

Interim Financial Statements of 3rd Quarter of FY 2076/77

Condensed Consolidated Statement of Financial Position
As on Quarter ended Chaitra 2076

Statement of Distributable Profit or Loss

Amount in NPR

Particulars	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending	This Quarter Ending	Immediate Previous Year Ending
Assets				
Cash And Cash Equivalent	9,163,365,513	6,742,724,913	9,322,048,364	6,740,702,460
Due From Nepal Rastra Bank	2,447,522,643	2,596,966,889	2,447,522,643	2,596,966,889
Placement With Bank And Financial Institutions	992,102,893	394,769,893	992,102,893	394,769,893
Derivative Financial Instruments	61,740,676	44,104,432	61,740,676	44,104,432
Other Trading Assets	131,087,265	653,480,338	86,145,675	567,253,478
Loans And Advances To B/FIs	1,435,156,938	1,581,899,190	1,435,156,938	1,581,899,190
Loans And Advances To Customers	75,014,268,291	62,911,970,484	75,014,268,291	62,911,970,484
Investment Securities	10,763,502,068	10,854,379,551	10,646,726,068	10,822,603,551
Current Tax Assets	10,389,326	12,016,364	-	14,624,427
Investment In Subsidiaries	-	-	167,204,200	167,204,200
Investment In Associates	29,728,445	29,728,445	17,951,500	17,951,500
Investment Property	195,532,789	222,547,153	195,532,789	222,547,153
Property And Equipment	2,384,728,127	2,308,095,479	2,380,196,703	2,302,848,710
Goodwill And Intangible Assets	80,160,666	93,699,311	79,151,536	93,353,427
Deferred Tax Assets	56,807,892	23,971,072	56,041,161	20,235,997
Other Assets	1,428,530,181	1,608,239,372	1,412,616,959	1,622,327,762
Total Assets	104,194,623,713	90,078,592,886	104,314,406,396	90,121,363,553
Liabilities				
Due To Bank And Financial Institutions	8,607,956,363	3,926,662,470	8,607,956,363	3,926,662,470
Due To Nepal Rastra Bank	598,057,171	1,212,586,471	598,057,171	1,212,586,471
Derivative Financial Instruments	-	-	-	-
Deposits From Customers	77,438,853,151	70,355,477,776	77,836,512,947	70,509,084,649
Borrowing	-	-	-	-
Current Tax Liabilities	175,415,183	-	175,200,890	-
Provisions	-	5,306,626	-	5,306,626
Deferred Tax Liabilities	-	-	-	-
Other Liabilities	1,711,156,450	1,482,679,855	1,551,228,435	1,473,951,481
Debt Securities Issued	2,976,496,459	499,145,186	2,976,496,459	499,145,186
Subordinated Liabilities	-	-	-	-
Total Liabilities	91,507,934,777	77,481,858,384	91,745,452,265	77,626,736,883
Equity				
Share Capital	8,622,196,716	8,371,064,773	8,622,196,716	8,371,064,773
Share Premium	-	46,816,126	-	46,816,126
Retained Earnings	476,872,017	1,267,705,675	453,389,721	1,251,267,361
Reserves	3,496,269,366	2,827,477,541	3,493,367,694	2,825,478,410
Total Equity Attributable To Equity Holders	12,595,338,099	12,513,064,115	12,568,954,131	12,494,626,670
Non-Controlling Interest	91,350,837	83,670,387	-	-
Total Equity	12,686,688,936	12,596,734,502	12,568,954,131	12,494,626,670
Total Liabilities And Equity	104,194,623,713	90,078,592,886	104,314,406,396	90,121,363,553

