

**Manjushree Finance Limited**  
**Condensed Statement of Financial Position**  
As at Chaitra End, 2081

**NPR**

<b>Assets</b>	<b>This Quarter Ending</b>	<b>Previous Year Ending</b>
Cash and Cash Equivalent	601,216,481	365,926,265
Due from Nepal Rastra Bank	693,390,341	838,736,447
Placement With Bank and Financial Institutions	-	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loan and Advances to B/FIs	509,172,383	1,327,368,635
Loans and Advances to Customers	17,249,612,260	13,999,297,975
Investment in Securities	4,713,966,843	4,132,619,091
Current Tax Assets	145,398,031	32,427,270
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	117,336,689	63,520,366
Property and Equipment	528,209,891	225,421,700
Goodwill and Intangible Assets	5,382,649	3,040,945
Deferred Tax Assets	17,738,195	18,840,859
Other Assets	22,472,568	226,646,007
<b>Total Assets</b>	<b>24,603,896,331</b>	<b>21,233,845,560</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	520,955,119	1,204,819,219
Due to Nepal Rastra Bank	659,488,998	603,662,927
Derivative Financial Instruments	-	-
Deposit from Customers	20,235,253,872	16,413,518,399
Borrowings	-	-
Current Tax Liabilities	88,136,497	-
Provisions	-	-
Deferred Tax Liabilities	-	-
Other Liabilities	300,442,702	295,671,113
Debt Securities Issued	500,000,000	500,000,000
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>22,304,277,188</b>	<b>19,017,671,659</b>
<b>Equity</b>		
Share Capital	1,351,552,849	1,351,552,849
Share Premium	-	-
Retained Earning	203,712,059	174,925,005
Reserves	744,354,235	689,696,048
<b>Total Equity Attributable to Equity Holders</b>	<b>2,299,619,143</b>	<b>2,216,173,901</b>
<b>Non-Controlling Interests</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>2,299,619,143</b>	<b>2,216,173,901</b>
<b>Total Liabilities and Equity</b>	<b>24,603,896,331</b>	<b>21,233,845,560</b>

**Manjushree Finance Limited**  
**Statement of Cash Flows**  
For the Period ended on 31st Chaitra, 2081

	<b>NPR</b>	
<b>Particulars</b>	<b>This Period</b>	<b>Corresponding Period of Previous Year</b>
<b>Cash Flows from Operating Activities</b>		
Interest Received	1,784,257,270	1,047,115,929
Fee and Other Income Received	87,661,176	37,431,425
Dividend Received	-	-
Receipts from Other Operating Activities	2,942,966	6,470,850
Interest Paid	(1,075,293,614)	(765,885,047)
Commission and Fee Paid	-	-
Cash Payments to Employee	(157,483,760)	(86,435,780)
Other Expense Paid	(74,393,613)	(39,211,561)
<b>Operating Cash Flows Before Change in Operating Assets and Liabilities</b>	<b>567,690,424</b>	<b>199,485,817</b>
<b>(Increase)/Decrease in Operating Assets</b>	<b>(2,374,873,499)</b>	<b>(1,176,181,717)</b>
Due from Nepal Rastra Bank	145,346,107	(61,344,795)
Placement with Bank and Financial Institutions	-	-
Other Trading Assets	-	-
Loan and Advances to Bank and Financial Institutions	801,024,682	(31,031,703)
Loan and Advances to Customer	(3,228,563,840)	(1,116,221,641)
Other Assets	(92,680,448)	32,416,422
<b>Increase/(Decrease) in Operating Liabilities</b>	<b>3,198,469,032</b>	<b>1,525,895,545</b>
Due to Bank and Financial Institutions	(683,864,100)	(281,522,396)
Due to Nepal Rastra Bank	55,826,070	103,217,932
Deposits from Customers	3,821,735,473	1,716,516,989
Borrowings	-	-
Other Liabilities	4,771,589	(12,316,980)
<b>Net Cash Flow from Operating Activities Before Tax Paid</b>	<b>1,391,285,957</b>	<b>549,199,645</b>
Income Taxes Paid	(112,782,317)	(27,620,942)
<b>Net Cash Flow From Operating Activities</b>	<b>1,278,503,640</b>	<b>521,578,703</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of Investment Securities	(596,781,953)	(1,046,194,866)
Receipts from Sale of Investment Securities	-	-
Purchase of Property and Equipment	(335,708,633)	(1,859,859)
Receipt from Sale of Property and Equipment	14,110,991	-
Purchase of Intangible Assets	-	(169,440)
Receipt from Sale of Intangible Assets	-	-
(Purchase)/Sale of Investment Properties	(53,816,323)	-
Receipt from Sale of Investment Properties	-	-
Interest Received	-	-
Dividend Received	14,806,101	6,420,434
<b>Net Cash Used in Investing Activities</b>	<b>(957,389,817)</b>	<b>(1,041,803,731)</b>
<b>Cash Flows from Financing Activities</b>		
Receipt from Issue of Debt Securities	-	-
Repayment of Debt Securities	-	-
Receipt from Issue of Subordinated Liabilities	-	-
Repayment of Subordinated Liabilities	-	-
Receipt from Issue of Shares	-	-
Dividend Paid	(85,823,606)	(71,132,226)
Interest Paid	-	-
Other Receipt/ Payment	-	-
<b>Net Cash from Financing Activities</b>	<b>(85,823,606)</b>	<b>(71,132,226)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>235,290,217</b>	<b>(591,357,254)</b>
Cash and Cash Equivalents at Shrawan 01, 2081	365,926,265	1,007,858,504
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents Held	-	-
<b>Closing Cash and Cash Equivalents</b>	<b>601,216,482</b>	<b>416,501,249</b>

