,527,933,754

2024/25 Annual Financial Statement of Nepal Rastra Bank

Previous Year Figures (NRs.)

Particulars	Contractual and Other Cash Flows					
	Carrying Amount	up to 1 month	1-3 months	3-12 months	1 -3 Year	More than 3 Year
Foreign currency financial assets						
Cash and balances with banks	131,682,014,794	131,682,014,794				
Derivative financial assets	-					
IMF related assets	23,991,803,148	23,991,803,148				
Term deposit with foreign banks	598,965,244,993	199,652,085,522	365,293,366,089	34,019,793,382	-	-
Investments in foreign securities	1,128,323,434,814	179,363,087,651	255,777,281,123	229,984,198,515	458,606,037,574	4,592,829,951
Other receivables	-					
Total foreign currency financial assets	1,882,962,497,749	534,688,991,115	621,070,647,212	264,003,991,897	458,606,037,574	4,592,829,951
Local currency financial assets						
Balances with banks	6,145,460	6,145,460				
Investment in government securities	23,047,152,978	246,260,755		8,581,342,630	5,591,045,600	8,628,503,993
Investment in bonds & term deposit	7,407,629,432	148,429,432		7,259,200,000		
Advances and receivable from Government	1,946,658,278	1,946,658,278				
Loan and advances to bank and financial institutions	118,449,593			118,449,593		
Other loan and advances						
Staff loan	11,257,077,314	350,095,104	664,167,562	1,350,849,278	1,575,990,824	7,315,974,546
Pension advance	1,652,831,031	48,749	1,804,119	39,287,057	280,883,383	1,330,807,723
Travelling advances to staff	5,062,201	5,062,201				
Staff endowment policy advance	5,854,850	5,854,850				
Other advance	55,588,947	55,588,947				
Interest receivable	2,699,983	2,699,983				
Equity investment	4,302,806,764					4,302,806,764
Total local currency financial assets	49,807,956,831	2,766,843,759	665,971,681	17,349,128,558	7,447,919,807	21,578,093,026
Total financial assets	1,932,770,454,580	537,455,834,874	621,736,618,893	281,353,120,455	466,053,957,381	26,170,922,977
Foreign currency financial liabilities						
Derivative financial liabilities	-					
Deposit of bank and financial institutions	12,868,855,095		12,868,855,095			
IMF related liabilities	38,953,389,315	38,953,389,315				
Total foreign currency financial liabilities	51,822,244,410	38,953,389,315	12,868,855,095	-	-	-
Local currency financial liabilities						
Bills payable	111,732,583	111,732,583				
Deposit of bank and financial institutions	290,718,269,398	58,143,653,879		29,071,826,940	203,502,788,579	
Deposit of government	63,953,391,009	13,430,212,112	15,348,813,842	20,465,085,123	14,709,279,932	
Deposit of other institutions	20,063,196,070	4,815,167,057	4,614,535,095	10,633,493,918		
IMF related liabilities	11,859,006,209	11,859,006,209				
Other liabilities	1,592,587,319		1,592,587,319			
Total local currency financial liabilities	388,298,182,588	88,359,771,840	21,555,936,256	60,170,405,981	218,212,068,511	-
Total Financial Liabilities	440,120,426,998	127,313,161,155	34,424,791,351	60,170,405,981	218,212,068,511	-
Net Financial Assets Position	1,492,650,027,582	410,142,673,719	587,311,827,542	221,182,714,474	247,841,888,870	26,170,922,977

5.6.3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices and other assets' prices may affect the Bank's income or the value of its holding of financial instruments. Market risk arises from open position in interest rates, currency and equity products all of which are exposed to general and specific market movement and changes in the level of volatility of the market rates or interest rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposure within the acceptable parameters, while optimizing the return.

5.6.3.1. Currency Risk

Currency risk is the risk, where the value of financial instruments may fluctuate due to changes in foreign exchange rates. Foreign currency activities result mainly from the Bank's holding of foreign currency assets under its foreign exchange reserves management function. The investment committee reviews the currency composition of the reserve and monitors the Bank's compliance with the limits established for foreign currency positions by the Bank's board. The major holding of foreign currency assets are denominated in USD, CNY, CAD, JPY, AUD, GBP, EURO and INR.

The summary quantitative data about the Bank's exposure to currency risk at the reporting period is shown in the table 2.

Table 2

The summary quantitative data about the Bank's exposure to currency risk at the reporting period

Current Year Figures (NRs.)

Particulars	USD	CNY	GBP	CAD	AUD	SAR	JPY	EUR	XDR
% of Net Total Financial Position Exposure	60.84%	7.96%	3.81%	0.13%	0.99%	0.13%	0.08%	1.48%	-0.74%
Foreign Currency Financial Assets									
Cash and balances with banks	116,466,817,834	40,148,050,381	3,267,407,405	407,506,008	443,810,023	3,073,876,181	3,631,218,862	16,191,620,662	-
Derivative financial assets	-	-	-	-	-	-	-	-	-
IMF related assets	-	-	-	-	-	-	-	-	23,552,113,844
Term deposit with foreign banks	390,375,681,937	53,858,974,654	72,419,991,774	2,758,418,753	23,217,008,493	-	-	19,630,437,039	-
Investments in foreign securities	960,696,080,312	96,905,378,890	15,734,613,855	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Total foreign currency financial assets	1,467,538,580,083	190,912,403,926	91,422,013,034	3,165,924,761	23,660,818,516	3,073,876,181	3,631,218,862	35,822,057,701	23,552,113,844
Foreign Currency Financial Liabilities									
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Deposit of bank and financial institutions	8,127,802,825	-	125,823,563	-	10,765,346	-	1,771,836,061	295,363,547	-
IMF related liabilities	-	-	-	-	-	-	-	-	41,237,741,376
Total foreign currency financial liabilities	8,127,802,825	-	125,823,563	-	10,765,346	-	1,771,836,061	295,363,547	41,237,741,376
Net Foreign Currency Exposure	1,459,410,777,258	190,912,403,926	91,296,189,471	3,165,924,761	23,650,053,170	3,073,876,181	1,859,382,801	35,526,694,154	(17,685,627,532)

Previous Year Figures (NRs.)

