INTERIM FINANCIAL STATEMENT

AS ON ASHWIN END 2082

Condensed Statement of Financial Position

As on Quarter Ended Ashwin 2082

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and Cash Equivalents	530,141,505	601,526,145
Due from Nepal Rastra Bank	299,084,178	272,347,362
Placement with Bank and Financial Institutions	-	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	108,155,978	119,469,576
Loans and Advances to Customers	4,824,061,126	4,735,020,064
Investment Securities	1,268,023,766	1,330,004,895
Current Tax Assets	979,604	2,157,119
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	5,135,217	5,135,217
Property and Equipment	72,295,584	63,475,082
Goodwill and Intangible Assets	-	97,934
Deferred Tax Assets	-	-
Other Assets	69,434,423	77,092,242
Total Assets	**7,177,311,380**	**7,206,325,636**
Liabilities		
Due to Bank and Financial Institutions	53,700,671	27,317,114
Due to Nepal Rastra Bank	-	-
Derivative Financial Instruments	-	-
Deposits from Customers	6,353,341,348	6,376,451,127
Borrowings	12,916,667	17,083,334
Current Tax Liabilities	-	-
Provisions	885,465	650,834
Deferred Tax Liabilities	1,633,005	1,633,005
Other Liabilities	86,526,541	87,530,055
Debt Securities Issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	**6,510,665,469**	**5,183,554,502**
Equity		
Share Capital	569,698,500	569,698,500
Share Premium	1,809	1,809
Retained Earnings	24,808,963	60,781,764
Reserves	73,798,412	65,178,095
Total Equity Attributable to Equity Holders	**668,307,684**	**695,660,168**
Non-Controlling Interest	-	-
Total Equity	668,307,684	695,660,168
Total Liabilities and Equity	**7,177,311,380**	**7,206,325,636**
Contingent Liabilities and Commitments		
Assets Value per share	117.31	122.11

Condensed Statement of Profit or Loss

For the Quarter ended Ashwin 2082

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	126,750,406	126,750,406	136,885,091	136,885,091
Interest Expense	80,648,544	80,648,544	89,267,832	89,267,832
Net Interest Income	**46,101,862**	**46,101,862**	**47,617,259**	**47,617,259**
Fee and Commission Income	5,006,205	5,006,205	5,623,282	5,623,282
Fee and Commission Expense	97,743	97,743	233,217	233,217
Net Fee and Commission Income	4,908,462	4,908,462	5,390,065	5,390,065
Net Interest, Fee and Commission Income	**51,010,324**	**51,010,324**	**53,007,324**	**53,007,324**
Net Trading Income	-	-	-	-
Other Operating Income	4,072,771	4,072,771	540,267	540,267
Total Operating Income	**55,083,094**	**55,083,094**	**53,547,591**	**53,547,591**
Impairment Charge/ (Reversal) for Loans and Other Losses	55,330,769	55,330,769	41,944,760	41,944,760
Net Operating Income	**(247,674)**	**(247,674)**	**11,602,831**	**11,602,831**
Operating Expense				
Personnel Expenses	19,281,397	19,281,397	16,388,740	16,388,740
Other Operating Expenses	8,944,057	8,944,057	9,339,931	9,339,931
Depreciation & Amortization	1,683,517	1,683,517	1,546,847	1,546,847
Operating Profit	**(30,156,646)**	**(30,156,646)**	**(15,672,687)**	**(15,672,687)**
Non-Operating Income	-	-	-	-
Non-Operating Expense	-	-	-	-
Profit Before Income Tax	**(30,156,646)**	**(30,156,646)**	**(15,672,687)**	**(15,672,687)**
Income Tax Expense	**20,624,352**	**20,624,352**	-	-
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
Profit for the Period	**(30,156,646)**	**(30,156,646)**	**(15,672,687)**	**(15,672,687)**

Ratios as per NRB Directive

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Tier 1 Capital to RWA		12.60%		14.12%
Capital Fund to RWA		13.85%		16.17%
Non-Performing Loan (NPL) to Total Loan		4.93%		4.73%
Total Loan Loss Provision to Total NPL		78.53%		117.53%
Cost of Funds		4.79%		6.51%
Credit to Deposit Ratio		78.16%		80.52%
Base Rate (Monthly)		7.39%		9.75%
Base Rate (Average Quarterly)		7.50%		9.57%
Interest Rate Spread		4.53%		4.46%
Return on Assets		-0.42%		-0.25%
Return on Equity		-4.51%		-2.56%

