



**Condensed Statement of Financial Position**

As on Quarter ended 32 Asadh 2079

Amount in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	5,539,331,345	2,932,488,811
Due from Nepal Rastra Bank	1,394,561,542	1,098,204,335
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	4,608,488,289	4,371,225,022
Loans and advances to customers	35,051,881,520	30,150,719,786
Investment securities	7,151,494,512	7,301,479,792
Current tax assets	10,799,763	58,008,166
Investment in subsidiaries	-	-
Investment in associates	4,983,900	2,500,000
Investment property	482,389,565	306,499,095
Property and equipment	339,204,699	328,924,088
Goodwill and Intangible assets	2,766,212	2,938,112
Deferred tax assets	-	-
Other assets	216,594,245	908,599,542
<b>Total Assets</b>	<b>54,802,495,592</b>	<b>47,461,586,749</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	3,526,133,639	1,195,071,922
Due to Nepal Rastra Bank	1,605,404,862	1,230,698,405
Derivative financial instruments	-	-
Deposits from customers	42,372,221,768	38,686,162,116
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	79,619,108	66,761,632
Deferred tax liabilities	32,701,450	32,700,900
Other liabilities	765,421,190	670,862,710
Debt securities issued	-	-
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>48,381,502,017</b>	<b>41,882,257,685</b>
<b>Equity</b>		
Share capital	4,010,883,269	3,342,402,724
Share premium	-	-
Retained earnings	589,344,262	706,869,130
Reserves	1,820,766,044	1,530,057,210
<b>Total equity attributable to equity holders</b>	<b>6,420,993,575</b>	<b>5,579,329,065</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>6,420,993,575</b>	<b>5,579,329,065</b>
<b>Total liabilities and equity</b>	<b>54,802,495,592</b>	<b>47,461,586,749</b>

**Ratios as per NRB Directive**

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital Fund to RWA (%)		11.94%		13.67%
Non-Performing Loan (NPL) to Total Loan (%)		2.43%		2.80%
Total Loan Loss Provision to Total NPL (%)		115.51%		108.26%
Cost of Funds (%)		8.73%		5.44%
Credit to Deposit Ratio (CD Ratio as per NRB) (%)		88.55%		89.03%
Base Rate (%)		11.11%		7.28%
Interest Rate Spread (%)		4.64%		4.53%

- Note:**
- Above Financial Statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS).
  - Loan & Advances Includes Staff loans and accrued interest receivable on loans and are presented net of loan impairments.
  - Bank has assessed and measured impairment loss on Loan & Advances at higher of amount derived as per norms prescribed by NRB and as per NAS 39.
  - Personal Expenses includes employee bonus calculated as per Bonus Act, 2030.
  - Previous Quarter ending figure have been restated, regrouped, reclassified to make them comparable, which might vary from previous quarter published figure.
  - The unaudited financial figures are subject to change from external auditor and regulatory authority.
  - Detailed interim report has been published in Bank's website [www.mahalaxmibank.com](http://www.mahalaxmibank.com).

**Disclosure as prescribed by Securities Registration and Issuance Regulation, 2073**

(Related to Sub rule (1) of Rule 26), for the Fourth Quarter of Fiscal Year 2078/79

- Financial Detail**
    - Quarterly statement of financial position and statement of profit or loss has been published along with this detail.
    - Major Financial Indicators

1	Earnings per Share (Annualized)	23.73
2	Price Earnings ratio	15.93
3	Net Worth per Share	160.09
4	Return on Total Asset (Annualized)	1.74%
5	Liquidity Ratio	28.70%
  - Management Analysis:**
    - Bank has posted a net profit of NPR 951,908,928 up to Fourth quarter of FY 2078/79.
    - Bank has been able to maintain adequate liquidity position.
    - There was no any incident during the period which have impact on reserve, profitability and cashflow of the bank. The change in reserve during the current quarter is the result of profitability during the period.
    - Bank is consistently working on building a strong balance sheet with diversifying portfolio to cater the growing demand of economy by achieving sustainable growth and resource mobilization.
  - Details relating to legal action**
    - Case filed by or against the Bank in this year: No such information has been received.
    - 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.
    - Case relating to financial crime filed against any Promoter or Director: No such information has been received.
  - 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 are:

Maximum Share Price	NPR. 443.00
Minimum Share Price	NPR. 305.20
Last Share Price	NPR. 378.00
Transaction volume (No. of shares)	3,259,489
Transaction volume (Amount)	NPR. 1,250,194,165.40
Transaction Days	64
  - Problems and Challenges**

**Internal:**

    - Increased cost of operation.
    - Sourcing and retention of quality workforce in the increased competitive banking industry.
  - Challenge to maintain interest spread rate as per the directive issued by NRB due to increase in cost of deposit.
  - Challenge to manage operational risk and minimize risk relating to information technology.
  - Challenge to maintain deposits volume due to increased competition in the market and liquidity shortage.
- External:**
- Ongoing international political instability has resulted in hike of petroleum price resulted increased inflation and national foreign currency reserve position.
  - Increased level of operation risk in the industry.
  - Challenge to recover the interest as hotels and tourism sector and other sectors are hardly hit by the lockdown and various sectors are expected to face long term effect from the pandemic.
  - Adverse liquidity conditions.
- Strategy to overcome Problems and Changes**
  - To revise strategy and planning according to the ongoing market scenario.
  - Effective management of cost of deposit, HR expense and other operating expense.
  - Identify the areas of investment related to agricultural sector and other sectors and try to solve the problem of unemployment to certain level.
  - Identify borrowers that are affected by the pandemic and provide them with necessary facilities as per NRB rules and regulation.
  - Provide banking service to population still not within the Bank reach and mobilize deposit.
  - Provide uninterrupted service through the use of information technology.
  - Introduction of customer-oriented & innovative products and services focusing on digital banking.
  - Strengthening human resource capabilities to minimize various risk.
  - Proper portfolio management targeting good quality loan customers.
  - Focus on strengthening internal control and monitoring system and policy to cope with various risks.
- 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 and guidelines issued by NRB.
- 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.

**Condensed Statement of Profit or Loss**

As on Quarter ended 32 Asadh 2079

Amount in NPR

Particulars	Current Year		Previous Year This Quarter	Corresponding Upto This Quarter (YTD)
	This Quarter	Upto This Quarter (YTD)		
Interest income	1,532,257,713	5,001,748,303	976,326,365	3,813,468,472
Interest expense	990,022,279	3,109,662,854	541,218,040	2,211,061,066
<b>Net interest income</b>	<b>542,235,434</b>	<b>1,892,085,450</b>	<b>435,108,325</b>	<b>1,602,407,406</b>
Fee and commission income	55,336,724	214,511,559	59,832,009	215,130,896
Fee and commission expense	3,997,478	11,649,501	1,717,601	6,255,329
<b>Net fee and commission income</b>	<b>51,339,247</b>	<b>202,862,058</b>	<b>58,114,408</b>	<b>208,875,567</b>
<b>Net interest, fee and commission income</b>	<b>593,574,681</b>	<b>2,094,947,508</b>	<b>493,222,733</b>	<b>1,811,282,973</b>
Net trading income	-	-	(138,917,869)	-
Other operating income	14,714,819	208,741,013	98,643,212	190,793,098
<b>Total operating income</b>	<b>608,289,500</b>	<b>2,303,688,521</b>	<b>452,948,076</b>	<b>2,002,076,072</b>
Impairment charge/(reversal) for loans and other losses	(89,266,014)	(87,686,410)	(186,415,178)	225,750,830
<b>Net operating income</b>	<b>697,555,514</b>	<b>2,391,374,931</b>	<b>639,363,254</b>	<b>1,776,325,241</b>
<b>Operating expense</b>	<b>399,044,530</b>	<b>1,042,094,929</b>	<b>274,186,051</b>	<b>850,905,624</b>
Personnel expenses	281,643,070	697,270,922	179,336,728	542,535,042
Other operating expenses	102,570,884	288,278,420	80,212,293	251,317,429
Depreciation & Amortisation	14,830,575	56,545,587	14,637,031	57,053,154
<b>Operating Profit</b>	<b>298,510,984</b>	<b>1,349,280,001</b>	<b>365,177,202</b>	<b>925,419,617</b>
Non operating income	-	40,565,110	15,297,879	35,802,233
Non operating expense	-	29,975,214	5,663,067	9,831,152
<b>Profit before income tax</b>	<b>298,510,984</b>	<b>1,359,869,897</b>	<b>374,812,015</b>	<b>951,390,698</b>
Income tax expense	89,553,295	407,960,969	112,443,604	291,291,002
Current Tax	89,553,295	407,960,969	112,443,604	291,291,002
Deferred Tax Income / Expenses	-	-	-	-
<b>Profit for the year</b>	<b>208,957,689</b>	<b>951,908,928</b>	<b>262,368,410</b>	<b>660,099,696</b>
<b>Earnings per Share</b>				
Basic earnings per share			23.73	19.75
Diluted earnings per share			23.73	19.75