Particulars	USD	CNY	GBP	CAD	AUD	SAR	JPY	EUR	SDR
% of Net Total Financial Position Exposure	62.16%	9.73%	1.81%	0.15%	1.22%	0.13%	0.04%	1.23%	-0.79%
Foreign Currency Financial Assets									
Cash and balances with banks	109,066,430,119	17,533,822,872	3,329,414,473	382,689,890	1,150,265,212	2,446,357,758	6,517,443,295	12,895,158,849	-
Derivative financial assets	-	-	-	-	-	-	-	-	-
IMF related assets	-	-	-	-	-	-	-	-	23,791,069,016
Term deposit with foreign banks	502,467,145,392	66,454,967,646	-	2,505,448,962	17,355,482,992	-	-	10,195,102,302	-
Investments in foreign securities	555,210,576,325	97,660,618,707	30,560,471,704	-	4,433,464,948	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Total foreign currency financial assets	1,166,744,151,837	181,649,409,224	33,889,886,177	2,888,138,852	22,939,213,153	2,446,357,758	6,517,443,295	23,090,261,151	23,791,069,016
Foreign Currency Financial Liabilities									
Derivative financial liabilities	-	-	-	-	-	-	-	-	-
Deposit of bank and financial institutions	6,678,280,117	-	125,001,872	-	97,913,227	-	5,713,145,652	206,534,238	-
IMF related liabilities	-	-	-	-	-	-	-	-	38,627,474,746
Total foreign currency financial liabilities	6,678,280,117	-	125,001,872	-	97,913,227	-	5,713,145,652	206,534,238	38,627,474,746
Net Foreign Currency Exposure	1,160,065,871,720	181,649,409,224	33,764,884,305	2,888,138,852	22,841,299,926	2,446,357,758	804,297,643	22,883,726,913	(14,836,405,730)

Besides above currency exposures, the Bank's net foreign currency exposure also consists of major portion of Indian currency (INR) which stands 25.03% (PY 23.98%) of total net financial position exposure. Since, the exchange rate of Nepalese rupee is pegged to INR, the net exposure position of INR has not been presented in above table. Net foreign currency exposure denominated in currencies other than stated above and INR, has amounted to 0.3% (PY 0.34%) of the total foreign currency reserve.

5.6.3.2. Sensitivity Analysis of Currency Risk

A strengthening (weakening) of USD, AUD, EUR, GBP, CNY, CAD, SDR, JPY and SAR against Nepalese rupee at the end of reporting period would have affected the value of financial instruments denominated in a foreign currency and increased (decreased) in profit or loss by the amount shown below. This analysis is based on foreign exchange rate variances that the Bank considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast cash flows.

Amount in NRs.

Currency	Impact on Profit or Loss			
	In case of Strengthening or Weakening of Currency by 10%			
	For the Year Ended 2082		For the Year Ended 2081	
	Strengthening	Weakening	Strengthening	Weakening
USD	145,941,077,726	(145,941,077,726)	116,006,587,172	(116,006,587,172)
AUD	2,365,005,317	(2,365,005,317)	2,284,129,992	(2,284,129,992)
EUR	3,552,669,415	(3,552,669,415)	2,288,372,691	(2,288,372,691)
GBP	9,129,618,947	(9,129,618,947)	3,376,488,430	(3,376,488,430)
CNY	19,091,240,393	(19,091,240,393)	18,164,940,922	(18,164,940,922)
CAD	316,592,476	(316,592,476)	288,813,885	(288,813,885)
SDR	(1,768,562,753)	1,768,562,753	(1,483,640,573)	1,483,640,573
JPY	185,938,280	(185,938,280)	80,429,764	(80,429,764)
SAR	307,387,618	(307,387,618)	244,635,776	(244,635,776)
Total	179,120,967,419	(179,120,967,419)	141,250,758,059	(141,250,758,059)

5.6.3.3. Interest Rate Risk

Interest rate risk is the risk that the value of financial assets will fluctuate due to changes in market interest rate. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Bank's board sets limits on the level of mismatch of interest rate re-pricing which is monitored daily by the Bank's treasury.

The Bank has kept substantial investments on short-term loans thereby controlling the interest rate risk to significant extent. The interest rate profile of the interest-bearing financial instruments is as below:

Amount in NRs.

Particulars	Weighted Average Interest Rate %	As on 32.03.2082	As on 31.03.2081
Interest Sensitive Financial Assets			
Balances with Other Banks	3.51%	171,526,019,838	106,403,924,623
GOI Treasury Bills	5.83%	595,736,218,184	440,434,524,707
US Government Treasury Bills	4.29%	193,077,120,372	33,106,077,946
Time Deposit (less than 3 months)	4.08%	274,000,000	43,819,360,000
IMF Related Assets: SDR Holdings	2.93%	23,405,205,370	23,791,069,016
General Refinance		-	-
Special/Export Refinance		-	-
Zero Interest Loan		-	-
Loan to MSME		-	-
Standing Liquidity Facility		-	-
Loan to Employees			
House loan Uninsured	1.00%	350,000	375,000
House Repair Loan Uninsured	1.00%	1,739,419,054	2,209,273,639
Vehicle Loan Uninsured	3.00%	-	161,000
Staff Loan Uninsured 2068	1.00%	708,605,748	744,840,020
US Government Treasury Notes/Bonds	4.01%	611,778,943,853	425,622,066,365
Government Treasury Notes/Bonds (CNY)	2.11%	95,421,600,620	96,453,226,913
Investment in Mid-term Instruments	4.23%	164,166,295,695	126,282,230,415
Time Deposit- Investment	4.08%	558,266,487,853	551,169,998,743
Fixed Deposit with Bank & Financial Institutions	3.73%	6,789,800,000	7,284,800,000
Government Treasury Bills (GON)		245,398,000	-
Saving Certificates (GON)	9.49%	3,008,670,000	3,912,900,000
Total Interest Sensitive Financial Assets		2,426,144,134,586	1,861,234,828,387
Interest Sensitive Financial Liabilities			
IMF Related Liabilities	2.93%	53,445,333,220	50,486,480,955
Short Term Borrowings			
Total Interest Sensitive Financial Liabilities		53,445,333,220	50,486,480,955
Net Interest Sensitive Financial Position		2,372,698,801,365	1,810,748,347,432

5.6.3.4. Other Market Prices Risk

Equity price risk arises from investment measured at fair value through other comprehensive income as well as investment measured at fair value through profit or loss. The Bank monitors the mix of debt and equity securities in its investment portfolio based on the market indices. Material investments within the portfolio are managed on individual basis. The objective for investment in equity instruments is to promote overall financial system of the country. These investments are made under the specific directives or policies of the Government of Nepal and other relevant statutes. At the end of reporting period, the Bank holds equity instruments of the various institutions. All the investments are measured at fair value.