**Manjushree Finance Limited**  
**Condensed Statement of Profit or Loss**  
For the Period ended on 31st Chaitra, 2081

**NPR**

Particulars	Current Year		Previous Year	
	This Quarter	Up to This Quarter Ending	This Quarter	Up to This Quarter Ending
Interest Income	549,366,925	1,696,458,871	545,537,059	1,684,340,706
Interest Expense	(326,257,136)	(1,075,293,614)	(373,344,673)	(1,138,763,002)
<b>Net Interest Income</b>	<b>223,109,789</b>	<b>621,165,256</b>	<b>172,192,386</b>	<b>545,577,704</b>
Fees and Commission Income	27,734,379	87,661,176	22,015,973	59,447,398
Fees and Commission Expense	-	-	-	-
<b>Net Fee and Commission Income</b>	<b>27,734,379</b>	<b>87,661,176</b>	<b>22,015,973</b>	<b>59,447,398</b>
<b>Net Interest Fee and Commission Income</b>	<b>250,844,168</b>	<b>708,826,432</b>	<b>194,208,359</b>	<b>605,025,102</b>
Net Trading Income	-	-	-	-
Other Operating Income	(297,589)	17,749,067	215,700	6,686,550
<b>Total Operating Income</b>	<b>250,546,579</b>	<b>726,575,499</b>	<b>194,424,058</b>	<b>611,711,652</b>
Impairment Charge/(Reversal) for Loans and Other Losses	80,147,136	145,426,635	47,840,568	146,154,850
<b>Net Operating Income</b>	<b>170,399,443</b>	<b>581,148,864</b>	<b>146,583,490</b>	<b>465,556,802</b>
<b>Operating Expenses</b>				
Personnel Expense	57,729,527	186,269,030	53,839,065	157,469,667
Other Operating Expenses	28,028,238	79,165,202	22,935,730	68,412,379
Depreciation and Amortisation	7,644,513	22,554,456	6,638,776	19,395,754
<b>Operating Profit</b>	<b>76,997,165</b>	<b>293,160,177</b>	<b>63,169,919</b>	<b>220,279,002</b>
Non Operating Income	-	-	-	-
Non Operating Expense	(141,804)	34,092,747	-	-
<b>Profit before income tax</b>	<b>77,138,969</b>	<b>259,067,430</b>	<b>63,169,919</b>	<b>220,279,002</b>
Income Tax Expense	23,099,150	87,948,053	17,653,834	69,292,141
Current Tax	23,099,150	87,948,053	20,757,415	68,717,808
Deferred Tax (Expense)/Income	-	-	(3,103,581)	574,333
<b>Profit for the Period</b>	<b>54,039,819</b>	<b>171,119,377</b>	<b>45,516,085</b>	<b>150,986,860</b>
<b>Condensed Consolidated Statement of Other Comprehensive Income</b>				
Profit/(Loss) for the Period	54,039,819	171,119,377	45,516,085	150,986,860
Other Comprehensive Income	3,650,892	2,572,881	15,342,583	15,342,583
<b>Total Comprehensive Income for the Period</b>	<b>57,690,711</b>	<b>173,692,259</b>	<b>60,858,668</b>	<b>166,329,444</b>
Basic Earnings per Share (Annualised)		16.88		14.90
Diluted Earnings per Share		16.88		14.90
<b>Profit Attributable to:</b>				
Equity Holders of the Bank	57,690,711	173,692,259	60,858,668	166,329,444
Non-controlling Interest	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>57,690,711</b>	<b>173,692,259</b>	<b>60,858,668</b>	<b>166,329,444</b>

**Manjushree Finance Limited**  
**Statement of Distributable Profit or Loss**  
For the Period ended on 31st Chaitra, 2081  
(As per NRB Regulation)

