



महालक्ष्मी विकास बैंक लि.
Mahalaxmi Bikas Bank Ltd.

सबल बैंक, सफल सहकार्य



THE BANKER
MOST CUSTOMER-
CENTRIC BANK
OF THE YEAR 2025



MAHALAXMI BULLETIN

Insights | Updates | Achievements

Year 7, Issue -28



CUSTOMERS FIRST

Delivering exceptional value and experience



INTEGRITY

Upholding the highest ethical standards



INNOVATION

Embracing new ideas for a better future



GROWTH

Creating sustainable value for all



TRUST

Building trust through reliability and care



CUSTOMERS FIRST



INTEGRITY



INNOVATION



GROWTH



TRUST

Vision

To become “The Most Trusted Bank” to the customers, to the employees, to the stakeholders and to the regulators through the process of continuous innovation and improvement, strong corporate governance and professional work culture.

Mission

Our Mission is to offer safety of deposits & render best services to the customers, build the best place to work with, provide best & perpetual returns to the stakeholders with the strict compliance to the regulations.

Objectives

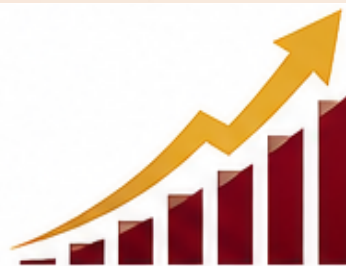
- Provide excellence in customer service by proactive approach.
- Sell financial products that are competitively priced.
- Continue business in an ethical, transparent and responsible manner, becoming the role model of corporate governance.
- Deliver strong financial and operational efficiency by implementing cutting edge technology.
- Continuously improve the asset quality to obtain sustainable returns.
- Apply cost effective approach to reduce operational expenses.
- Adopt professional approach in effectively managing financial as well as non-financial risks.
- Build a centre for career growth to performing employees.
- Maximize profitability by working under the guideline of regulators and internal policies/ guideline.

Corporate Values

- Customer Centric
- Respecting all forms of diversity
- Committing towards high level of ethics, governance and professionalism
- Focusing towards innovation
- Being accountable for all our actions

Q3 FY 2082/83

PERFORMANCE SCORECARD



EXECUTIVE SUMMARY

Mahalaxmi Bikas Bank delivered a resilient performance during Q3 FY 2082/83, recording growth in profitability despite a moderated balance sheet size and elevated credit risk environment. The Bank strengthened its funding profile through a significant improvement in CASA deposits, maintained strong capital adequacy, and continued prudent liquidity management.



KEY FINANCIAL HIGHLIGHTS

Indicator	Chaitra 2082 (Amount)	YoY Growth	QoQ Growth
Total Assets	NPR 62.86 Bn	▲ 0.21%	▼ 0.52%
Deposits	NPR 53.80 Bn	▼ 0.12%	▼ 0.76%
Loans & Advances (NRB)	NPR 47.28 Bn	▲ 0.43%	▲ 2.26%
Investment Portfolio	NPR 11.88 Bn	▲ 17.71%	▼ 4.22%
Net Interest Income	NPR 1.63 Bn	▲ 6.25%	▲ 49.48%
Operating Profit	NPR 693.68 Mn	▲ 10.43%	▲ 44.98%
Net Profit	NPR 459.96 Mn	▲ 5.36%	▲ 50.35%

PROFITABILITY HIGHLIGHTS



STRONG EARNINGS MOMENTUM

Net Profit of NPR 459.96 million

▲ 5.36% YoY ▲ 50.35% QoQ



NET INTEREST INCOME EXPANSION

NII of NPR 1.63 billion

▲ 6.25% YoY ▲ 49.48% QoQ



OPERATING EFFICIENCY IMPROVED

Cost-to-Income Ratio

49.54% → 46.34%
Chaitra 2081 Chaitra 2082



IMPAIRMENT REMAINS ELEVATED

Impairment Expense Increased

▲ 28.70% YoY ▲ 58.92% QoQ

BALANCE SHEET ANALYSIS

CONTROLLED ASSET OPTIMIZATION



Total Assets
NPR 62.86 Bn

▲ 0.21% YoY

▼ 0.52% QoQ

CREDIT PORTFOLIO STABLE



Loans & Advances (NRB)

▲ 0.43% YoY

▲ 2.26% QoQ

INVESTMENT PORTFOLIO EXPANSION



NPR 11.88 Bn

▲ 17.71% YoY

▼ 4.22% QoQ

FUNDING STRUCTURE

CASA RATIO



54.83% 63.66%
Chaitra 2081 Poush 2082

▲ 13.48 p.p. YoY

▲ 4.64 p.p. QoQ

FIXED DEPOSIT (FD) RATIO



45.17% 36.34%
Chaitra 2081 Poush 2082

▼ 13.48 p.p. YoY

▼ 4.64 p.p. QoQ



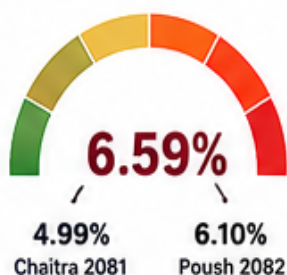
RESILIENT PROFITABILITY, STRONG CAPITAL, IMPROVED FUNDING QUALITY AND PRUDENT BALANCE SHEET MANAGEMENT POSITION



RISK, CAPITAL, NRB & ECONOMIC OUTLOOK

ASSET QUALITY ANALYSIS

NPL RATIO



- ✓ NPL ratio increased to 6.59% from 4.99% (Chaitra 2081).
- ✓ Ongoing stress in certain borrower segments.
- ✓ Continued need for recovery and monitoring efforts.



The Bank continues maintaining prudent provisioning practices.

CAPITAL & LIQUIDITY POSITION

CAPITAL ADEQUACY RATIO (CAR)



17.24%

15.51%
Chaitra 2081

Strong capital buffer above regulatory requirement.

LIQUIDITY RATIO



25.93%

Adequate liquid assets to meet regulatory and operational needs.

CREDIT-TO-DEPOSIT RATIO (CD)



87.89%

87.41% 85.30%
Chaitra 2081 Poush 2082

Improved utilization of deposit resources.

SHAREHOLDER VALUE CREATION

Indicator	Chaitra 2082	Chaitra 2081	Change
ROA	0.96%	0.91%	▲ +0.05 p.p.
ROE	8.52%	8.45%	▲ +0.07 p.p.
EPS	NPR 13.59	NPR 13.55	▲ +0.04
Net Worth Per Share	NPR 162.01	NPR 163.86	▼ -1.85



KEY OBSERVATION:

While Net Worth Per Share declined marginally following capital expansion, profitability indicators improved, supporting long-term shareholder value creation.

NEPAL ECONOMIC CONTEXT



Inflation remained broadly contained.



Remittance inflows continued to support domestic liquidity.



Foreign exchange reserves remained comfortable.



Tourism and service-sector activities showed gradual recovery.



Interest rates moderated compared to previous periods.

NRB REGULATORY PERSPECTIVE

NRB's focus remained centered on:

- ✓ Financial stability
- ✓ Capital adequacy
- ✓ Asset quality enhancement
- ✓ Responsible lending practices
- ✓ Liquidity management



BFI's continued to prioritize balance-sheet quality over aggressive credit growth.

STRATEGIC OUTLOOK FOR THE BANK

KEY STRENGTHS

- ✓ Strong CASA franchise
- ✓ Robust Capital Adequacy Ratio
- ✓ Improving profitability
- ✓ Stable liquidity profile
- ✓ Enhanced operating efficiency



KEY FOCUS AREAS

- NPL management and recovery
- Quality credit growth
- Digital banking expansion
- Sustainable profitability enhancement
- Further optimization of funding costs



OUTLOOK



With strong fundamentals, improving profitability and prudent risk management, Mahalaxmi Bikas Bank is well positioned to deliver sustainable growth and create long-term value for all stakeholders.



STRONG
TODAY



SUSTAINABLE
TOMORROW



TOGETHER
WE GROW

Credit Portfolio Distribution: Nepalese Banking Industry vs. Mahalaxmi Bikas Bank (Chaitra 2082)

NEPALESE BANKING INDUSTRY

**NPR 5.90
Trillion**



Total Industry Credit

The total diversified credit portfolio of the Nepalese banking industry as of Chaitra 2082.

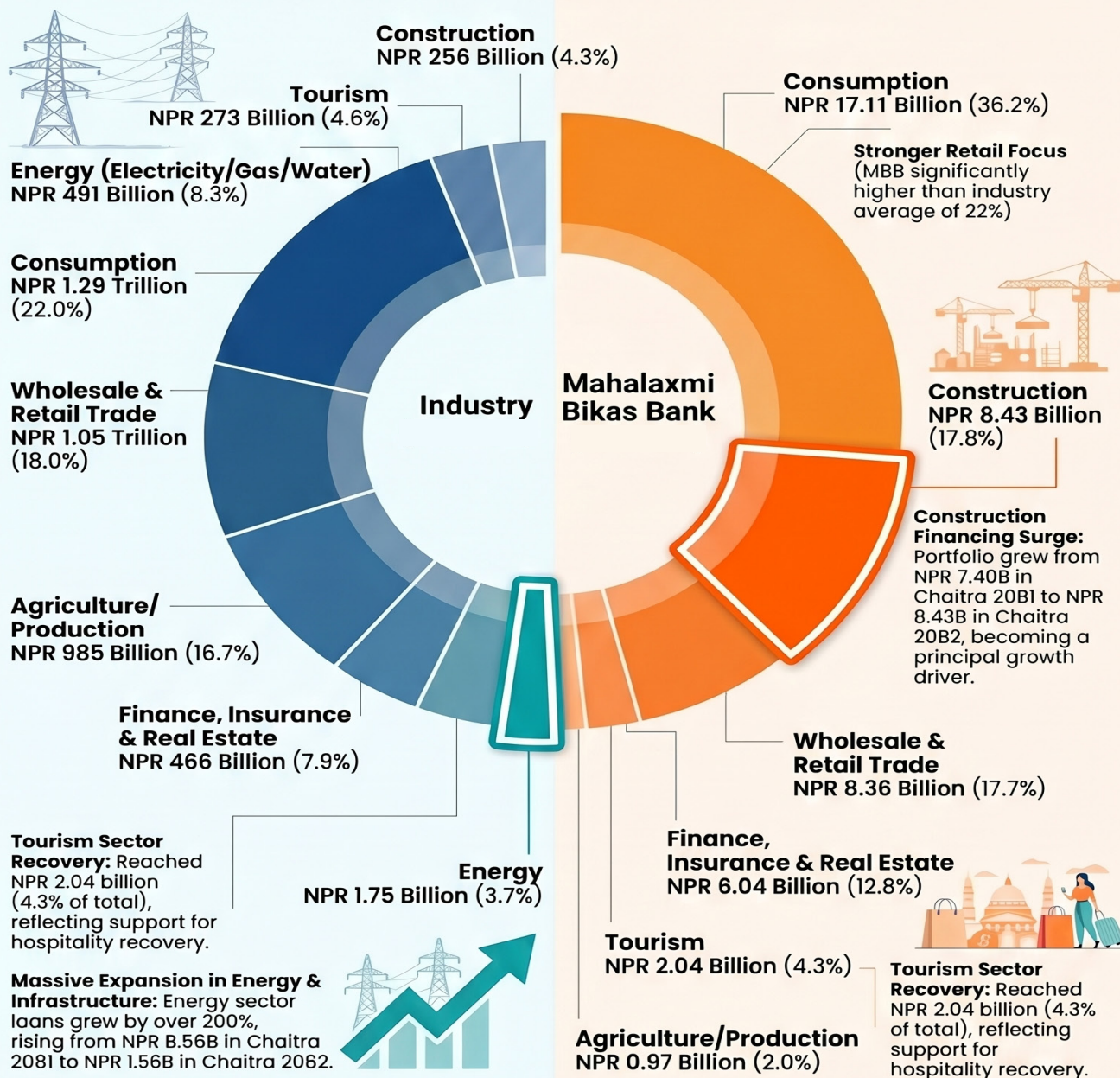
MAHALAXMI BIKAS BANK (MBB)

