

Lumbini Bikas Bank Limited
Quarterly Unaudited Financial Statement
As of 4th Quarter (31 Asar 2076) of the F/Y 2075/2076

(Rs. in '000)

S.N.	Particulars	This Quarter Ending 2076.03.31 (Unaudited)	Previous Quarter Ending 2075.12.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2075.03.32 (Audited)
1	Total Capital & Liabilities (1.1 to 1.7)	31,678,983	31,393,554	26,620,706
1.1	Paid-up Capital	2,209,766	2,209,766	2,173,283
1.2	Reserves and Surplus	1,636,640	1,465,477	1,046,424
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	681,687	1,102,611	-
1.5	Deposits (a+b)	24,806,233	24,354,595	22,182,553
a.	Domestic Currency	24,806,150	24,354,509	22,182,466
b.	Foreign Currency	83	87	87
1.6	Income Tax Liabilities	252,729	147,210	179,822
1.7	Other Liabilities	2,091,928	2,113,895	1,038,624
2	Total Assets (2.1 to 2.7)	31,678,983	31,393,554	26,620,706
2.1	Cash & Bank Balance	4,907,681	5,196,969	5,650,954
2.2	Money at call and short Notice	-	-	-
2.3	Investments	1,821,783	1,715,634	1,727,662
2.4	Loans & Advances	22,769,864	22,362,798	18,386,131
a.	Real Estate Loan	1,863,281	2,162,237	1,959,468
1.	Residential Real Estate Loan (Except Personal Home Loan upto Rs 15 million)	212,804	291,891	151,184
2.	Business Complex & Residential Apartment Construction Loan	121,226	120,703	84,252
3.	Income generating Commercial Complex Loan	78,869	80,010	84,155
4.	Other Real Estate Loan (Including Land Purchase & Plotting)	1,450,381	1,669,633	1,639,876
b.	Personal Home Loan of Rs. 15 million or less	2,234,768	2,062,120	1,600,043
c.	Margin Type Loan	920,884	745,046	727,855
d.	Term Loan	4,591,955	4,305,784	3,569,689
e.	Overdraft Loan / TR Loan / WC Loan	4,853,678	5,186,609	4,524,113
f.	Others	8,305,298	7,901,001	6,004,963
2.5	Fixed Assets	491,384	482,747	342,783
2.6	Non Banking Assets	54,440	71,137	65,131
2.7	Other Assets	1,633,832	1,564,269	448,044
3	Profit and Loss Account	This Quarter Ending 2076.03.31 (Unaudited)	Previous Quarter Ending 2075.12.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2075.03.32 (Audited)
3.1	Interest income	3,173,117	2,252,084	2,501,111
3.2	Interest Expense	2,078,344	1,519,663	1,717,101
A	Net Interest Income (3.1-3.2)	1,094,773	732,421	784,010
3.3	Fees Commission and Discount	10,123	7,155	8,863
3.4	Other Operating Income	144,286	98,830	110,326
3.5	Foreign Exchange Gain/Loss (Net)	(273)	(185)	721
B	Total Operating Income (A+3.3+3.4+3.5)	1,248,909	838,221	903,920
3.6	Staff Expenses	253,585	179,087	238,540
3.7	Other Operating Expenses	250,768	167,008	230,288
C	Operating profit Before Provision (B-3.6-3.7)	744,555	492,126	435,092
3.8	Provision for Possible Loss	-	-	35,555
D	Operating profit (C-3.8)	744,555	492,126	399,537
3.9	Non Operating Income/(Expenses) (Net)	23,511	17,172	109,997
3.10	Write Back of Provision for Possible Loss	134,825	7,829	17,027
E	Profit From Regular Activities (D+3.9+3.10)	902,892	517,127	526,561
3.11	Extraordinary Income/(Expenses) (Net)	33,142	22,644	889
F	Profit Before Bonus and Taxes (E+3.11)	936,034	539,771	527,451
3.12	Provision For Staff Bonus	93,603.37	49,070	47,950
3.13	Provision For Tax	252,729	147,210	179,822
G	Net Profit/Loss (F-3.12 -3.13)	589,701	343,491	299,679
4	Ratios	This Quarter Ending 2076.03.31 (Unaudited)	Previous Quarter Ending 2075.12.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2075.03.32 (Audited)
4.1	Capital Fund to RWA	16.56%	15.79%	17.18%
4.2	Non Performing Loan (NPL) to Total Loan	1.57%	2.13%	3.34%
4.3	Total Loan Loss Provision to total NPL	154.54%	122.62%	111.16%
4.4	Cost of Funds	8.64%	8.78%	9.46%
4.5	CCD Ratio (Calculated as per NRB Directives)	77.61%	78.47%	72.63%
4.6	Base Rate	11.02%	11.13%	12.96%
4.7	Net Interest Spread (Calculated as per NRB Directives)	4.79%	4.64%	4.19%
4.8	Average Yield	14.08%	14.09%	14.41%

S.N	Particular	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Quarter Ending
1	Liquidity	23.68%	23.72%	31.34%
2	Return on Total Assets (Annualized)	1.86%	1.46%	1.17%
3	Number of Equity Shares	22,097,663	22,097,663	21,732,827
4	Earnings Per Share (Annualized)	26.69	20.73	13.79
5	Net worth per Share	174.06	166.32	126.24
6	Price Earning ratio	7.38	8.40	7.90

*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.

Lumbini Bikas Bank Limited

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

A. Financial Statement Highlights

1. Related Party Transactions:
 - a. The bank has investment of NPR 40 Million in its associate company Vibor Capital Ltd. The bank holds 19.75% of shares of Vibor Capital Ltd.
 - b. The bank pays Vibor Capital Ltd. NPR 300,000.00 per annum for the services rendered as its Registrar to Shares.
 - c. Vibor Capital Ltd. maintains call /current deposit accounts with the bank.
2. Ratios as on Fourth Quarter End 2075/76.

Particulars	This Quarter Ending
Liquidity	23.68%
Return on total Assets (Annualized)	1.86%
Number of Equity Shares	22,097,663
Earnings per Share (Annualized)	26.69
Net worth per Share	174.06
Price earnings ratio	7.38

B. Management Analysis

1. Quarterly change in Capital, Reserve, Income and the reason thereof if any:
 - a. The bank has registered Rs 589.70 Million net profit (subject to change as per the statutory body/auditors) during the period ending fourth quarter of Fiscal Year 2075/76. The bank is in a comfortable liquidity position.
 - b. While comparing with performance of last FY, bank has made substantial progress in its credit portfolio by 23.84%, net interest income by 39.64% and operating profit before provision by 71.13% as well as net profit by 96.78%. 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

1. 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.
2. 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	214.00
Lowest Price	173.00
Total transacted no. of days	64.00
Closing Price	197.00
Total traded no. of shares	1,319,434.00
No. of transactions	3845.00

E. Problems and Challenges

1. Internal:

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

2. External:

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

3. Strategy:

- a. Aggressive Recovery of NPL.
- b. Diversify credit portfolio through quality and small sized lending, e.g. on small, micro, deprived sector and agriculture instead of big loans.
- c. Identify new avenue of Investment.
- d. 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.