



UNAUDITED FINANCIAL RESULTS (QUARTERLY)

As at First Quarter (30/06/2073) of the Fiscal Year 2073/2074 (2016/2017)

Rs in '000'

S. N.	Particulars	This Quarter Ending 30/06/2073 (16/10/2016)	Previous Quarter Ending 31/03/2073 (15/07/2016)	Corresponding Previous Year Quarter Ending 30/06/2072 (17/10/2015)
1	Total Capital & Liabilities (1.1 to 1.7)	83,875,276	81,748,196	48,415,115
1.1	Paid-up Capital	4,576,891	4,576,891	2,671,468
1.2	Reserves and Surplus	4,206,366	3,307,994	1,351,395
1.3	Debtenture and Bond	1,000,000	1,000,000	1,000,000
1.4	Borrowings	1,944,400	2,247,000	1,083,000
1.5	Deposits (a+b)	69,326,377	67,836,391	40,169,662
a.	Domestic Currency	68,108,047	66,725,387	38,669,144
b.	Foreign Currency	1,218,330	1,111,004	1,500,518
1.6	Income Tax Liabilities	-	(18,819)	-
1.7	Other Liabilities	2,821,242	2,798,739	2,139,590
2	Total Assets (2.1 to 2.7)	83,875,276	81,748,196	48,415,115
2.1	Cash & Bank Balance	8,188,120	9,788,452	5,276,589
2.2	Money at call and short Notice	30,481	150,000	8,660
2.3	Investments	11,719,742	9,786,875	7,504,399
2.4	Loans & Advances (a+b+c+d+e+f)	61,476,338	60,317,708	34,187,637
a.	Real Estate Loan	1,766,416	3,227,749	809,925
1.	Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	381,432	394,630	52,122
2.	Business Complex & Residential Apartment Construction Loan	113,742	275,429	89,457
3.	Income generating Commercial Complex Loan	301,343	508,950	302,962
4.	Other Real Estate Loan (Including Land Purchase & Plotting)	969,899	2,048,740	365,384
b.	Personal Home Loan of Rs. 10 million or less	3,813,911	3,439,849	2,080,548
c.	Margin Type Loan	486,573	535,368	56,370
d.	Term Loan	5,088,826	8,290,396	4,772,035
e.	Overdraft Loan / TR Loan / WC Loan	23,331,668	31,300,044	18,942,070
f.	Others	26,988,943	13,524,302	7,526,689
2.5	Fixed Assets	964,041	968,580	594,344
2.6	Non Banking Assets	24,658	24,658	278
2.7	Other Assets	1,471,896	711,923	843,208
3	Profit and Loss Account	Upto This Quarter	Upto Previous Quarter	Upto Corresponding Previous Year Quarter
3.1	Interest Income	1,269,787	3,087,224	763,266
3.2	Interest Expense	644,781	1,543,783	415,937
	A. Net Interest Income (3.1-3.2)	625,006	1,543,441	347,329
3.3	Fees, Commission and Discount	88,751	248,571	59,281
3.4	Other Operating Income	40,585	105,088	17,265
3.5	Foreign Exchange Gain/Loss (Net)	57,755	188,965	53,661
	B. Total Operating Income (A+3.3+3.4+3.5)	812,097	2,086,065	477,536
3.6	Staff Expenses	184,734	429,813	104,176
3.7	Other Operating Expenses	138,747	400,807	96,780
	C. Operating profit Before Provision (B-3.6-3.7)	488,616	1,255,445	276,580
3.8	Provision for Possible Loss	97,693	74,892	25,765
	D. Operating profit (C-3.8)	390,923	1,180,553	250,815
3.9	Non Operating Income/Expenses (Net)	535	27,541	12,687
3.10	Write Back of Provision for Possible Loss	33,858	11,618	1,674
	E. Profit From Regular Activities (D+3.9+3.10)	425,317	1,219,712	265,176
3.11	Extraordinary Income/Expenses (Net)	500	(4,891)	-
	F. Profit Before Bonus and Taxes (E+3.11)	425,817	1,214,821	265,176
3.12	Provision For Staff Bonus	38,711	110,438	24,107
3.13	Provision For Tax	116,132	346,279	72,321
	G. Net Profit/Loss (F-3.12 -3.13)	270,974	758,103	168,748
4	Ratios	At the End of This Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund to RWA	13.07%	13.67%	12.95%
4.2	Non Performing Loan (NPL) to Total Loan	1.12%	2.25%	3.57%
4.3	Total Loan Loss Provision to total NPL	176.89%	123.45%	124.13%
4.4	Cost of Funds (Local Currency)	4.11%	4.03%	4.37%
4.5	CD Ratio (Calculated as per NRB Directives)	78.72%	78.76%	75.76%
4.6	Base Rate	6.43%	6.89%	7.05%
4.7	Average Interest Spread (Calculated as per NRB Circular)	3.94%	4.14%	4.06%
	Additional Information			
	Average Yield (Local Currency)	7.50%	7.51%	7.77%
	Net Interest Spread (Local Currency)	3.39%	3.49%	3.39%
	Return on Equity (Annualised)	12.37%	14.98%	16.99%
	Return on Assets (Annualised)	1.38%	1.44%	1.42%