5.6.4. Classification and Fair Value of financial assets

The fair value of financial assets and liabilities together with the carrying amounts as at the year-end are shown in the table 3.

Table 3

The fair value of financial assets and liabilities together with the carrying amounts as at the year end

Amount in NRs.

Particulars	Fair Value through OCI	Amortized Cost	Cash & Balances with banks	Financial Liabilities	Total Carrying Amount	Fair Value
Foreign currency financial assets						
Cash and balances with banks			195,522,615,444		195,522,615,444	195,522,615,444
Derivative financial assets					-	-
IMF related assets		23,552,113,844			23,552,113,844	23,552,113,844
Term deposit with foreign banks		561,777,218,459			561,777,218,459	561,777,218,459
Investments in foreign securities		1,668,276,021,551			1,668,276,021,551	1,668,276,021,551
Other receivables					-	-
Total foreign currency financial assets	-	2,253,605,353,854	195,522,615,444	-	2,449,127,969,298	2,449,127,969,298
Local currency financial assets						
Balances with banks			8,394,919		8,394,919	8,394,919
Investment in government securities		15,185,270,309			15,185,270,309	15,185,270,309
Investment in bonds & term deposit		6,822,515,860			6,822,515,860	6,822,515,860
Advances and receivable from government		260,548,220			260,548,220	260,548,220
Loan and advances to bank and financial institutions		118,231,579			118,231,579	118,231,579
Other loan and advances		9,144,728,192			9,144,728,192	9,144,728,192
Equity investment	5,005,736,072				5,005,736,072	5,005,736,072
Other receivables		2,063,528			2,063,528	2,063,528
Total local currency financial assets	5,005,736,072	31,533,357,688	8,394,919	-	36,547,488,679	36,547,488,679
Total financial assets	5,005,736,072	2,285,138,711,542	195,531,010,363	-	2,485,675,457,977	2,485,675,457,977
Foreign currency financial liabilities						
Derivative financial liabilities	-	-			-	-
Deposit of bank and financial institutions				10,493,587,420	10,493,587,420	10,493,587,420
IMF related liabilities				41,237,741,376	41,237,741,376	41,237,741,376
Total foreign currency financial liabilities	-	-	-	51,731,328,796	51,731,328,796	51,731,328,796
Local currency financial liabilities						
Bills payable				54,245,636	54,245,636	54,245,636
Deposit of bank and financial institutions				388,635,552,440	388,635,552,440	388,635,552,440
Deposit of government				70,837,099,174	70,837,099,174	70,837,099,174
Deposit of other institutions				12,502,055,256	12,502,055,256	12,502,055,256
Currency in circulation				750,112,422,154	750,112,422,154	750,112,422,154
Due to bank and financial institutions				654,050,000,000	654,050,000,000	654,050,000,000
IMF related liabilities				12,464,816,036	12,464,816,036	12,464,816,036
Surplus payable to government				42,000,000,000	42,000,000,000	42,000,000,000
Other liabilities				2,027,025,539	2,027,025,539	2,027,025,539
Total local currency financial liabilities	-	-	-	1,932,683,216,235	1,932,683,216,235	1,932,683,216,235
Total Financial Liabilities	-	-	-	1,984,414,545,031	1,984,414,545,031	1,984,414,545,031
Net Financial Assets Position	5,005,736,072	2,285,138,711,542	195,531,010,363	(1,984,414,545,031)	501,260,912,946	501,260,912,946

5.6.5. Fair Value Hierarchy

Fair value measurements have been classified using a "fair value hierarchy" that categorizes the inputs to valuation techniques used to measure the fair value. The fair value hierarchy has three different levels and gives the highest priority to the quoted (unadjusted) prices in active markets and the lowest priority to unobservable inputs. The different levels are defined as follow.

Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly, quoted prices for similar assets or liabilities in active markets.

Level 3 inputs are unobservable inputs for the asset or liability.

All the financial assets are measured at amortized cost except for the Equity Investment which has been recognized at fair value through other comprehensive income. The details showing the carrying amounts of financial assets that are measured at fair value using the "fair value hierarchy" and segregating fair value to Level 1–3 inputs are presented below:

Current Year Figures (NRs.)

Particulars	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Equity investment	5,005,736,072	5,005,736,072		5,005,736,072	
Total financial assets at fair value	5,005,736,072	5,005,736,072		5,005,736,072	

Previous Year Figures (NRs.)

Particulars	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Equity investment	4,302,806,764	4,302,806,764		4,302,806,764	
Total financial assets at fair value	4,302,806,764	4,302,806,764		4,302,806,764	

5.7. Employees Benefits - Defined Benefit Plans

The Bank currently offers two defined benefit post-employment plans to its employees, based on the length of service and amount of compensation. These post-employment benefit plans are ‘Gratuity or Pension Plan’ and ‘Staff Security Plan’. The Bank also offers two other long term benefits: “Staff Medical Fund” and “Leave Encashment”. A defined benefit plan is post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior period; and the benefit is discounted to determine its present value. The Bank determines the net interest expenses (income) on the net defined benefit liability (assets) for the period by applying discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (assets). The obligation under ‘Gratuity or Pension Plan’ and ‘Staff Security Plan’ is calculated by a qualified actuary every year using projected unit credit method. The discount rate used is the yield at the reporting date on high quality government bond having maturity dates approximating the terms of the obligations and are denominated in the Nepalese rupee in which the benefits are expected to be paid.

The ‘Gratuity or Pension Plan’ and ‘Staff Security Plan’ are funded plan wherein the Bank makes earmarked investment out of fund created for these plans. ‘Leave encashment’ and “Staff Medical Fund” are not a funded plan.