NPR 47.28 Billion

MBB Credit Portfolio

Mahalaxmi Bikas Bank's total portfolio, showing steady growth from NPR 47.08 billion in the previous year (Chaitra 2081).

SECTOR-WISE DISTRIBUTION COMPARISON



Regulatory Updates



Key Nepal Rastra Bank Circulars Issued During the Third Quarter of FY 2082/83

During the third quarter of FY 2082/83, Nepal Rastra Bank (NRB) introduced several regulatory amendments aimed at facilitating credit flow to productive sectors, supporting businesses affected by national infrastructure development, and strengthening risk-sensitive capital treatment for eligible SME financing. These measures are expected to further enhance financial sector resilience while promoting economic growth and priority sector lending.



NRB amended the Unified Directives to provide regulatory relief for borrowers affected by the expansion of the Mahendra Highway and Mid-Hill Highway projects. Banks and Financial Institutions (BFIs) have been permitted, upon borrower request and after assessing cash flow and repayment capacity, to restructure or reschedule such loans subject to prescribed conditions.



The restructuring facility may be granted upon recovery of at least 10 percent of the outstanding interest amount and must be completed by the end of Ashad 2083. Furthermore, BFIs are required to maintain at least the same loan classification category and corresponding loan loss provisioning level applicable at the time of restructuring. This measure is intended to support viable businesses facing temporary disruptions due to nationally significant infrastructure projects while preserving prudential risk management standards.



A major regulatory reform introduced during the quarter was the restructuring of the mandatory lending framework applicable to BFIs. NRB replaced the earlier sector-specific lending requirements with a broader "identified sectors" framework to channel credit toward productive and employment-generating areas of the economy.



Under the revised provisions, Class "A" Commercial Banks are required, from Poush 2083 onwards, to maintain:

- Minimum **10%** of total loans and advances in the agricultural sector; and
- Minimum **20%** of total loans and advances in identified sectors, including:
 - Tourism;
 - Micro, Cottage, Small and Medium Enterprises (MSMEs);
 - Energy;
 - Information Technology and Communication Technology (ICT)-based industries; and
 - Export-oriented industries utilizing domestic raw materials.



The revised framework broadens the scope of priority sector lending beyond traditional agriculture and energy financing, thereby aligning the banking sector with Nepal's industrialization, digital transformation, export promotion, and tourism development objectives.



NRB has significantly expanded the list of activities qualifying under identified sectors. The revised framework now explicitly recognizes a wide range of agricultural, tourism, energy, MSME, ICT, and export-oriented activities for regulatory reporting purposes. These include commercial agriculture, agro-processing, renewable energy projects, hospitality and tourism enterprises, ICT service providers, data centers, software development businesses, and export industries utilizing domestic raw materials.

The expanded classification is expected to improve credit accessibility for productive enterprises while enabling BFIs to diversify their priority sector portfolios.



To facilitate compliance with mandatory lending requirements, NRB has introduced a reporting-right transfer mechanism whereby BFIs may purchase or sell reporting rights associated with eligible loans among themselves under prescribed conditions.

The framework permits the transfer of reporting rights for regulatory compliance purposes while maintaining underlying credit risk and relationship management responsibilities with the originating institution. Repurchase arrangements have also been permitted subject to defined limits and reporting requirements. This provision is expected to improve operational flexibility and enhance efficient allocation of credit toward identified sectors.



NRB has allowed investments in Agriculture Bonds and Energy Bonds, as well as certain eligible debt instruments issued by entities operating in the respective sectors, to be counted toward mandatory sectoral lending requirements. This measure provides BFIs with additional avenues for meeting regulatory obligations while supporting long-term capital formation in strategic sectors of the economy.



The amendment reduces risk-weighted assets for qualifying exposures, thereby lowering regulatory capital consumption and encouraging greater credit flow to productive SME segments. Corresponding amendments were also made to regulatory reporting formats relating to credit risk exposures and eligible credit risk mitigants.

The third-quarter regulatory package reflects NRB's continued focus on directing financial resources toward productive sectors, enhancing support for SMEs, facilitating infrastructure-related economic adjustments, and promoting a more risk-sensitive prudential framework.

Collectively, these measures are expected to strengthen credit intermediation, encourage investment in priority sectors, and support sustainable economic growth while maintaining financial sector stability.



The revised directives introduce a more structured monitoring and enforcement mechanism for compliance with mandatory lending requirements. BFIs failing to achieve prescribed lending thresholds within the stipulated period will be subject to monetary penalties calculated on the shortfall amount based on prevailing regulatory provisions.

The framework applies quarterly monitoring and imposes penalties on deficiencies in meeting sectoral credit targets, thereby reinforcing accountability and ensuring effective implementation of the priority sector lending policy.



NRB also amended the Capital Adequacy Framework (both CAF 2015 and CAF 2007) by introducing preferential risk-weight treatment for certain SME loans.

Loans up to NPR 30 million extended to SMEs engaged in agriculture, information technology, or manufacturing industries may now attract a reduced risk weight of 60 percent, provided that:

- The loan is guaranteed by the Deposit and Credit Guarantee Fund or fully secured by land and/or buildings with a minimum 25 percent collateral margin on fair market value; and
- The financed project is covered by project insurance.

RISK MANAGEMENT UPDATE

Fiscal Year 2082/83 (Third Quarter)



As Head of Integrated Risk Management Department is pleased to present its quarterly update to all stakeholders of Mahalaxmi Bikas Bank Limited. This edition highlights key milestones in the Bank's risk governance journey, significant committee activities, operational strengthening initiatives, and the current risk position across all major risk categories.

1

National Risk Landscape: Emerging Risks in the Nepalese Banking Sector



The Nepalese banking sector is navigating a period of heightened stress, shaped by a convergence of macroeconomic pressures, structural vulnerabilities, and evolving regulatory demands. The Integrated Risk Management Department has identified the following key national risk themes that warrant close monitoring by Mahalaxmi Bikas Bank Limited.



1.1 Rising Non-Performing Loans (NPLs) & Deteriorating Asset Quality

Asset quality across Nepal's banking sector has deteriorated significantly in recent years. The gross NPL ratio for banks and financial institutions stood at 4.62% as of mid-July 2025, a marked increase from 3.02% two years prior and a sub-2% level just three years ago. The NPL ratio had briefly crossed 5% in April 2025 before modest improvement. Key contributing factors include post-pandemic economic pressures, weak private sector performance, natural calamities (including the September 2024 floods), project delays, and in some cases disruptions caused by interest groups. While Mahalaxmi Bikas Bank's own NPL position remains within acceptable bounds, the sector-wide trend underscores the importance of proactive credit monitoring and early warning systems.



1.2 Subdued Credit Demand & Weak Private Sector Activity

Despite excess liquidity of approximately NPR 1,000 billion in the banking system and the NRB's reduction of the policy rate by 75 basis points to 4.25% in H1 FY2025/26, private credit expansion has remained only marginal. Subdued domestic demand, weak business confidence, and ongoing credit market strains have restrained loan growth. The divergence between high liquidity and low credit off-take poses both a profitability risk for banks and a systemic risk if excess liquidity leads to relaxed credit standards in search of yield. Banks' average Return on Assets (ROA) has declined to 0.87%, reflecting the earnings pressure across the sector.



1.3 Remittance Dependency & Structural Vulnerability

Nepal's economy remains structurally dependent on remittance inflows, which reached 28.2% of GDP in FY2024/25, nearly equal to the entire value of goods imported. While remittances have strengthened foreign exchange reserves (which stood at approximately USD 23.08 billion as of February 2026, equivalent to 18.5 months of import cover), this dependency creates a significant macro-financial vulnerability. A disruption to labour flows, whether due to geopolitical instability in Gulf countries, policy changes in destination nations, or global economic slowdowns could rapidly reduce deposit inflows, weaken consumer spending, and affect loan repayment capacity across retail and SME borrower segments.



1.4 LDC Graduation & Trade Competitiveness Risks

Nepal is graduating from Least Developed Country (LDC) status in 2026, which will erode preferential trade concessions previously available to Nepali exporters. Combined with the expiry of the Nepal Trade Preference Programme (which provided 77 Nepali products duty-free access to the US market) and the imposition of a 10% US tariff on Nepali goods, export competitiveness is under pressure. While Nepal's direct export exposure is modest (goods exports at 3.2% of GDP), the second-round transmission through remittances, if global economic conditions weaken, represents a material indirect risk for the banking sector.



1.5 Rising Fraud, Cyber Risk & Corporate Governance Concerns

The NRB's Bank Supervision Report for FY2023/24 documented a rising incidence of fraud across the Nepalese banking sector. Alongside this, weaknesses in corporate governance and increasing digitalization of financial services are creating new avenues for operational and cyber risk. Banks face growing threats related to digital fraud, data breaches, and system vulnerabilities risks that are only partially addressed by existing supervisory frameworks. The Bank remains committed to strengthening its internal controls and digital security posture in line with evolving NRB directives.