Condensed Statement of Comprehensive Income

As on Quarter Ended Ashwin 2082

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to this Quarter (YTD)
Profit for the year	**(30,156,646)**	**(30,156,646)**	**(15,672,687)**	**(15,672,687)**
Other Comprehensive Income, Net of Income Tax	-	-	-	-
a) Items that will not be reclassified to profit or loss	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-
Income tax relating to above items	-	-	-	-
Net other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
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	-	-	-	-
Reclassify to profit or loss	-	-	-	-
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 equity method	-	-	-	-
Other Comprehensive Income for the year, Net of Income Tax	-	-	-	-
Total Comprehensive Income for the Period	**(30,156,646)**	**(30,156,646)**	**(15,672,687)**	**(15,672,687)**
Total Comprehensive Income attributable to:				
Equity-Holders of the Bank	(30,156,646)	(30,156,646)	(15,672,687)	(15,672,687)
Total Comprehensive Income for the Period	**(30,156,646)**	**(30,156,646)**	**(15,672,687)**	**(15,672,687)**

Statement of Changes in Equity

For the Quarter Ended Ashwin 2082

		Attributable to Equity-Holders of the Bank						
Particulars	**Share Capital**	**Share Prem.**	**General Reserve**	**Regulatory Reserve**	**Fair Value Reserve**	**Retained Earning**	**Other Reserve**	**Total Equity**
Balance at Shrawan 01, 2082	569,698,500	1,809	40,288,132	14,486,176	11,588,045	61,217,212	1,184,457	698,464,330
Adjustment/Restatement								
Restated Balance								
Comprehensive Income for the year								
Profit for the year						(30,156,646)		
Other Comprehensive Income, Net of Tax								
Gains/(losses) from investment in equity instruments measured at fair value								
Gains/(losses) on revaluation								
Actuarial gains/(losses) on defined benefit plans								
Total Comprehensive Income for the year						**(30,156,646)**	-	(30,156,646)
Transfer to Reserves during the year				6,251,603	-	(6,251,603)		-
Transfer from Reserves during the year								(371,082)
Transactions with Owners, directly recognized in Equity								
Share Issued								
Share Based Payments								
Dividend to Equity-Holders								
Bonus Shares Issued								
Cash Dividend Paid								
Other-NFRS Adjustment								
Total Contributions by and Distributions				6,251,603		(6,251,603)		
Balance at Ashwin, 2082	**569,698,500**	**1,809**	**40,288,132**	**20,737,779**	**11,588,045**	**24,808,963**	**1,184,457**	**668,307,684**

Statement of Cash Flow

For the Quarter Ended Ashwin 2082

Particulars	Current Year	Immediate Previous Year Ending (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	126,750,406	540,508,499
Fee and Other Income Received	5,006,205	21,917,243
Dividend Received	2,782,556	1,177,400
Receipts from Other Operating Activities	1,290,214	8,861,339
Interest Paid	(80,648,544)	(338,465,551)
Commissions and Fees Paid	(97,743)	(547,182)
Cash Payment to Employees	(19,281,397)	(75,816,838)
Other Expenses Paid	(64,274,826)	(45,633,744)
Operating Cash Flows before Changes in Operating Assets and Liabilities	**(28,473,129)**	**112,001,166**
(Increase) Decrease in Operating Assets		
Due from Nepal Rastra Bank	(26,736,816)	(41,774,589)
Placement with Banks and Financial Institutions	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	11,313,598	95,460,906
Loans and Advances to Customers	(89,041,062)	(789,159,017)
Other Assets	8,835,335	(11,422,723)
Increase (Decrease) in Operating Liabilities		
Due to Banks and Financial Institutions	26,383,557	(66,065,335)
Due to Nepal Rastra Bank	-	-
Deposit from Customers	(23,109,779)	1,404,716,871
Borrowings	(4,166,667)	(16,666,666)
Other Liabilities	(768,882)	5,126,096
Net Cash Flow from Operating Activities before Tax Paid	**(125,763,845)**	**692,216,709**
Income Tax Paid	-	(29,746,455)
Net Cash Flow from Operating Activities	**(125,763,845)**	**662,470,254**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	-	(680,543,431)
Receipts from Sale of Investment Securities	61,981,129	-

Purchase of Property and Equipment	(10,504,020)	(5,486,190)
Receipts from Sale of Property and Equipment	-	-
Purchase of Intangible Assets	-	-
Purchase of Investment Properties	97,934	365,366
Receipts from Sale of Investment Properties	-	-
Interest Received	-	-
Dividend Received	-	-
Net Cash Used in Investing Activities	**51,575,043**	**(685,664,255)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from Issue of Debt Securities	-	-
Repayments of Debt Securities	-	-
Receipts from Issue of Subordinated Liabilities	-	-
Repayments of Subordinated Liabilities	-	-
Receipt from Issue of Shares	-	30,976,500
Dividends Paid	-	-
Interest Paid	-	-
Other Receipts/Payments	2,804,162	(32,978,293)
Net Cash from Financing Activities	**2,804,162**	**(2,001,793)**
Net Increase (Decrease) in Cash and Cash Equivalents	(71,384,640)	(25,195,794)
Cash and Cash Equivalents at Shrawan 01, 2081	601,526,145	626,721,937
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held		
Cash and Cash Equivalents at Ashwin End 2082	**530,141,505**	**601,526,145**