There are no plan amendments and curtailments during the reporting period.

The details of the net liabilities based on actuarial valuation of obligation for the defined benefit plans, viz, Gratuity or Pension Plan and Staff Security Plan are as follows:

Amount Recognized in the Statement of Financial Position

Amount in NRs.

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Pension or Gratuity Plan	Staff Security Plan	Pension or Gratuity Plan	Staff Security Plan
Present Value of Obligations	24,368,286,017	3,157,721,143	20,674,784,248	2,810,347,437
Fair Value of Plan Assets/Current Balance of Provision Account	(19,341,500,033)	(2,133,000,447)	(19,764,593,229)	(2,245,050,688)
Net Liability/ (Assets)	5,026,785,984	1,024,720,696	910,191,019	565,296,749

Changes in Fair Value of Defined Benefit Obligations

Amount in NRs.

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Pension or Gratuity Plan	Staff Security Plan	Pension or Gratuity Plan	Staff Security Plan
Opening Obligation	20,674,784,248	2,810,347,437	19,799,326,845	2,781,136,386
Transfer in/(out) obligation		10,000		
Current Service Cost	481,309,569	209,142,289	335,718,660	124,886,214
Interest Cost	1,797,850,925	242,591,101	1,781,939,416	250,302,275
Actuarial Losses (Gains)	2,870,915,461	134,189,169	205,985,660	-272,504,513
Losses (Gains) on Curtailments	-	-	-	-
Benefits Paid	(1,456,574,186)	(238,558,853)	(1,448,186,333)	(73,472,925)
Closing Obligation	24,368,286,017	3,157,721,143	20,674,784,248	2,810,347,437

Changes in Fair Value of Plan Assets

Amount in NRs.

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Pension or Gratuity Plan	Staff Security Plan	Pension or Gratuity Plan	Staff Security Plan
Opening Fair Value	19,764,593,229	2,245,050,688	19,433,209,385	2,122,731,894
Investment adjustment	-	-	-	-
Expected Return	1,737,592,664	201,125,796	1,748,988,845	191,045,870
Actuarial Gains (Losses)	(704,111,674)	(74,617,183)	30,581,332	4,745,849
Contribution by Employer	-	-	-	-
Benefits Paid	(1,456,574,186)	(238,558,854)	(1,448,186,333)	(73,472,925)
Closing Fair Value	19,341,500,033	2,133,000,447	19,764,593,229	2,245,050,688

Amount Recognized in the Statement of Comprehensive Income

Amount in NRs.

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Pension or Gratuity Plan	Staff Security Plan	Pension or Gratuity Plan	Staff Security Plan
Charged to Statement of Income	541,567,830	250,607,594	368,669,231	184,142,619
Actuarial Income/(Loss) Recognized in OCI	(3,575,027,135)	(208,806,352)	(175,404,328)	277,250,362
Total Employee Benefit Income /(Expense)	(3,033,459,305)	41,801,242	193,264,903	461,392,981

Major Categories of Plan Assets as a Percentage of Total Plans

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Pension or Gratuity Plan	Staff Security Plan	Pension or Gratuity Plan	Staff Security Plan
Government of Nepal Securities	0%	0%	0%	0%
High quality corporate bonds	0%	0%	0%	0%
Equity shares of listed Companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Fixed Deposit of banks and FIs	100%	100%	100%	100%
Others	-	-	-	-
Total	100%	100%	100%	100%

Principal Actuarial Assumption at the end of the Reporting Period

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Pension or Gratuity Plan	Staff Security Plan	Pension or Gratuity Plan	Staff Security Plan
Discount Rate	7.50%	7.50%	9%	9%
Expected Return on Plan Asset	7.50%	7.50%	9%	9%
Future Salary Increase	10.00%	10.00%	10%	10%
Future Pension Increase	6.67%	-	6.67%	-
Withdrawal Rate	0.50%	0.50%	0.50%	0.50%

The Sensitivity of the Defined Benefit Obligations to Changes in Principal Assumptions

Particulars	Change	As on 32 nd Asar 2082		As on 31 st Asar 2081	
		Pension or Gratuity Plan	Staff Security Plan	Pension or Gratuity Plan	Staff Security Plan
Discount Rate	-1%	14.65%	9.16%	12.64%	7.92%
	1%	-11.73%	-7.80%	-10.36%	-6.85%
Salary & Pension Increment Rate	-1%	-11.43%	-7.70%	-10.18%	-6.85%
	1%	13.98%	8.84%	12.20%	8%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

Expected benefit payments to be paid out by the plans in the coming five years

Amount in NRs.

Years	Pension or Gratuity Plan	Staff Security Plan
2026	1,418,602,385	249,316,944
2027	1,558,164,977	965,462,055
2028	1,619,057,291	276,503,045
2029	1,672,326,713	107,589,680
2030	1,717,125,122	92,059,462
2031-2035	9,207,888,695	903,513,866

5.8. Employees Benefits – Other Long Term Benefit Plan

The Bank currently offers accumulated leave as other long term benefit plan. The Bank's net obligation in respect of other long term benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior period; and the benefit is discounted to determine its present value. The Bank determines the net interest expenses (income) on the net other long term benefit liability (assets) for the period by applying discount rate used to measure the other long term benefit obligation at the beginning of the period to the net other long term benefit liability (assets). The obligation under 'Accumulated Leave' is calculated by a qualified actuary every year using projected unit credit method. The discount rate used is the yield at the reporting date on high quality government bond having maturity dates approximating the terms of the obligations and are denominated in Nepalese rupee in which the benefits are expected to be paid.

'Leave encashment' is not a funded plan. Same assumptions are taken for measurement of the leave liabilities as adopted for defined benefit liabilities.

There are no plan amendments and curtailments during the reporting period. Actuarial gains/losses in other long term benefit plans are charged to statement of net income.

5.9. Other Employee Benefits

- Staff Welfare Fund: The Bank provides 12% of basic salary as staff welfare fund each year. During the year, the Bank has provided NRs. 107,417,807 (PY NRs. 104,666,745) as staff welfare fund.
- Staff Welfare Provident Fund: Each year, an amount as approved by the board of directors of the Bank, with an increment not exceeding 10% of amount approved by the board in previous year is provided in Staff Welfare

Provident Fund. Total expenses under this heading amounts to NRs. this year 752,942,800 (PY NRs. 733,504,891).

