



Unaudited Financial Results (Quarterly)
3rd Quarter ended of Fiscal Year 2081/82

Condensed Statement of Financial Position As on Quarter ended 31 st Chaitra 2081		
Amount in NPR		
Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	2,574,402,571	2,478,680,743
Due from Nepal Rastra Bank	2,455,717,654	2,004,682,212
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	4,153,910,857	3,712,564,513
Loans and advances to customers	41,976,262,498	40,550,087,131
Investment securities	10,089,510,435	14,625,163,539
Current tax assets	67,854,941	-
Investment in subsidiaries	-	-
Investment in associates	4,733,900	4,733,900
Investment property	616,750,077	532,454,431
Property and equipment	356,543,610	344,370,504
Goodwill and Intangible assets	5,619,581	6,237,690
Deferred tax assets	48,852,151	57,549,740
Other assets	379,689,154	372,470,817
Total Assets	62,729,847,429	64,688,995,218
Liabilities		
Due to Bank and Financial Institutions	661,999,267	914,146,754
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	53,203,642,602	55,210,282,742
Borrowing	-	-
Current Tax Liabilities	-	12,006,842
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	829,052,069	813,345,450
Debt securities issued	995,083,747	995,083,747
Subordinated Liabilities	-	-
Total liabilities	55,689,777,685	57,944,865,535
Equity		
Share capital	4,296,458,158	4,171,318,600
Share premium	-	-
Retained earnings	163,485,047	292,319,290
Reserves	2,580,126,539	2,280,491,793
Total equity attributable to equity holders	7,040,069,744	6,744,129,684
Non-controlling interest	-	-
Total equity	7,040,069,744	6,744,129,684
Total liabilities and equity	62,729,847,429	64,688,995,218

Statement of Distributable Profit or Loss As on Quarter ended 31 st Chaitra 2081 (As per NRB Regulation)		
Amount in NPR		
Particulars	Current Year Upto This Quarter	Previous Year Corresponding Upto This Quarter
Net profit or (loss) for the period end Chaitra 81	436,559,442	373,551,529
Appropriations:		
a. General reserve	(87,311,888)	(74,710,306)
b. Capital redemption reserve	(107,142,857)	-
c. Exchange fluctuation fund	(543,504)	(334,055)
d. Corporate social responsibility fund	(4,365,594)	(3,735,515)
e. Employees' training fund	(870,027)	(5,008,973)
f. Other-		
Investment Adjustment Reserve	-	-
Fair value reserve	-	-
CSR expense reversal	2,688,458	3,405,665
Profit or (loss) before regulatory adjustment	239,014,029	293,168,344
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(33,902,027)	(178,161,392)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	(41,953,943)	2,252,502
e. Deferred tax assets recognised (-)/reversal (+)	-	13,990,273
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)		
Fair Value Loss	-	(32,643,970)
Interest Capitalized Reserve	-	-
Net profit for the period end Chaitra 2081 available for distribution	163,158,059	98,605,758
Opening Retained Earning	292,319,290	267,191,345
Adjustment(+/-)	-	-
Distribution:		
Bonus Share issued	(125,139,558)	-
Cash Dividend Paid	(166,852,744)	(266,964,390)
Total Distributable Profit or (Loss) as on Chaitra Quarter End, 2081	163,485,047	98,832,713
Annualised Distributable Profit/Loss per Share	5.07	3.16

Regulatory Ratios as per NRB Unified Directive		
Particulars	Current Year Upto This Quarter (YTD)	Previous Year Corresponding Upto This Quarter (YTD)
Capital Fund to RWA (%)	15.75%	12.75%
Tier I Capital to RWA (%)	12.31%	9.62%
CET I Capital to RWA (%)	12.31%	9.62%
Non-Performing Loan (NPL) to Total Loan (%)	4.99%	4.16%
Total Loan Loss Provision to Total NPL (%)	101.90%	113.38%
Cost of Funds (%)	5.04%	7.62%
Credit to Deposit Ratio (CD Ratio as per NRB) (%)	87.41%	84.42%
Base Rate (%)	7.20%	9.87%
Interest Rate Spread (%)	4.29%	4.59%
Return on Equity	8.45%	7.64%
Return on Assets	0.91%	0.80%

- 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.