1.6 Monetary Policy & Regulatory Environment

The NRB continues to actively calibrate monetary policy to balance financial stability with growth support. In FY2082/83, the NRB lowered the policy rate and adjusted the interest rate corridor, while also deploying targeted forbearance measures for sectors affected by natural disasters and social unrest. Banks must remain responsive to evolving regulatory directives, including NRB's ongoing efforts to align Nepal's banking framework with international standards (BCBS guidelines for NPL classification, bank resolution framework amendments, and enhanced AML/CFT requirements). Non-compliance with regulatory directives in this environment carries elevated reputational and financial risk.



STRONG RISK GOVERNANCE



PRUDENT MANAGEMENT



RESILIENT BANKING



SUSTAINABLE GROWTH



2 International Risk Landscape: Global Banking & Macro-Financial Risks



While Nepal's banking sector operates in a domestic regulatory framework, it is not insulated from global risk dynamics. The following international risk themes have been identified as having direct or indirect relevance to the Bank's risk profile.



2.1 Geopolitical Risk : The Dominant Global Banking Risk

Geopolitical risk has emerged as the most critical risk facing the global banking sector. A survey conducted in early 2025 found geopolitical risk to be the most frequently cited risk by banking industry participants globally (named by 87% of respondents), followed by cybersecurity threats (73%). Active conflicts in Eastern Europe, the Middle East, and parts of Africa continue to create market volatility, disrupt trade flows, and affect capital movements. For Nepal specifically, a prolonged Middle East conflict poses a direct threat through reduced remittance inflows and lower tourism arrivals — both key pillars of the domestic economy and, by extension, the banking sector's deposit base and credit quality. The European Central Bank has urged banking institutions to accept a new reality of more frequent geopolitical shocks and to maintain preparedness across multiple scenarios.



2.2 US Tariff Shocks & Global Trade Disruptions

The re-escalation of US tariff policy in 2025 has introduced significant uncertainty into global trade and financial markets. While Nepal faces one of the lower tariff increases (10%) relative to regional peers, the risk is primarily transmitted through second-round effects on remittances. If US tariffs trigger a global economic slowdown, demand for migrant labour in destination countries could soften, reducing Nepali workers' income and remittance flows. Furthermore, US tariffs on Indian exports are expected to contribute to South Asia's economic growth decelerating from 6.6% in 2025 to 5.8% in 2026, according to World Bank projections, a regional drag with knock-on effects for Nepal's trade-linked economic activity.



2.3 Cybersecurity Risk & Digital Fraud

Cyber risk represents one of the fastest-growing threats to banking institutions globally. An IMF Working Paper published in early 2026 highlighted that most cyber incidents in banking target smaller, non-systemically important banks precisely the segment in which development banks like Mahalaxmi Bikas Bank operate. Data breaches are the most prevalent and persistent outcome of such incidents, with geopolitical tensions increasingly shaping attack motivations. Nation-state affiliated cyber activity targeting financial infrastructure has become a recognised operational risk vector. Developing economies face a disproportionately higher share of financial scam losses relative to GDP. The Bank must therefore continue to invest in cybersecurity infrastructure, staff training, and incident response capabilities.

2.4 Climate Risk & Environmental Vulnerabilities



Climate risk is increasingly integrated into global banking risk frameworks. PwC's Global Banking Risk Study 2025 highlights that leading banks are embedding climate risk into their Enterprise Risk Management (ERM) frameworks as a cross-cutting driver affecting credit, market, operational, and reputational risk. For Nepal, climate risk is particularly material: the country's geography makes it highly vulnerable to floods, landslides, glacial lake outburst floods (GLOFs), and earthquakes. The September 2024 floods demonstrated the direct credit risk implications — disrupting borrowers' livelihoods and causing loan repayment difficulties. The Bank should consider climate risk scenarios in its credit underwriting, portfolio concentration analysis, and stress testing frameworks.



FLOODS



LANDSLIDES



GLOFS



EARTHQUAKES



CLIMATE RESILIENCE



The Integrated Risk Management Department remains committed to strengthening the Bank's risk governance, enhancing risk identification and measurement capabilities, and fostering a strong risk-aware culture across the organization. We will continue to work in close collaboration with all business units to ensure that Mahalaxmi Bikas Bank Limited remains resilient, well-capitalized, and well-prepared to navigate both national and international risk challenges.

"Strong Bank, Successful Partnership"



STRONG RISK GOVERNANCE



EARLY IDENTIFICATION & ASSESSMENT



EFFECTIVE CONTROL & MITIGATION



SUSTAINABLE GROWTH & VALUE CREATION



2.5 Evolving Regulatory Standards & Technology Disruption



Globally, banking regulators are tightening supervisory frameworks in response to the risks posed by generative artificial intelligence (GenAI), non-bank financial intermediaries, and sovereign debt linkages. S&P Global Ratings has identified these as key tail risks that could undermine the otherwise broadly stable global banking outlook for 2026. For Nepalese banks, the increasing pace of financial technology adoption — while beneficial for efficiency and inclusion — requires parallel investment in governance, cyber controls, and talent with digital competency. Talent management in the digital era is increasingly recognised as a standalone operational risk, as banks compete for professionals with expertise in data analytics, cybersecurity, and emerging technologies.



RISK THEME MATRIX

Risk Theme	Origin	Relevance to the Bank
Rising NPLs & Asset Quality Deterioration	National	High : sector-wide credit quality risk
Subdued Credit Demand	National	High : earnings & liquidity deployment risk
Remittance Dependency	National / External	High : deposit base & repayment capacity
LDC Graduation & Trade Shifts	National / International	Medium : indirect via macro economy
Fraud & Governance Gaps	National	High : operational & reputational risk
Regulatory Evolution (NRB)	National	High : compliance & capital risk
Geopolitical Instability	International	Medium-High : via remittances & tourism
US Tariff Shocks	International	Medium : second-round remittance effect
Cybersecurity & Digital Fraud	International / National	High : operational & data risk
Climate & Environmental Risk	International / National	High : credit & operational exposure
RegTech / AI Disruption	International	Medium : talent & compliance risk



3. Current Risk Position: Key Indicators & Stress Testing Summary

The following table presents the Bank's current position across key risk categories as assessed during the quarter. All areas listed below are within acceptable limits and applicable regulatory thresholds set by Nepal Rastra Bank (NRB). Ongoing monitoring and compliance maintenance remain in focus.

S.N.	Risk Category / Area	Key Findings / Observations
1	Capital Adequacy	CAR at 17.24% (Total Capital) and Tier 1 at 13.64%, comfortably above NRB minimums of 11% and 8.5% respectively. Reverse stress tests indicate CAR breach would require more than 54% of Pass loans to turn Substandard.
2	Foreign Exchange Risk	Exchange rate shocks (20% depreciation, 25% appreciation) have negligible impact on CAR (17.24%–17.25%). FX exposure remains minimal.
3	Interest Rate Market Risk	CAR remains stable (17.11%–17.18%) across all interest rate shock scenarios ($\pm 1\%$ – 2% on deposits and loans). Net interest margin sensitivity is low.
4	Real Estate Lending Compliance	Real Estate lending (both below 25% and below 10% limits) well within NRB thresholds. Margin Lending below NRB's 40% limit.
5	Deprived Sector Lending	Deprived sector lending exceeds NRB's 5% minimum requirement. Both direct and wholesale lending maintained as required.
6	CD Ratio	CD Ratio at 87.89%, within NRB's maximum limit of 90%. Loan commitment stress (L-5) raises it marginally to 88.92%, still within the permissible limit. (L-5: Irrevocable loan commitments converted to Loans and Advances)
7	Spread Rate	Spread rate at 4.24%, below NRB's cap of 4.60%. No compliance concern noted.
8	AML/CFT Compliance	AML/CFT Committee held regular meetings reviewing GOAML operations, software directives, customer identification updates, and capacity building. No significant non-compliance noted.
9	Market Risk – Equity Price Shock	A 50% fall in equity prices reduces CAR to 15.92% from 17.24%. Share and other investments remain below 30% of core capital (within NRB's 30% limit but material).



RISK
AWARENESS



STRONGER
GOVERNANCE



PRUDENT
DECISIONS



SUSTAINABLE
GROWTH



4 Risk Scoring Methodology: Enhanced & Expanded Framework

In a significant upgrade to its risk management infrastructure, the Bank has revised and expanded its Risk Scoring Methodology. The previous framework was limited to an annual assessment cycle and covered only operational risk. The updated methodology represents a substantial broadening of both frequency and scope:

	Previous Methodology	Updated Methodology
	Annual assessment only	Annual + Monthly / Quarterly assessments
	Operational Risk only	Credit Risk, Operational Risk, Compliance Risk & Other Risks
	Limited scope, single-dimensional	Comprehensive, multi-dimensional risk coverage

The revised methodology enables the Bank to capture risk trends on a more dynamic basis, facilitating timely identification of deteriorating risk positions and enabling proactive management intervention before risks escalate.



5 Monthly Branch Surprise Visits: Operational & Compliance Verification

As part of its enhanced operational oversight framework, the Integrated Risk Management Department has institutionalized a programme of unannounced monthly surprise visits to each branch of the Bank. These visits are designed to provide an independent, ground-level assessment of operational discipline and compliance adherence at the branch level.

Each surprise visit covers a structured checklist of critical operational and compliance parameters, including:



i.

Vault Cash Verification: Physical count and reconciliation of vault cash balances against recorded figures.



ii.

CCTV & Security Infrastructure: Assessment of the functional status and adequacy of surveillance systems and physical security measures.



iii.

Vulnerability Assessment: Identification of physical or procedural vulnerabilities that could expose the branch to operational risk.



iv.

Fire Extinguisher & Safety Equipment: Verification of the availability, placement, and validity of fire safety equipment.



v.

Operational Lapses: Observation and recording of any deviations from standard operating procedures.



vi.

Compliance Lapses: Identification of any non-compliance with internal policies, regulatory directives, or procedural guidelines.



Findings from each visit are documented and reported to management. Branches with identified lapses are required to implement corrective actions within stipulated timelines, with follow-up verification conducted in subsequent visits. This initiative has significantly strengthened the Bank's first-line risk controls and compliance culture at the branch level.

6. Risk Management Committee (RMC) Meeting: Board-Level Risk Oversight



The Bank's Risk Management Committee (RMC), operating at the Board level, also held its periodic meeting during the quarter. The RMC provides comprehensive, enterprise-wide oversight across all risk categories and serves as the highest internal risk governance body reporting to the Board of Directors.



The RMC meeting was informed by a wide range of risk indicators, quantitative parameters, and stress testing outcomes. Based on this evidence-based review, the Committee:



- i. Assessed the Bank's overall risk profile, covering credit risk, market risk, liquidity risk, operational risk, and compliance risk.