Note: 1. The unaudited financial figure may change if directed by Statutory Auditor/ Supervisory Authorities

2. Figures of previous periods have been regrouped wherever necessary as per NRB Directives.

Securities Registration and Issuance Rules 2065

(Rule # 22 (2), Annexure 14)

1st Quarter Report – FY 2073-74

1. Financial Indicators

Earning Per Share (Annualized)	23.68
Price Earning Ratio (Annualized)	32.26
Net Worth Per Share	191.90
Assets Per Share	1,832.58
Liquidity Ratio	22.52%

2. Management Analysis

a. The volume of credit & deposit of the bank stands at NPR 6,148 million & NPR 6,933 million respectively & the bank achieved net profit of around NPR 271 million by the end of the first quarter of FY 2073-74.

b. No specific incident observed that could have impact on deposit volume, profitability and cash flow of the bank.

3. Details Pertaining to Legal Proceedings

a. There were no major legal cases filed by or filed against the Bank during the review quarter period.

b. There were no legal cases filed by or filed against promoters or directors of the Bank during the review quarter period.

c. There were no legal cases filed against promoter or directors of the Bank regarding financial misappropriation.

4. Analysis of Bank's Share Transactions

a. No abnormal incidents occurred during the review quarter period that could have a material effect on the Bank.

b. Share Transaction Detail of the Review Quarter Period

Months	Maximum Share Price	Minimum Share Price	Last Share Price	Total Traded Days	Total Transaction Nos.
Shrawan 2073	-	-	-	-	-
Bhadra 2073	-	-	-	-	-
Ashwin 2073	819	473	764	8	2,182

Note: The share transaction of the bank was stopped till Bhadra 2073 due to the post merger process.

5. Problems and Challenges

Internal

- Maintaining interest spread
- Managing increased operation cost

External

- Competitive environment with growing financial institutions
- Limited market
- Changing liquidity condition
- Volatile foreign exchange market
- Change in policies and regulations having direct impact in the business
- Political instability marring the business environment
- Adverse investment climate discouraging foreign direct investment

Bank's Strategy to mitigate problems and challenges

- Focus on new and high yielding services by optimum utilization of funds
- Provide quality and latest technology based services to customers
- Expand network so as to broaden the reach to targeted markets
- Explore new prospective lending sectors so as to broaden the scope of lending
- Closely monitor the cost component to remain competitive in the market
- Proactive approach in providing provisions
- Closely follow activities in international market

6. Corporate Governance

- **High Public Shareholding:** Public shareholders' own 54.36% share of this bank where as Promoter shareholders' own 45.64% of this bank
- **Safeguard of depositors and shareholders rights and interests:** The Bank has been providing timely and regularly all the necessary financial information to all the stakeholders.
- **Effective Audit Committee:** The independent audit committee has ensured the establishment of effective internal controls and provides suggestions and guidance to the management if necessary.
- **Effective Compliance:** To ensure that the prevalent laws and rules are followed, the Bank has developed policies and clear authorities to guide the function of management which is coordinated by Integrated Risk Management and Compliance Department and monitored by Internal Audit Department.

7. Details as per Rule 22 (5) related to special incident or condition

8. Declaration by CEO regarding True Financial Information

I personally take the responsibility for the correctness of the information disclosed in the report. I also declare that as far as I understand the information provided in the report are true, fair and complete and have not concealed any factual information and notices from investors to take investment decisions.