Amount in NPR

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Placement With Bank And Financial Institutions	992,102,893	394,769,893	992,102,893	394,769,893
Derivative Financial Instruments	61,740,676	44,104,432	61,740,676	44,104,432
Other Trading Assets	131,087,265	653,480,338	86,145,675	567,253,478
Loans And Advances To B/FIs	1,435,156,938	1,581,899,190	1,435,156,938	1,581,899,190
Loans And Advances To Customers	75,014,268,291	62,911,970,484	75,014,268,291	62,911,970,484
Investment Securities	10,763,502,068	10,854,379,551	10,646,726,068	10,822,603,551
Current Tax Assets	10,389,326	12,016,364	-	14,624,427
Investment In Subsidiaries	-	-	167,204,200	167,204,200
Investment In Associates	29,728,445	29,728,445	17,951,500	17,951,500
Investment Property	195,532,789	222,547,153	195,532,789	222,547,153
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Goodwill And Intangible Assets	80,160,666	93,699,311	79,151,536	93,353,427
Deferred Tax Assets	56,807,892	23,971,072	56,041,161	20,235,997
Other Assets	1,428,530,181	1,608,239,372	1,412,616,959	1,622,327,762
Total Assets	104,194,623,713	90,078,592,886	104,314,406,396	90,121,363,553
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Due To Nepal Rastra Bank	598,057,171	1,212,586,471	598,057,171	1,212,586,471
Derivative Financial Instruments	-	-	-	-
Deposits From Customers	77,438,853,151	70,355,477,776	77,836,512,947	70,509,084,649
Borrowing	-	-	-	-
Current Tax Liabilities	175,415,183	-	175,200,890	-
Provisions	-	5,306,626	-	5,306,626
Deferred Tax Liabilities	-	-	-	-
Other Liabilities	1,711,156,450	1,482,679,855	1,551,228,435	1,473,951,481
Debt Securities Issued	2,976,496,459	499,145,186	2,976,496,459	499,145,186
Subordinated Liabilities	-	-	-	-
Total Liabilities	91,507,934,777	77,481,858,384	91,745,452,265	77,626,736,883
Equity				
Share Capital	8,622,196,716	8,371,064,773	8,622,196,716	8,371,064,773
Share Premium	-	46,816,126	-	46,816,126
Retained Earnings	476,872,017	1,267,705,675	453,389,721	1,251,267,361
Reserves	3,496,269,366	2,827,477,541	3,493,367,694	2,825,478,410
Total Equity Attributable To Equity Holders	12,595,338,099	12,513,064,115	12,568,954,131	12,494,626,670
Non-Controlling Interest	91,350,837	83,670,387	-	-
Total Equity	12,686,688,936	12,596,734,502	12,568,954,131	12,494,626,670
Total Liabilities And Equity	104,194,623,713	90,078,592,886	104,314,406,396	90,121,363,553

Condensed Consolidated Statement of Profit or Loss
For the Quarter ended Chaitra 2076

