

Vibor Society Development Bank Limited

Quarterly Unaudited Financial Statement

As at 1st Quarter (30th Ashwin 2073) of the F/Y 2073/2074

Rs. In '000'

S.N.	Particulars	This Quarter Ending 2073.06.30	Previous Quarter Ending 2073.03.31	Corresponding Previous Year Quarter Ending 2072.06.30
1	Total Capital & Liabilities (1.1 to 1.7)	17,831,416	7,607,962	5,907,356
1.1	Paid-up Capital	1,815,004	917,074	917,074
1.2	Reserves and Surplus	68,504	(23,177)	(197,874)
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	5,000	5,000	-
1.5	Deposits (a+b)	14,406,092	6,474,362	4,951,602
a.	Domestic Currency	14,405,992	6,474,270	4,951,422
b.	Foreign Currency	100	92	180
1.6	Income Tax Liabilities	-	-	-
1.7	Other Liabilities	1,536,815	234,704	236,554
2	Total Assets (2.1 to 2.7)	17,831,416	7,607,962	5,907,356
2.1	Cash & Bank Balance	3,891,616	1,553,886	1,126,933
2.2	Money at call and short Notice	-	-	-
2.3	Investments	642,602	496,008	264,937
2.4	Loans & Advances (a+b+c+d+e+f)	11,676,468	5,285,243	4,043,572
a.	Real Estate Loan	1,068,838	384,772	441,494
1.	Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	94,004	-	5,728
2.	Business Complex & Residential Apartment Construction Loan	122,588	81,243	110,943
3.	Income generating Commercial Complex Loan	102,880	82,492	65,765
4.	Other Real Estate Loan (Including Land Purchase & Plotting)	749,366	221,037	259,058
b.	Personal Home Loan of Rs. 10 million or less	1,326,548	456,344	389,977
c.	Margin Type Loan	726,547	613,053	447,552
d.	Term Loan	1,890,545	1,921,727	1,355,932
e.	Overdraft Loan / TR Loan / WC Loan	3,261,619	1,236,336	995,887
f.	Others	3,402,370	673,011	412,731
2.5	Fixed Assets	313,017	40,141	32,908
2.6	Non Banking Assets	34,940	34,677	69,084
2.7	Other Assets	1,272,772	198,007	369,921
3	Profit and Loss Account	This Quarter Ending 2073.06.30	Previous Quarter Ending 2073.03.31	Corresponding Previous Year Quarter Ending 2072.06.30
3.1	Interest income	313,132	523,650	122,495
3.2	Interest Expense	193,069	331,944	84,515
A	Net Interest Income (3.1-3.2)	120,063	191,706	37,980
3.3	Fees Commission and Discount	1,342	1,101	137
3.4	Other Operating Income	23,332	52,880	6,520
3.5	Foreign Exchange Gain/Loss (Net)	-	55	47
B	Total Operating Income (A+3.3+3.4+3.5)	144,736	245,742	44,684
3.6	Staff Expenses	50,225	59,748	14,944
3.7	Other Operating Expenses	44,678	57,957	13,710
C	Operating profit Before Provision (B-3.6-3.7)	49,833	128,037	16,030
3.8	Provision for Possible Loss	55,141	31,220	5,708
D	Operating profit (C-3.8)	(5,308)	96,817	10,321
3.9	Non Operating Income/(Expenses)(Net)	(47)	26,278	3,886
3.10	Write Back of Provision for Possible Loss	42,504	101,001	16,175
E	Profit From Regular Activities (D+3.9+3.10)	37,149	224,095	30,382
3.11	Extraordinary Income/(Expenses)(Net)	(383)	-	-
F	Profit Before Bonus and Taxes (E+3.11)	36,766	224,095	30,382
3.12	Provision For Staff Bonus	3,342	20,372	-
3.13	Provision For Tax	-	-	-
G	Net Profit/Loss (F-3.12 -3.13)	33,424	203,723	30,382
4	Ratios	This Quarter Ending 2073.06.30	Previous Quarter Ending 2073.03.31	Corresponding Previous Year Quarter Ending 2072.06.30
4.1	Capital Fund to RWA	14.33%	13.77%	12.83%
4.2	Non Performing Loan (NPL) to Total Loan	2.31%	0.79%	0.98%
4.3	Total Loan Loss Provision to total NPL	104.92%	189.96%	156.49%
4.4	Cost of Funds	5.47%	5.94%	7.07%
4.5	CD Ratio (Calculated as per NRB Directives)	72.65%	73.18%	73.49%
4.6	Base Rate	9.20%	9.01%	10.61%
a.	The figures may change subject to instruction, if any, from statutory regulatory authorities			
b.	Figures have been regrouped/rearranged wherever necessary			