- ii. Reviewed the results of multiple stress testing scenarios conducted by management, including interest rate shocks, foreign exchange shocks, equity price shocks, and credit deterioration scenarios.



- iii. Deliberated on risk-adjusted performance metrics and regulatory compliance positions across all major risk areas.



- iv. Issued formal decisions and recommendations to the management for implementation, which will subsequently be placed before the Board for noting and direction.



The RMC's structured engagement ensures that the Board maintains timely, accurate, and actionable insights into the Bank's risk landscape, reinforcing sound governance and regulatory alignment.

7. Inaugural Meeting of the Operational Risk Management Committee (ORMC)



Mahalaxmi Bikas Bank Limited successfully convened its first-ever Operational Risk Management Committee (ORMC) meeting during the quarter, a significant milestone in the Bank's formal risk governance structure. The ORMC brings together senior management with a mandate to systematically identify, assess, and mitigate operational risks across all business functions.



The inaugural meeting was comprehensive in scope, examining risk issues from a macro-strategic level down to granular operational concerns. Key highlights of the meeting included:



- i. A thorough review of existing and emerging operational risks facing the Bank, spanning both near-term vulnerabilities and longer-horizon concerns.



- ii. Discussion and deliberation on risk issues spanning macro-level systemic factors as well as micro-level branch and departmental concerns.



- iii. Formal committee decisions were taken on risk mitigation actions, with clear accountability assigned and defined timelines established for each direction.



- iv. Priority risks requiring immediate attention were identified and escalated, with corresponding action plans set in motion.

The formation and activation of the ORMC marks a meaningful step toward a more structured and proactive operational risk culture within the Bank. Going forward, the ORMC will convene regularly to review progress against decisions and address emerging risk matters.

8. Outlook & The Way Forward



The Integrated Risk Management Department remains committed to maintaining a robust, forward looking, and proactive risk management culture across the Bank. The milestones achieved this quarter the inaugural ORMC meeting, the RMC's evidence-based review, the institutionalization of branch surprise visits, and the upgrade of the risk scoring methodology collectively represent a substantial strengthening of the Bank's risk governance architecture.



STRONG
GOVERNANCE



RISK-BASED
DECISION MAKING



CONTINUOUS
MONITORING



OPERATIONAL
EXCELLENCE



SUSTAINABLE
GROWTH

In the coming quarter, the Department will continue to focus on timely implementation of committee decisions, enhancement of risk data analytics capabilities, and further deepening of risk awareness at the operational level.



We remain grateful for the continued support of the Board, Senior Management, and all departments in advancing the Bank's risk management agenda.



DIGITAL TRANSFORMATION & INNOVATION

Driving the Future of Banking

At Mahalaxmi Bikas Bank Limited (MBBL), digital transformation is at the heart of our commitment to deliver smarter, faster and more convenient banking experiences. By embracing innovation and technology, we are empowering our customers, enhancing operational efficiency and contributing to a cashless and inclusive Nepal.

A NEW ERA OF BANKING

Digital innovation is reshaping the way we bank. Through our advanced digital platforms and customer-centric solutions, we ensure secure, reliable and seamless access to a wide range of financial services 24/7.

MAHALAXMI SMART SATHI – YOUR BANK IN YOUR HAND

Our mobile banking app, Mahalaxmi Smart Sathi, puts the power of banking in your hands. From simple transactions to complex financial needs, everything is just a few taps away.



Top Up

Instant mobile top-up on the go.



Bill Payment

Pay utility bills, insurance, flights, bus & cable car tickets, ISP & TV, school fees, government payments and more.



Wallet Load

Load eSewa, Khalti & IME Pay instantly.



IBFT

Transfer funds to any BFIs in Nepal via Fonepay or CIPS network.



FD Request

Open Fixed Deposit online in a few simple steps.



LAFD

Get Loan Against Fixed Deposit instantly. Approve & obtain within 2 minutes.



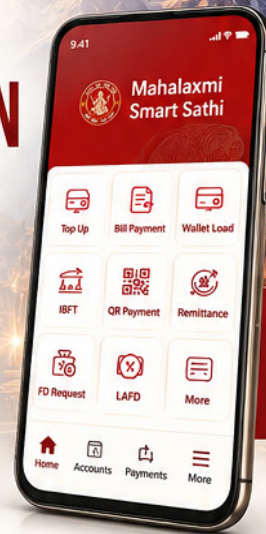
Remittance Hub

Receive money directly to your account from 16+ remittance partners including City Express Remit, IME Remit, Samsara Remit, Cash Express Remit and more.



QR Payment

Scan & pay using Fonepay & NepalPay QR codes.



Smart Banking
for Every Need
Anywhere,
Anytime.

CARDS FOR EVERY LIFESTYLE

Our wide range of cards are designed to meet your diverse banking and lifestyle needs.



Debit Card

A secure and convenient way to pay or withdraw directly from your account.



Credit Card

Enjoy the flexibility of borrowing now and paying later with attractive benefits and rewards.



eCommerce Card

A USD prepaid international card to pay for digital tools, software, online ads, and subscriptions using NPR up to 500 USD per year.



Travel Card

A reloadable USD card for your travel needs (except India & Bhutan). Withdraw cash at ATMs and make payments worldwide securely.

QR PAYMENTS – SIMPLE. SECURE. SMART.



Merchant QR

Pay thousands of merchants across Nepal by scanning Fonepay & NepalPay QR codes using our mobile banking or wallets.



Teller QR

Scan the QR at any MBBL branch to receive cash instantly.

DIGITAL PAYMENT SERVICES

We offer hassle-free digital payments for international services such as VISA, SAT, GRE, IELTS, PTE and International Insurance.



DIGITAL BANKING AT A GLANCE (As of Chaitra 2082)



166,847
Number of Cards



578,607
Mobile Banking Users



47,757
QR Enrollments



48,991
DEMAT Accounts



1,169
Credit Cards



5,900
Internet Banking Users

BENEFITS OF OUR DIGITAL JOURNEY



CONVENIENCE

Bank on the go, anytime, anywhere.



SPEED

Faster transactions and real-time services.



SECURITY

Advanced security measures for safe and secure banking.



EFFICIENCY

Simpler processes for a better banking experience.



INCLUSION

Digital access empowering more people, everywhere.



SUSTAINABILITY

Reduced paper usage for a greener tomorrow.



Innovating Today. Empowering Tomorrow.

Mahalaxmi Bikas Bank Conducts Two-Day Workshop & Sustainable Banking Promotion Walkathon at Lakeside, Pokhara



Mahalaxmi Bikas Bank Limited successfully organized a two-day workshop on Falgun 24–25, 2082 as part of its annual program. Reinforcing its commitment towards environmental conservation, cultural and heritage preservation, and the promotion of sustainable banking practices, the Bank also conducted a group walkathon along the lakeside area of Fewa Lake in Pokhara.

The two-day program witnessed enthusiastic participation from departmental heads, provincial heads, branch managers, and other employees of the Bank. During the workshop, participants reviewed the Bank's overall financial performance up to the current period of Fiscal Year 2082/83 and discussed the positive economic outlook following the successful completion of the House of Representatives elections. The discussions also covered potential economic challenges that could arise from evolving international developments and their possible implications on the banking sector.

The walkathon, organized along the historically and environmentally significant Fewa Lake area, aimed to convey the message of adopting sustainable financial practices within the banking industry and promoting greater public awareness of sustainable banking. The program also emphasized the importance of green banking initiatives and the need for integrating sustainability into long-term financial strategies.

Prize Distribution Ceremony of “Mahalaxmi Bikas Bank Bizchitra Photography Contest – Season 3” Concluded



The prize distribution ceremony of the “Mahalaxmi Bikas Bank Bizchitra Photography Contest – Season 3” was successfully held on Magh 1, 2082.

Mahalaxmi Bikas Bank has been organizing the Bizchitra Photography Contest annually on the occasion of World Photography Day, and this year's third edition was successfully completed. Photographs were collected from Bhadra 11, 2082 to Ashwin 30, 2082. In accordance with the contest guidelines, participants were required to submit photographs portraying local small and medium-sized enterprises. As a result, numerous entries were received from photographers representing diverse locations and communities.

All photographs submitted to the competition showcased excellence and conveyed positive messages through businesses operating at the local level. For the evaluation process, a three-member jury committee was formed, which selected the top 15 outstanding photographs from among the entries received.

During the award ceremony held in Kathmandu, prizes were presented to the photographers securing first, second, and third positions, as well as the recipient of the Public Choice Award. Mr. Suyog Kunwar secured first place, Mr. Paras Bajracharya achieved second place, and Mr. Devananda Pokhrel secured third place in the competition. The winners received cash prizes of NPR 25,000, NPR 20,000, and NPR 15,000 respectively, along with certificates of recognition.

Similarly, Mr. Sharman Raj Bhandari won the Public Choice Award by receiving the highest number of public votes. He was awarded a cash prize of NPR 10,000 along with a certificate. In addition, certificates of appreciation were presented to the top 15 photographers selected by the Bank. Compared to previous editions, the prize pool for this season was also increased. The Bank believes that such initiatives contribute to the promotion and publicity of local businesses, entrepreneurship, and local arts while encouraging greater community engagement and recognition of local talent.

Mahalaxmi Bikas Bank Launches Cross-Border QR Payment Service in Collaboration with UnionPay International

Continuing its commitment to providing customers with modern, secure, and convenient banking services, Mahalaxmi Bikas Bank has launched a cross-border QR payment acceptance facility through its Fonepay QR merchant network. Under this arrangement, users of UnionPay Wallets can now make payments at Mahalaxmi Bikas Bank's QR merchants across Nepal by simply scanning QR codes.

The service has been implemented through Fonepay in collaboration with UnionPay International. With the launch of this facility, UnionPay digital payment users can conveniently make QR-based payments at Mahalaxmi Bikas Bank's merchant outlets located throughout Nepal. The service is expected to be particularly beneficial for tourists visiting Nepal from various countries, especially China, by reducing the need to carry cash during their travels.

Established in 2002, UnionPay is one of the world's largest payment service providers, having issued more than 8.6 billion cards and maintaining acceptance across more than 180 countries and regions worldwide. The Bank believes that this partnership will further strengthen Nepal's existing QR payment infrastructure and contribute to the wider adoption of digital payment systems.

In line with its plan to celebrate Fiscal Year 2083 as the "Digital Promotion Year," the Bank had also announced a special campaign through its mobile banking application, "Mahalaxmi Smart Saathi." Under the campaign, all active mobile banking users who successfully conducted at least one transaction through the platform during the first week of Baisakh were automatically eligible to participate in a lucky draw, through which three users would win attractive travel packages.



