



# Quarterly Financial Statement

At the Quarter Ended Ashwin 2073

## 1. Unaudited Financial Results

Rs. in '000'

S.No.	Particulars	This Quarter Ending	Previous Quarter Ending (Audited)	Corresponding Previous Year Quarter Ending
1	Total Capital & Liabilities (1.1 to 1.7)	47,414,822	47,237,381	42,311,655
1.1	Paid-up Capital	4,011,759	4,011,759	3,039,211
1.2	Reserves and Surplus	2,252,594	2,027,575	1,977,905
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	19,487	31,598	24,000
1.5	Deposits (a+b)	39,603,022	39,874,234	34,664,964
	a. Domestic Currency	38,228,152	38,863,581	33,567,134
	b. Foreign Currency	1,374,870	1,010,653	1,097,830
1.6	Income Tax Liabilities	81,749	5,821	51,709
1.7	Other Liabilities	1,446,211	1,286,394	2,553,867
2	Total Assets (2.1 to 2.7)	47,414,822	47,237,381	42,311,655
2.1	Cash & Bank Balance	5,544,785	9,263,297	6,075,862
2.2	Money at call and short Notice	-	-	-
2.3	Investments	6,391,358	4,499,286	6,899,281
2.4	Loans & Advances (a+b+c+d+e+f)	34,272,895	32,528,325	26,975,888
	a. Real Estate Loan	3,450,750	3,592,760	1,469,040
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	389,790	369,770	126,010
	2. Business Complex & Residential Apartment Construction Loan	713,570	769,690	622,020
	3. Income generating Commercial Complex Loan	296,710	283,600	251,160
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	2,050,680	2,169,700	469,850
	b. Personal Home Loan of Rs. 10 million or less	3,224,610	3,107,580	2,944,630
	c. Margin Type Loan	440,400	473,490	411,920
	d. Term Loan	4,124,170	3,994,130	3,416,180
	e. Overdraft Loan / TR Loan / WC Loan	14,394,340	13,890,173	12,304,470
	f. Others	8,638,625	7,470,192	6,429,648
2.5	Fixed Assets	189,679	186,883	203,762
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	1,016,105	759,590	2,156,862
3	Profit and Loss Account			
3.1	Interest income	732,533	2,918,754	598,782
3.2	Interest Expense	403,059	1,456,394	402,320
A	Net Interest Income (3.1-3.2)	329,474	1,462,360	196,462
3.3	Fees Commission and Discount	129,490	486,074	76,410
3.4	Other Operating Income	47,149	183,285	31,240
3.5	Foreign Exchange Gain/Loss (Net)	36,527	140,671	34,160
B	Total Operating Income (A+3.3+3.4+3.5)	542,641	2,272,390	338,272
3.6	Staff Expenses	106,125	401,647	84,350
3.7	Other Operating Expenses	72,164	280,732	64,160
C	Operating profit Before Provision (B-3.6-3.7)	364,351	1,590,011	189,762
3.8	Provision for Possible Loss	163,309	70,323	41,446
D	Operating profit (C-3.8)	201,042	1,519,688	148,316
3.9	Non Operating Income/Expenses (Net)	22,795	41,223	260
3.10	Write Back of Provision for Possible Loss	83,972	50,764	32,195
E	Profit From Regular Activities (D+3.9+3.10)	307,808	1,611,675	180,771
3.11	Extraordinary Income/Expenses (Net)	29,637	165,815	13,490
F	Profit Before Bonus and Taxes (E+3.11)	337,445	1,777,490	194,261
3.12	Provision For Staff Bonus	(30,677)	(161,590)	(17,660)
3.13	Provision For Tax	(81,749)	(417,602)	(51,709)
G	Net Profit/Loss (F-3.12 -3.13)	225,019	1,198,298	124,892
4	Ratios			
4.1	Capital Fund to RWA	10.61%	10.96%	10.84%
4.2	Non Performing Loan (NPL) to Total Loan	1.16%	0.71%	1.26%
4.3	Total Loan Loss Provision to Total NPL	158.75%	238.99%	147.84%
4.4	Cost of Funds	4.18%	3.95%	4.68%
4.5	CCD Ratio (Calculated as per NRB Directives)	77.74%	72.83%	70.68%
4.6	Base Rate	6.96%	7.06%	7.68%
4.7	Net Interest Spread (Local Currency)	4.48%	4.54%	3.63%
	Additional Information (Optional)			
	Average Yield (Local Currency)	9.24%	9.76%	10.24%
	Return on Equity (Annualised)	14.37%	19.67%	9.96%
	Return on Assets (Annualised)	1.90%	2.54%	1.18%
	Earning Per Share (Annualised) Rs.	22	39	16
	Net Worth Per Share (Rs.)	156	151	165
	Total Assets Per Share (Rs.)	1,182	1554	1392
	Market Value Per Share (Rs.)	905	860	598
	Price Earning (PE) Ratio	40	22	36
	Net Liquid Assets to Deposits	24.39%	29.61%	31.59%

