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

**(Related to Sub rule (1) of Rule 26), for the First Quarter of Fiscal Year 2083/84**

## 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) | 10.50 |
| 2 | Price Earnings ratio | 35.55 |
| 3 | Net Worth per Share | 166.73 |
| 4 | Return on Total Asset (Annualized) | 0.73% |
| 5 | Return on Equity (Annualized) | 6.32% |
| 6 | Liquidity Ratio | 27.79% |

## 2. Management Analysis:

The bank has posted a net profit of NPR 118,467,590 /- up to the first quarter of FY 2083/84, with a growth 21.49 percentage corresponding to the previous year corresponding quarter's 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 6.49%. 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 (Amount in NPR) | 382.70 |
| Minimum Share Price (Amount in NPR) | 330.70 |
| Last Share Price (Amount in NPR) | 373.40 |
| Transaction volume (No. of shares) | 1,148,842 |
| Transaction volume (Amount in NPR) | 410,091,408.70 |
| Transaction Days | 61 |

## 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 and political instability.
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.