Amount in NPR

Particulars	Group				Bank			
	Current Year		Previous year Corresponding		Current Year		Previous year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	2,466,354,888	7,148,174,694	2,037,238,936	6,334,209,526	2,462,471,160	7,142,431,252	2,036,638,214	6,333,532,965
Interest Expense	(1,649,668,357)	(4,882,522,876)	(1,419,081,985)	(4,238,924,573)	(1,655,657,973)	(4,897,618,069)	(1,443,935,344)	(4,246,288,329)
Net Interest Income	816,686,531	2,265,651,818	618,156,951	2,095,284,953	806,813,187	2,244,813,183	592,702,870	2,087,244,636
Fee And Commission Income	141,910,815	471,199,213	145,860,897	420,747,720	134,762,415	448,180,163	132,795,303	397,848,551
Fee And Commission Expense	(17,592,958)	(42,572,531)	(17,021,765)	(38,792,681)	(16,318,788)	(41,298,362)	(15,621,340)	(36,954,048)
Net Fee And Commission Income	124,317,857	428,626,682	128,839,132	381,955,039	118,443,627	406,881,801	117,173,964	360,894,503
Net Interest, Fee And Commission Income	941,004,388	2,694,278,500	746,996,083	2,477,239,992	925,256,814	2,651,694,984	709,876,834	2,448,139,139
Net Trading Income	117,356,737	230,521,219	59,921,673	244,760,208	116,506,312	226,856,117	57,198,431	216,465,170
Other Operating Income	21,301,505	48,018,198	(1,115,696)	(30,552,234)	21,625,570	48,018,198	1,637,318	(30,570,234)
Total Operating Income	1,079,662,630	2,972,817,917	805,802,060	2,691,447,966	1,063,388,696	2,926,569,299	768,712,583	2,634,034,075
Impairment (Charge)/Reversal For Loans And Other Losses	(38,703,499)	(104,755,785)	(1,490,360)	(7,684,731)	(38,703,499)	(104,755,785)	(1,490,360)	(7,684,731)
Net Operating Income	1,040,959,131	2,868,062,132	804,311,700	2,683,763,236	1,024,685,197	2,821,813,514	767,222,223	2,626,349,344
Operating Expense								
Personnel Expenses	(276,847,144)	(795,323,173)	(202,241,297)	(685,953,043)	(274,268,577)	(787,356,709)	(201,095,026)	(681,217,065)
Other Operating Expenses	(132,128,807)	(364,032,035)	(123,271,470)	(339,475,601)	(132,807,912)	(361,960,680)	(122,455,062)	(337,109,384)
Depreciation & Amortisation	(50,924,027)	(150,764,139)	(39,233,986)	(118,089,498)	(50,440,935)	(149,348,927)	(38,738,384)	(116,617,857)
Operating Profit	581,059,153	1,557,942,785	439,564,948	1,540,245,094	567,167,773	1,523,147,198	404,933,750	1,491,405,038
Non Operating Income	18,573,043	39,597,686	3,994,601	12,599,819	21,286,043	47,736,686	41,718,459	55,741,344
Non Operating Expense	-	-	-	-	-	-	-	-
Profit Before Income Tax	599,632,196	1,597,540,471	443,559,549	1,552,844,914	588,453,816	1,570,883,884	446,652,209	1,547,146,382
Income Tax Expense	-	-	-	-	-	-	-	-
Current Tax	(218,639,961)	(518,706,650)	(215,418,461)	(550,339,683)	(215,404,893)	(510,133,914)	(220,191,432)	(550,339,683)
Deferred Tax	27,526,921	27,526,921	72,795,023	72,795,023	30,495,264	30,495,264	72,795,023	72,795,023
Profit (Loss) For The Period	408,519,156	1,106,360,742	300,936,110	1,075,300,253	403,544,187	1,091,245,234	299,255,800	1,069,601,721
Condensed Consolidated Statement of Comprehensive Income								
Profit (Loss) For The Period	408,519,156	1,106,360,742	300,936,110	1,075,300,253	403,544,187	1,091,245,234	299,255,800	1,069,601,721
Other Comprehensive income	(3,465,000)	(12,390,000)	(1,995,000)	(4,200,000)	(3,465,000)	(12,390,000)	(1,995,000)	(4,200,000)
Total Comprehensive Income	405,054,156	1,093,970,742	298,941,110	1,071,100,253	400,079,187	1,078,855,234	297,260,800	1,065,401,721
Earnings Per Share								
Basic Earnings Per Share		17.11		17.14		16.87		17.05
Diluted Earnings Per Share		17.11		17.14		16.87		17.05
Profit Attributable To:								
Equity Holders of The Bank	403,338,967	1,088,737,083	298,245,497	1,068,741,181	400,079,187	1,078,855,234	297,260,800	1,065,401,721
Non-Controlling Interest	1,715,189	5,233,659	695,613	2,359,072	-	-	-	-
Total Comprehensive Income	405,054,156	1,093,970,742	298,941,110	1,071,100,253	400,079,187	1,078,855,234	297,260,800	1,065,401,721

Ratios as per NRB Directives

Particulars	Group		Bank					
	Current Year		Previous year Corresponding		Current Year		Previous year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital fund to RWA		14.37%		13.54%		14.21%		13.41%
Non-Performing loan(NPL) to Total Loan		0.97%		1.58%		0.97%		1.58%
Total Loan loss provision to Total NPL		190.89%		144.99%		190.89%		144.99%
Cost of Funds	7.89%		8.54%		7.89%		8.54%	
Credit to Deposit Ratio	78.78%		78.48%		78.78%		78.48%	
Base Rate	9.88%		10.58%		9.88%		10.58%	
Interest Spread Rate (Exc. Govt. Securities)	4.85%		4.56%		4.85%		4.56%	
Interest Spread Rate (Inc. Govt. Securities)	4.05%		3.64%		4.05%		3.64%	

Notes to The Interim Financial Statements

1. Above financials have been prepared in accordance with Nepal Accounting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standard and certain carve- outs as issued by Institute of Chartered Accountants of Nepal.

2. The Bank has prepared financial statements applying appropriate accounting judgment that are prudent and reasonable as having potential material impact on the financial statements. Further, financial assets and liabilities have been classified in accordance with NFRS requirements and consistently applied in comparative period also.

3. Previous period figures have been regrouped/ rearranged/ restated wherever necessary which might vary from previous quarter published figures.

4. Loans and Advances includes accrued interest receivables and staff advances and are presented net of impairment loss.

5. The above financial statements have been prepared considering loans and advances classification as per interest and principal due as on Poush end 2076.

6. **Carve- Outs used in preparation of above financials**

i. NAS 39 Para 58 requires an entity to assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 to determine the amount of any impairment loss.

However, the Bank has assessed and measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39.

ii. As per NAS 39 Para AG93, once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

However, the Bank has applied the effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

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