



महालक्ष्मी विकास बैंक लि. Mahalaxmi Bikas Bank Ltd.

(नेपाल राष्ट्र बैंकबाट "ख" वर्गको राष्ट्रियस्तरको इजाजत प्राप्त संस्था)

Unaudited Financial Results (Quarterly)
As at First Quarter Ending on 31/06/2075 (17/10/2018) of the Fiscal Year 2075/076

NRs in 000'

S.N.	Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year's Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	32,423,959	32,616,042	29,950,957
1.1	Paid Up Capital	2,844,501	2,633,797	2,633,797
1.2	Reserve and Surplus	1,061,420	1,430,225	1,098,231
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	650,000	-	-
1.5	Deposits (a+b)	26,686,226	27,276,844	25,146,450
	a. Domestic Currency	26,684,430	27,274,766	25,143,066
	b. Foreign Currency	1,796	2,079	3,385
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,191,813	1,275,175	1,072,478
2	Total Assets (2.1 to 2.7)	32,423,959	32,616,042	29,950,957
2.1	Cash & Bank Balance	1,397,920	1,825,045	7,404,612
2.2	Money at Call and Short Notice	5,755,969	6,540,229	-
2.3	Investment	1,767,357	1,767,357	1,525,037
2.4	Loans and Advances (a+b+c+d+e)	22,835,655	21,659,523	20,125,095
	a. Real Estate Loan	2,044,031	1,936,349	2,218,490
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs. 1.5 crore)	91,688	121,993	159,112
	2. Business Complex & Residential Apartment Construction Loan	102,679	107,143	120,536
	3. Income generating Commercial Complex Loan	-	-	226,716
	4. Other Real Estate Loan (Including Land purchase & Plotting)	1,849,664	1,707,213	1,712,126
	b. Personal Home Loan of Rs. 1.5 crore or less	2,360,882	1,600,643	992,479
	c. Margin Type Loan	971,176	994,042	622,204
	d. Term Loan	4,945,846	4,849,094	4,025,358
	e. Overdraft Loan/TR Loan/WC Loan	7,563,925	7,431,892	7,574,125
	f. Others	4,949,796	4,847,504	4,692,440
2.5	Fixed Assets	316,477	325,781	296,283
2.6	Non Banking Assets (Net)	-	-	-
2.7	Other Assets	350,581	498,107	599,930
3	Profit and Loss Account	Up to This Quarter	Up to Previous Quarter	Up to Corresponding Previous Year's Quarter
3.1	Interest Income	790,922	3,196,450	710,234
3.2	Interest Expenses	544,211	2,121,084	537,487
	A. Net Interest Income (3.1-3.2)	246,711	1,075,366	172,747
3.3	Fees, Commission and Discount	5,089	9,894	146
3.4	Other Operating Income	40,970	146,336	28,134
3.5	Foreign Exchange Gain/ Loss (Net)	(1)	24	23
	B. Total Operating Income (A.+3.3+3.4+3.5)	292,769	1,231,621	201,050
3.6	Staff Expenses	109,705	275,876	67,660
3.7	Other Operating Expenses	64,314	249,674	61,193
	C. Operating Profit Before Provision (B.- 3.6-3.7)	118,751	706,071	72,196
3.8	Provision for Possible Losses	100,249	605,330	96,785
	D. Operating Profit (C-3.8)	18,502	100,741	(24,589)
3.9	Non Operating Income/Expenses (Net)	9,039	60,216	2,001
3.10	Write Back of Provision for Possible Loss	140,668	705,695	117,648
	E. Profit from Regular Activities (D+3.9+3.10)	168,209	866,652	95,060
3.11	Extraordinary Income/Expenses (Net)	(2,233)	(28,149)	(6,521)
	F. Profit before Bonus and Taxes (E. + 3.11)	165,976	838,503	88,539
3.12	Provision for Staff Bonus	15,089	76,228	8,049
3.13	Provision for Tax	45,266	201,139	24,147
	G. Net Profit/Loss (F.-3.12-3.13)	105,621	561,136	56,343
4	Ratios	At the End of This Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year's Quarter
4.1	Capital Fund To RWA (As per NRB Directive)	16.51	16.86	15.46
4.2	Non Performing Loan (NPL) to Total Loan	3.39	3.88	3.55
4.3	Total Loan Loss Provision to Total NPL	90.84	86.56	60.17
4.4	Cost of Funds	7.86	9.01	8.31
4.5	Credit to Deposit Ratio (Calculated as per NRB Directives)	74.67	69.11	69.70
4.6	Base rate	11.32	12.34	11.65
4.7	Average Spread Rate	4.93	4.28	5.78
Additional Information				
4.8	Earning Per Share (Annualized)	14.85	21.31	8.56
4.9	Return on Total Assets (Annualized)	1.30	1.72	0.75
4.10	Networth per Share	136.96	154.30	141.70

