



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

केन्द्रीय कार्यालय,
सनराईज विजय पार्क, डिल्लीबजार, काठमाडौं
फोन नं ०१-४४१३२३२/४४१३२३४/४४२१६५६/४४२१६५८
विरगतर सहचारा
(नेपाल राष्ट्र बैंकबाट "ख" वर्गको इजाजतपत्रप्राप्त संस्था)

Unaudited Quarterly Financial Statement

As of 4th Quarter (31st Ashad 2074) of the F/Y 2073/2074

NPR in '000

S.No.	Particulars	This Quarter Ending 2074.03.31 (Unaudited)	Previous Quarter Ending 2073.12.31 (Unaudited)	Corresponding Previous Year Quarter Ending 2073.03.31 (Audited)
1	Total Capital & Liabilities (1.1 to 1.7)	22,957,130	19,258,229	16,488,933
1.1	Paid-up Capital	2,008,878	1,815,004	1,815,004
1.2	Reserves and Surplus	949,257	240,287	(3,257)
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	319,971	740,334	5,000
1.5	Deposits (a+b)	17,928,045	15,064,083	14,067,429
	a. Domestic Currency	17,927,965	15,064,007	14,067,429
	b. Foreign Currency	80	76	-
1.6	Income Tax Liabilities	93,265	-	-
1.7	Other Liabilities	1,657,714	1,348,207	604,756
2	Total Assets (2.1 to 2.7)	22,957,130	19,258,229	16,488,933
2.1	Cash & Bank Balance	4,632,740	3,460,361	3,796,344
2.2	Money at call and short Notice	-	-	-
2.3	Investments	1,001,906	656,634	631,047
2.4	Loans & Advances (a+b+c+d+e+f)	15,639,584	13,568,724	11,411,116
	a. Real Estate Loan	1,927,388	1,442,931	907,526
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	210,675	190,166	116,504
	2. Business Complex & Residential Apartment Construction Loan	107,930	107,146	131,188
	3. Income generating Commercial Complex Loan	100,994	103,678	122,391
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	1,507,790	1,041,940	537,444
	b. Personal Home Loan of Rs. 10 million or less	1,474,274	1,472,465	1,242,581
	c. Margin Type Loan	734,388	741,575	712,748
	d. Term Loan	2,685,003	2,424,608	2,695,863
	e. Overdraft Loan / TR Loan / WC Loan	4,296,359	3,348,028	3,746,631
	f. Others	4,522,171	4,139,117	2,105,768
2.5	Fixed Assets	303,309	299,893	274,906
2.6	Non Banking Assets	65,579	34,940	34,941
2.7	Other Assets	1,314,012	1,187,363	340,578
3	Profit and Loss Account	This Quarter Ending 2074.03.31 (Unaudited)	Previous Quarter Ending 2073.12.31 (Unaudited)	Corresponding Previous Year Quarter Ending 2073.03.31 (Audited)
3.1	Interest Income	1,957,081	1,155,453	1,183,571
3.2	Interest Expense	1,154,288	683,490	676,304
A	Net Interest Income (3.1-3.2)	802,792	471,963	507,267
3.3	Fees Commission and Discount	10,095	5,237	8,380
3.4	Other Operating Income	106,425	71,631	89,786
3.5	Foreign Exchange Gain/Loss (Net)	(358)	(346)	298
B	Total Operating Income (A+3.3+3.4+3.5)	918,954	548,485	605,732
3.6	Staff Expenses	228,603	152,721	170,646
3.7	Other Operating Expenses	223,509	138,839	172,179
C	Operating profit Before Provision (B-3.6-3.7)	466,842	256,925	262,907
3.8	Provision for Possible Loss	10,857	32,506	73,712
D	Operating profit (C-3.8)	455,985	224,418	189,196
3.9	Non Operating Income/Expenses (Net)	40,076	18,685	34,604
3.10	Write Back of Provision for Possible Loss	15,561	-	254,358
E	Profit From Regular Activities (D+3.9+3.10)	511,622	243,103	478,158
3.11	Extraordinary Income/Expenses (Net)	5,614	(383)	(33,725)
F	Profit Before Bonus and Taxes (E+3.11)	517,236	242,720	444,433
3.12	Provision For Staff Bonus	47,021	22,065	40,403
3.13	Provision For Tax	93,265	-	82,630
G	Net Profit/Loss (F-3.12 -3.13)	376,949	220,655	321,399
4	Ratios	This Quarter Ending 2074.03.31 (Unaudited)	Previous Quarter Ending 2073.12.31 (Unaudited)	Corresponding Previous Year Quarter Ending 2073.03.31 (Audited)
4.1	Capital Fund to RWA	17.31%	13.86%	13.37%
4.2	Non Performing Loan (NPL) to Total Loan	2.73%	1.75%	1.39%
4.3	Total Loan Loss Provision to total NPL	107.99%	123.92%	174.87%
4.4	Cost of Funds	8.46%	7.85%	5.76%
4.5	CD Ratio (Calculated as per NRB Directives)	75.66%	73.35%	72.62%
4.6	Base Rate	12.31%	11.62%	9.00%
4.7	Net Interest Spread (Calculated as per NRB Circular)	4.98%	-	-
4.8	Average Yield	13.88%	-	-

