



## UNAUDITED FINANCIAL RESULTS (QUARTERLY)

As at First Quarter (31/06/2074) of the Fiscal Year 2074/2075 (2017/2018)

S.N.	Particulars	This Quarter Ending (31/06/2074) (17/10/2017)	Previous Quarter Ending 31/03/2074 (15/07/2017)	Corresponding Previous Year Quarter Ending 30/06/2073 (16/10/2016)
<b>1</b>	<b>Total Capital &amp; Liabilities (1.1 to 1.7)</b>	<b>83,575,720</b>	<b>86,299,541</b>	<b>83,875,276</b>
1.1	Paid-up Capital	5,629,576	5,629,576	4,576,891
1.2	Reserves and Surplus	3,538,180	3,320,513	4,206,366
1.3	Debenture and Bond	1,000,000	1,000,000	1,000,000
1.4	Borrowings	289,518	4,000	1,944,400
1.5	Deposits (a+b)	<b>69,150,986</b>	<b>72,136,797</b>	<b>69,326,377</b>
	a. Domestic Currency	67,627,689	71,230,736	68,108,047
	b. Foreign Currency	1,523,297	906,061	1,218,330
1.6	Income Tax Liabilities	-	-	-
1.7	Other Liabilities	3,967,460	4,208,654	2,821,242
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>83,575,720</b>	<b>86,299,541</b>	<b>83,875,276</b>
2.1	Cash & Bank Balance	6,800,453	9,516,809	8,188,120
2.2	Money at call and short Notice	338,100	-	30,481
2.3	Investments	11,940,728	11,761,210	11,719,742
2.4	Loans & Advances (a+b+c+d+e+f)	<b>62,328,067</b>	<b>62,549,988</b>	<b>61,476,338</b>
	a. Real Estate Loan	<b>3,596,755</b>	<b>3,671,373</b>	<b>3,740,087</b>
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	490,217	473,375	381,432
	2. Business Complex & Residential Apartment Construction Loan	115,510	112,509	113,742
	3. Income generating Commercial Complex Loan	319,586	312,212	273,978
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	2,671,442	2,773,277	2,970,934
	b. Personal Home Loan of Rs. 10 million or less	3,822,611	3,867,204	3,813,911
	c. Margin Type Loan	705,584	740,653	506,573
	d. Term Loan	10,262,344	9,841,850	9,118,730
	e. Overdraft Loan / TR Loan / WC Loan	30,787,904	30,675,699	32,120,259
	f. Others	13,152,870	13,753,209	12,176,777
2.5	Fixed Assets	949,711	943,157	964,041
2.6	Non Banking Assets	25,858	25,858	24,658
2.7	Other Assets	1,192,803	1,502,518	1,471,896
<b>3</b>	<b>Profit and Loss Account</b>	<b>Upto This Quarter</b>	<b>Upto Previous Quarter</b>	<b>Upto Corresponding Previous Year Quarter</b>
3.1	Interest Income	1,920,990	6,116,948	1,269,787
3.2	Interest Expense	1,347,311	3,550,877	644,781
<b>A</b>	<b>Net Interest Income (3.1-3.2)</b>	<b>573,679</b>	<b>2,566,070</b>	<b>625,006</b>
3.3	Fees Commission and Discount	76,937	318,977	88,751
3.4	Other Operating Income	45,956	151,068	40,585
3.5	Foreign Exchange Gain/Loss (Net)	63,180	230,345	57,755
<b>B</b>	<b>Total Operating Income (A+3.3+3.4+3.5)</b>	<b>759,752</b>	<b>3,266,461</b>	<b>812,097</b>
3.6	Staff Expenses	199,900	750,859	184,734
3.7	Other Operating Expenses	134,072	581,053	138,747
<b>C</b>	<b>Operating profit Before Provision (B-3.6-3.7)</b>	<b>425,780</b>	<b>1,934,550</b>	<b>488,616</b>
3.8	Provision for Possible Loss	132,958	306,330	97,693
<b>D</b>	<b>Operating profit (C-3.8)</b>	<b>292,822</b>	<b>1,628,220</b>	<b>390,923</b>
3.9	Non Operating Income/Expenses (Net)	2,044	20,881	535
3.10	Write Back of Provision for Possible Loss	48,971	177,771	33,858
<b>E</b>	<b>Profit From Regular Activities (D+3.9+3.10)</b>	<b>343,837</b>	<b>1,826,872</b>	<b>425,316</b>
3.11	Extraordinary Income/Expenses (Net)	8,234	121,230	500
<b>F</b>	<b>Profit Before Bonus and Taxes (E+3.11)</b>	<b>352,071</b>	<b>1,948,102</b>	<b>425,816</b>
3.12	Provision For Staff Bonus	32,006	177,100	38,711
3.13	Provision For Tax	96,019	531,926	116,132
<b>G</b>	<b>Net Profit/Loss (F-3.12 -3.13)</b>	<b>224,046</b>	<b>1,239,075</b>	<b>270,974</b>
<b>4</b>	<b>Ratios</b>	<b>At the End of This Quarter</b>	<b>At the End of Previous Quarter</b>	<b>At the End of Corresponding Previous Year Quarter</b>
4.1	Capital Fund to RWA	13.82%	13.97%	13.07%
4.2	Non Performing Loan (NPL) to Total Loan	2.08%	1.46%	1.12%
4.3	Total Loan Loss Provision to total NPL	180.56%	245.88%	176.89%
4.4	Cost of Funds	7.78%	7.68%	3.85%
4.5	CD Ratio (Calculated as per NRB Directives)	77.39%	75.34%	78.72%
4.6	Base Rate	10.68%	10.57%	6.43%
4.7	Average Interest Spread (Calculated as per NRB Circular)	3.83%	3.00%	3.94%
	<b>Additional Information</b>			
	Average Yield (Local Currency)	11.05%	10.18%	7.26%
	Return on Equity (Annualised)	9.84%	14.74%	12.37%
	Return on Assets (Annualised)	1.05%	1.50%	1.38%