- The Bank provides staff medical fund facility to the staff, of which payments are made as per the eligible medical claim while rest amount is paid at the retirement time. NRs. 197,539,804 (PY NRs. 129,821,324) is expensed as staff medical fund this year.

5.10. Reserves

The Bank has maintained different reserves and funds. Some of the reserves are statutory and maintained as per the requirement of the Nepal Rastra Bank Act, 2058. Section 41 of the Act has prescribed the sequences of the appropriation of the net income. As per the section, Foreign Exchange Revaluation Gain/Loss, Gold and Silver Revaluation Gain/Loss, and Securities Revaluation Gain/Loss shall be appropriated to the Foreign Exchange Equalization Reserve and respective Revaluation Reserves maintained by the Bank. The Bank shall also appropriate 10%, 5% and 5% of net income available for appropriation to General Reserve, Monetary Liability Reserve and Financial Stability Reserve respectively. In addition, an amount equal to the capital expenditure included in annual budget shall be appropriated to General Reserve and the amount decided by the Bank's board will be maintained in Net Cumulative Surplus Reserve. The purpose of these funds is specified in the Act and they shall be utilized for the said purpose. Besides these statutory funds, different other reserves and funds are maintained and a certain amount is annually allocated by the Bank's board, out of each year's net income to those reserves and funds. The impacts resulting from other comprehensive income are directly transferred to respective reserves. The Bank's board is authorized by Nepal Rastra Bank Act, 2058 to allocate a part of net income to those reserves and funds. The details of statutory and other reserves and funds are as follows:

5.10.1. Statutory Reserves

a) Monetary Liability Reserve

This reserve is maintained as per section 41 (1) (kha) of the Nepal Rastra Bank Act, 2058 and as per the provision of the section, an amount equals to 5 percent of the net income available for appropriation shall be allocated each year and kept in such reserve. This year, NRs. 4,024,132,522 (PY NRs. 3,688,116,035) is appropriated to this fund.

b) Financial Stability Reserve

This reserve is maintained as per section 41 (1) (kha) of the NRB Act and as per the provision of the section, an amount equals to 5 percent of the net income available for appropriation shall be allocated each year and kept in such reserve. This year, NRs. 4,024,132,522 (PY NRs. 3,688,116,035) is appropriated to this fund.

c) General Reserve

This reserve is maintained as per section 41 (1) (kha) of the NRB Act and as per the provision of the section, an amount prescribed by the Bank's board not less than 10 percent of the net income available for appropriation shall be allocated in this general reserve fund each year. While allocating an amount in the general reserve, an additional amount shall be appropriated to cover the capital expenditure referred to in the annual budget of the Bank. Accordingly, NRs. 16,250,973,601 (PY NRs. 11,274,655,157) is appropriated in general reserve during the year.

d) Net Cumulative Surplus Fund

This reserve is maintained as per section 41 (1) (kha) of the NRB Act and as per the provision of the section, an amount as decided by the Bank's board shall be allocated and kept in such reserve. This year, NRs. 1,902,850,310 (PY NRs. 129,638,007) is appropriated to this fund. This fund is introduced after the amendments in NRB Act in 2073 BS.

e) Exchange Equalization Fund

This fund has been maintained as per section 41 (1) (ka) of the NRB Act and as per the provision of the section, the amount equals to the revaluation profit shall be kept in the revaluation reserve fund. It represents net exchange gains on various foreign currency assets and liabilities. An amount of NRs. 45,029,959,182 (PY NRs. 14,995,429,467) which is equivalent to net exchange gain is appropriated to this fund during the year.

f) Gold and Silver Equalization Reserve

This fund has also been maintained as per section 41 (1) (ka) of the NRB Act. This reserve represents the gain or loss on the revaluation of gold and silver. Any appreciation or depreciation on revaluation of gold and silver is taken to/from this reserve out of net income of the year. Accordingly, an amount of NRs. 46,886,685,765 (PY NRs. 26,596,033,683) which is equivalent to net revaluation gain on revaluation of gold and silver is appropriated to this fund.

5.10.2. Other Reserves and Funds

The Board of Directors of the Bank is authorized by section 41 (1) (ga) of the NRB Act to appropriate the remaining net income in other funds as may be necessary and pay the remaining amount to Government of Nepal. Accordingly, the Bank has maintained different reserves and funds as per Accounts Directives of the Bank and the Board of Directors appropriate some part of the net income available for distribution to these reserves and funds annually. The amount

kept under these reserves and funds shall be utilized for the purpose of the reserves or funds as mentioned in the Account Directives. The following reserves and funds have been maintained:

a) Development Fund

This is the specific fund created as per monetary policy of the Bank to provide support for loan and refinance to banks and financial institutions. The Board of Directors of the Bank annually appropriates a part of net income to this fund. Accordingly, an amount of NRs. 1,000,000,000 (PY NRs. 6,000,000,000) has been allocated to this fund during the year.

b) Banking Development Fund

This fund is created to meet the expenses relating to banking promotion, research and development work. The Board of Directors of the Bank annually appropriates a part of net income to this fund. No amount (PY NRs. -) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

c) Mechanization Fund

This fund is created to meet the amount required to develop and install modern software, hardware and allied mechanization system. An amount as required for mechanization is allocated by the Board of Directors of the Bank to this fund annually. No amount (PY NRs.-) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

d) Scholarship Fund

This fund is created to meet the amount required from time to time for the development of skilled manpower by way of providing training and higher studies to the employees of the Bank. No amount (PY NRs.-) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

e) Mint Development Fund

This fund is created to meet the heavy capital expenditure required from time to time for construction of factory building and installation of machinery for minting activities. No amount (PY NRs.-) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

f) Open Market Operation Stabilization Fund

This fund is created to ensure the adequacy of fund for the expenses related to various monetary instruments issued for liquidity management. The Board of Directors of the Bank annually appropriates a part of net income to this fund. Accordingly, an amount of NRs. 19,500,000,000 (PY NRs. 12,755,571,674) has been allocated to this fund during this fiscal year.