**NPR**

Particulars	Chaitra End 2081	Previous Year Corresponding Quarter End
<b>Net Profit or (Loss) as per Statement of Profit or Loss</b>	<b>171,119,377</b>	<b>150,986,860</b>
<b>Appropriations:</b>		
a. General Reserve	(34,223,875)	(30,197,372)
b. Foreign Exchange Fluctuation Fund	-	-
c. Capital Redemption Reserve	-	(62,500,000)
d. Corporate Social Responsibility Fund	(1,594,094)	(1,509,869)
e. Employees' Training Fund	-	-
f. Other	-	-
<b>Profit or (Loss) Before Regulatory Adjustment</b>	<b>135,301,408</b>	<b>56,779,620</b>
<b>Regulatory Adjustment :</b>		
a. Interest Receivable (-)/Previous Accrued Interest Received (+)	(459,578)	(59,266,060)
b. Short Loan Loss Provision in Accounts (-)/Reversal (+)	-	-
c. Short Provision for Possible Losses on Investment (-)/Reversal (+)	2,572,881	-
d. Short Loan Loss Provision on Non Banking Assets (-)/Reversal (+)	(18,380,640)	7,874,925
e. Deferred Tax Assets Recognised (-)/ Reversal (+)	-	7,149,726
f. Goodwill Recognised (-)/ Impairment of Goodwill (+)	-	-
g. Bargain Purchase Gain Recognised (-)/Resersal (+)	-	-
h. Acturial Loss Recognised (-)/Reversal (+)	-	-
i. Other (+/-)	-	-
<b>Net Profit for the Year Available for Distribution</b>	<b>119,034,072</b>	<b>12,538,211</b>
<b>Opening Balance of Retained Earning</b>	<b>174,925,005</b>	<b>79,438,885</b>
<b>Adjustment: (+/-)</b>	<b>(4,423,413)</b>	<b>-</b>
<b>Distribution:</b>		
Bonus Shares Issued	-	-
Cash Dividend Paid	(85,823,606)	(71,132,226)
<b>Distributable Profit or (Loss)</b>	<b>203,712,059</b>	<b>20,844,870</b>

Notes:

and

NRB Directives. In accordance with the ECL Guidelines-2024 issued by NRB, accrued interest on loans and advances classified as Stage-3 (Lifetime ECL) has been excluded for calculation of interest income. Impairment charges as per the NRB prudential norms has been considered as the loan loss provision based on the NRB prudential norms has been on a higher side as compared to the required loan loss provision as per the ECL Guidelines issued by NRB.

2. Loans and advances include accrued interest and staff loans, and presented net of impairment charges.

3. Detailed interim financial statements have been published on the website: <https://manjushreefinance.com.np>.

4. The unaudited figures are subject to statutory audit and regulatory review.

5. Investment in securities have been marked to market using NFRS 13 input value and have been measured at fair value through other comprehensive income.

6. Personnel expense includes staff bonus as per the Bonus Act 2030.

7. As per clause 5(2)(kha) of Directive No. 16 of NRB Directives, Debenture Redemption Reserve has not been set aside.

8. Figures have been regrouped and reaaranged wherever necessary.

**Ratios as per NRB Directives**

Particulars	Current Year Up to this Quarter	Previous Year Up to This Quarter
Capital Fund to RWA	14.33%	16.31%
Non-performing Loan (NPL) to Total Loan	4.20%	3.95%
Net NPL to Total Loan	1.56%	-
Total Loan Loss Provision to Total NPL	99.34%	106.00%
Cost of Fund	6.13%	8.85%
Credit to Deposit Ratio	81.88%	84.74%
Base Rate (Quarterly Average)	8.75%	11.55%
Interest Rate Spread	4.59%	4.59%