Mahalaxmi Bikas Bank Conducts Nationwide Financial Literacy & Awareness Programs on the Occasion of Global Money Week 2026

On the occasion of Global Money Week 2026, observed from Chaitra 2 to Chaitra 8, 2082, Mahalaxmi Bikas Bank successfully conducted a series of financial literacy, outreach, and awareness programs across the country. Through its branch network and provincial offices, the Bank identified various target groups with limited access to financial services and organized programs aimed at enhancing financial knowledge and awareness among the public.



As part of the week-long campaign, branches and provincial offices including Durbarmarg, Hetauda, Itahari, Bhairahawa, Bijaypur Pokhara, Birgunj, Dhangadhi, Suryapura, Dadeldhura, Lahan, Bichbazar, Mangalsen, and Chipledhunga conducted financial literacy programs focused primarily on students and youth. These initiatives were designed to strengthen financial knowledge, skills, and attitudes essential for informed financial decision-making.

Organized under the global theme "Think Before You Follow, Wise Money Tomorrow," the programs witnessed the participation of more than one thousand individuals nationwide. Participants were provided with information on savings, loans, investments, counterfeit currency identification, digital financial services, remittance, grievance handling mechanisms, financial service providers, the capital market, risk management, insurance, financial fraud, and financial discipline. The Bank also actively participated in financial literacy rallies and awareness programs organized by various institutions, including Nepal Rastra Bank.

Marking the occasion of Global Money Week 2026, the Bank's Nepalgunj Branch distributed educational materials to students studying at Shree Yuddha Sanskrit Secondary School, Nepalgunj, Banke, as part of its financial education outreach initiative.

In addition, the Bank disseminated various financial awareness messages and educational video content through its official social media platforms. Through these initiatives, the Bank believes it has contributed to raising awareness among adolescents and young people regarding the importance of financial education and responsible financial behavior.

Mahalaxmi Bikas Bank Launches "Mahalaxmi Magh Mahotsav" - Digital Promotion Month

महालक्ष्मी विकास बैंक लि.
Mahalaxmi Bikas Bank Ltd.
सबल बैंक, सफल सहकार्य

Business Connect MOST CUSTOMER-CENTRIC BANK OF THE YEAR 2025

Introducing Mahalaxmi Magh Mahotsav "Digital Month"

VIRTUAL CREDIT CARD:
100% off on joining & annual fees

PHYSICAL CREDIT CARD:
100% off on joining & annual fees

DEBIT CARD:
100% off on issuance fees

KOILI (INSTANT AUDIO PAYMENT NOTIFICATION SOLUTION):
Free of charge for new implementations during the campaign.

MOBILE BANKING:
100% off on registration & card issuance fees

PHARMACY BILL PAYMENT:
Cashback up to 20% or up to NPR 200.

Special offer on Fixed Deposit (Personal)
Additional 0.25% interest
Via Smart Sathi App

***Valid for the month of Magh 2082 only**

www.mahalaxmibank.com

INDIA BUSINESS AWARDS 2025, BANKING AWARDS, SILVER, ISO 9001:2015

Continuing its commitment to providing customers with modern, secure, and convenient digital banking services, Mahalaxmi Bikas Bank has launched "Mahalaxmi Magh Mahotsav"- Digital Promotion Month with the objective of encouraging digital transactions, enhancing customer convenience, and promoting secure and cashless banking practices. In line with the Bank's decision to observe the month of Magh each year as Digital Promotion Month, the campaign has been introduced under the banner of "Mahalaxmi Magh Mahotsav."

With digital transactions already accounting for more than 80 percent of the Bank's average daily transaction volume, the Bank has introduced a range of attractive benefits to further encourage customers to adopt digital banking services. Among these, customers opening fixed deposit accounts through the Bank's mobile banking application, "Mahalaxmi Smart Sathi," will receive an interest rate that is 0.25 percent higher than the standard rate offered on individual fixed deposits. Interest on such deposits will be provided in compliance with the interest rate regulations prescribed by Nepal Rastra Bank.

To make the "Mahalaxmi Magh Mahotsav" campaign even more rewarding, the Bank is offering a 100 percent

waiver on card issuance and annual fees for both virtual and physical credit cards. Likewise, customers will enjoy a 100 percent waiver on debit card issuance fees and mobile banking registration charges. Customers making pharmacy bill payments through the mobile banking application will receive cashback of 20 percent of the bill amount or up to NPR 200. In addition, registration for the Bank's audio-based payment notification service, "Koili," will be available free of charge throughout the campaign period.

The campaign is valid only during the month of Magh 2082. Through this initiative, the Bank aims to expand access to banking services, promote greater adoption of digital channels, and reduce the need for customers to visit branches for routine banking transactions. The Bank also believes that the campaign will contribute to strengthening Nepal's transition towards a cashless economy by further encouraging digital transactions.

Guided by its slogan, "Strong Bank, Successful Partnership," Mahalaxmi Bikas Bank continues to deliver quality financial services to households and businesses across Nepal. The Bank currently operates 103 branch offices nationwide and serves more than 800,000 customers. Earlier, in collaboration with Fonepay, the Bank had also enabled Indian nationals to make payments by scanning QR codes available through the Bank's merchant network using Indian payment platforms such as BHIM, UPI, PhonePe, Google Pay, and other supported digital payment applications.

Mahalaxmi Bikas Bank: Leading the Path

Showcasing achievements in digital transformation, env

DIGITAL TRANSFORMATION & GLOBAL CONNECTIVITY



80%

Digital Transaction Volume

Digital transactions now account for the vast majority of the Bank's average daily volume.

Card Network Access

Partnership with UnionPay International allows cross-border QR payments for tourists across Nepal.



"Magh Mahotsav" Digital Incentives

Offers include 100% fee wavers on card issuance and 0.25% higher interest for digital fixed deposits.



n in Sustainability and Digital Innovation

environmental sustainability, and community engagement.



SUSTAINABILITY & COMMUNITY IMPACT

Promoting Sustainable Banking

Conducted a walkathon at Fewa Lake to integrate environmental conservation into long-term financial strategies.



1,000+ Literacy Participants

Nationwide outreach during Global Money Week focused on youth financial discipline and digital safety.



Bizzchitra Photography Contest Winners (Season 3)

Supporting Local Entrepreneurship

The Bizchitra Photography Contest specifically highlights local small and medium-sized enterprises (SMEs).

Award Category	Winner Name	Prize Amount
Winner	Mr. Suyog Kunwar	NPR 25,000
1st Runner Up	Mr. Paras Bajracharya	NPR 20,000
2nd Runner Up	Mr. Sharman Raj Bhandari	NPR 15,000
Public Choice Award	Mr. Devananda Pokhrel	NPR 10,000

HUMAN RESOURCE HIGHLIGHTS

1. New Appointment & Promotion

a. New Appointment Summary

The Human Resource Department continues to strengthen the Bank's organizational capability through strategic talent acquisition and effective workforce planning. Talent acquisition has evolved into a more strategic and technology-driven function, emphasizing employer branding, enhanced candidate experience, and data-driven decision-making to attract and retain high-quality talent.

During the third quarter, the HR Department successfully recruited **13 Junior Assistants** through a fair, transparent, and competency-based selection process. Candidates were evaluated on key attributes such as assessment score, attitude, personality, communication skills, and organizational fit to ensure alignment with the Bank's culture and long-term workforce requirements. This approach supports the development of a capable, diverse, and future-ready workforce.

Gender Distribution of Recruited Junior Assistants

SN	Position	Male	Female	Total Count
1.	Junior Assistant	6	7	13

Staff Promotion Summary (Effective from 1st Falgun 2082)

The Bank has promoted 244 staff members effective from 1st Falgun 2082, recognizing merit-based performance and supporting employee retention. The Bank highly values its human capital and remains committed to recognizing, appreciating, and rewarding employees based on their performance and contribution to organizational success.

The promotion of 244 employees reflects the Bank's strong belief that its human capital are most valuable asset. As an organization that values human capital, the Bank is committed to fostering a culture of meritocracy by recognizing and appreciating employees who demonstrate outstanding performance, dedication, and commitment. These promotions not only acknowledge individual achievements but also reinforce the Bank's continued focus on employee growth, engagement, and retention.

Promotion designation-wise Summary

S.N.	Promotion designation	Number of Employees
1	Junior Assistant → Assistant	107
2	Assistant → Senior Assistant	80
3	Senior Assistant → Supervisor	24
4	Supervisor → Junior Officer	16
5	Junior Officer → Officer	10
6	Officer → Senior Officer	7
Total	Promoted Employees	244

2. Staff Training & Development:

The Bank recognizes that continuous learning and professional development are essential for maintaining a competent, skilled, and future-ready workforce. To enhance the knowledge, skills, competencies, and overall performance of its employees, the Bank provides both national and international training and capacity development opportunities. These initiatives are designed to support individual growth, strengthen institutional capabilities, and align employee competencies with the Bank's strategic objectives.

a. Category wise program summary:

SN	Categories of program	Program Count
1	Customized	1
2	In-House	5
3	Open Call	16
Grand Total		22

Country wise program summary along with the number of attendees:

SN	Country Name	Program Count	Attendees Count
1	India	1	3
2	Nepal	19	347
3	Sri Lanka	1	3
4	Thailand	1	1
Grand Total		22	354

c. Program title & attendee wise L&D summary:

SN	Training Program	Attendees Count
1	Building Leaders for an inclusive digital future	1
2	Comprehensive Course on Credit Management	102
3	Customer Service, AML/CFT & Operational Risk Management	3
4	Customer Service, Sales Excellence and AML/CFT Compliance	2
5	Cyber Security in the Digital Economy	1
6	Digital Transformation & Leadership Program	3
7	Digital Transformation in Banking	1
8	Driving Growth through Strategic Sales Excellence	22
9	Exposure visit on Understanding Sri Lanka's Financial Infrastructure	3
10	HR Meet- 2026	3
11	Interaction program- Nepalgunj	35
12	Managing Credit Administration	2
13	People Centric Management & Team Excellence	5
14	Risk Based Internal Audit	1
15	Risk Management Conference 2026	2
16	Tax Law: Case Law Approach (Seminar)	4
17	Training on AI for Modern Finance Professionals	1
18	We will lead: Revive, Recover, Rebuild	158
19	Workshop on People-Centric Management & Team Excellence	5
Grand Total		354

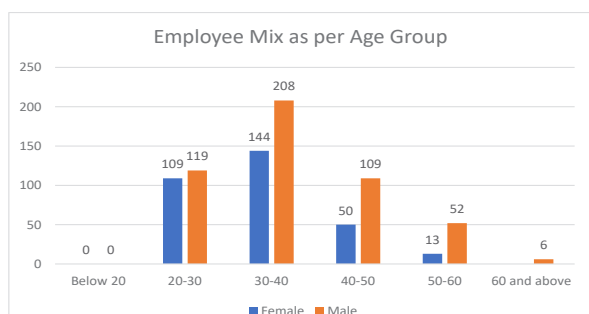
3. Employee Engagement Programs:

As part of Bank's employee engagement and professional development initiatives, the Bank has established the Mahalaxmi Toastmasters Club on 5th June 2025, providing employees with a structured platform to enhance their communication, public speaking, leadership, and interpersonal skills. Through regular club meetings, members are encouraged to deliver speeches, participate in evaluations, and take on leadership roles, fostering confidence, teamwork, and continuous personal growth. The club serves as an effective avenue for knowledge sharing, networking, and cultivating a culture of learning and excellence within the organization.

