



Unaudited Financial Results (Quarterly)

As at Second Quarter (29/09/2069) of the Fiscal Year 2069/70

(Rs in '000)

S. N.	Particulars	This Quarter End as on 29/09/2069	Upto Previous Quarter End as on 30/06/2069	Corresponding Previous Year Quarter End 30/09/2068
1	Total Capital and Liabilities (1.1 to 1.7)	3,484,154	3,264,400	1,938,526
1.1	Paid Up Capital	640,000	640,000	400,000
1.2	Reserve and Surplus	106,642	35,430	68,289
1.3	Debtenture and Bond	-	-	-
1.4	Borrowings	47,348	98,037	5,295
1.5	Deposits (a.+b.)	2,664,933	2,374,322	1,436,061
a.	Domestic Currency	2,653,801	2,362,030	1,428,635
b.	Foreign Currency	11,132	12,292	7,426
1.6	Income Tax Liability	-	3,037	125
1.7	Other Liabilities	25,230	113,573	28,755
2	Total Assets (2.1 to 2.7)	3,484,154	3,264,400	1,938,526
2.1	Cash and Bank Balance	228,068	305,270	206,980
2.2	Money at Call and Short Notice	493,845	420,630	228,548
2.3	Investments	80,000	80,000	60,000
2.4	Loans and Advances(a+b+c+d+e+f) Net	2,549,762	2,320,164	1,357,209
a.	Real Estate Loan	124,772	144,138	104,299
1.	Residential Real Estate Loan (Except Personal Home loan upto Rs 10 Million)	25,864	26,085	26,771
2.	Business Complex & Residential Apartment Construction Loan	15,414	13,651	-
3.	Income generating Commercial Complex	-	-	16,178
4.	Other Real Estate Loan (Including Land Purchase & Plotting)	83,494	104,402	61,350
b.	Personal Home Loan of Rs 10 Million or Less	225,781	199,262	138,737
c.	Margin Type Loan	1,786	4,074	7,434
d.	Term Loan	113,482	93,343	41,536
e.	Overdraft /TR /WC Loan	1,519,842	1,364,118	838,023
f.	Other Loan	564,099	515,231	227,180
2.5	Fixed Assets	60,482	62,896	42,962
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	71,997	75,440	42,826
3	Profit and Loss Account	This Quarter End as on 29/09/2069	Upto Previous Quarter End as on 30/06/2069	Corresponding Previous Year Quarter End 30/09/2068
3.1	Interest Income	179,818	77,928	107,665
3.2	Interest Expense	91,408	45,605	63,827
A.	Net Interest Income (3.1 - 3.2)	88,410	32,323	43,839
3.3	Fees, Commission and Discount	5,066	2,968	2,947
3.4	Other Operating Income	14,366	8,496	6,641
3.5	Foreign Exchange Gain/Loss (Net)	8,213	2,566	6,019
B.	Total Operating Income (A.+ 3.3+ 3.4 + 3.5)	116,055	46,353	59,444
3.6	Staff Expenses	14,852	7,802	10,990
3.7	Other Operating Expenses	27,893	13,971	18,202
C.	Operating Profit Before Provision (B. -3.6-3.7)	73,310	24,580	30,253
3.8	Provision for Possible Losses	54,278	13,372	5,510
D.	Operating Profit (C. -3.8)	19,032	11,207	24,743
3.9	Non Operating Income / Expenses (Net)	23	-	-
3.10	Write Back of Provision for Possible Loss	8,899	5,414	1,384
E.	Profit from Regular Activities (D+3.9+3.10)	27,954	16,621	26,126
3.11	Extraordinary Income/Expenses (Net)	-	-	-
F.	Profit before Bonus and Taxes (E. + 3.11)	27,954	16,621	26,126
3.12	Provision for Staff Bonus	2,541	1,511	2,375
3.13	Provision for Tax	7,624	4,533	7,125
G.	Net Profit/Loss (F. - 3.12-3.13)	17,789	10,577	16,626
4	Ratios	At the End of This Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund to RWA	25.59%	26.36%	29.08%
4.2	Non Performing Loan (NPL) To Total Loan	0.84%	0.58%	0.44%
4.3	Total Loan Loss Provision to Total NPL	311.50%	395.74%	253.43%
4.4	Cost of Fund	7.46%	7.45%	9.18%
4.5	CD Ratio (Calculated as per NRB Directives)	77.01%	77.42%	72.07%

Note: 1. The above figures are subject to change in accordance with any remarks or notification from the statutory audit and/or regulator.

