



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

लिरन्तर सहयात्रा

(नेपाल राष्ट्र बैंकबाट “स” वर्गको इजाजतपत्रप्राप्त संस्था)

केन्द्रीय कार्यालय,
सबराईज विजय पार्क, दिल्लीबजार, काठमाडौं
फोन नं ०१-४४१३३३२/४४१३३३४/४४२१६६६/४४२१६६८

Quarterly Unaudited Financial Statement

As of 4th Quarter (32th Asar 2075) of the F/Y 2074/2075

S.N.	Particulars	This Quarter Ending 2075.03.32 (Unaudited)	Previous Quarter Ending 2074.12.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.03.31 (Audited)
1	Total Capital & Liabilities (1.1 to 1.7)	27,692,133	25,031,481	21,917,643
1.1	Paid-up Capital	2,173,283	2,149,634	2,008,878
1.2	Reserves and Surplus	1,148,584	1,002,044	732,549
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	-	353,955	319,971
1.5	Deposits (a+b)	22,182,810	19,425,458	17,928,045
	a. Domestic Currency	22,182,723	19,425,369	17,927,965
	b. Foreign Currency	87	88	80
1.6	Income Tax Liabilities	172,170	145,880	-
1.7	Other Liabilities	2,015,286	1,954,510	928,200
2	Total Assets (2.1 to 2.7)	27,692,133	25,031,481	21,917,643
2.1	Cash & Bank Balance	5,599,745	3,906,078	4,667,282
2.2	Money at call and short Notice	-	-	-
2.3	Investments	1,765,029	1,792,654	984,170
2.4	Loans & Advances	18,386,131	17,495,837	15,639,584
	a. Real Estate Loan	1,959,468	1,892,551	1,927,388
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 15 million)	151,184	153,408	210,675
	2. Business Complex & Residential Apartment Construction Loan	84,252	84,820	107,930
	3. Income generating Commercial Complex Loan	84,155	84,632	100,994
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	1,639,876	1,569,690	1,507,790
	b. Personal Home Loan of Rs. 10 million or less	1,600,043	1,567,293	1,474,274
	c. Margin Type Loan	727,855	734,028	734,388
	d. Term Loan	3,569,689	3,444,900	2,685,003
	e. Overdraft Loan / TR Loan / WC Loan	4,524,113	4,773,376	4,296,359
	f. Others	6,004,963	5,083,691	4,522,171
2.5	Fixed Assets	465,105	435,637	319,389
2.6	Non Banking Assets	65,131	65,131	-
2.7	Other Assets	1,410,992	1,336,143	307,219
3	Profit and Loss Account	This Quarter Ending 2075.03.32 (Unaudited)	Previous Quarter Ending 2074.12.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.03.31 (Audited)
3.1	Interest income	2,490,283	1,765,607	1,689,006
3.2	Interest Expense	1,717,052	1,231,042	946,632
A	Net Interest Income (3.1-3.2)	773,231	534,566	742,374
3.3	Fees Commission and Discount	8,498	5,503	7,445
3.4	Other Operating Income	110,177	77,284	88,499
3.5	Foreign Exchange Gain/Loss (Net)	721	218	(364)
B	Total Operating Income (A+3.3+3.4+3.5)	892,628	617,570	837,953
3.6	Staff Expenses	238,975	170,748	202,160
3.7	Other Operating Expenses	227,032	156,211	193,904
C	Operating profit Before Provision (B-3.6-3.7)	426,621	290,611	441,890
3.8	Provision for Possible Loss	19,630	107,118	202,233
D	Operating profit (C-3.8)	406,992	183,493	239,656
3.9	Non Operating Income/(Expenses)(Net)	109,997	105,407	28,278
3.10	Write Back of Provision for Possible Loss	113,412	-	1,360
E	Profit From Regular Activities (D+3.9+3.10)	630,401	288,900	269,294
3.11	Extraordinary Income/(Expenses)(Net)	889	889	5,614
F	Profit Before Bonus and Taxes (E+3.11)	631,290	289,789	274,908
3.12	Provision For Staff Bonus	57,390	26,344	24,992
3.13	Provision For Tax	172,170	79,033	74,865
G	Net Profit/Loss (F-3.12 -3.13)	401,730	184,411	175,051
4	Ratios	This Quarter Ending 2075.03.32 (Unaudited)	Previous Quarter Ending 2074.12.30 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.03.31 (Audited)
4.1	Capital Fund to RWA	16.50%	17.05%	16.07%
4.2	Non Performing Loan (NPL) to Total Loan	2.75%	2.59%	3.79%
4.3	Total Loan Loss Provision to total NPL	113.77%	122.77%	116.07%
4.4	Cost of Funds	9.46%	9.21%	8.46%
4.5	CD Ratio (Calculated as per NRB Directives)	72.63%	76.28%	74.90%
4.6	Base Rate	12.96%	12.75%	12.31%
4.7	Net Interest Spread (Calculated as per NRB Directives)	4.19%	3.99%	4.89%
4.8	Average Yield	14.41%	14.01%	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.
* Tax have been calculated @ rate of 30% after employee bonus.

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

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.
- The bank has sold NPR 30 Million worth shares of Vibor Capital in this quarter.
- 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 call and fixed deposit accounts with the bank.

2. Ratios as on Fourth Quarter End 2074/75.

Particulars	This Quarter Ending
Liquidity	31.34%
Return on total Assets (Annualized)	1.45%
Number of Equity Shares	21,732,827
Earnings per Share (Annualized)	18.48
Net worth per Share	152.84
Price earnings ratio	7.90

B. Management Analysis

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

- There is an increment in paid up capital of Rs. 23.65 million after issuance of right share during the period. The bank has registered Rs 401.73 Million net profit (subject to changes as per the statutory body/auditors) during the period ending fourth quarter F.Y. 2074/75. The bank is in a comfortable liquidity position.
- While comparing with past performance, bank has made progress in its Deposit and Credit Portfolio. The changes in income and liquidity 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 ancillary 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.
- 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 organized institutions including total transaction and transacted days during the Quarter. (Source [www.nepalstock .com](http://www.nepalstock.com))

Highest Price	: 170.00	Lowest Price	: 144.00
Total transacted no. of days	: 52.00	Closing Price	: 146.00
Total traded no. of shares	: 229,736	No. of transactions	: 764

E. Problems and Challenges

1. Internal:

- Recovery of Non-Performing Loan.
- Increased Cost of Operation.
- Recruiting and retaining quality human resource.

2. External:

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

3. Strategy:

- Formulation of policy for 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.
- Disposal of Non-Banking Assets.
- Open new branches on western region of the county to enhance networking & wide customer base.

F. Corporate Governance

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