



**महालक्ष्मी विकास बैंक लि.**  
**Mahalaxmi Bikas Bank Ltd.**

(नेपाल राष्ट्र बैंकबाट "ख" वर्गको राष्ट्रिय स्तरको इजाजत प्राप्त संस्था)

**Unaudited Financial Results (Quarterly)**

**As at Second Quarter Ending on 30/09/2075 (14/01/2019) of the Fiscal Year 2075/076**

**NRs in '000'**

S.N.	Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year's Quarter Ending
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>34,206,752</b>	<b>32,423,959</b>	<b>30,093,103</b>
1.1	Paid Up Capital	2,844,501	2,844,501	2,633,797
1.2	Reserve and Surplus	1,050,999	1,051,420	1,305,083
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	66,209	650,000	-
1.5	Deposits (a+b)	28,897,690	26,686,226	25,129,714
	a. Domestic Currency	28,894,719	26,684,430	25,128,187
	b. Foreign Currency	2,970	1,796	1,527
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,347,353	1,191,813	1,024,509
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>34,206,752</b>	<b>32,423,959</b>	<b>30,093,103</b>
2.1	Cash & Bank Balance	1,661,289	1,397,920	6,595,286
2.2	Money at Call and Short Notice	4,737,535	5,755,969	-
2.3	Investment	1,674,912	1,767,357	1,669,548
2.4	Loans and Advances (a+b+c+d+e)	25,364,868	22,835,655	20,824,436
	a. Real Estate Loan	2,200,712	2,044,031	1,757,108
	1. Residential Real Estate Loan ( Except Personal Home Loan upto Rs. 1.5 crore )	341,858	91,688	104,687
	2. Business Complex & Residential Apartment Construction Loan	98,214	102,679	116,071
	3. Income generating Commercial Complex Loan	-	-	-
	4. Other Real Estate Loan ( Including Land purchase & Plotting)	1,760,639	1,849,664	1,536,350
	b. Personal Home Loan of Rs. 1.5 crore or less	3,102,311	2,360,882	1,276,346
	c. Margin Type Loan	940,407	971,176	840,804
	d. Term Loan	5,598,866	4,945,846	4,585,175
	e. Overdraft Loan/TR Loan/WC Loan	8,099,461	7,563,925	7,504,241
	f. Others	5,423,110	4,949,796	4,860,762
2.5	Fixed Assets	332,996	316,477	304,075
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	435,152	350,581	699,758
<b>3</b>	<b>Profit and Loss Account</b>	<b>Up to This Quarter</b>	<b>Up to Previous Quarter</b>	<b>Up to Corresponding Previous Year's Quarter</b>
3.1	Interest Income	1,719,595	790,922	1,491,897
3.2	Interest Expenses	1,093,765	544,211	1,037,564
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>625,830</b>	<b>246,711</b>	<b>454,334</b>
3.3	Fees, Commission and Discount	10,730	5,089	267
3.4	Other Operating Income	87,787	40,970	67,505



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3.5	Foreign Exchange Gain/ Loss (Net)	(1)	(1)	79
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>724,346</b>	<b>292,769</b>	<b>522,185</b>
3.6	Staff Expenses	180,832	109,705	124,000
3.7	Other Operating Expenses	131,249	64,314	105,577
	<b>C. Operating Profit Before Provision (B.- 3.6-3.7)</b>	<b>412,265</b>	<b>118,751</b>	<b>292,608</b>
3.8	Provision for Possible Losses	205,420	100,249	254,527
	<b>D. Operating Profit (C-3.8)</b>	<b>206,845</b>	<b>18,502</b>	<b>38,080</b>
3.9	Non Operating Income/Expenses (Net)	24,935	9,039	4,434
3.10	Write Back of Provision for Possible Loss	57,000	140,668	286,841
	<b>E. Profit from Regular Activites (D+3.9+3.10)</b>	<b>288,780</b>	<b>168,209</b>	<b>329,355</b>
3.11	Extraordinary Income/Expenses (Net)	4,969	(2,233)	(6,521)
	<b>F. Profit before Bonus and Taxes ( E. + 3.11)</b>	<b>293,749</b>	<b>165,976</b>	<b>322,834</b>
3.12	Provision for Staff Bonus	26,704	15,089	29,349
3.13	Provision for Tax	69,399	45,266	88,046
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>197,646</b>	<b>105,621</b>	<b>205,440</b>
<b>4</b>	<b>Ratios</b>	<b>At the End of This Quarter</b>	<b>At the End of Previous Quarter</b>	<b>At the End of Corresponding Previous Year's Quarter</b>
4.1	Capital Fund To RWA ( As per NRB Directive)	16.22	16.51	15.69
4.2	Non Performing Loan (NPL) to Total Loan	4.41	3.39	3.39
4.3	Total Loan Loss Provision to Total NPL	79.53	90.84	94.52
4.4	Cost of Funds	8.45	7.86	8.06
4.5	Credit to Deposit Ratio ( Calculated as per NRB Directives)	77.15	74.67	72.04
4.6	Base rate	11.25	11.32	11.73
4.7	Average Spread Rate	4.88	4.93	5.78
<b>Additional Information</b>				
4.8	Earning Per Share ( Annualized )	13.90	14.85	15.60
4.9	Return on Total Assets ( Annualized )	1.16	1.30	1.37
4.10	Networth per Share	136.95	136.96	149.55

**Note:** The figures are regrouped and rearranged wherever 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 Second 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 13.90
  - ii. Net Worth per Share : NPR 136.95
  - iii. Return on Total Asset: 1.16%
  - iv. Liquidity Ratio: 26.92%

**2. Management Analysis:**

- a. The bank has been able to maintain the satisfactory growth over the deposit and loan during the second quarter even though the market was suffering from lack of the investable fund.
- 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.
- c. During the second quarter the bank has been able to open 10 branches as follows:  
Kohalpur, Surkhet, Kawaswoti, Lahan, Attariya, Dhakdhai, Thutepipal, Janakpur, Nayabazar and Chabhil.

**3. Details relating to legal action**

**a. Case filed by or against the bank in this year:**

There are no legal cases except the cases which are related to the recovery of loans in the ordinary course of business.

**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**

**a. Management view on the transactions of the shares of Bank in the share market**

Movements in the share price are determined by the open market principles. Hence, the management has neutral opinion regarding the share price movement in secondary market.

**b. Maximum, Minimum and Closing Share price of the bank including total share transaction number, volume and days of transaction during the quarter:**

Maximum Share Price: NPR 183

Minimum Share Price: NPR 163

Last Share Price: NPR 167

Transaction volume (No. of Share): 182,635 shares

Transaction volume (Amount): NPR 31,514,516

Total transaction: 720

Transaction Days: 60



## 5. Problems and Challenges

- a. With the increase in business volume challenge to manage operational risk.
- b. Increased cost of operation.
- c. Challenge to manage interest spread.
- d. Slowdown in Remittance growth.
- e. Negative balance of payment.
- f. Lack of skilled and trained manpower.

## 6. Strategy to overcome Problems and Changes

- a. Introduction of customer-oriented & innovative products and services.
- b. Strengthening the risk management, monitoring and controlling mechanism.
- c. Proper portfolio management targeting good quality loan customers.
- d. Identification of new investment avenues.
- e. Stringent bank internal control system & policy to face various risk.
- f. Providing training to staff to enhance skills & capabilities.

## 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.