g) Gold Replacement Fund

This fund has been created for replacing the gold/silver sold during the year. An amount equals to income/ profit from gold and silver is appropriated to this fund annually and the amount kept under this fund is utilized for replacement of gold. Accordingly, an amount of NRs. 807,077,854 (PY NRs. 1,091,153,478) has been allocated to this fund during the year. Earmarked investment of this fund has been made.

h) Rural Self Reliance Fund (GS Kosh)

This fund is created as per the Monetary Policy of the Bank to provide wholesale credit for lending purpose to the deprived sector through MFIs, corporate and NGOs and refinancing in tea, cardamom plantation and production as well as construction of cold storages etc. No amount has been appropriated to this fund during the year.

i) Rural Self Reliance Fund (Administration Expense Reimbursement Fund)

This fund is created out of the surplus fund amounting to NRs.61,390,949 received while transferring the RSRF Program to Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited. The fund is utilized to provide reimbursement of the administrative expenses subsidy as claimed by the cooperative societies in case of the loan and advances disbursed and approved till the date of transfer of RSRF program to Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited. Accordingly, the administrative expenses subsidy amounting to NRs.-(PY Rs.-) has been reimbursed in the current year from this fund.

j) Actuarial Reserve

This reserve is created out of the actuarial gain in defined benefit retirement schemes recognized in other comprehensive income (OCI). Any actuarial loss in defined benefit retirement schemes recognized in OCI shall be expensed through this reserve. An amount of NRs. -3,783,833,487 (PY NRs. 101,846,034) has been transferred to Actuarial Gain Reserve in this year.

k) Fair Value Reserve

Fair Value Reserve in the Bank is created for maintaining the gain of investment in equity instruments classified as investment measured at fair value through other comprehensive income. A gain of NRs. 693,191,508 (PY NRs. 635,186,270) has been transferred to this reserve from other comprehensive income during the year.

5.11. Foreign Exchange Reserve

As per section 66 of Nepal Rastra Bank Act, 2058, the Bank shall maintain a foreign exchange reserve. As per the provision of the section, such reserve shall be denominated in the respective foreign exchange and shall consists of gold and other precious metals, foreign currencies and securities denominated in foreign currency, special drawing rights, bill of exchange, promissory note, certificate of deposit, bonds, and other debt instruments payable in convertible foreign currencies etc. The Bank also maintains record of the foreign exchange reserve held by the licensed banks and financial institutions. The gross foreign exchange reserve holding of the banking system of Nepal at the end of the reporting period is as follows:

(in NRs. billion)

Particulars	Current Year	Previous Year
Foreign Exchange Reserve		
(a) Held by Nepal Rastra Bank		
Convertible Foreign Currency	1,814.26	1,400.98
Non-Convertible Foreign Currency	600.38	447.58
Gold Reserve	117.90	82.43
Special Drawing Rights	23.40	23.79
Sub Total	2555.94	1,954.78
(b) Held by Banks and Financial Institutions		
Convertible Foreign Currency	279	201.36
Non-Convertible Foreign Currency	8.90	9.29
Sub Total	287.90	210.65
Total Foreign Exchange Reserve of Banking System	2843.84	2,165.43

Instrument-wise Investment of Foreign Exchange Reserve of the Banking System in terms of percentage of total reserve is as follows:

Particulars	Current Year (in %)	Previous Year (in %)
US Treasury Bills	8	1.81
Indian Treasury Bills	22.9	23.28
BIS FIXBIS	2.59	3.3
Bonds/Notes	29.48	28.71
Mid Term Instrument	6.86	6.9
Call Deposits	5.24	3.07
Time Deposit (Currency)	20.70	29.45
Gold Deposit	4.23	3.48
Special Drawing Rights		
Balance with NRB and BFIs		
Total	100	100

5.12. Projects' Assets and Liability

The Government of Nepal, represented by the Ministry of Finance (MOF), and Nepal Rastra Bank (NRB) signed financing and separate agreements with KfW under the Project "Sustainable Economic Development in Rural and Semi-Urban Areas – MSME Finance" (SEDRA) in three separate phases under German Government Financial Cooperation with Nepal. The Project implies a financial contribution to the Government of Nepal to the total amount of EUR 20 million channeled to NRB acting as the Project-Executing Agency, which will use it exclusively to provide loans in Nepalese Rupees to Partner Financial Institutions (PFIs) for further on-lending to local MSMEs (micro, small and medium-sized enterprises) in defined rural and semi-urban areas. The disbursements for the first and second phases of SEDRA have been completed, and the disbursement for the third phase is currently in the pipeline.

As part of the Project, the MOF and NRB shall establish a financing vehicle (Revolving Fund, RF), through which accumulated principal and interest payments from Project PFIs and RF partner banks shall be used to grant new loans to selected local banks with the objective to support expanding their lending to the underserved “missing middle” segment, i.e. Nepali MSMEs demanding loans within the ticket size up to NPR 5 million which has been at the core of the SEDRA Project.

The Financial Position and Income Statements of these projects are as below:

Statement of Financial Position

Amount in NRs.

Particulars	As on 32 nd Asar 2082	As on 31st Asar 2081
	KFW	KFW
Equity		
Capital Contribution	-	-
Surplus	421,924,321	363,157,272
Financial Risk Fund	-	-
Long- term Liabilities		
Loan from ADB - Non-Current Portion	-	-
Current Liabilities and Provision		
Loan from ADB - Current Portion	-	-
Service Charge due on Loan from ADB	-	-
Loan From GON	1,996,891,651	1,713,792,715
Loan Loss Provision	-	-
Accounts Payable	-	-
Total Equity & Liabilities	2,418,815,973	2,076,949,988
Assets		
Non-Current Assets		
Fixed Assets	-	-
Loan to PFI- Non Current Portion	-	-
Investment	-	-
Current Assets		
Interest Receivables	1,162,351	9,811,811
Loan to PFI- current portion	1,724,066,374	1,568,611,149
Cash and cash equivalents	693,587,247	498,527,027
Total Assets	2,418,815,973	2,076,949,988

Statement of Comprehensive Income

Amount in NRs.