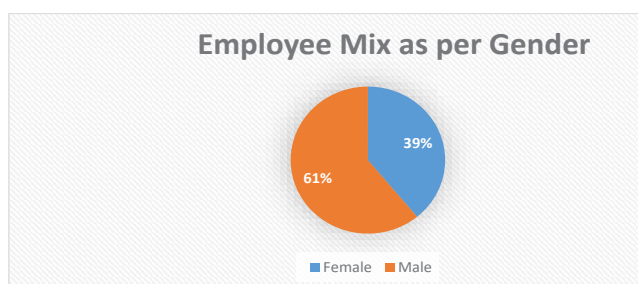
In addition to professional development programs, the Bank places strong emphasis on employee health and well-being by regularly conducting internal fitness and wellness activities and facilitating employee participation in external wellness programs. These initiatives include health awareness sessions, fitness challenges, stress management workshops, and other well-being-focused activities designed to promote physical and mental health. By investing in employees' overall well-being, the Bank aims to create a healthier, more engaged, and productive workforce while reinforcing its commitment to a positive and supportive work environment.

Staff Data as on Chaitra End 2082

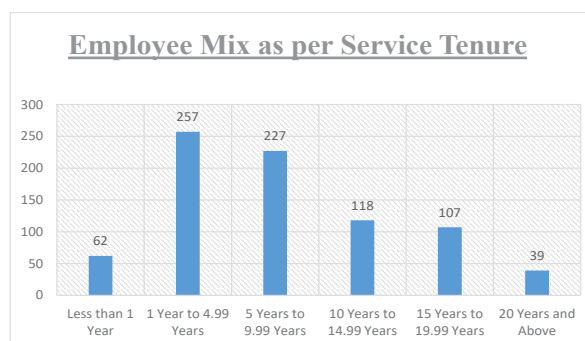
1. Employee Mix as per Age Group



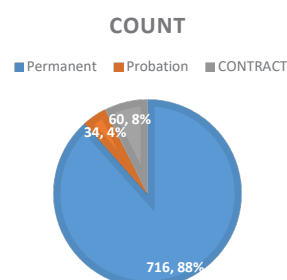
c. Employee Mix as per Gender



b. Employee Mix as per Service Tenure

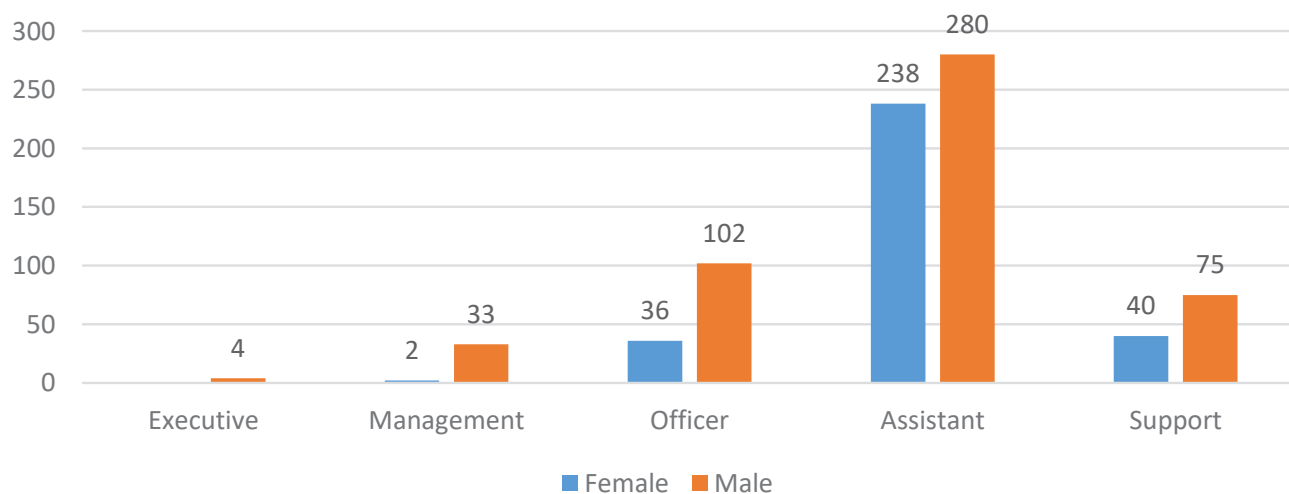


d. Employee Mix as per Employee Mode



e. Employee Mix as per Job Level

Employee Mix as per Job Level



Some Glimpse of Training Program

Corporate Social Responsibility (CSR) Initiatives Conducted During the Third Quarter of FY 2082/83

Since its establishment, Mahalaxmi Bikas Bank Limited has been actively undertaking various initiatives under its Corporate Social Responsibility (CSR) program through its branch network across the country. Continuing its commitment to contributing meaningfully in key sectors such as education, health, environmental conservation, and community welfare, the Bank carried out the following social initiatives during the third quarter of Fiscal Year 2082/83.

1. Nationwide Financial Literacy and Awareness Programs on the Occasion of Global Money Week 2026

On the occasion of Global Money Week 2026, observed from Chaitra 2 to Chaitra 8, 2082, Mahalaxmi Bikas Bank conducted a series of financial literacy, outreach, and awareness programs across Nepal. Through its branches and provincial offices, the Bank identified various target groups with limited access to financial services and organized programs aimed at enhancing financial knowledge and awareness.

As part of the week-long campaign, branches and provincial offices including Durbarmarg, Hetauda, Itahari, Bhairahawa, Bijaypur Pokhara, Birgunj, Dhangadhi, Suryapura, Dadeldhura, Lahan, Bichbazar, Mangalsen, and Chipledhunga conducted financial literacy programs focused primarily on students and youth. Organized under the global theme "Think Before You Follow, Wise Money Tomorrow," the programs reached more than one thousand participants nationwide.

The sessions covered topics such as savings, loans, investments, counterfeit currency identification, digital financial services, remittance, grievance handling mechanisms, financial service providers, capital markets, risk management, insurance, financial fraud, and financial discipline. The Bank also actively participated in financial literacy rallies and awareness programs organized by various institutions, including Nepal Rastra Bank.

In addition, the Bank disseminated financial awareness messages and educational video content through its official social media platforms. Through these initiatives, the Bank believes it has contributed to strengthening financial literacy and promoting responsible financial behavior among adolescents and young people.

2. Support for Cancer Awareness, Prevention, and Early Detection Initiative

On the occasion of World Cancer Day, observed annually on February 4, the Bank provided financial support to an awareness program organized by Jump Indoor Trampoline Park. The program aimed to promote awareness regarding the early detection, prevention, and treatment of cancer, while funds raised through the initiative were handed over to the Cancer Ward of Kanti Children's Hospital.

The program included interactive sessions among healthcare professionals, medical practitioners, cancer survivors, and participants, focusing on awareness and prevention of cancer. The Bank believes that such initiatives help promote timely diagnosis and encourage improvements in public health and well-being.

3. Distribution of Educational Materials

As part of its CSR initiatives and in observance of Global Money Week 2026, the Bank's Nepalgunj Branch distributed educational materials to students studying at Shree Yuddha Sanskrit Secondary School, Nepalgunj-10, Banke, on Chaitra 8, 2082. The initiative was carried out with the objective of supporting students in their learning and educational development.

The Bank believes that the program has contributed to supporting deserving and underprivileged students pursuing their education at the school.

4. Financial Support for Promoting Responsible Financial Awareness and Practical Economic Knowledge Among Youth

With the objective of promoting responsible financial awareness, expanding financial literacy, and contributing to education- and knowledge-based social development among young people, the Bank provided financial support to the Seventh Nepal Economics Olympiad.

Through this initiative, the Bank aims to encourage youth participation in economic and financial learning and believes that the program will help young individuals develop the knowledge and skills required to make informed financial decisions in the future.

5. Handover of Traffic Management Road Furniture

In collaboration with the Metropolitan Traffic Police Division, Maharajgunj, Kathmandu, the Bank handed over various road furniture and traffic management materials featuring traffic signs and safety information. The initiative was undertaken to support traffic management, reduce road accidents, improve pedestrian safety, and address issues related to unmanaged parking in public areas.

The Bank believes that this support will contribute to safer roads, improved traffic discipline, and enhanced public safety.

