



Quarterly Unaudited Financial Statement

As of 3rd Quarter (30 Chaitra 2075) of the F/Y 2075/2076

S.N.	Particulars	This Quarter Ending 2075.12.30 (Unaudited)	Previous Quarter Ending 2075.09.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.12.30 (Unaudited)
1	Total Capital & Liabilities (1.1 to 1.7)	31,393,554	29,860,488	25,031,481
1.1	Paid-up Capital	2,209,766	2,175,272	2,149,634
1.2	Reserves and Surplus	1,465,477	1,356,110	1,002,044
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	1,102,611	748,057	353,955
1.5	Deposits (a+b)	24,354,595	23,442,663	19,425,458
	a. Domestic Currency	24,354,509	23,442,576	19,425,369
	b. Foreign Currency	87	87	88
1.6	Income Tax Liabilities	147,210	100,547	145,880
1.7	Other Liabilities	2,113,895	2,037,840	1,954,510
2	Total Assets (2.1 to 2.7)	31,393,554	29,860,488	25,031,481
2.1	Cash & Bank Balance	5,196,969	4,410,684	3,906,078
2.2	Money at call and short Notice	-	-	-
2.3	Investments	1,715,634	1,717,791	1,792,654
2.4	Loans & Advances	22,362,798	21,723,046	17,495,837
	a. Real Estate Loan	2,162,237	2,217,384	1,892,551
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 15 million)	291,891	288,265	153,408
	2. Business Complex & Residential Apartment Construction Loan	120,703	119,918	84,820
	3. Income generating Commercial Complex Loan	80,010	81,142	84,632
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	1,669,633	1,728,059	1,569,690
	b. Personal Home Loan of Rs. 15 million or less	2,062,120	1,865,450	1,567,293
	c. Margin Type Loan	745,046	705,742	734,028
	d. Term Loan	4,305,784	4,116,640	3,444,900
	e. Overdraft Loan / TR Loan / WC Loan	5,186,609	5,183,131	4,773,376
	f. Others	7,901,001	7,634,698	5,083,691
2.5	Fixed Assets	482,747	479,755	435,637
2.6	Non Banking Assets	71,137	71,137	65,131
2.7	Other Assets	1,564,269	1,458,075	1,336,143
3	Profit and Loss Account	This Quarter Ending 2075.12.30 (Unaudited)	Previous Quarter Ending 2075.09.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.12.30 (Unaudited)
3.1	Interest income	2,252,084	1,467,977	1,765,607
3.2	Interest Expense	1,519,663	995,076	1,231,042
A	Net Interest Income (3.1-3.2)	732,421	472,901	534,566
3.3	Fees Commission and Discount	7,155	4,426	5,503
3.4	Other Operating Income	98,830	74,289	77,284
3.5	Foreign Exchange Gain/Loss (Net)	(185)	27	218
B	Total Operating Income (A+3.3+3.4+3.5)	838,221	551,642	617,570
3.6	Staff Expenses	179,087	116,577	170,748
3.7	Other Operating Expenses	167,008	106,178	156,211
C	Operating profit Before Provision (B-3.6-3.7)	492,126	328,886	290,611
3.8	Provision for Possible Loss	-	-	107,118
D	Operating profit (C-3.8)	492,126	328,886	183,493
3.9	Non Operating Income/(Expenses)/(Net)	17,172	5,725	105,407
3.10	Write Back of Provision for Possible Loss	7,829	23,160	-
E	Profit From Regular Activities (D+3.9+3.10)	517,127	357,771	288,900
3.11	Extraordinary Income/(Expenses)/(Net)	22,644	10,900	889
F	Profit Before Bonus and Taxes (E+3.11)	539,771	368,671	289,789
3.12	Provision For Staff Bonus	49,070	33,516	26,344
3.13	Provision For Tax	147,210	100,547	79,033
G	Net Profit/Loss (F-3.12 -3.13)	343,491	234,609	184,411
4	Ratios	This Quarter Ending 2075.12.30 (Unaudited)	Previous Quarter Ending 2075.09.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.12.30 (Unaudited)
4.1	Capital Fund to RWA	15.79%	15.82%	17.05%
4.2	Non Performing Loan (NPL) to Total Loan	2.13%	2.31%	2.59%
4.3	Total Loan Loss Provision to total NPL	122.62%	113.63%	122.77%
4.4	Cost of Funds	8.78%	8.83%	9.21%
4.5	CCD Ratio (Calculated as per NRB Directives)	78.47%	78.81%	76.28%
4.6	Base Rate	11.13%	11.16%	12.75%
4.7	Net Interest Spread (Calculated as per NRB Directives)	4.64%	4.40%	3.99%
4.8	Average Yield	14.09%	14.08%	14.01%

*The figures may change subject to instruction, if any, from statutory/regulatory authorities.