1. Disclosure Regarding Merger:

Society Development Bank Ltd. merged with Vibor Bikas Bank Ltd. as per Memorandum of Understanding dated 2072.09.08 with Society Development Bank Ltd. for merger. After completion of Due Diligence audit, the bank applied to Nepal Rastra Bank for final approval on 2073.01.26. The bank received final approval for merger from Nepal Rastra Bank on 2073.05.08 and from the Office of Company Registrar on 2073.05.13. The operation of the bank is continued with the name changed as Vibor Society Development Bank Ltd. and the bank commenced Integrated Banking Transaction (Joint Operation) from 2073.05.17.

2. Financial Statement Highlights

a) Related Party Transactions:

- The bank has investment of NPR 70 Million in its subsidiary company Vibor Capital Ltd. The investment has been deducted from the core capital of the bank from the date of investment.
- The bank pays Vibor Capital Ltd. NPR 500,000 per annum for the services rendered as its Registrar to Shares.
- Vibor Capital Ltd. maintains current and call accounts with Vibor Society Development Bank Ltd, Tripureshwar Branch.

b) Ratios as on First quarter end 2073/74.

Particulars	This Quarter Ending 2073.06.30	Previous Quarter Ending 2073.03.31	Corresponding Previous Quarter Ending 2072.06.30
Liquidity	30.05%	29.07%	24.06%
Return on total Assets (Annualized)	0.75%	2.68%	2.06%
Number of Equity Shares	18,150,043	9,170,741	9,170,741
Earning per Share (Annualized)	19.41	22.21	13.25
Net worth per Share	103.77	97.47	78.42
Price Earning ratio	7.37	6.84	12.07

3. Management Analysis

- We registered Rs 33.42 Million profit in First quarter for F.Y. 73/74. Bank targets to achieve a sustainable growth in its earnings in the coming quarter and the period followed by gradually increasing its business volume.
- While comparing with past performance, bank has made progress towards financial indicators like Cost of Fund & Base Rate.

4. Details Pertaining to Legal Proceedings

- There are some cases filed by our loan clients.
- 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.

5. Analysis of Bank's Share Transactions

The share transaction has not been resumed as on Ashwin End, 2073.

6. Problems and Challenges

Internal:

With downturn financial performance in the past few years, the bank's capital has been eroded and business expansion and growth has been affected. However, bank has succeeded in achieving positive reserve in this quarter end.

External:

- Market competition for both deposits and loans is intense.
- Nepal Rastra Bank, the Central Bank has asked national-level development banks to raise minimum paid-up capital to Rs 2.5 billion by mid-July 2017,

Strategy:

- Consolidation and growth by recovery of NPL.
- Diversify credit portfolio through quality lending.
- Exit from investments made in real-estate project
- Disposal of Non Banking Assets.
- Open new branches for Enhancing Networking & wide customer base.
- Go for other income areas.
- Look for possible Mergers & Acquisitions and/or right issue.

7. Corporate Governance

- We deal with other peoples' money and we have to be a role model in management of custodian capital. This is made clear to everyone at Vibor Society Development Bank Ltd., from the members of the Board to entry level staff. The decisions at the bank are taken after adequate and open deliberation by committees at different level depending on the subject matter.
- The Board of Directors meets on regular intervals to formulate policies and strategies and monitor the performance.
- The Audit Committee and Risk Management Committee headed by a Non-Executive Director meets minimum every quarter to review the reports of the internal and external inspections and continually suggest measures to enhance compliance and risk control mechanisms.
- The Personnel Management Committee chaired by a Non- Executive Director meets to devise policies related to human resources and recommends to the board.
- Management committee meets regularly to make decisions on business/operation.

8. 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 factual. 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.



मिबोर सोसाइटी डेवलपमेन्ट बैंक लि.

VIBOR SOCIETY DEVELOPMENT BANK LTD.

तपाईंको प्रगतिको सहयात्री
(नेपाल राष्ट्र बैंकबाट "स्व" वर्गको इजाजतपत्रप्राप्त संस्था)

केन्द्रीय कार्यालय

सुनराईज विजपार्क डिल्लीबजार, वडा नं.३३, काठमाण्डौ

फोन नं ०१-४४९३२३२/४४९३२३४/४४२९६६६/४४२९६६८