**Manjushree Finance Limited**  
**Statement of Changes in Equity**  
As at Chaitra End, 2081

Particulars	Attributable to Equity-Holders of the Bank										Non-Controlling Interest	Total Equity	
	Share Capital	Share Advance	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve			Total
Balance at Shrawan 01, 2080	1,351,552,848	-	-	314,557,517	-	140,511,831	1,166,408	-	79,438,885	176,738,990	2,063,966,479	-	2,063,966,479
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted/Restated Balance as at Shrawan 01, 2080	1,351,552,848	-	-	314,557,517	-	140,511,831	1,166,408	-	79,438,885	176,738,990	2,063,966,479	-	2,063,966,479
<b>Comprehensive Income for the Year</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the Year	-	-	-	-	-	-	-	-	224,615,364	-	224,615,364	-	224,615,364
<b>Other Comprehensive Income, Net of Tax</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from Investment in Equity Instruments Measured at Fair Value	-	-	-	-	-	-	(1,275,716)	-	-	-	(1,275,716)	-	(1,275,716)
Gains/(losses) on Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-
Acturial Gain/(Losses) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Gains/(Losses) Arising from Translating Financial Assets of Foreign Operation	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	(1,275,716)	-	224,615,364	-	223,339,648	-	2,287,306,127
Transfer to Reserves During the Year	-	-	-	44,923,073	-	-	-	-	(44,923,073)	-	-	-	-
Transfer Deferred Tax Reserve to Retained Earnings During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Creation of CSR Fund	-	-	-	-	-	-	-	-	(2,246,154)	2,246,154	-	-	-
Creation of Training Fund	-	-	-	-	-	-	-	-	(185,598)	185,598	-	-	-
Utilization of Training Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilization of CSR Fund	-	-	-	-	-	-	-	-	8,811	(8,811)	-	-	-
Transfer to Capital Redemption Reserve During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves During the Year Due to AIR	-	-	-	-	-	(14,976,256)	-	-	14,976,256	-	-	-	-
Transfer from Reserves During the Year Due to NBA	-	-	-	-	-	23,697,126	-	-	(23,697,126)	-	-	-	-
Transfer from Reserves During the Year Due to Deferred Tax Assets	-	-	-	-	-	1,820,826	-	-	(1,820,826)	-	-	-	-
<b>Transactions with Owners, Directly Recognized in Equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Transferred from Premium to Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued Expenses-Tax Impact	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	(71,132,226)	-	(71,132,226)	-	(71,132,226)
Gain on Disposal of Share Classified into OCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Loss on Valuation of Share Investment	-	-	-	-	-	109,308	-	-	(109,308)	-	-	-	-
Current Tax on Gain on Disposal of Share Classified into OCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Contributions by and Distributions</b>	-	-	-	49,399,833	-	42,338,697	-	-	(129,129,244)	2,422,941	(71,132,226)	-	(71,132,226)
<b>Balance at Ashadh 31, 2080</b>	<b>1,351,552,848.13</b>	<b>-</b>	<b>-</b>	<b>359,480,590</b>	<b>-</b>	<b>151,162,835</b>	<b>(109,308)</b>	<b>-</b>	<b>174,925,005</b>	<b>179,161,931</b>	<b>2,216,173,901</b>	<b>-</b>	<b>2,216,173,901</b>
Balance at Shrawan 01, 2081	1,351,552,848	-	-	359,480,590	-	151,162,835	(109,308)	-	174,925,005	179,161,931	2,216,173,901	-	2,216,173,901
Adjustment/Restatement	-	-	-	-	-	(4,423,413)	-	-	(4,423,413)	-	-	-	(4,423,413)
Adjusted/Restated Balance as at Shrawan 01, 2081	1,351,552,848	-	-	359,480,590	-	151,162,835	(109,308)	-	170,501,592	179,161,931	2,211,750,488	-	2,211,750,488
<b>Comprehensive Income for the Year</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the Year	-	-	-	-	-	-	-	-	171,119,377	-	171,119,377	-	171,119,377
<b>Other Comprehensive Income, Net of Tax</b>	-	-	-	-	-	-	2,572,881	-	-	-	2,572,881	-	2,572,881
Gains/(Losses) from Investment in Equity Instruments Measured at Fair Value	-	-	-	-	-	-	2,572,881	-	-	-	2,572,881	-	2,572,881
Gains/(Losses) on Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial Gain/(Losses) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Gains/(Losses) Arising from Translating Financial Assets of Foreign Operation	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	2,572,881	-	171,119,377	-	173,692,259	-	173,692,259
Transfer to Reserves During the Year	-	-	-	34,223,875	-	-	-	-	(34,223,875)	-	-	-	-
Transfer Deferred Tax Reserve to Retained Earnings During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Creation of CSR Fund	-	-	-	-	-	-	-	-	(1,711,194)	1,711,194	-	-	-
Creation of Training Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilization of Training Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilization of CSR Fund	-	-	-	-	-	-	-	-	117,100	(117,100)	-	-	-
Transfer to Capital Redemption Reserve During the Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves During the Year Due to AIR	-	-	-	-	-	459,578	-	-	(459,578)	-	-	-	-
Transfer from Reserves During the Year Due to NBA	-	-	-	-	-	18,380,640	-	-	(18,380,640)	-	-	-	-
Transfer from Reserves During the Year Due to Deferred Tax Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transactions with Owners, Directly Recognized in Equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Transferred from Premium to Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued Expenses-Tax Impact	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	(85,823,606)	-	(85,823,606)	-	(85,823,606)
Gain on Disposal of Share Classified into OCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Loss on Valuation of Share Investment	-	-	-	-	-	(2,572,881)	-	-	2,572,881	-	-	-	-
Current Tax on Gain on Disposal of Share Classified into OCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Contributions by and Distributions</b>	-	-	-	34,223,875	-	16,267,336	-	-	(137,908,911)	1,594,094	(85,823,606)	-	(85,823,606)
<b>Balance as at Chaitra End, 2081</b>	<b>1,351,552,848</b>	<b>-</b>	<b>-</b>	<b>393,704,466</b>	<b>-</b>	<b>167,430,171</b>	<b>2,463,573</b>	<b>-</b>	<b>203,712,059</b>	<b>180,756,025</b>	<b>2,299,619,142</b>	<b>-</b>	<b>2,299,619,142</b>