2. The previous figures are regrouped/rearranged wherever necessary.

1. Financial Statements:

- a. **Quarterly Financial Report including Balance Sheet and Profit & Loss Account:** Published along with.
- b. **Major Financial Indicators:**

Major Financial Ratios/Indicators	Based on unaudited financial (As at 13/01/2013)
Earnings Per Share (Annualized)	Rs.5.56
Price Earnings Ratio (Annualized)	17.09 times
Net worth Per Share	Rs.116.66
Net Assets value Per Share	Rs. 549.45
Liquidity Ratio	22.80 pct.

2. Management Analysis

- a) The bank continued growth of balance sheet during the review period. Both deposits and loans & advances were registered 85.57 pct. and 87.87 pct. respectively growth compare to the same period of preceding year. Similarly, the bank has posted net profit of Rs. 17,789 Thousands during the second quarter of the FY 2069/70 which is 7.00 pct. higher than the previous year's same pderiod net profit figures. Overall increment in business volume, substantial increases in net interest income, non interest income (including Foreign Exchange Gain), better funds and cost management have been the key attributing factors for the profitability growth.
- b) The management has adopted the plans and policies for the expansion of service outlets, identification of the areas for investment, diversification of business, qualitative customer oriented services and making the banking service accessible to the general public. The management has been working to the best interest of all the stakeholders of the bank including all the shareholders, customers, staffs and regulators.
- c) There were no specific incidents observed during the period which could have had negative impact on the business volume, profitability and cash flow of the Bank.

3. Details Regarding Legal Action:

- a) There were no legal cases filled up by or filled against the Bank during the review quarter period.
- b) Cases filled by or against the promoter or Director of organized institution regarding disobedience of prevailing law or commission of criminal offence-None to our knowledge.
- c) Case filed against any promoter or Director of organized institution regarding commission of financial crime-None to our knowledge.

4. Analysis of Share Transaction

- a) **Management view on share transaction of the Bank at securities market:** No abnormal transaction incidents have occurred during the review period, the management holds a natural view on share transaction and its movement.
- b) **Share transaction details of the review period** (Source:www.nepalstock.com)

Maximum Price	Rs 171
Minimum Price	Rs 94
Closing Price	Rs 95
Total Shares	89,460
Total Transaction	344
Days of trading	32

5. Problems and Challenges

Internal

- a) Maintaining cost of operation at reasonable level
- b) Recruiting and retention of quality manpower

External

- a) Competitive environment with growing financial institution

- b) Unstable socio-political situation
- c) Uncertainty on government laws and policies
- d) Frequent volatility in liquidity conditions
- e) Volatile foreign exchange market

Bank's Strategy to Overcome Challenges

- a) Optimum utilization of resources
- b) Focus on introducing various human resource development plans
- c) Continuous enhancement of quality of products and services
- d) Identification of new business avenues
- e) Closely follow activities in international market

6. Corporate Governance

- a) The Bank maintains high standard of Corporate Governance. The entire business operations and working culture have been designed to meet the highest level of corporate governance.
- b) The Bank has Audit Committee, Risk Management Committee, Assets and Liability Management Committee (ALCO), Human Resource Management Committee and other Sub-committee's to ensure the corporate governance.
- c) There are number of policies and procedures in place, including the code of conduct and ethics to ensure the compliance standard within the Bank.

7. Declaration by Chief Executive Officer

I personally take the responsibility for the accuracy of the information and details disclosed in this report. I also hereby declare that the particulars mentioned in this report to the best of my knowledge and belief are true, accurate and complete and have not concealed any necessary particulars, information and notices to the investors to take informed decisions.