



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

केन्द्रीय कार्यालय,
सनराईज विजि पार्क, डिस्लीबजार, काठमाडौं
फोन नं ०१-४४१३२३२/४४१३२३४/४४२१६६६/४४२१६६८

निरन्तर सहायता

(नेपाल राष्ट्र बैंकबाट "ख" वर्गको इजाजतपत्रप्राप्त संस्था)

Unaudited Quarterly Financial Statement

As of 1st Quarter (31st Aswin 2074) of the F/Y 2074/2075

NPR in '000

S.No.	Particulars	This Quarter Ending 2074.06.31 (Unaudited)	Previous Quarter Ending 2074.03.31 (Unaudited)	Corresponding Previous Year Quarter Ending 2073.06.31 (Unaudited)
1	Total Capital & Liabilities (1.1 to 1.7)	23,453,795	22,957,130	17,831,416
1.1	Paid-up Capital	2,008,878	2,008,878	1,815,004
1.2	Reserves and Surplus	833,858	949,257	68,504
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	79,454	319,971	5,000
1.5	Deposits (a+b)	18,456,748	17,928,045	14,406,092
	a. Domestic Currency	18,456,665	17,927,965	14,405,992
	b. Foreign Currency	82	80	100
1.6	Income Tax Liabilities	73,821	93,265	-
1.7	Other Liabilities	2,001,036	1,657,714	1,536,815
2	Total Assets (2.1 to 2.7)	23,453,795	22,957,130	17,831,416
2.1	Cash & Bank Balance	4,002,069	4,632,740	3,891,616
2.2	Money at call and short Notice	-	-	-
2.3	Investments	1,875,411	1,001,906	642,602
2.4	Loans & Advances (a+b+c+d+e+f)	15,900,085	15,639,584	11,676,468
	a. Real Estate Loan	1,757,596	1,442,931	1,068,838
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	122,588	210,675	94,004
	2. Business Complex & Residential Apartment Construction Loan	108,132	107,930	122,588
	3. Income generating Commercial Complex Loan	98,723	100,994	102,880
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	1,428,153	1,507,790	749,366
	b. Personal Home Loan of Rs. 10 million or less	1,564,401	1,474,274	1,326,548
	c. Margin Type Loan	718,691	734,388	726,547
	d. Term Loan	3,078,745	2,685,003	1,890,545
	e. Overdraft Loan / TR Loan / WC Loan	4,426,890	4,296,359	3,261,619
	f. Others	4,353,762	4,522,171	3,402,370
2.5	Fixed Assets	321,480	303,309	313,017
2.6	Non Banking Assets	65,579	65,579	34,940
2.7	Other Assets	1,289,171	1,314,012	1,272,772
3	Profit and Loss Account	This Quarter Ending 2074.06.31 (Unaudited)	Previous Quarter Ending 2074.03.31 (Unaudited)	Corresponding Previous Year Quarter Ending 2073.06.31 (Unaudited)
3.1	Interest Income	513,341	1,957,081	313,132
3.2	Interest Expense	405,498	1,154,288	193,069
A	Net Interest Income (3.1-3.2)	107,843	802,792	120,063
3.3	Fees Commission and Discount	1,737	10,095	1,342
3.4	Other Operating Income	23,677	106,425	23,332
3.5	Foreign Exchange Gain/Loss (Net)	70	(358)	-
B	Total Operating Income (A+3.3+3.4+3.5)	133,327	918,954	144,736
3.6	Staff Expenses	63,161	228,603	50,225
3.7	Other Operating Expenses	52,963	223,509	44,678
C	Operating profit Before Provision (B-3.6-3.7)	17,204	466,842	49,833
3.8	Provision for Possible Loss	25,833	10,857	55,141
D	Operating profit (C-3.8)	(8,629)	455,985	(5,308)
3.9	Non Operating Income/Expenses (Net)	33,115	40,076	(47)
3.10	Write Back of Provision for Possible Loss	-	15,561	42,504
E	Profit From Regular Activities (D+3.9+3.10)	24,486	511,622	37,149
3.11	Extraordinary Income/Expenses (Net)	889	5,614	(383)
F	Profit Before Bonus and Taxes (E+3.11)	25,375	517,236	36,766
3.12	Provision For Staff Bonus	2,307	47,021	3,342
3.13	Provision For Tax	6,921	93,265	-
G	Net Profit/Loss (F-3.12 -3.13)	16,148	376,949	33,424
4	Ratios	This Quarter Ending 2074.06.31 (Unaudited)	Previous Quarter Ending 2074.03.31 (Unaudited)	Corresponding Previous Year Quarter Ending 2073.06.31 (Unaudited)
4.1	Capital Fund to RWA	17.03%	17.31%	14.33%
4.2	Non Performing Loan (NPL) to Total Loan	3.16%	2.73%	2.31%
4.3	Total Loan Loss Provision to total NPL	98.63%	107.99%	104.92%
4.4	Cost of Funds	8.81%	8.46%	5.47%
4.5	CD Ratio (Calculated as per NRB Directives)	75.01%	75.66%	72.65%
4.6	Base Rate	12.45%	12.31%	9.20%
4.7	Net Interest Spread (Calculated as per NRB Directives)	4.06%	4.98%	-
4.8	Average Yield	13.65%	13.88%	-