**Manjushree Finance Limited**  
**Statement of Other Comprehensive Income**  
For the Period ended on 31st Chaitra, 2081

		<b>NPR</b>	
Particulars	Notes	Up to This Quarter Ending	Up to This Quarter Ending of Previous
<b>Profit for the Period</b>		173,692,259	150,986,860
<b>Other Comprehensive Income, Net of Income Tax</b>			
<b>A) Items that Will not Be Reclassified to Profit or Loss</b>			
• Gains/(Losses) From Investment in Equity Instruments Measured at Fair Value		3,675,545	21,917,976
• Gains/(Losses) on Revaluation		-	-
• Actuarial Gain/(Losses) on Defined Benefit Plan		-	-
• Income Tax Relating to above Items		(1,102,663)	(6,575,393)
<b>Net Other Comprehensive Income that Will not Be Reclassified to Profit or Loss</b>		2,572,881	15,342,583
<b>B) Items that are or May be Reclassified to Profit or Loss</b>			
• Gains/(Losses) on Cash Flow Hedge		-	-
• Exchange Gains/(Losses) Arising from Translating Financial Assets of Foreign Operation		-	-
• Income Tax Relating to above Items		-	-
• Reclassify to Profit or Loss		-	-
<b>Net Other Comprehensive Income that are or May Be Reclassified to Profit or Loss</b>		-	-
<b>C) Share of Other Comprehensive Income of Associate Accounted as per Equity Method</b>		-	-
<b>Other Comprehensive Income for the Period, Net of Income Tax</b>		2,572,881	15,342,583
<b>Total Comprehensive Income for the Period</b>		<b>176,265,140</b>	<b>166,329,444</b>
<b>Total Comprehensive Income Attributable To:</b>			
Equity Holders of the Bank		176,265,140	166,329,444
Non-Controlling Interest		-	-
<b>Total Comprehensive Income for the Period</b>		<b>176,265,140</b>	<b>166,329,444</b>

**Disclosure as prescribed by Securities Registration and Issue Regulation, 2073  
(Related to Sub rule (1) of Rule 26, for the Third Quarter of F.Y. 2081/82)**

**1. Financial Statements (as per unaudited figures of 2081/12/31)**

i. Financial details as at the end of third quarter of F.Y. 2081/82 (2081/12/31) has been published along with this disclosure.

**ii. Major Financial Indicators**

a) Earnings Per Share (Annualized)	NPR 16.88
b) Market Value Per Share	NPR 599.37
c) Price Earnings Ratio	35.51
d) Net Worth Per Share	NPR 170.15
e) Total Assets / No. of Share	1820.42
f) Liquidity Ratio	26.76

**2. Management Analysis**

a) **Details relating to the change in the FI's reserve, income, and liquidity in the quarter (if any) and its main reason.**

FI's capital adequacy and liquidity position continues to remain strong.

b) **Management's analytical details regarding future business plan.**

FI seeks to achieve sustainable growth in business and profitability as per its strategic management plan.

c) **Analytical details of the incidents that may have major impact on reserve, profit, or cash flow (if any) based on previous experience.**

No specific incident occurred during the period that could have impact on reserve, profit, or cash flow.

**3. Legal Proceedings**

a) **Case filed by or against the FI in this quarter.**

Except in the regular course of business, there is no lawsuits filed against the FI in this quarter.

b) **Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or Director of the FI.**

No such information has been received.

c) **Case relating to commission of financial crime filed against any Promoter or Director of the FI.**

No such information has been received.

**4. Analysis of Stock Performance of the FI**

a) **Management view on the transaction of the shares of the FI in the Share Market.**

Transaction of Shares and share price are determined by open market at Nepal Stock Exchange Ltd.

b) **Maximum, minimum, and last share price, total transaction days and total transacted number of shares in the quarter (as per nepalstock.com)**

Maximum Share Price	Minimum Share Price	Closing Share Price	Total No. of Transaction	No. of days of Transaction	Total Traded no. of Share
700.00	587.90	599.37	11,717	56	1,460,751.00

**5. Problems and Challenges**

**Internal**

- 1) Difficulties in recovery of loans
- 2) Managing overheads.