Note: The figures are regrouped and rearranged whenever necessary.
The Unaudited Financial figures are subject to change from External auditors and Regulatory Authority.
Loan and Advances has been presented on Gross figure and Loan loss provision has been presented under other liabilities.

Disclosure as prescribed by Securities Registration and Issuance Regulation, 2073 (Related to Sub rule (1) of Rule 26), for the First quarter of Fiscal Year 2075/76.

1. Financial Detail

- a. Related party transaction has not taken place.
- b. Major Financial Indicators
 - i. Earnings per Share(Annualized) : NPR 14.85
 - ii. Net Worth per Share : NPR 136.96
 - iii. Return on Total Asset: 1.30%
 - iv. Liquidity Ratio: 26.81%

2. Management Analysis:

- a. The liquidity position of the bank is in satisfactory.
- b. Non-performing loan will be further managed in the coming quarter. There have been positive changes in the bank's reserve, profit, cash flow position and increment in operating income during the review period.

3. Details relating to legal action

- a. Case filed by or against the bank in this year: No such information has been received.
- b. Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the Promoter or Director of the bank: No such information has been received.
- c. Case relating to financial crime filed against any Promoter or Director: No such information has been received.

4. Analysis of stock performance of the bank

The bank's share price and transaction are determined according to the demand and supply of shares in the market. Maximum, Minimum and last Share price of the bank including total share transaction number, volume and days of transaction during the quarter:

Maximum Share Price: NPR 207
Minimum Share Price: NPR 171
Last Share Price: NPR 174
Transaction volume (No. of Share): 615,102 shares
Transaction volume (Amount): NPR. 116,995,023
Total transaction: 1795
Transaction Days: 62

5. Problems and Challenges

- a. Increased cost of operation due to inflation.
- b. The ups and down in interest rate as well as branch expansion causes the operational risk which affect the scenario of long term profit increment.
- c. Due to pressure in financial sector, cost of deposit is increased which leads to downfall in profit.
- d. High Unexpected liquidity crunch in the market & increase in deposit rate.
- e. Slowdown in Remittance growth.
- f. Increased level of operation risk in the industry.
- g. Stiff competition and huge staff turnover due to expansion of branches.

6. Strategy to overcome Problems and Changes

- a. Management of Assets and liabilities.
- b. Introduction of customer-oriented & innovative products and services.
- c. Strengthening human resource capabilities to minimize various risk.
- d. Proper portfolio management targeting good quality loan customers.
- e. Identification of new investment avenues.
- f. Stringent bank internal control system & policy to face various risk.
- g. Expansion of branches to enhance the networking and customer base.

7. Corporate Governance

The bank is committed towards high standard of corporate governance, professionalism, ethical standard and compliance with superior standard in business practice. In order to maintain the superior standard of corporate governance, various committees are effectively functioning in the bank. Further, Internal Audit Department of the bank is also outsourced and it is functioning effectively. The Bank has been fully complying with the directives, guidelines issued by NRB.

8. Declaration of CEO

To the best of my knowledge, the information published in this report is true and fair. No material information for investors has been concealed. I personally take the responsibility of the genuineness and purity of the report till the date.