Particulars	As on 32 nd Asar 2082	As on 31st Asar 2081
	KFW	KFW
A. Income		
Interest Income	58,767,049	82,927,957
From Loan to PFIs	58,767,049	82,927,957
On deposit with Banks	-	-
On Investment	-	-
Other Income	-	-
Loan Loss Provision Written back	-	-
Total Incomes	58,767,049	82,927,957
B. Expenditure		
Administrative Expenses	-	-
Provision for Service Charge	-	-
Loan Loss Provision	-	-
Depreciation	-	-
Total Expenses	-	-
Surplus (Deficit) (A-B)	58,767,049	82,927,957

5.13. Interest in other entities

The Bank has invested in quoted and unquoted equity securities of nine different entities as presented below:

5.13.1. Investment in unquoted securities

The Bank has investment in unquoted equity securities of the following entities:

Amount in NRs.

Particulars	%	No of Shares		Investment at cost		Investment at Fair value	
		32-03-2082	31-03-2081	32-03-2082	31-03-2081	32-03-2082	31-03-2081
Agricultural Project Services Centre Pvt. Ltd.	62.5	5,000	5,000	5,000,000	5,000,000	-	-
Rastriya Jeevan Beema Company Limited	55.56	1,005,667	1,005,667	1,000,000	1,000,000	373,144,324	383,500,672
Nepal Stock Exchange Ltd.	9.51	950,637	950,637	3,321,005	3,321,005	677,984,802	588,339,733
National Productivity and Economic Development Centre Ltd.	31.52	25,000	25,000	2,500,000	2,500,000	-	-
Deposit & Credit Guarantee Fund	10	10,000,000	10,000,000	607,594,000	607,594,000	3,326,911,427	2,784,984,577
Nepal Clearing House Ltd.	9.45	1,006,637	1,006,637	15,000,000	15,000,000	278,104,000	241,170,092
Credit Information Bureau	9.5	414,287	414,287	3,315,096	3,315,096	319,788,135	284,076,596
National Banking Institute	9.5	285,009	187,631	14,487,950	4,750,150	29,803,384	20,735,094
Total				652,218,051	642,480,251	5,005,736,072	4,302,806,764

Fair Value of the share investment in unquoted equity securities has been arrived based on the latest available unaudited financial statements of respective entities.

All of the equity holdings are promoter shares which are not traded freely in the market. Hence, fair value of the shares is assumed same as the net worth per share.

5.13.2. Significant Interest in entities

The Bank has significant interest in the following entities. The details regarding interest in those entities are as under:

Name of Entity	Paid up capital (NRs.)	Investment at Face Value (NRs.)	% of share	Principal Activity	Principal Place of Business
Agricultural Project Services Centre Pvt. Ltd.	8,000,000	5,000,000	62.50	Provides services related to agricultural activity	Singhadurbar, Kathmandu
Rastriya Jeevan Beema Company Limited	181,020,000	100,566,667	55.56	Life insurance service	Ramshahpath, Kathmandu
National Productivity and Economic Development Centre Ltd.	7,932,500	2,500,000	31.52	Provides research and consultancy services, offers socio-economic, productivity, management, policy planning, and energy conservation consultancy services.	Balaju, Kathmandu

Significant interest in above three entities is because of the investment in equity instruments (promoter shares) of such entities which were made under specific directives or policies of the Government of Nepal and other relevant statutes. The Bank is in the process of divestment of such investment by selling the shares that the Bank holds. The cost and its carrying amounts of assets recognized in the financial statements on such entities are as follows:

Amount in NRs.

Particulars	Investment at cost		Carrying Amounts	
			(Investment at Fair value)	
	32-03-2082	31-03-2081	32-03-2082	31-03-2081
Agricultural Project Services Centre Pvt. Ltd.	5,000,000	5,000,000	-	-
Rastriya Jeevan Beema Company Limited	1,000,000	1,000,000	383,500,672	383,500,672
National Productivity and Economic Development Centre Ltd.	2,500,000	2,500,000	-	-
Total	8,500,000	8,500,000	383,500,672	383,500,672

In the absence of audited financial statements of Agricultural Project Services Centre Private Limited and National Productivity & Economic Development Centre Limited, the Bank is not able to estimate the fair value of investment in such entities. Therefore, the Bank has made impairment by full amount for the investment in Agricultural Project Service Centre Private Limited and National Productivity & Economic Development Centre Limited and has not expected for its recovery. In addition, Agricultural Project Service Centre Private Limited is in the process of liquidation since long time.

The carrying amount of NRs. (PY NRs. 383,500,672) as shown in above table has been included under Equity Investment in the Statement of Financial Position. Being all the above entities as limited liability company, this is the maximum exposure to the loss from its significant interest in such entities.

5.13.3. Transactions with the Entities having Significant Interest

The Bank has done some transactions with the entities having significant interest of the Bank. Such transactions are occurred in the normal course of the Bank's operations and conducted as arm's length transactions. The details of such transactions are as follows:

Amount in NRs.

Entity	Nature of Transaction	FY 2081-82	FY 2080-81
Rastriya Jeevan Beema Company Limited	Insurance Premium paid by the Bank	356,458,094	220,444,309

5.14. Transaction with the International Monetary Fund (IMF)

The Bank transacts with the IMF as an agent of the Government of Nepal in respect of quota where in case of Special Drawing Rights (SDRs), loans etc. from them it transacts in its own right. The IMF revalues quota at the end of April every year and gains or losses arising from such revaluation relating to the quota are borne by the Government of Nepal. In case of other transactions, such gains/losses are borne by the Bank. The basic policies followed by the Bank on such accounts are as follows:

- Country's quota with the IMF is recorded by the Bank as depository of the Government of Nepal and exchange gains/losses arising on quota are borne by the Government.
- Exchange gains or losses in respect of borrowings under ECF and other facilities of the IMF, allocation of SDRs and holding of SDRs are recognized in the income statement of the Bank.