- 3) Challenges to ensure operational efficiency through digitization
- 4) Recruiting and retaining skilled staff

**External**

- 1) Intense competition from larger banks and fintech companies
- 2) Economic fluctuations and political instability
- 3) Reaching rural and underserved populations
- 4) Changing regulatory requirements

**Strategy to overcome the problems and challenges.**

- 1) Implement robust risk management system including loan collection and recovery processes
- 2) Implement cost-control measures, optimization of resources utilization
- 3) Streamline operations by adopting best practices and process improvements.
- 4) Customer-centric products, new business avenues, and digital banking drive growth.
- 5) Offer competitive pay, growth opportunities and invest in training and development

**6. Corporate Governance**

Clear separation of roles and responsibilities of Board of Directors and Management has ensured high standard of corporate Governance. Audit Committee has been functioning independently and actively.

Manjushree is committed for transparency, high standard of professionalism and data integrity.

**7. Declaration**

I, CEO of the FI, am accountable individually on the factual accuracy of the information submitted as of the date in this report. I also declare that to the best of my knowledge, no material information for investors has been concealed.



## Notes to the Interim Financial Statements

### 1. Basis of preparation

The Interim Financial Statements of the Finance for third quarter of current FY 2081-2081 ending 13<sup>th</sup> April 2025 (31<sup>st</sup> Chaitra 2081) have been prepared in accordance with the requirement of Nepal Financial Reporting Standards (NFRS) - NAS 34 “Interim Financial Reporting” as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

The Formats used in the preparation of the Financial Statements and the disclosures made therein comply with the specified formats prescribed by the Nepal Rastra Bank for the preparation, presentation and publication of the Interim Financial Statements.

The Condensed Consolidated Interim Financial Statement comprise of:

- Condensed Consolidated Statement of Financial Position,
- Condensed Consolidated Statement of Profit or Loss,
- Condensed Consolidated Statement of Comprehensive Income,
- Condensed Consolidated Statement of Changes in Equity,
- Condensed Consolidated Statement of Cash Flows,
- Ratios as per NRB Directive

#### 1.1 Reporting Period

The Finance follows the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the English calendar are as follows:

Relevant Financial Statement	Nepalese Calendar Date/Period	English Calendar Date/Period
Statement of Financial Position	31 <sup>st</sup> Chaitra 2081	13 <sup>th</sup> April 2025
Statement of Profit/Loss	1 <sup>st</sup> Magh 2081 to 31 <sup>st</sup> Chaitra 2081	14 <sup>th</sup> January 2025 to 13 <sup>th</sup> April 2025

#### 1.2 Functional and Presentation Currency

The Nepalese Rupees (NRs), being the currency of primary economic environment under which finance operates, has been used as the functional currency. The Interim Financial information has been presented in Nepalese Rupees and has been shown in actual figure, unless indicated otherwise.

#### 1.3 New standards in issue but not yet effective

The interim financial statement of the Finance has been prepared in accordance with Nepal Financial Reporting Standards (NFRS) to the extent applicable and as issued by Accounting Standard Board-Nepal.

#### 1.4 Comparative Information

Comparative information is provided in narrative and descriptive nature, if it is relevant to understand the current period's interim financial statement and reclassified whenever necessary to conform to current period presentation.

## **2. Statement of Compliance with NFRSs**

The interim financial statement of group which comprise of Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement of Comprehensive Income, Ratios, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and Notes to the consolidated Interim Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standards Board and carve out issued by the Institute of Chartered Accountants of Nepal and in compliance with BAFIA 2073 and Unified Directive 2081 issued by Nepal Rastra Bank and all other applicable laws and regulations.

## **3. Use of Estimates, Assumptions and Judgments**

The Management of the Finance has made judgments, estimations and assumptions which affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses that is required for the preparation of interim condensed financial statements in conformity with Nepal Financial Reporting Standards (NFRS). The Management believes that the estimated used in preparation of financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed on an ongoing basis. Necessary revisions to accounting estimates are recognized in the period in which such estimates are revised and in any future periods affected. Actual results may differ from these estimates. Any revision in accounting estimate is recognized prospectively in present and future periods as required under NAS 08 Accounting Policies, Changes in Accounting Estimates and Error.

Significant estimates, assumptions and judgments used in applying accounting policies which have material effect in financial statements are:

- Impairment on loans and advances (Provision for loan calculated as per NRB)
- Determination of fair value of financial instruments
- Assessment of Finance's ability to continue as going concern.

## **4. Changes in Accounting Policies**

There are no changes in accounting policies and methods of computation.

