

**Unaudited Financial Results (Quarterly)**  
**As at Third Quarter Ending on 30/12/2075 (13/04/2019) 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>36,042,771</b>	<b>34,206,752</b>	<b>30,311,383</b>
1.1	Paid Up Capital	2,844,501	2,844,501	2,633,797
1.2	Reserve and Surplus	1,286,470	1,050,999	1,191,464
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	66,209	66,209	-
1.5	Deposits (a+b)	30,490,954	28,897,690	25,111,151
	a. Domestic Currency	30,488,962	28,894,719	25,108,770
	b. Foreign Currency	1,991	2,970	2,381
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,354,637	1,347,353	1,374,970
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>36,042,771</b>	<b>34,206,752</b>	<b>30,311,383</b>
2.1	Cash & Bank Balance	1,486,608	1,661,289	1,702,716
2.2	Money at Call and Short Notice	5,678,613	4,737,535	4,395,192
2.3	Investment	1,720,123	1,674,912	1,759,459
2.4	Loans and Advances (a+b+c+d+e)	26,359,535	25,364,868	21,647,122
	a. Real Estate Loan	1,579,489	2,200,712	1,909,477
	1. Residential Real Estate Loan ( Except Personal Home Loan upto Rs. 1.5 crore )	235,662	341,858	133,635
	2. Business Complex & Residential Apartment Construction Loan	98,027	98,214	111,607
	3. Income generating Commercial Complex Loan	2,663	-	-
	4. Other Real Estate Loan ( Including Land purchase & Plotting)	1,243,136	1,760,639	1,664,235
	b. Personal Home Loan of Rs. 1.5 crore or less	2,195,769	3,102,311	1,468,254
	c. Margin Type Loan	975,779	940,407	931,696
	d. Term Loan	7,455,126	5,598,866	4,820,198
	e. Overdraft Loan/TR Loan/WC Loan	7,952,856	8,099,461	7,638,358
	f. Others	6,200,517	5,423,110	4,879,139
2.5	Fixed Assets	349,058	332,996	323,962
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	448,834	435,152	482,933
<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	2,689,199	1,719,595	2,259,727
3.2	Interest Expenses	1,686,526	1,093,765	1,540,814
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>1,002,673</b>	<b>625,830</b>	<b>718,913</b>
3.3	Fees, Commission and Discount	17,763	10,730	359
3.4	Other Operating Income	135,539	87,787	112,766
3.5	Foreign Exchange Gain/ Loss (Net)	25	(1)	126
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>1,156,000</b>	<b>724,346</b>	<b>832,164</b>
3.6	Staff Expenses	261,672	180,832	187,394
3.7	Other Operating Expenses	200,097	131,249	167,818
	<b>C. Operating Profit Before Provision (B.- 3.6-3.7)</b>	<b>694,231</b>	<b>412,265</b>	<b>476,952</b>
3.8	Provision for Possible Losses	197,516	205,420	305,937
	<b>D. Operating Profit (C-3.8)</b>	<b>496,715</b>	<b>206,845</b>	<b>171,015</b>
3.9	Non Operating Income/Expenses (Net)	38,981	24,935	18,190
3.10	Write Back of Provision for Possible Loss	71,022	57,000	382,310
	<b>E. Profit from Regular Activities (D+3.9+3.10)</b>	<b>606,717</b>	<b>288,780</b>	<b>571,515</b>
3.11	Extraordinary Income/Expenses (Net)	(35,752)	4,969	(42,097)
	<b>F. Profit before Bonus and Taxes ( E. + 3.11)</b>	<b>570,965</b>	<b>293,749</b>	<b>529,418</b>
3.12	Provision for Staff Bonus	51,906	26,704	48,129
3.13	Provision for Tax	131,153	69,399	144,387
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>387,906</b>	<b>197,646</b>	<b>336,902</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)	15.97	16.22	15.31
4.2	Non Performing Loan (NPL) to Total Loan	3.85	4.41	3.97
4.3	Total Loan Loss Provision to Total NPL	86.84	79.53	83.54
4.4	Cost of Funds	8.58	8.45	8.63
4.5	Credit to Deposit Ratio ( Calculated as per NRB Directives)	75.95	77.15	75.22
4.6	Base rate	11.45	11.25	12.16
4.7	Average Spread Rate	4.77	4.88	4.39
<b>Additional Information</b>				
4.8	Earning Per Share ( Annualized )	18.18	13.90	17.06
4.9	Return on Total Assets ( Annualized )	1.43	1.16	1.48
4.10	Networth per Share	145.23	136.95	145.24

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.

This interim financial report has been published in our bank's website ( www.mahalaxmibank.com)

**Disclosure as prescribed by Securities Registration and Issuance Regulation, 2073 (Related to Sub rule (1) of Rule 26), for the Third 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 18.18
  - ii. Net Worth per Share : NPR 145.23
  - iii. Return on Total Asset: 1.43%
  - iv. Liquidity Ratio: 28.03%

**2. Management Analysis:**

- a. The bank has been able to maintain the satisfactory growth over the deposit and loan during the third 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 operating income during the review period.
- c. During the third quarter the bank has been able to open 4 branches as follows:  
Maitidevi, Dallu, Tinchuli and Koteshwor

**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 175

Minimum Share Price: NPR 155

Last Share Price: NPR 172

Transaction volume (No. of Share): 384,596 shares

Transaction volume (Amount): NPR 64,391,142

Total transaction: 1083

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.