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

* Figures have been regrouped/rearranged wherever necessary.

* The figures have been considered of former Vibor Society Development Bank Ltd. for previous and corresponding previous quarter.

1. 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 500,000.00 per annum for the services rendered as its Registrar to Shares.
- Vibor Capital Ltd. maintains current and call accounts with Lumbini Bikas Bank Ltd, Tripureshwor Branch.

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

S.N.	Particular	This Quarter Ending 2074.03.31 (Unaudited)	Previous Quarter Ending 2073.12.31 (Unaudited)	Corresponding Previous Year Quarter Ending
1	Liquidity	27.76%	22.61%	29.97%
2	Return on Total Assets (Annualized)	1.64%	1.53%	2.38%
3	Number of Equity Shares	20,088,785	18,150,043	18,150,043
4	Earnings Per Share (Annualized)	18.76	16.21	22.27
5	Net worth per Share	147.25	113.24	104.46
6	Price Earnings Ratio	8.95	10.36	6.40

2. Management Analysis

- a) We registered Rs 376.95 Million net profit in fourth quarter for F.Y. 73/74. Bank targets to achieve consolidation of business and a sustainable growth in its earnings in the coming quarter and the period followed by gradually increasing its business volume and discovering new avenues of Investment.
- b) While comparing with past performance, bank has made progress towards financial indicators like net worth per share.
- c) After Successful merger between former Vibor society Development Bank Ltd. & Lumbini leasing & finance co.Ltd., we have started joint operation since 25th Ashad 2074.

3. Details Pertaining to Legal Proceedings

- There are some cases filed by our loan clients at the courts.
- 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.

4. Analysis of Bank's Share Transactions

The share transaction status during the fourth quarter ended Ashad 31, 2074 was suspended due to merger process between Vibor Society Development Bank Ltd. and Lumbini Leasing and Finance Co.Ltd. Therefore, the share transaction status of previous period has been illustrated as under:

Highest Price	: 184	Lowest Price	: 159
Total transacted no. of days	: 16	Closing Price	: 168
Total traded no. of shares	: 218507	No. of transactions	: 588

5. Problems and Challenges

Internal:

The cost of operations is increasing and the need for fresh investment in technology is required. Despite of the shrinking of profit margin, we have been able to increase our profits in business transaction.

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.
- More stringent circulars & directives are in the process.

Strategy:

- Consolidation and growth by recovery of NPL.
- Diversify credit portfolio through quality lending, eg. on small, micro, deprived sector and agriculture. Insisted of big sized and real state loan.
- Identify new avenue of Investment/Go for other income areas.
- Disposal of Non-Banking Assets.
- Open new branches on western region of the country to enhance networking & wide customer base.
- Look for possible Mergers & Acquisitions and/or right issue.

6. 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 Lumbini Bikas 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 values and cultures are well maintained.
- 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 at list once in 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.

7. 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 is 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.