Highlights of CSR Activities Conducted During the Period





MONTHLY LOAN TARGET ACHIEVERS

THIRD QUARTER | FISCAL YEAR 2082/83



MAGH 2082

- 1 Newroad (Ktm) Branch
- 2 Thamel Branch
- 3 Dallu Branch
- 4 Nayabazar Branch
- 5 Dharke (Dhd) Branch
- 6 Hetauda Branch
- 7 Bardibas Branch
- 8 Hetauda Branch
- 9 Manigram Branch
- 10 Bardibas Branch



FALGUN 2082

- 1 Newroad (Ktm) Branch
- 2 Thamel Branch
- 3 Dallu Branch
- 4 Dharke (Dhd) Branch
- 5 Shankhamul Branch
- 6 Kumaripati Branch
- 7 Hetauda Branch
- 8 Gongabu Branch
- 9 Manigram Branch
- 10 Thapathali Branch



CHAITRA 2082

- 1 Newroad (Ktm) Branch
- 2 Thamel Branch
- 3 Shankhamul Branch
- 4 Maharajgunj Branch
- 5 Maitidevi Branch
- 6 Chabahil Branch
- 7 Hetauda Branch
- 8 Gongabu Branch
- 9 Kumaripati Branch
- 10 Bardibas Branch



LIST OF BRANCHES ACHIEVING MONTHLY SAVING ACCOUNT OPENING TARGET

THIRD QUARTER, FISCAL YEAR 2082/83



MAGH 2082



- | | |
|--------------------------|--------------------|
| 1 PRASAUNI | 21 GOLBAZAR |
| 2 BIRGUNJ | 22 GHORAAHI-DANG |
| 3 MAHILWAR (LBN) | 23 RUKUM |
| 4 DHAKDHAI | 24 MAHENDRANAGAR |
| 5 PAKADI | 25 CHABAHIL |
| 6 BETHARI | 26 THAPATHALI |
| 7 PARASI | 27 SURKHET |
| 8 MASURIYA | 28 RAJAPUR |
| 9 GONGABU | 29 RUPANI |
| 10 TULSIPUR | 30 BANSGADHI |
| 11 DHANGADHI | 31 HAKIM-CHOWK |
| 12 MARTADI-BAJURA | 32 PUTALISADAK |
| 13 SANFEBAGAR | 33 JANAKPUR |
| 14 KALAIYA | 34 BASUNDHARA |
| 15 LAHAN | 35 BAUNIYA |
| 16 GOKULESWOR-DARCHULLA | 36 SHREEPUR (BRG) |
| 17 MAHARAJGUNJ | 37 KAMANE (HTD) |
| 18 HETAUDA | 38 SURYA PURA |
| 19 BHAIRAWA | 39 THAMEL |
| 20 MALANGWA | 40 KHURKHURE |



FALGUN 2082



- | | |
|---------------------|-----------------------|
| 1 SANFEBAGAR | 21 PIPALLA |
| 2 PRASAUNI | 22 PALUNG |
| 3 LAHAN | 23 MAHARAJGUNJ |
| 4 TULSIPUR | 24 CHANDRAUTA |
| 5 BIRGUNJ | 25 TIKAPUR |
| 6 BARDIBAS | 26 GHORAAHI-DANG |
| 7 PAKADI | 27 SIMRA |
| 8 HETAUDA | 28 CHIPLDHUNGA (PKR) |
| 9 MAHARAJGUNJ | 29 THAPATHALI |
| 10 DHAKDHAI | 30 MANAHARI |
| 11 TULSIPUR | 31 BIRGUNJ |
| 12 BANSGADHI | 32 RUKUM |
| 13 HETAUDA | 33 SISUWA |
| 14 MASURIYA | 34 MALANGWA |
| 15 BELAURI | 35 KHURKHURE |
| 16 RUPANI | 36 SANFEBAGAR |
| 17 MAHENDRANAGAR | 37 PATAN-BAITADI |
| 18 CHANDRANIGHAPUR | 38 LALBANDI |
| 19 MANGALSEN | 39 SURKHET |
| 20 LAHAN | 40 HAKIM-CHOWK |



CHAITRA 2082



- | | |
|---------------------|-----------------------|
| 1 PRASAUNI | 21 LAHAN |
| 2 PAKADI | 22 PIPALLA |
| 3 BETHARI | 23 PALUNG |
| 4 KALAIYA | 24 MAHARAJGUNJ |
| 5 PARASI | 25 CHANDRAUTA |
| 6 HASULIYA | 26 TIKAPUR |
| 7 BARDIBAS | 27 GHORAAHI-DANG |
| 8 MARTADI-BAJURA | 28 SIMRA |
| 9 DHAKDHAI | 29 CHIPLDHUNGA (PKR) |
| 10 GOLBAZAR | |
| 11 TULSIPUR | |
| 12 BANSGADHI | |
| 13 HETAUDA | |
| 14 MASURIYA | |
| 15 BELAURI | |
| 16 RUPANI | |
| 17 BAUNIYA | |
| 18 MAHENDRANAGAR | |
| 19 CHANDRANIGHAPUR | |
| 20 MANGALSEN | |

Special Discounts for Mahalaxmi Bikas Bank Customers at Various Partner Establishments

Guided by its slogan, “Strong Bank, Successful Partnership,” Mahalaxmi Bikas Bank Limited has been continuously providing quality financial services to the people of Nepal. With the objective of creating greater value for its customers and fostering strategic partnerships, the Bank has entered into agreements with various organizations, including healthcare institutions, restaurants, and other service providers located across different areas.

Under these partnership arrangements, customers using Mahalaxmi Bikas Bank’s debit cards, credit cards, or mobile banking services are entitled to special discounts on selected products and services offered by the partner establishments. The details of the partner institutions and the available discounts are as follows:



S.N.	Institution	Location	Service Category	Discount
1	Aloft Hotel	Thamel, Kathmandu	Food and Beverages	Up to 15%
2	Yellow Hatti	Lazimpat, Kathmandu	Handicrafts and Wooden Art Products	Up to 10%
3	Alfa Care	New Baneshwor, Kathmandu	Diagnostic and Healthcare Services	Up to 20%
4	Drishti Eye Care Center	Kalanki, Kathmandu	Eye Examination, ENT Services, and Treatment	Up to 20%

The Bank believes that such collaborations will directly benefit customers who utilize its debit cards, credit cards, and mobile banking services. At the same time, with the objective of promoting financial inclusion and increasing digital financial awareness, the Bank has continued to conduct financial literacy and awareness programs through its branch network across the country.

Mahalaxmi Door to Door Program Conducted

Through all 103 branch offices, Mahalaxmi Bikas Bank has been continuously conducting at least one Door-to-Door Outreach Program every month as part of its customer engagement and financial inclusion initiatives. During the third quarter of Fiscal Year 2082/83, various branch offices successfully organized door-to-door outreach programs in their respective service areas. These programs were aimed at strengthening relationships with existing customers, reaching potential customers, promoting banking products and services, and enhancing financial awareness within local communities.



Highlights from the Door to Door Programs Organized by the Bank’s Bauniya and Bansgadhi Branches



Ravi Ranjan
Central Credit Department

BEYOND QR PAYMENTS:

The Next Phase of Digital Banking in Nepal

Walk into almost any small shop in Kathmandu or a tea stall in a village today, and you'll see something that seemed impossible a decade ago someone scanning a QR code to pay for their bill. We've done a great job as a banking community in moving the country toward digital payments, but we've mostly just changed the way money moves. The real challenge and the most exciting opportunity is what happens next. As we look forward, the focus isn't going to be on just having a better app or a faster website. The real shift will come from how we use the massive amounts of information we already have to actually understand our customers. This is where "Data Analytics" and "Artificial Intelligence" stop being tech jargon and start becoming the tools we use to serve people better.

Right now, BFI's are sitting on pile of data, but much of it is like unpolished stones. We see transaction numbers, but we don't always see the person behind them. Imagine if systems could recognize that a young man has been saving a small portion of her salary every month for three years. Instead of waiting for her to come into the branch to ask for a loan, our data should allow us to reach out and offer her a tailored plan to start her own business or buy her first home. This shift from being a place where people simply keep their money to being a partner that understands their life goals is the real future of our industry. It's about moving away from "one size fits all" banking and creating a service that feels personal to every individual, no matter how much they have in their account.

This approach could also solve one of the biggest headaches in Nepali banking the heavy reliance on real estate collateral for every single loan. We all know how many brilliant young entrepreneurs and small business owners are held back because they don't have a property to pledge. But by using smart data analysis, we can start looking at "behavioral collateral." If a shopkeeper has a consistent history of digital transactions and a solid track record of paying their bills, that data tells a story of reliability that is just as valuable as a piece of land. AI can help to crunch these numbers in seconds, allowing BFI's to lend to a whole new generation of hardworking Nepalese who are currently locked out of the formal financial system. It's a way to grow our economy while actually lowering our risks, because we're making decisions based on real world evidence rather than just paperwork.

At the same time, as we move more of our lives online, we have to talk about the growing fear of digital fraud. We've all seen the news reports of people losing their hard earned savings to scammers. This is where AI acts as a quiet, 24-hour digital guard. Instead of just setting basic limits on transfers, smart systems can learn the "rhythm" of a customer's life. If someone who usually spends 500 rupees at a grocery store suddenly tries to send a large sum to an unknown account in the middle of the night, the system can flag it instantly. By using technology to protect the trust people put in us, we aren't just protecting money we are protecting the reputation of our entire banking sector. It gives our customers the confidence to go fully digital, knowing the BFI's is looking out for them.

This spirit of contribution is perhaps most visible in our evolving approach to social responsibility and financial literacy. We are moving toward a future where a bank's success is measured by the financial health of its community. Our CSR initiatives are becoming powerful programs that teach

families how to grow their savings and invest wisely. Sharing the gift of financial knowledge especially with those receiving remittances we are helping people turn their hard-earned money into sustainable wealth. This creates a wonderful ripple effect of stability and confidence throughout the country, ensuring that every household has the tools to plan for a bright and secure future.

There is often a worry that bringing in "Data Analytics" or AI will make banking feel cold or lead to job losses, but in the Nepali context, it's actually the opposite. Banking in our country has always been about relationships and a "chiya" conversation. By letting AI handle the repetitive, boring tasks like checking balances or resetting passwords, we will be actually freeing up staff to do what they do best talking to people. When a customer walks into a branch, staff shouldn't be buried in paperwork they should have the time to sit down and give real financial advice. In the end, the next frontier of banking isn't about replacing the human touch with technology. It's about using technology to take care of the machines, so that we, can get back to taking care of the people.





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Green Financing: Myth or Fact for Sustainability?

The present era is characterized by escalating environmental degradation and the worsening effects of climate change. In recent years, the world has experienced the catastrophic consequences of climate change. For example, 2024 was recorded as the hottest year on record, accompanied by devastating wildfires in California, widespread flooding in Nepal, Sudan, and Spain, rising sea levels, and heavy snowfall and flooding in Saudi Arabia. The global community's mounting concerns regarding climate change and social responsibility underscore the urgency for financial institutions, particularly Banks, to re-evaluate their traditional approaches to decision-making.

In this regard, a significant area to address for the environmental and economic issue could be green financing, as green finance is an approach for organized investment activity for transitions toward low-carbon, climate, and inclusive development pathways. Conceptually, green finance is not limited to the acquisition and utilization of funds for activities that protect the environment and deliver a fair return to investors or lenders. Hence, the primary objective of green finance is to increase the level of financial flows from financial institutions to economic agents involved in projects and investments that preserve the environment towards achieving the Sustainable Development Goals.