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

Additional disclosure as per Securities Registration and Issuance Regulation -2073 (Sub-Rule 1 of Rule 26)

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 the bank.

b) Ratios as on first quarter end 2074/75.

Particular	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Liquidity	29.47%	27.76%	30.05%
Return on Total Assets (Annualized)	0.27%	1.64%	0.75%
Number of Equity Shares	20,088,785	20,088,785	18,150,043
Earnings Per Share (Annualized)	3.22	18.76	7.37
Net worth per Share	141.51	147.25	103.77
Price Earning ratio	66.87	8.95	19.41

2. Management Analysis

a) Quarterly change in Capital, Reserve, Income and Liquidity and reason thereof if any:

- There is no change in the Paid up capital during the period. We registered Rs 16.15 Million net profit in First quarter for F.Y. 74/75. The bank is in a comfortable liquidity position.
- While comparing with past performance, bank has made progress towards Deposit and Credit Portfolio. The changes in income and liquidity are as stated in the financial statement.

b) 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 base income and cross selling of bank's ancillary products, investment and remittance.

3. Details Pertaining to Legal Proceedings

- There are some cases filed at the courts by our credit customers and in relation to few operational matters.
- 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 suspended share transaction due to merger has resumed after successful merger between former Vibor Society Bank Ltd. and Lumbini Finance and Leasing Co. Ltd. on 2074/04/22. The share transaction status has been illustrated as under:

Highest Price	: 238	Lowest Price	: 199
Total transacted no. of days	: 41	Closing Price	: 215
Total traded no. of shares	: 498,659	No. of transactions	: 1,760

The management believes at minimum, maximum and closing share price are determined by opened market at Nepal Stock Exchange under the supervision of Securities Board of Nepal.

5. Problems and Challenges

Internal:

- Recovery of Non Performing Loan.
- Maintaining of optimum mix of deposit and credit portfolio.
- Maintaining adequate return on investment/ credit portfolio and cost of deposit.

External:

- Market competition for both deposits and loans is intense.
- Intense market price competition there by decrease in margin.
- Nepal Rastra Bank, the Central Bank has mandated national-level development banks to raise minimum paid-up capital to Rs 2.5 billion.

Strategy:

- Consolidation and growth by recovery of NPL.
- Diversify credit portfolio through quality lending, eg. on small, micro, deprived sector and agriculture instead of big sized and real estate loans.
- Identify new avenue of Investment/Go for other income areas.
- Disposal of Non-Banking Assets.
- Open new branches on western region of the county to enhance networking & wide customer base.

6. Corporate Governance

- We deal with other people's 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 least 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 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.