## **5. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, and deviations if any have been disclosed accordingly.

### **5.1 Basis of Measurement**

The financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

- Financial instruments at fair value through profit or loss are measured at fair value.
- Investment Property measured at Fair Value.

## **5.2 Cash and Cash equivalent**

Cash and cash equivalents include cash in hand, unrestricted balances with finances and money at call and at short notice and highly liquid financial assets with original maturities of three month or less from the date of acquisition that are subject to insignificant risk of changes in their fair value and are used by the finance in the management of short-term commitments.

## **5.3 Financial Instruments- Initial recognition and subsequent measurement**

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

## **5.4 Loans and advances to customers and BFIs**

Loans and advances to customers and BFIs comprises of non-derivative financial assets with fixed or determinable payments that are not quoted in an active market which includes short term lending, term-based lending, mortgage lending, personal lending loans to employees and others. Loans and advances are presented on net of the total loan loss provision on the basis of directive number 2 issued by Nepal Rastra Bank. These loans are categorized under pass, watch list, sub-standard, doubtful and loss category. Loan loss provisions are provided on the basis of percentage of total loan outstanding on the basis of their overdue days and other criteria set out in the directive.

## **5.5 Trading Assets**

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.

Trading assets and liabilities are initially recognized at fair value and subsequently measured at fair value in the statement of financial position, with transaction costs recognized in profit or loss. All changes in fair value are recognized as part of net trading income in profit or loss as regarded as fair value through profit & loss account.

## **5.6 Property and Equipment**

Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the finance and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

### **5.7 Goodwill and Intangible Assets**

An intangible asset is recognized only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the finance. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

### **5.8 Investment Property**

Non-Banking Assets which are acquired as part of recovery of loans are classified as investment property and are carried at cost. The Finance's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the repossessed value. Land and building of repossessed collateral are classified as investment property.

### **5.9 Income Tax**

As per Nepal Accounting Standard- NAS 12 (Income Tax) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income.

#### **a) Current Tax**

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

#### **b) Deferred Tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in Subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference will be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority.

## **5.10 Deposits**

The Finance accepts deposits from its customers under savings account, current account, term deposits and margin accounts which allows money to be deposited and withdrawn by the account holder. These transactions are recorded on the bank's books, and the resulting balance is recorded as a liability for the Finance and represents the amount owed by the Finance to the customer.

## **5.11 Provisions**

Provisions are recognized when the Finance has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Finance determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses.

### **5.12 Share Capital and Reserves**

Ordinary share capital represents the par value of ordinary shares issued. Share issuance cost which were incurred for raising the capital has not been shown as deduction from share capital but are charged to statement of profit or loss. Share premium represents the excess consideration received by the bank over the par value of ordinary shares issued and is classified as equity.

Statutory reserves represent the mandatory reserves maintained by the bank as per Nepal Rastra Bank Directives. This includes general reserve, exchange equalization reserve, capital redemption reserve, investment adjustment reserve, interest capitalized reserves, corporate social responsibility reserve, training and development reserve and other reserves as notified by Nepal Rastra Bank. These reserves are not available for distribution of dividend to the shareholders. Retained earnings represents the cumulative net earnings or profit after accounting for dividends to shareholders and mandatory reserves required as per directives issued by Nepal Rastra Bank before distributing dividend. Retained earnings represents the cumulative net earnings or profit after accounting for dividends to shareholders and mandatory reserves required as per directives issued by Nepal Rastra Bank.

### **5.13 Financial guarantee and loan commitment**

Financial guarantees are contracts that require the Finance to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

### **5.14 Revenue Recognition**

Interest income includes interest income on the basis of accrual basis from loan and advance to borrowers, loans, investment in government securities, and investment in development bond.

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Fees and commission income earned from services that are provided over a certain period of time which includes fees and commission collected from issuance of, guarantees are recognized on time proportion basis. And net trading income comprises gains less losses related to trading assets and liabilities, and includes all realized and unrealized fair value changes, interest, dividends.

### **5.15 Interest Expenses**

Interest expense is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to

the net carrying amount of the financial liability. Expenses for promotion and incentives provided to bring the deposits are not included in the calculation of effective interest rate because of the immaterial nature and allocation of the cost to individual deposit is not feasible.

#### **5.16 Personnel Expenses**

The cost of all short-term employee benefits is recognized as an expense during the period in which the employee renders the related service. Accruals for employee entitlements to salaries, bonus and annual leave represent the amount which the finance has a present obligation to pay as a result of employees' services provided up to the reporting date. The accruals have been calculated at undiscounted amounts based on current salary rates. Annual staff bonus of 10% have been computed as per Bonus Act on the profit for the period before tax.

#### **Defined Benefit Plans- Gratuity and unutilized accumulated leave**

Gratuity has been calculated on the basis of HR Byelaws of the company which may be differs from Actuarial Valuation.