Condensed Statement of Profit or Loss As on Quarter ended 31 st Chaitra 2081				
Amount in NPR				
Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	1,188,457,930	3,786,544,576	1,647,320,942	4,982,464,473
Interest expense	670,675,159	2,250,120,491	1,059,321,185	3,502,057,905
Net interest income	517,782,770	1,536,424,086	587,999,758	1,480,406,568
Fee and commission income	61,032,454	158,543,062	65,968,516	171,873,160
Fee and commission expense	4,859,201	15,984,421	4,269,917	13,391,713
Net fee and commission income	56,173,253	142,558,641	61,698,599	158,481,448
Net interest, fee and commission income	573,956,023	1,678,982,727	649,698,356	1,638,888,016
Net trading income	165,649	554,461	-	-
Other operating income	18,705,412	78,332,565	5,903,679	38,236,957
Total operating income	592,827,084	1,757,869,753	655,602,036	1,677,124,974
Impairment charge/(reversal) for loans and other losses	65,083,758	258,805,655	266,794,560	360,401,008
Net operating income	527,743,326	1,499,064,098	388,807,475	1,316,723,966
Operating expense	311,865,139	870,884,236	252,432,228	784,621,016
Personnel expenses	186,606,724	547,456,969	151,147,748	493,853,411
Other operating expenses	107,877,432	270,863,537	84,154,140	239,484,495
Depreciation & Amortization	17,380,984	52,563,730	17,130,339	51,283,111
Operating Profit	215,878,186	628,179,863	136,375,248	532,102,950
Non operating income	-	331,340	74,333	4,716,066
Non operating expense	2,936,036	4,854,857	-	3,173,974
Profit before income tax	212,942,151	623,656,346	136,449,581	533,645,042
Income tax expense	63,882,645	187,096,904	40,934,874	160,093,513
Current Tax	63,882,645	187,096,904	40,934,874	160,093,513
Deferred Tax Income / Expenses	-	-	-	-
Profit for the year	149,059,505	436,559,442	95,514,707	373,551,529
Earnings per Share				
Basic earnings per share		13.55		11.94
Diluted earnings per share		13.55		11.94

Statement of Other Comprehensive Income Total equity attributable to equity holders				
Amount in NPR				
Particulars	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit / (Loss) for the Period	149,059,505	436,559,442	95,514,707	373,551,529
Other comprehensive income	-	-	-	-
a) Items that will not be reclassified to profit or loss	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	(17,501,343)	28,991,962	(2,600,224)	(46,634,243)
Gain/(loss) on revaluation	-	-	-	-
Actuarial gain/loss on defined benefit plans	-	-	-	-
Income tax relating to above items	5,250,403	(8,697,589)	780,067	13,990,273
Net other comprehensive income that will not be reclassified to profit or loss	(12,250,940)	20,294,373	(1,820,156)	(32,643,970)
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	-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-	-	-
c) Share of other comprehensive income of associate accounted as per equited method	-	-	-	-
Other comprehensive income for the period, net of income tax	(12,250,940)	20,294,373	(1,820,156)	(32,643,970)
Total comprehensive income	136,808,565	456,853,815	93,694,550	340,907,559
Profit attributable to:				
Equity holders of the Bank	136,808,565	456,853,815	93,694,550	340,907,559
Non-controlling interest	-	-	-	-
Total comprehensive income	136,808,565	456,853,815	93,694,550	340,907,559

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 2081/82

1. Financial Detail

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

1	Earnings per Share (Annualized)	13.55
2	Price Earnings ratio	27.23
3	Net Worth per Share	163.86
4	Return on Total Asset (Annualized)	0.91%
5	Return on Equity (Annualized)	8.45%
6	Liquidity Ratio	26.01%

2. Management Analysis:

The bank has posted a net profit of NPR 436,559,442/- up to the third quarter of FY 2081/82, with a growth 16.87% percentage corresponding to the previous year's quarter-end results. The bank remains strong in terms of capital adequacy and liquidity. However, due to challenges in loan recovery amidst a difficult economic situation, the non-performing assets (NPA) have increased to 4.99%. Despite reduced interest rates, adequate liquidity, and a sound credit-to-deposit (CD) position, stagnant credit demand has affected overall business performance. Nevertheless, the bank remains committed to achieving its business targets, maximizing returns, and delivering excellent customer service.

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 are:

Maximum Share Price	NPR. 467.90
Minimum Share Price	NPR. 365.00
Last Share Price	NPR. 369.00
Transaction volume (No. of shares)	8,624,571
Transaction volume (Amount In NPR)	3,624,996,977
Transaction Days	56

5. Problems and Challenges

Internal:

- i) Increased cost of operation.
- ii) Sourcing and retention of quality workforce in the increased competitive banking industry.
- iii) Challenge to manage operational risk and minimize risk relating to information technology.

External:

- i) Increased level of operational risk in the industry.
- ii) Challenge to recover the interest as a result of overall economic downturn.
- iii) Subdued credit demand.

6. Strategy to overcome Problems and Changes

- i) To revise strategy and planning according to the ongoing market scenario.
- ii) Effective management of cost of deposit and total operating expense.
- iii) Provide banking service to population still not within the Bank reach and mobilize deposit.
- iv) Provide uninterrupted service through the use of information technology.
- v) Introduction of customer-oriented & innovative products and services focusing on digital banking.
- vi) Strengthening human resource capabilities to minimize various risk.
- vii) Proper portfolio management targeting good quality loan customers.
- viii) Focus on strengthening internal control and monitoring system and policy to cope with various risks.

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 and 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 for fair presentation of report.