



महालक्ष्मी विकास बैंक लि. Mahalaxmi Bikas Bank Ltd.

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

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 2076/77

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
 - i. Earnings per Share(Annualized) : NPR 17.25
 - ii. Price Earning ratio: 11.42 times
 - iii. Net Worth per Share : NPR 155.76
 - iv. Return on Total Asset (Annualized): 1.22%
 - v. Liquidity Ratio: 30.19%

2. Management Analysis:

- a) The liquidity position of the bank is satisfactory.
- b) Non-performing loan will be further managed in the coming quarter.
- c) 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 are:

Maximum Share Price: NPR 255

Minimum Share Price: NPR 193

Last Share Price: NPR 197

Transaction volume (No. of shares): 1,068,400 shares

Transaction volume (Amount): NPR 232,597,695

Transaction Days: 46

5. Problems and Challenges

Internal:

- i) Increased cost of operation
- ii) Challenge to maintain interest spread rate as per the directive issued by NRB
- iii) Change in interest rates of loans and deposits due to the effect of COVID-19 thereby reducing the net interest income
- iv) Challenge to identify areas of investment as most of the sectors are affected by the COVID-19
- v) Challenge to increase the branch network
- vi) Challenge to manage operational risk and minimize risk relating to information technology



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External:

- i) COVID-19 Novel Coronavirus pandemic is expected to have severe negative impacts on the global economy along with national economy. Growth rate of GDP is expected to decrease to 5.3% as per ADB.
- ii) Slowdown in Remittance as other countries where Nepalese workers are employed are also affected from coronavirus
- iii) Increased level of operation risk in the industry
- iv) 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.

6. Strategy to overcome Problems and Changes

- i) To revise strategy and planning.
- ii) Minimize the cost of deposit, HR expense and other operating expense
- iii) Identify the areas of investment related to agricultural sector and try to solve the problem of unemployment to certain level.
- iv) Identify borrowers that are affected by the pandemic and provide them with necessary facilities as per NRB.
- v) Provide banking service to population still not within the bank reach and mobilize deposit.
- vi) Provide uninterrupted service through the use of information technology
- vii) Introduction of customer-oriented & innovative products and services
- viii) Strengthening human resource capabilities to minimize various risk
- ix) Proper portfolio management targeting good quality loan customers.
- x) Identification of new investment avenues
- xi) To stringent bank internal control and monitoring system & policy to face various risk.
- xii) 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.