Note: 1. Share Capital includes 32% proposed bonus share of FY 2072/73.  
2. Unaudited financial figures are subject to change from Supervisory Authority and Statutory Auditor.  
3. Figures are regrouped/rearranged wherever necessary.  
4. Above Financial Statements are prepared as per NRB Directives and prevailing banking practice.

## 2. Management Analysis

- a) Bank has maintaining reasonable deposit volume, sufficiency of capital adequacy requirement, liquidity position, lending portfolio, acceptable NPL and initiation in recovery of bad loans etc. during this quarter also.
- b) The bank has opened extension counter at premises of the Institute of Chartered Accountants of Nepal (ICAN) Satdobato, Lalitpur and inaugurated one ATM at Birtamode, Jhapa during the quarter. Similarly, bank is regularly introducing various new products and has been re-aligning its existing products as per the changing market needs.
- c) There is no any past experience that will have effect on total deposits, income and liquidity of the Bank.

## 3. Details Relating to Legal Actions

- a) Any law-suit filed by or against the body corporate:  
Bank has filed some cases in DRT for the recovery of bad loan and few customers have filed cases against the bank for the action taken for recovery of loans.
- b) Law-suit filed by or against the promoter or director of body corporate involving violation of statutory regulations or criminal offences:  
No such case noticed till date.
- c) Law-suit filed against any promoter or director for economic offences:  
No such case noticed till date.

## 4. Analysis pertaining to share transactions of the bank

- a) Since shares of the bank are traded on the basis of the trust of investors towards the bank and analysis of its return, no major fluctuations are noted in the share price of the bank and there has been satisfactory trading of shares in the capital market.
- b) Maximum, minimum and last share price of bank including total transacted number of shares and transacted day during the quarter are as follows: (as published in the website of Nepal Stock Exchange)
- |                                |   |                 |
|--------------------------------|---|-----------------|
| Maximum share price            | : | Rs. 1255;       |
| Minimum share price            | : | Rs. 850;        |
| Last share price               | : | Rs. 905;        |
| Total no. of transaction days  | : | 55 days         |
| Total no. of transacted shares | : | 4,289,729 units |

## 5. Problem and Challenges

The bank has considered the following internal and external impediments as its problems and challenges:

- Challenge of assets growth in the backdrop of low economic growth
- The market is overcrowded with financial institutions further intensifying competition.
- Rise in inflation and slack in real estate business
- Increasing cost of operation and decreasing spread.
- Increase in interest rate of deposit in banking sector.
- Depressive global economy leading to slow down in remittance growth
- Regular power cuts, political instability, unfavorable business environment etc.

## 6. Corporate Governance

- a) Procedural Manuals, Policies and internal circulars along with directive/circulars issued by NRB are strictly followed so as to mitigate issues relating to corporate governance.
- b) Board of Directors is aware of effective corporate governance. Regular Board meeting are held where issues relating to corporate governance are addressed.
- c) Meeting of audit committee, risk management committee, human resource committee etc. are held on regular basis to review Bank's financial condition, internal control system, audit program and recommend to the Board of Directors for action to be taken.
- d) ALCO meets on a regular basis to manage assets and liabilities of the Bank effectively.

## 7. Declaration of true and fair status by Chief Executive Officer

I, CEO of the bank, take responsibility on the truthfulness of the information and details contained in this report. Further, I declared that the particulars mentioned in this report to the best of my knowledge are true, fair and complete and have not knowingly concealed any necessary particulars, notices and information to the investors to take informed decisions.