

Annexure 14  
Related to Rule 22(2)

Particulars to be included in the quarterly report:

1. Financial Statements

Rs. Thousand

S.N.	Particulars	As at Chaitra end, 2065 (unaudited)	As at Chaitra end 2064 (unaudited)	As at Poush end 2065 (unaudited)	As at Poush end 2064 (unaudited)
<b>1. Balance Sheet</b>					
<b>1.1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>40,891,395</b>	<b>33,859,021</b>	<b>41,036,049</b>	<b>33,304,384</b>
1.1.1	Paid up Capital	965,747	689,216	965,747	689,216
1.1.2	Reserve and Surplus	2,129,958	1,899,543	1,900,662	1,713,044
1.1.3	Debenture and Bonds	300,000	-	300,000	-
1.1.4	Borrowings	191,400	2,746,038	2,732,686	2,907,404
1.1.5	Deposits (a+b)	35,776,971	27,380,591	33,848,525	26,814,271
	<i>Domestic Currency (a)</i>	29,358,362	22,527,146	27,193,747	21,738,551
	<i>Foreign Currency (b)</i>	6,418,609	4,853,445	6,654,777	5,075,720
1.1.6	Income Tax Liability	-	32,081	-	36,848
1.1.7	Other Liabilities	1,527,318	1,111,552	1,288,429	1,143,601
<b>1.2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>40,891,395</b>	<b>33,859,021</b>	<b>41,036,049</b>	<b>33,304,384</b>
1.2.1	Cash and Bank Balance	1,779,233	2,937,983	2,751,943	1,549,506
1.2.2	Money at Call and Short Notice	826,402	192,450	636,837	684,571
1.2.3	Investments	10,358,375	8,785,054	10,954,498	9,950,354
1.2.4	Loans and Advances	26,473,375	20,817,386	25,440,330	19,973,730
1.2.5	Fixed Assets	568,119	516,772	584,760	531,645
1.2.6	Non Banking Assets	-	-	-	-
1.2.7	Other Assets	885,890	609,376	667,681	614,578
S.N.	Particulars	Period Ended on Chaitra 2065 (9 months) (unaudited)	Period Ended on Chaitra 2064 (9months) (unaudited)	Quarter Ended on Chaitra 2065 (3 months) unaudited)	Quarter Ended on Chaitra 2064 (3 months) unaudited)
<b>2. Profit and Loss Account</b>					
2.1	Interest Income	1,932,145	1,378,177	682,668	496,591
2.2	Interest Expense	839,835	532,529	309,031	196,559
<b>A</b>	<b>Net Interest Income (3.1-3.2)</b>	<b>1,092,310</b>	<b>845,648</b>	<b>373,637</b>	<b>300,032</b>
2.3	Fees, Commission and Discount	133,592	110,932	44,282	35,524
2.4	Other Operating Income	96,079	67,919	34,568	24,237
2.5	Foreign Exchange Gain/Loss (Net)	192,379	143,286	69,077	47,057
<b>B</b>	<b>Total Operating Income (A+3.3+3.4+3.5)</b>	<b>1,514,360</b>	<b>1,167,785</b>	<b>521,564</b>	<b>406,850</b>
2.6	Staff Expense	182,813	164,977	63,181	52,316
2.7	Other Operating Expense	193,375	159,681	67,773	58,349
<b>C</b>	<b>Operating Profit Before Provision (B-3.6-3.7)</b>	<b>1,138,172</b>	<b>843,126</b>	<b>390,611</b>	<b>296,184</b>
2.8	Provision for Possible Losses / Write Off	149,653	59,673	34,020	24,046
<b>D</b>	<b>Operating Profit (C-3.8)</b>	<b>988,519</b>	<b>783,453</b>	<b>356,591</b>	<b>272,139</b>
2.9	Non Operating Income/Expenses (Net)	4,461	24,415	1,869	23,356
2.1	Write Back of Provision for Possible Loss	-	9	-	-
<b>E</b>	<b>Profit from Regular Activities (D+3.9+3.10)</b>	<b>992,981</b>	<b>807,876</b>	<b>358,460</b>	<b>295,495</b>
2.11	Extra Ordinary Income/Expense (Net)	40,861	45,112	1,863	3,683
<b>F</b>	<b>Profit before Bonus and Taxes (E+3.11)</b>	<b>1,033,842</b>	<b>852,989</b>	<b>360,323</b>	<b>299,178</b>
2.12	Provision for Staff Bonus	93,986	77,544	32,757	27,198
2.13	Provision for Tax	281,234	243,682	98,270	85,427
<b>G</b>	<b>Net Profit/(Loss) (F-3.12-3.13)</b>	<b>658,622</b>	<b>531,762</b>	<b>229,297</b>	<b>186,553</b>
<b>3. Analytical Ratio</b>					
3.1	Capital Fund to RWA	11.40	11.43		
3.2	Non Performing Loan to Total Loan	1.13	1.30		
3.3	Total Loan Loss Provision to Total NPL	166.25	153.69		
3.4	Net Worth per Share	320.55	375.61		
3.5	Gross Asset per Share	4,234.17	4,912.69		
3.6	PE Ratio (annualised)	39.15	39.35		
3.7	Earning Per Share (Basic and Diluted)(not annualised)	68.20	77.15	23.74	27.07
3.8	Number of Equity Shares (in thousand)	9,657	6,892	9,657	6,892