**Condensed Statement of Comprehensive Income**

As on Quarter ended 32 Asadh 2079

Amount in NPR

Particulars	Current Year		Previous Year This Quarter	Corresponding Upto This Quarter (YTD)
	This Quarter	Upto This Quarter (YTD)		
<b>Profit / (Loss) for the Period</b>	<b>208,957,689</b>	<b>951,908,928</b>	<b>262,368,410</b>	<b>660,099,696</b>
<b>Other comprehensive income</b>				
a) Items that will not be reclassified to profit or loss				
Gains/(losses) from investments in equity instruments measured at fair value	(75,061,230)	(75,061,230)	-	-
Gain/(loss) on revaluation	-	-	-	-
Actuarial gain/loss on defined benefit plans	-	-	-	-
Income tax relating to above items	22,518,369	22,518,369	-	-
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>(52,542,861)</b>	<b>(52,542,861)</b>		
b) Items that are or may be reclassified to profit or loss				
Gains/(losses) on cash flow hedge	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-
Income tax relating to above items	-	-	-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>		
c) Share of other comprehensive income of associate accounted as per equited method				
<b>Other comprehensive income for the period, net of income tax</b>	<b>(52,542,861)</b>	<b>(52,542,861)</b>		
<b>Total comprehensive income</b>	<b>156,414,828</b>	<b>899,366,067</b>	<b>262,368,410</b>	<b>660,099,696</b>
<b>Profit attributable to:</b>				
Equity holders of the Bank	156,414,828	899,366,067	262,368,410	660,099,696
Non-controlling interest	-	-	-	-
<b>Total comprehensive income</b>	<b>156,414,828</b>	<b>899,366,067</b>	<b>262,368,410</b>	<b>660,099,696</b>

**Condensed Statement of Distributable Profit or Loss**

As on Quarter ended 32 Asadh 2079

(As per NRB Regulation)

Amount in NPR

<b>Net profit or (loss) for the period end Asadh 2079</b>		<b>951,908,928</b>
<b>I. Appropriations</b>		
<b>I.1 Profit required to be appropriated to:</b>		<b>202,243,789</b>
a. General reserve		190,381,786
b. Capital redemption reserve		-
c. Exchange fluctuation fund		687,367
d. Corporate social responsibility fund		9,519,089
e. Employees' training fund		1,655,547
f. Other		-
<b>I.2 Profit required to be transferred to Regulatory Reserve:</b>		<b>(163,526,275)</b>
a. Transferred to Regulatory Reserve		(286,916,403)
Provision on Non Banking Assets	(167,395,281)	
Interest Receivable	(119,521,122)	
Fair Value Reserve	-	
b. Transferred from Regulatory Reserve		123,390,127
Interest Receivable	61,969,460	
Provision on Non Banking Assets	56,584,285	
Utilization of Institution CSR Fund	4,836,383	
<b>Net profit for the period end Asadh 2079 available for distribution</b>		<b>586,138,864</b>