*The provisions on loans and advances, NBA, Sundry Debtors have been reported under other liabilities. Hence, the corresponding assets are reported in gross value.

*Figures have been regrouped/rearranged wherever necessary.

Additional disclosure as per Securities Registration and Issuance Regulation -2073 (Sub-Rule 1 of Rule 26) for Third Quarter of FY 2075/76

A. Financial Statement Highlights

1. Related Party Transactions:

- The bank has investment of NPR 40 Million in its subsidiary company Vibor Capital Ltd. The bank holds 57.14% of shares of Vibor Capital Ltd.
- The bank pays Vibor Capital Ltd. NPR 300,000.00 per annum for the services rendered as its Registrar to Shares.
- Vibor Capital Ltd. maintains call /current deposit accounts with the bank.

2. Ratios as on Third Quarter End 2075/76.

Particulars	This Quarter Ending
Liquidity	23.72%
Return on total Assets (Annualized)	1.46%
Number of Equity Shares	22,097,663
Earnings per Share (Annualized)	20.73
Net worth per Share	166.32
Price earnings ratio	8.4

B. Management Analysis

1. Quarterly change in Capital, Reserve, Income and the reason thereof if any:

- The bank has registered Rs 343.49 Million net profit (subject to change as per the statutory body/auditors) during the period ending Third quarter of Fiscal Year 2075/76. The bank is in a comfortable liquidity position.
- While comparing with past performance, bank has made substantial progress in its credit portfolio, net interest income and operating profit before provision as well as net profit. The changes in credit portfolio and interest income are as stated in the financial statement.

2. Management Overview on the business for next period:

The bank is focusing on strengthening the customer service and minimizing the operation cost through introduction of modern technology. The bank focuses on maximizing the return not only through interest income but through wider range of income generating services such as fee based income and cross selling of bank's products, investment and remittance.

C. Details Pertaining to Legal Proceedings

- There are some legal cases filed at the courts by our credit customers and in relation to few operational matters and all cases are continued from previous quarter.
- No such information has been received of law suit filed by or against the promoters or directors of the bank involving violation of statutory regulation or criminal offences.

D. Analysis of Bank's Share Transactions

Maximum, minimum and last share price of the bank including total transaction and transacted days during the Quarter. (Source www.nepalstock.com)

Highest Price	177.00
Lowest Price	169.00
Total transacted no. of days	60.00
Closing Price	174.00
Total traded no. of shares	540,506.00
No. of transactions	1702.00

E. Problems and Challenges

1. Internal:

- Recovery of chronic Non-Performing Loan.
- Recruiting and retention of quality human resource.

2. External:

- Competitive business environment.
- Cost of deposit due to volatile liquidity situations.
- Limited credit opportunity in productive sectors.
- Increased level of Operational risk in the industry.

3. Strategy:

- Aggressive Recovery of NPL.
- Diversify credit portfolio through quality and small sized lending, e.g. on small, micro, deprived sector and agriculture instead of big loans.
- Identify new avenue of Investment.
- Disposal of Non-Banking Assets.

F. Corporate Governance

The Board of Directors, Risk Management Committee, Audit Committee, and Management Team are committed for strengthening good corporate governance within the bank. The bank has written policies, rules and guidelines to perform the banking operation to ensure good corporate governance.

G. Disclosure of the Chief Executive Officer

To the best of my knowledge and belief, I, the Chief Executive Officer, declare that the information on the bank's position and performance disclosed in this report are true and fair. I have not intentionally concealed any relevant data or information that in my assessment would adversely affect the investment decision of any depositor or investor.