



लुम्बिनी विकास बैंक लि.
Lumbini Bikas Bank Ltd.

निरन्तर सहयात्रा

(नेपाल राष्ट्र बैंकबाट “ख” वर्गको इजाजतपत्रप्राप्त संस्था)

केन्द्रीय कार्यालय,

सनराईज विजि पार्क, डिल्लीबजार, काठमाडौं

फोन नं ०१-४४१३३३२/४४१३३३४/४४२१६६६/४४२१६६८

Quarterly Unaudited Financial Statement

As of 1st Quarter (31st Aswin 2075) of the F/Y 2075/2076

S.N.	Particulars	This Quarter Ending 2075.06.31 (Unaudited)	Previous Quarter Ending 2075.03.32 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.06.31 (Unaudited)
1	Total Capital & Liabilities (1.1 to 1.7)	27,803,824	27,692,133	23,453,795
1.1	Paid-up Capital	2,173,523	2,173,283	2,008,878
1.2	Reserves and Surplus	1,227,170	1,148,584	833,858
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	477,133	-	79,454
1.5	Deposits (a+b)	21,840,964	22,182,810	18,456,748
	a. Domestic Currency	21,840,871	22,182,723	18,456,665
	b. Foreign Currency	93	87	82
1.6	Income Tax Liabilities	34,764	172,170	73,821
1.7	Other Liabilities	2,050,270	2,015,286	2,001,036
2	Total Assets (2.1 to 2.7)	27,803,824	27,692,133	23,453,795
2.1	Cash & Bank Balance	4,122,968	5,599,745	4,002,069
2.2	Money at call and short Notice	-	-	-
2.3	Investments	1,716,874	1,765,029	1,875,411
2.4	Loans & Advances	20,082,568	18,386,131	15,900,085
	a. Real Estate Loan	2,182,481	1,959,468	1,757,596
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 15 million)	227,921	151,184	122,588
	2. Business Complex & Residential Apartment Construction Loan	170,448	84,252	108,132
	3. Income generating Commercial Complex Loan	82,684	84,155	98,723
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	1,701,428	1,639,876	1,428,153
	b. Personal Home Loan of Rs. 10 million or less	1,738,933	1,600,043	1,564,401
	c. Margin Type Loan	703,819	727,855	718,691
	d. Term Loan	3,733,925	3,569,689	3,078,745
	e. Overdraft Loan / TR Loan / WC Loan	4,473,974	4,524,113	4,426,890
	f. Others	7,249,436	6,004,963	4,353,762
2.5	Fixed Assets	471,641	465,105	321,480
2.6	Non Banking Assets	65,131	65,131	65,579
2.7	Other Assets	1,344,641	1,410,992	1,289,171
3	Profit and Loss Account	This Quarter Ending 2075.06.31 (Unaudited)	Previous Quarter Ending 2075.03.32 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.06.31 (Unaudited)
3.1	Interest income	693,620	2,490,283	513,341
3.2	Interest Expense	489,235	1,717,052	405,498
A	Net Interest Income (3.1-3.2)	204,385	773,231	107,843
3.3	Fees Commission and Discount	1,908	8,498	1,737
3.4	Other Operating Income	37,993	110,177	23,677
3.5	Foreign Exchange Gain/Loss (Net)	350	721	70
B	Total Operating Income (A+3.3+3.4+3.5)	244,636	892,628	133,327
3.6	Staff Expenses	65,645	238,975	63,161
3.7	Other Operating Expenses	52,232	227,032	52,963
C	Operating profit Before Provision (B-3.6-3.7)	126,759	426,621	17,204
3.8	Provision for Possible Loss	11,680	19,630	25,833
D	Operating profit (C-3.8)	115,079	406,992	(8,629)
3.9	Non Operating Income/(Expenses)(Net)	1,491	109,997	33,115
3.10	Write Back of Provision for Possible Loss	-	113,412	-
E	Profit From Regular Activities (D+3.9+3.10)	116,570	630,401	24,486
3.11	Extraordinary Income/(Expenses)(Net)	10,900	889	889
F	Profit Before Bonus and Taxes (E+3.11)	127,470	631,290	25,375
3.12	Provision For Staff Bonus	11,588	57,390	2,307
3.13	Provision For Tax	34,764	172,170	6,921
G	Net Profit/Loss (F-3.12 -3.13)	81,117	401,730	16,148
4	Ratios	This Quarter Ending 2075.06.31 (Unaudited)	Previous Quarter Ending 2075.03.32 (Unaudited)	Corresponding Previous Year Quarter Ending 2074.06.31 (Unaudited)
4.1	Capital Fund to RWA	15.44%	16.50%	17.03%
4.2	Non Performing Loan (NPL) to Total Loan	2.86%	2.75%	3.16%
4.3	Total Loan Loss Provision to total NPL	101.31%	113.77%	98.63%
4.4	Cost of Funds	8.61%	9.46%	8.81%
4.5	CD Ratio (Calculated as per NRB Directives)	78.50%	72.63%	75.01%
4.6	Base Rate	11.88%	12.96%	12.45%
4.7	Net Interest Spread (Calculated as per NRB Directives)	4.78%	4.19%	4.06%
4.8	Average Yield	14.13%	14.41%	13.65%

*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.

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 pays Vibor Capital Ltd. NPR 300,000.00 per annum for the services rendered as its Registrar to Shares.
- Vibor Capital Ltd. maintains call /current deposit accounts with the bank.

2. Ratios as on First Quarter End 2075/76.

Particulars	This Quarter Ending
Liquidity	24.85%
Return on total Assets (Annualized)	1.17%
Number of Equity Shares	21,735,227
Earnings per Share (Annualized)	14.93
Net worth per Share	156.46
Price earnings ratio	10.92

B. Management Analysis

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

- The bank has registered Rs 81.12 Million net profit (subject to change as per the statutory body/auditors) during the period ending First quarter of F.Y. 2075/76. The bank is in a comfortable liquidity position.
- While comparing with past performance, bank has made substantial progress in its credit portfolio and net interest income. 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 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 and all cases are continued from previous quarter.
- 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	: 168	Lowest Price	: 143
Total transacted No. of days	: 62	Closing Price	: 163
Total traded No. of shares	: 8,81,243	No. of transactions	: 2,168

E. Problems and Challenges

1. Internal:

- Recovery of Non-Performing Loan.
- 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.
- Increased level of operational risk in the industry.

3. Strategy:

- Recovery of NPL.
- Diversify credit portfolio through quality lending, e.g. on small, micro, and agriculture instead of big sized and real estate loans.
- Identify new avenue of Investment.
- 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.