Related Party Transactions

(a) Transactions with directors / promoters having significant influence on Bank's management.

- (b) Transactions with businesses having substantially owned by the directors / promoters having significant influence on the Bank's management.
- (c) Transactions with the key management person (CEO, MD).

**During the quarter under review, no transaction of such nature has taken place.**

## **2. Management Analysis**

- (a) Particulars of reasons for changes in quarterly reserves, income and liquidity,

- 1. Increased reserves through profit retention,**
- 2. Increased income due mainly through rise in business volume and improved spread,**
- 3. Slight decline in liquid assets due mainly to reduction in inter-bank borrowing volume**

- (b) Particulars of management analysis on Business Plan for future period,

**Bank's activities are guided by long term and short term plans and accordingly management expects to increase market share under various heads without compromising quality, through network expansion, launching innovative / new products, competitive pricing and improved service standards.**

- (c) Particulars of analysis of events, situations that could affect on Bank's reserves, income and cash flow based on past experience.

**There were no such material events/situations faced during the quarter.**

## **3. Details Related to Legal Proceedings**

- (a) Legal case filed against the Bank during the quarter,
- (b) Case filed by or filed against the promoter / director for violating prevailing regulations or for criminal offences,
- (c) Case filed against any promoter / director for financial frauds

**During the quarter under review, no case of such nature has been filed by/or against the Bank.**

## **4. Analysis of Bank's shares transactions**

- (a) Management's opinion on shares transactions on Nepal Stock Exchange: The management has no comment on the share transactions at Nepal Stock Exchange as it is operating under the supervision of Securities Board of Nepal.
- (b) Maximum, Minimum, Last transaction prices, total traded days and total traded volume during the quarter: maximum: Rs. 3,735; minimum: Rs. 3,050; last transaction price: Rs. 3,560; total traded days: 56 days; total traded volume: 53,752 number of shares

## **5. Problems and Challenges**

- (a) Problems and challenges faced by the Bank and strategy of the Bank adopted to mitigate internal and external problems and challenges.

Internal:

- Increased cost of operation,
- Retention of human assets,

External:

- Global financial crisis,
- High inflation,
- Deteriorated business environment due to worsening law and order situation,

- Political instability
- Power shedding and fuel crisis,
- Cut throat competition among banks and financial institutions

Bank's strategy to mitigate problems and challenges:

- Introducing new products
- Continuous improvement in service standards,
- Expanding distribution networks,
- Analyzing each cost component minutely
- Cautious approach in some high risk business segments
- Plan in place for uninterrupted power supply
- Adoption of best HR practices

## **6. Corporate Governance**

(a) Particulars of action taken by the management to strengthen the corporate governance.

**The Board of Directors, Audit Committee and various management committees are committed to uphold good corporate governance practices in the Bank. Bank's organization structure and work flow has been devised keeping best corporate governance practices in mind.**

## **7. Declaration of CEO about the truthfulness of financials/informations**

I, CEO of the Bank personally take the responsibility on the truthfulness of the information and particulars disclosed in this report. Further, I declare that the particulars mentioned in this report are true, fair and complete as far as I know and understand and have not concealed any necessary particulars, notices and information to the investors to take informed decisions.