The initiatives have been taken at the national as well as international level for promoting the importance of green financing as a means of ensuring environmental and economic sustainability. The climate finance initiative within the Paris Agreement (2015), followed by the European Union's European Green Deal, aimed at achieving carbon neutrality by 2050, has significantly encouraged green finance. Similarly, China's green finance initiative, led by the People's Bank of China, supports green credit and investments to achieve a carbon-neutral economy by 2060. Additionally, the UN Principles for Responsible Banking urge financial institutions to integrate sustainability into their business models and funding strategies. Furthermore, the Green Climate Fund, established under the United Nations Framework, provides funding to mobilize both public and private finance to support large-scale green projects, representing key initiatives promoting green financing globally. Nepal has recently been concentrating more on green, resilient and inclusive development initiatives. The Nepal Investment Summit 2024, held on April 28-29 in Kathmandu, put significant emphasis on the area of green financing and sustainable investment opportunities. Nepal's commitment to promoting green and sustainable financing was highlighted and supported by both regulatory initiatives and international partnerships. As a result, Nepal Rastra Bank has published the Nepal Green Finance Taxonomy 2024 to provide an approach and processes for regulators, financial institutions, and market participants to shift the investment paradigm towards investments in green finance by allocating resources through their economic activities in Nepal.

Nepal's financial system is primarily driven by banks, with the majority of their assets allocated to sectors that are considered high-risk in terms of environmental and climate impacts, such as industries, construction, hydropower, and real estate. This exposes banks to significant environmental and climate-related risks. According to the latest Supervisory Information System (SIS) and Unified Directives 2021 issued by Nepal Rastra Bank (NRB), the lending of Banks and Financial Institutions (BFIs) is classified into 18 sectors. NRB has also emphasized directed lending to key areas like agriculture, energy, tourism, and small, micro, cottage, and medium-sized enterprises (MSMEs). However, there is currently no structured approach to track or monitor investments in "green" sectors.

However, the introduction of various green investment areas and approaches, as well as a process for investment in different green products in the green finance taxonomy 2024, is expected to help BFIS shift their resources in the area of green financing. Nepal's Taxonomy mandates that Banks and Financial Institutions (BFIs) set annual targets and measure their progress in green finance, with the results to be reported to the Nepal Rastra Bank (NRB). Additionally, the monitoring, reporting, and supervision section of the taxonomy specifies that market participants, such as BFIs, are responsible for consistently tracking the use of taxonomy-aligned financing by their clients, ensuring that funds are directed toward green activities. As a result, the reporting requirements outlined by NRB in the Taxonomy, Environmental and Social Risk Management Guidelines 2022, along with the lending requirements for priority sectors, are expected to create an environment that encourages BFIs to allocate resources to green financing in Nepal.



Does green financing help in sustainability?

Green finance is a recent innovation that offers an alternative financing pathway to individuals, corporations and governments willing to fund and invest in green activities or low-carbon activities. The benefits of green finance include: the distribution of funds to preserve the environment, the flow of funds to sustainable trade and investment activities, low-risk financing, and the development of green investment and financing instruments.

Sustainability can be viewed from two distinct angles: environmental sustainability and economic sustainability. From an environmental sustainability standpoint, green financing helps in climate change mitigation by investing in projects like flood defense and resilient infrastructure and carbon capture and storage technologies. Similarly, it contributes to the reduction of carbon emissions by funding projects such as solar power plants, wind farms, hydropower projects, geothermal energy, bioenergy, and biomass plants. Additionally, it promotes energy efficiency by investing in energy-efficient building designs and retrofitting, upgrading industrial machinery to reduce energy consumption, and supporting energy storage technology projects.

Further, green financing enables water conservation and management through investments in water purification and desalination plants, rainwater harvesting systems, sustainable agricultural irrigation systems, and wastewater treatment projects. Furthermore, it supports sustainable transportation, such as electric vehicles, and pollution control through air and water pollution systems, as well as technologies designed to reduce industrial emissions. What's more, green financing fosters a circular economy by investing in sustainable supply chain initiatives, as well as recycling, reusing, and upcycling efforts.

Similarly, green financing contributes to economic sustainability by promoting a resilient, inclusive, and environmentally friendly economy. Investments in green infrastructure, solar power plants, hydropower projects, geothermal energy, energy efficiency, sustainable supply chains, and renewable energy stimulate economic activity, drive innovation, and significantly boost a country's GDP. Additionally, it supports the creation of new jobs in these sectors. Businesses and households will experience substantial cost savings through energy-efficient projects that consume less energy, thereby reducing operational costs. Green financing supports SME's that are engaged in sustainable projects, promoting inclusive economic development and reducing inequality. Likewise, green financing boosts innovation and technology development because green finance itself is an innovative concept and it encourages the development of innovative solutions in energy, transportation, manufacturing and other areas.

Aligning with the goal of SDG's, a country focusing on green investment shall have an opportunity to attract different domestic and foreign investors, hence, it increases the investment flows in the country. For example, the Rawa solar project of India, one of the largest solar parks globally, created local jobs and contributed to India's energy security and economic sustainability. Wind power expansion project of China created jobs, reduced air pollution, and supported China's transition to low low-carbon economy. The green bond for climate action of France, issued in 2017, attracted international investors and boosted economic activity.

Green financing, by funding projects that promote sustainable development, helps balance the needs of the environment, finance, and development. It contributes to the preservation of natural resources, encourages the use of renewable energy, and works to reduce human exploitation of the environment. As a result, it becomes an effective tool for achieving sustainable development goals. Therefore, green finance offers both economic and environmental benefits to countries. It expands access to eco-friendly goods and services for individuals and businesses, facilitates a fair transition to a low-carbon society, and fosters more socially inclusive growth.

Green finance plays the transformative role in fostering a sustainable and resilient economy. By understanding and leveraging the multitude

of green financing options, investors can make meaningful contributions to environmental sustainability while achieving competitive financial returns. Despite the benefits of green financing, challenges such as regulatory and policy barriers, greenwashing, limited access due to weak financial systems, insufficient infrastructure, lack of technical expertise, and the conflict of interest between profit vs. sustainability remain. Addressing these challenges requires coordinated efforts from governments, financial institutions, businesses, and international organizations. It is also important to recognize that green finance is just one component of sustainable finance for development. Alongside green finance, other sustainable finance options, such as social finance, blue finance, and digital finance, should also be considered to fully achieve the objective of both economic and environmental sustainability.

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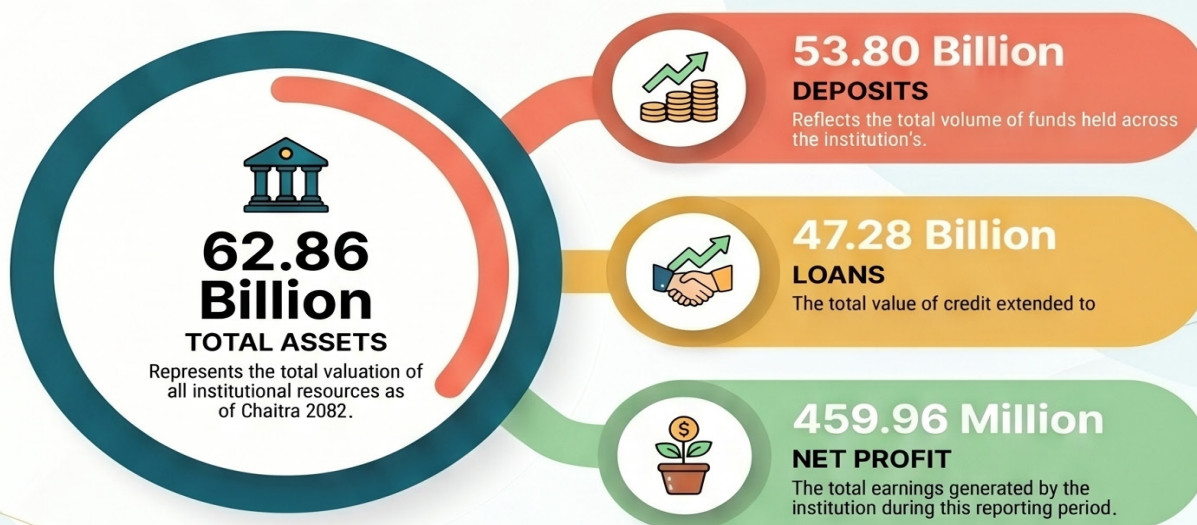
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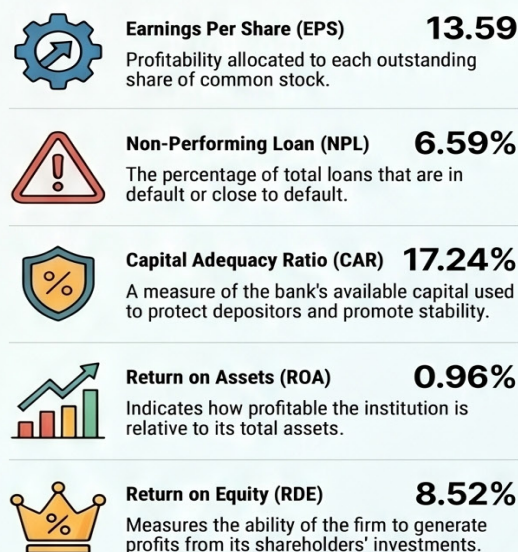
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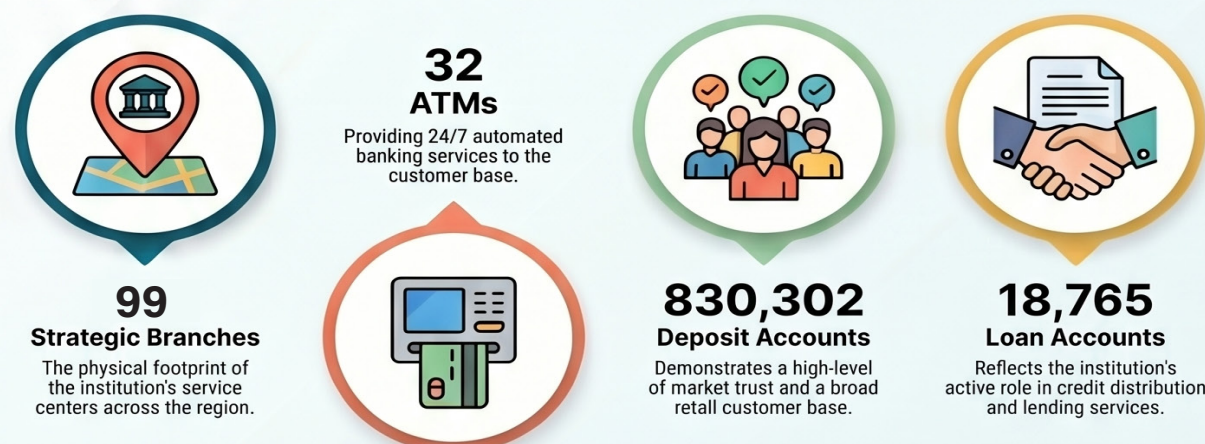
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