- Notes:**
- The unaudited financial figure may change if directed by Statutory Auditor/ Supervisory Authorities
  - Figures of previous periods have been regrouped wherever necessary as per NRB Directives.

## Securities Registration and Issuance Rules 2065 (Rule # 22 (2), Annexure 14) First Quarter Report - FY 2074/75

### 1. Financial Indicators

Earning Per Share (Annualized)	: 15.92
Price Earning Ratio (Annualized)	: 27.83
Net Worth Per Share	: 162.85
Assets Per Share	: 1484.58
Liquidity Ratio	: 26.54%

### 2. Management Analysis

- The total deposit volume of Bank is NPR 69.15 bn whereas loans and advances is NPR 62.33 bn and Net profit of bank is NPR 22.40 mn at the end of 1st Quarter.
- No specific incident observed that could have impact on deposit volume, profitability and cash flow of the bank.

### 3. Details Pertaining to Legal Proceedings

- There were no major legal cases filed by or filed against the Bank during the review period.
- There were no legal cases filed by or filed against promoters or directors of the Bank during the review period.
- There were no legal cases filed against promoter or directors of the Bank regarding financial misappropriation.

### 4. Analysis of Bank's Share Transactions

- No abnormal incidents occurred during the review period that could have a material effect on the Bank.
- Share Transaction Detail of the Review Period

Months	Maximum Share Price	Minimum Share Price	Last Share Price	Total Traded Days	Total Transaction Nos.
Shrawan 2074	503	452	477	22	2538
Bhadra 2074	480	415	433	18	1462
Ashwin 2074	451	419	443	16	915

### 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 as well as Compliance Department and monitored by Internal Audit Department.

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

None.

### 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.