#### **5.17 Other Operating Expenses**

Other Operating expenses are incurred and accounted on an accrual basis and are charged to income statement unless those expenses form the capital nature.

#### **5.18 Depreciation and Amortization**

Depreciation is calculated by using the straight-line method on cost or carrying value of property, plant & equipment other than freehold land. Fixed Assets are depreciated on the basis of expected useful life on Straight Line Method (SLM) basis. Land is not depreciated. Management has determined the expected life of the fixed assets for depreciation purpose as follows:

<b>S.N.</b>	<b>Asset Category</b>	<b>Depreciation Rate</b>
1.	Leasehold	5 years
2.	Vehicle	7 years
3.	Furniture & Fixture	5 years
4.	Office Equipment	5 years
5.	Computer	5 years
6.	Computer Software	5 years
7.	Building	20 Years

#### **5.19 Earnings per Share**

Finance presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of Finance by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

**6. Segment Reporting:**

The bank's operations are managed centrally through head office. All strategic, financial and operational policies and operations are controlled and directed from head office. The bank operates in 6 provinces. The management of the bank is on the basis of various types of operations supported by ancillary support services.

**Information about Profit or Loss, Assets and Liabilities**

	<b>Particulars/ Provinces</b>	<b>Koshi</b>	<b>Madhesh</b>	<b>Bagmati</b>	<b>Ganadaki</b>	<b>Lumbini</b>	<b>Sudur Paschim</b>	<b>Total</b>
(a)	Revenues From External Customers	295,662,824	47,451,221	975,370,782	65,787,201	294,504,221	105,343,798	1,784,120,047
(b)	Inter-segment Revenues	-	-	-	-	-	-	-
(c)	Net Revenue	295,662,824	47,451,221	975,370,782	65,787,201	294,504,221	105,343,798	1,784,120,047
(d)	Interest Revenue	281,135,690	45,119,747	927,446,793	62,554,804	280,034,014	100,167,823	1,696,458,871
(e)	Interest Expense	84,391,055	29,459,059	768,349,700	43,501,627	123,301,442	26,290,732	1,075,293,614
(f)	Net Interest Revenue	196,744,635	15,660,688	159,097,093	19,053,177	156,732,572	73,877,090	621,165,256
(g)	Depreciation and Amortisation	3,737,705	599,868	12,330,424	831,667	3,723,058	1,331,733	22,554,456
	Other Net Expenses	56,268,832	9,030,641	185,626,905	12,520,238	56,048,334	20,048,420	339,543,370
(h)	Segment Profit /(Loss)	136,738,098	6,030,180	(38,860,236)	5,701,272	96,961,180	52,496,937	259,067,430
(i)	Entity's Interest in the Profit or loss of Associates Accounted for Using Equity Method	-	-	-	-	-	-	-
(j)	Other Material Non-Cash Items:	-	-	-	-	-	-	-
(k)	Provision for Loan Loss	124,012,466	19,902,884	409,108,370	27,593,706	123,526,503	44,185,278	748,329,207
(l)	Impairment of Assets	-	-	-	-	-	-	-
(m)	Segment Assets	4,077,336,322	654,375,768	13,450,844,666	907,237,977	4,061,358,612	1,452,742,985	24,603,896,331
(n)	Segment Liabilities	1,750,481,413	611,054,505	15,937,493,216	902,332,465	2,557,580,090	545,335,499	22,304,277,188



### 3.Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

#### (a) Revenue

Total revenues for reportable segment	1,784,120,047
Other revenues	-
Elimination of intersegment revenues	-
<b>Entity's revenues</b>	<b>1,784,120,047</b>

#### (b) Profit or loss

Total profit or loss for reportable segments	259,067,430
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	-
<b>Profit before income tax</b>	<b>259,067,430</b>

#### (c) Assets

Total assets for reportable segments	24,603,896,331
Other assets	-
Unallocated amounts	-
<b>Entity's assets</b>	<b>24,603,896,331</b>

#### (d) Liabilities

Total liabilities for reportable segments	22,304,277,188
Other liabilities	-
Unallocated liabilities	-
<b>Entity's liabilities</b>	<b>22,304,277,188</b>

### 4.Information about geographical areas

Revenue from following geographical areas

<b>(a)</b>	<b>Domestic</b>	<b>1,206,583,543</b>
	Koshi	295,662,824.00
	Madhesh	47,451,221.00
	Bagmati	975,370,782.00
	Lumbini	294,504,221.00
	Sudurpaschim	105,343,798.00
	Gandaki	65,787,201.00
<b>(b)</b>	<b>Foreign</b>	<b>0.00</b>
	<b>Total</b>	<b>1,784,120,047.00</b>