Statement of Distributable Profit or Loss

For the Period Ended Ashwin 2082

(As per NRB Regulation)

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	(30,156,645.94)
Appropriations:	
a. General reserve	
b. Foreign exchange **fluctuation** fund	
c. Capital redemption reserve	
d. Corporate social responsibility fund	
e. Employees' training fund	
f. Other	
Profit or (loss) before regulatory adjustment	**(30,156,645.94)**
Regulatory adjustment:	
a. Interest receivable (-)/previous accrued interest received (+)	(6,251,602.97)
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 (-)/reversal (+)	-
e. Deferred tax assets recognized (-)/ reversal (+)	-
f. Goodwill recognized (-)/ impairment of Goodwill (+)	-
g. Bargain purchase gain recognized (-)/reversal (+)	-
h. Actuarial loss recognized (-)/reversal (+)	-
i. Other (+/-)	-
Net Profit available for Distribution	**(36,408,248.91)**
Opening Retained Earnings as on Shrawan 01, 2081	**61,217,211.66**
Adjustment (+/-)	-
Distribution:	
Bonus Share Issued	-
Cash Dividend Issued	-
Total Distributable Profit/Loss	**24,808,962.75**
Annualised Distributable Profit/Loss per share	**4.35**

Additional Disclosure as per Securities Registration and Issue Regulation-2073 (Sub-Rule (1) of Rule 26, Annexure 14) for 1st Quarter of FY 2082/83

1. Financial Statement

a. Statement of Financial Position and Statement of Profit and Loss as per Nepal Financial Reporting Standard:

SOFP and SOPL prepared in accordance with NFRS has been published along with this report.

b. Related Party Disclosure:

There was no transaction between related parties during the specified period.

c. Major Financial Indicators:

Earnings Per Share (EPS)	:	-5.29	Liquidity Ratio	:	31.53%
Price Earnings Ratio (P/E Ratio)	:	-196.47	Total Assets Per Share	:	1259.84
Net Worth Per Share	:	117.31	Capital Adequacy Ratio	:	13.85%

2. Management Analysis:

a. The bank has recorded a Net loss of NPR 3.01 Crores.

b. Management is continuously focusing on portfolio diversification and advancing digital products to meet the evolving needs of the economy and ensure sustainable growth.

3. Details related to Legal Proceedings:

Except in the regular course of business, there are no lawsuits of material nature filed by or filed against the bank/promoters/directors on account of violation of prevailing laws or commission of criminal offences or financial crime.

4. Analysis of Bank's Share Transactions:

a. The market price of the share of the bank is fully dependent on the market movements and the bank does not comment on its share transactions.

b. The bank has complied with the prevailing disclosure norms and regulatory directives issued by the Securities Board of Nepal (SEBON) and Nepal Rastra Bank (NRB).

c. The details of transaction during the quarter are disclosed as follows:

Maximum Price	:	1579.00	Total Days Traded	:	50
Minimum Price	:	949.00	Total Shares Traded	:	12,61,865
Closing Price	:	1,040.00	Number of Trade	:	13,505

5. Problems and Challenges

Internal

- Recruitment and Retention of qualified human resources
- Possibility of NPL growth due to economic situation of the country
- Increasing cost of operation
- Challenges in maintaining composition of deposits
- Challenges on increasing other income (non-interest income)
- Challenges on liquidity and interest risk management

External

- Slow economic situation of the country
- Increase in youths departing from the country for education and permanent residency
- Fluctuating market liquidity position
- Challenges arising from regulatory requirements, including the complex process of adopting ECL guidelines
- Growing competition in the market
- Increasing risk of cyber frauds and information security

Strategy

- Prudent management of assets and liabilities
- Identification of new possibilities for business development
- Introduction of new products and services in line with the customer requirement and preferences
- Implementation of robust credit recovery mechanism
- Enhancing the skills of employees through trainings
- Prioritization of digitization in banking services to increase efficiency and to reduce effort

6. Corporate Governance:

The Board of Directors, along with the Audit Committee, Risk Management Committee, AML/CFT Committee, and active participation of both Internal and External Auditors, is dedicated to upholding the highest standards of corporate governance within the bank. In line with regulatory requirements and to ensure efficient operations, the bank has developed and implemented the necessary policies.

7. Declaration by CEO about the truthfulness of Financials/Information:

I, CEO of the bank, take responsibility on the truthfulness of the information and particulars disclosed in this report to the best of my knowledge. Further, I declare that the particulars mentioned in this report, to the best of my knowledge, are true, fair and complete at the time of publication of the report and have not knowingly concealed any material particulars and information for investors to take informed decisions.