

Vibor Society Development Bank Limited

Quarterly Unaudited Financial Statement

As at 2nd Quarter (29th Poush 2073) of the F/Y 2073/2074

(Rs. in '000)

S. N.	Particulars	This Quarter Ending 2073.09.29	Previous Quarter Ending 2073.06.30	Corresponding Previous Year Quarter Ending 2072.09.30
1	Total Capital & Liabilities (1.1 to 1.7)	18,760,610	17,831,416	6,475,908
1.1	Paid-up Capital	1,815,004	1,815,004	917,074
1.2	Reserves and Surplus	109,920	68,504	(166,719)
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	-	5,000	-
1.5	Deposits (a+b)	15,390,372	14,406,092	5,508,575
	a. Domestic Currency	15,390,293	14,405,992	5,508,311
	b. Foreign Currency	79	100	263
1.6	Income Tax Liabilities	-	-	-
1.7	Other Liabilities	1,445,313	1,536,815	216,978
2	Total Assets (2.1 to 2.7)	18,760,610	17,831,416	6,475,908
2.1	Cash & Bank Balance	3,348,618	3,891,616	1,426,667
2.2	Money at call and short Notice	-	-	-
2.3	Investments	644,245	642,602	247,267
2.4	Loans & Advances	13,216,498	11,676,468	4,316,049
	a. Real Estate Loan	1,432,032	1,068,838	358,948
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	170,812	94,004	5,685
	2. Business Complex & Residential Apartment Construction Loan	110,062	122,588	110,943
	3. Income generating Commercial Complex Loan	105,886	102,880	65,747
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	1,045,272	749,366	176,573
	b. Personal Home Loan of Rs. 10 million or less	1,457,677	1,326,548	397,151
	c. Margin Type Loan	786,326	726,547	447,738
	d. Term Loan	2,136,674	1,890,545	1,484,417
	e. Overdraft Loan / TR Loan / WC Loan	3,442,250	3,261,619	1,055,688
	f. Others	3,961,538	3,402,370	572,107
2.5	Fixed Assets	277,959	313,017	35,548
2.6	Non Banking Assets	34,940	34,940	62,639
2.7	Other Assets	1,238,350	1,272,772	387,738
3	Profit and Loss Account	This Quarter Ending 2073.09.29	Previous Quarter Ending 2073.06.30	Corresponding Previous Year Quarter Ending 2072.09.30
3.1	Interest income	692,404	313,132	245,186
3.2	Interest Expense	400,120	193,069	165,551
A	Net Interest Income (3.1-3.2)	292,284	120,063	79,635
3.3	Fees Commission and Discount	3,519	1,342	343
3.4	Other Operating Income	50,537	23,332	12,970
3.5	Foreign Exchange Gain/Loss (Net)	56	-	50
B	Total Operating Income (A+3.3+3.4+3.5)	346,396	144,736	92,997
3.6	Staff Expenses	94,798	50,225	28,054
3.7	Other Operating Expenses	87,650	44,678	28,468
C	Operating profit Before Provision (B-3.6-3.7)	163,948	49,833	36,475
3.8	Provision for Possible Loss	48,027	12,637	4,213
D	Operating profit (C-3.8)	115,921	37,196	32,261
3.9	Non Operating Income/(Expenses)(Net)	8,050	(47)	5,161
	Write Back of Provision for Possible Loss			22,759
E	Profit From Regular Activities (D+3.9+3.10)	123,971	37,149	60,181
	Extraordinary Income/(Expenses)(Net)	(383)	(383)	-
F	Profit Before Bonus and Taxes (E+3.11)	123,588	36,766	60,181
	Provision For Staff Bonus	11,235	3,342	5,471
	Provision For Tax	-	-	-
G	Net Profit/Loss (F-3.12 -3.13)	112,353	33,424	54,710
4	Ratios	This Quarter Ending 2073.09.29	Previous Quarter Ending 2073.06.30	Corresponding Previous Year Quarter Ending 2072.09.30
4.1	Capital Fund to RWA	13.72%	14.33%	12.60%
4.2	Non Performing Loan (NPL) to Total Loan	2.17%	2.31%	0.64%
4.3	Total Loan Loss Provision to total NPL	103.81%	104.92%	215.04%
4.4	Cost of Funds	5.84%	5.47%	6.27%
4.5	CD Ratio (Calculated as per NRB Directives)	77.10%	72.65%	70.88%
4.6	Base Rate	9.33%	9.20%	9.41%
	*The figures may change subject to instruction, if any, from statutory regulatory authorities			
	*Figures have been regrouped/rearranged wherever necessary			

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 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, Tripureshwor Branch.

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

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Quarter Ending
Liquidity	24.64%	30.05%	28.32%
Return on total Assets (Annualized)	1.20%	0.75%	1.69%
Number of Equity Shares	18,150,043	18,150,043	9,170,741
Earnings per Share (Annualized)	12.38	7.37	11.93
Net worth per Share	106.06	103.77	81.82
Price Earning ratio	14.94	19.41	12.74

2. Management Analysis

- We registered Rs 112.35 Million profit in Second 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 and discovering new avenue of Investment.
- While comparing with past performance, bank has made progress towards financial indicators like Profitability Ratio, Net worth per Share, Price Earning Ratio.

3. 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.

4. Analysis of Bank's Share Transactions

The share transaction status during the second quarter ended Poush 29, 2073 is:

Highest Price	: 239	Lowest Price	: 155
Total transacted no. of days	: 49	Closing Price	: 185
Total traded no. of shares	: 1,057,738	No. of transactions	: 3,157

5. Problems and Challenges

Internal:

The cost of operations is increasing and the need for fresh investment in technology is required. The profit margin is shrinking, despite this scenario, 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 by mid-July 2017,

Strategy:

- Consolidation and growth by recovery of NPL.
- Diversify credit portfolio through quality lending.
- Identify new avenue of Investment/ Go for other income areas.
- Disposal of Non-Banking Assets.
- Open new branches for Enhancing 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 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 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 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.

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.



मिबोर सोसाइटी डेवलपमेन्ट बैंक लि.

VIBOR SOCIETY DEVELOPMENT BANK LTD.

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

केन्द्रीय कार्यालय

सुनराईज विजयपार्क हिलीबजार, वडा नं.३३, काठमाण्डौ

फ्याक्स नं.: ०१-४४९३५२६, फोन नं ०१-४४९३२३२/४४९३२३४/४४२९६६६/४४२९६६८

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