The position of the Bank and Nepal Government's account with the IMF account is presented as below:

Particulars	As on 32 nd Asar 2082		As on 31 st Asar 2081	
	Local Currency (NRs.)	SDR Equivalentents	Local Currency (NRs.)	SDR Equivalentents
1. For Transaction with Nepal Rastra Bank				
Special Drawing Rights				
Net cumulative allocation	40,980,517,183	218,481,192	38,627,474,746	218,481,192
Holdings	23,405,205,370	124,781,177	23,791,069,016	134,564,870
2. For Transaction with Nepal Government				
Outstanding Purchases & Loans				
RCF Loans	30,098,420,050	160,465,000	29,630,796,000	167,595,000
ECF Arrangements	41,209,129,000	219,700,000	33,291,440,000	188,300,000
Other Information	Per cent of Quota		Per cent of Quota	
Quota	100	156,900,000	100	156,900,000
Currency Holding	89.81	140,918,351	89.81	140,918,351
Reserve Tranche Position	10.2	15,988,749	10.2	15,998,749

The SDR is converted into Nepalese rupees at conversion rate of NRs. (PY NRs.176.8) per SDR.

5.15. Contingent Liabilities and Capital Commitments

The Bank has following amounts of contingent liabilities and capital commitments.

PARTICULARS	As on Asar 32, 2082	As on Asar 31, 2081
	NRs.	NRs.
Note Printing Commitments	2,516,423,298	327,963,057
Unclaimed Account Transfer to P/L Account	166,582,326	163,307,652
Capital Commitments	39,240,812	660,711,257
Total	2,722,246,436	992,079,568

Contingent liabilities in respect of note printing commitments are determined on the basis of LCs opened for procurement of bank notes. The capital commitments include costs for the consultancy service for interior design of newly constructed Baluwatar and Thapathali building; costs for interior design, furniture & Fixtures of Siddharthanagar Guest house; preparation of masterplan with detailed A/E design and cost estimation for construction of physical infrastructure and Supervision at Surkhet office; preparation of masterplan, cost estimate, BOQ and specification of proposed new Building at Biratnagar office; consultancy service for drawing, design and cost estimate of Pokhara Guest House as per the contract agreements less payments made till the end of the reporting period; which are expected to be settled over the period of the buildings construction. Likewise, capital commitments also include letter of credits opened for procuring Banknote Shredding and Briquetting System (BSBS) and Currency Verification and Processing System (CVPS).

5.16. Lease liabilities

The Bank has entered with the lease agreement with different counterparties for availing office space for conduct of its operation. The Bank accounted the present value of lease assets as lease liabilities and right to use assets. Lease payments on short term leases are recognized as expenses on straight line basis. The maturity analysis of lease liabilities is present here:

Amount in NRs.

Period	FY 2081-82	FY 2080-81
Less than one year	7,531,544	20,510,674
One year to five years	38,848,217	39,733,966
More than five years	21,637,163	33,065,582
Total Lease Liabilities	68,016,924	93,310,222

5.17. Monetary Operations and Refinance

The Bank conducts open market operations to manage liquidity in banking sector. The Bank usually injects money through inter day liquidity facility, standing liquidity facility, reverse repurchase agreement and lender of the last resort. Loan amount provided under the open market operation is fully secured with collateral (110 percent of loan amount) of Nepal Government securities. The Bank absorbs excess liquidity from market through reverse repo & deposit collection.

Besides these, the Bank also provides refinance facility to banks and financial institutions for providing the loan to borrowers. The loan under refinance facility is fully secured with good loan (100 percent of loan amount) of bank and financial institutions. The year-end outstanding balances and other details of monetary operations and refinance are given below:

(IEE)/Environmental Impact Assessment (EIA) is required for obtaining license/approval prior to establishment of project, such reports are approved from relevant authorities and in other cases, shall perform environment assessments on their own, before disbursement of loans. The BFIs are required to formulate their own policy for assessment of environmental and social risk in accordance with Environment Protection Act, 2076, Environment Protection Niyamawali, 2077, Labour Act, 2074, Guideline on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions, 2022 and relevant laws and regulations and incorporate environment and social risk assessment while making credit assessments, risk monitoring and reporting based on such policies. Also, the BFIs are required to submit reports to NRB in formats and frequency prescribed in Guideline on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions, 2022.

In addition to above, various provisions in Unified Directives, mentioned hereafter, also facilitate and encourage adoption of environment friendly measures by the BFIs. Directive No. 3, clause 12 (7) has prescribed loan to value ratio for personal electric vehicle loan at maximum 80 percent, as compared to maximum limit of 50 percent for other vehicle loans. Directive No. 5, clause (10) requires that the BFIs shall identify and assess the environment, social and climate change risk in addition to AML/CFT risk, legal risk, and they have to formulate adequate policy and procedures to manage such risks. Directive No. 6, clause 16 permits the BFIs to utilize the corporate social responsibility fund, created in accordance with the same directive, in activities relating to environment protection, social awareness programs and waste management. Directive No. 17 issued by the Bank has mandatory requirement for the BFIs to provide at least 5 percent of their total loan and advances to the deprived sector and such deprived sector loans shall also include loan of maximum 2 lakh per family provided for acquisition of renewable energy technology like domestic solar power system, solar cooker, solar water pump, biogas, improved water boiler, improved stove loan. Also, Directive No. 17 have mandated commercial banks to lend, by the end of FY 2026-27, at least 15 percent of their total credit in agriculture sector, at least 10 percent in energy sector and at least 15 percent in micro, cottage, small and medium scale industry.

In line with the Monetary Policy for 2022/23, Nepal Rastra Bank (NRB) has developed a Green Finance Taxonomy aimed at promoting the flow of domestic green finance. This initiative seeks to support the issuance of green bonds, climate risk reporting, and address the capital needs of the financial sector. The taxonomy provides a standardized framework for classifying economic activities, helping to enhance the sustainable finance sector and mobilize green investments more effectively. The Bank has also issued reference document on Nepal Green Finance Taxonomy.

The bank is also acquiring electric vehicles to enhance sustainability, reduce carbon emissions, and support its commitment to environmentally responsible practices. Further, to hear the grievances related to consumer protection, sustainable finance and other issues from the stakeholders, grievance handling portal is available on the website of the Bank.

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नेपाल राष्ट्र बैंक

बालुवाटार, काठमाडौं

फोन नं.: ९७७-१-५७९६४१, ५७९६४१

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