गरिमा विकास बैंक लिमिटेड
Garima Bikas Bank Limited
नेपाल राष्ट्र बैंकबाट 'ख' वर्गको इजाजतपत्रप्राप्त संस्था

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Unaudited Financial Results (Quarterly)

As on Third Quarter (30/12/2082) for the Fiscal Year 2082/083

Condensed Consolidated Statement of Financial Position

As on Quarter Ended 30th Chaitra 2082

(Amount in NPR)

Particulars	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending (Audited)	This Quarter Ending	Immediate Previous Year Ending (Audited)
Assets				
Cash and cash equivalent	2,860,872,234	3,166,029,248	2,860,436,128	3,165,470,476
Due from Nepal Rastra Bank	3,528,784,654	3,778,537,693	3,528,784,654	3,778,537,693
Placement with Bank and Financial Institutions	-	-	-	-
Derivative financial instruments	-	-	-	-
Other trading assets	-	-	-	-
Loan and Advances to B/FIs	3,381,601,711	4,574,216,271	3,381,601,711	4,574,216,271
Loans and advances to customers	76,229,837,183	69,130,694,763	76,229,837,183	69,130,694,763
Investment in securities	18,771,367,204	20,527,268,246	18,512,666,851	20,195,712,972
Current Tax Assets	177,165,020	100,761,449	159,045,933	83,859,471
Investment in subsidiaries	-	-	123,900,000	123,900,000
Investment in Associates	-	-	-	-
Investment property	698,750,410	675,496,243	698,750,410	675,496,243
Property and equipment	1,878,961,018	1,933,138,287	1,857,967,446	1,908,698,292
Goodwill and Intangible Assets	104,041,948	105,417,013	101,425,589	103,540,968
Deferred tax assets	35,419,404	35,302,344	38,835,344	38,835,344
Other assets	851,927,748	723,999,363	797,627,499	685,096,745
Total Assets	**108,518,728,533**	**104,750,860,918**	**108,290,878,748**	**104,464,059,239**
Liabilities				
Due to Bank and Financial Institutions	1,450,044,559	2,565,987,630	1,450,044,559	2,565,987,630
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial instruments	-	-	-	-
Deposit from customers	94,310,879,274	90,112,803,410	94,313,760,895	90,115,629,859
Borrowings	78,719,007	98,587,819	-	-
Current Tax Liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other liabilities	1,466,760,834	1,589,846,482	1,439,553,364	1,522,124,839
Debt securities issued	997,062,992	997,062,992	997,062,992	997,062,992
Subordinated Liabilities	-	-	-	-
Total liabilities	**98,303,466,666**	**95,364,288,332**	**98,200,421,809**	**95,200,805,319**
Equity				
Share Capital	6,021,348,367	5,680,517,328	6,021,348,367	5,680,517,328
Share Premium	-	-	-	-
Retained Earning	624,316,299	595,617,329	627,235,824	599,214,090
Reserves	3,455,372,395	2,996,938,444	3,441,872,747	2,983,522,502
Total equity attributable to equity holders	**10,101,037,061**	**9,273,073,101**	**10,090,456,938**	**9,263,253,919**
Non-controlling interests	114,224,806	113,499,485		
Total equity	**10,215,261,867**	**9,386,572,586**	**10,090,456,938**	**9,263,253,919**
Total liabilities and equity	**108,518,728,533**	**104,750,860,918**	**108,290,878,748**	**104,464,059,239**

Condensed Consolidated Statement of Profit or Loss

For the Quarter Ended 30th Chaitra 2082

(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)
	NPR	NPR	NPR	NPR	NPR	NPR	NPR	NPR
Interest Income	1,753,196,033	5,598,265,076	1,947,846,963	6,303,763,917	1,753,057,763	5,595,932,221	1,946,699,685	6,300,373,817
Interest Expense	835,543,995	2,802,356,849	1,124,410,055	3,638,518,514	833,583,105	2,796,042,380	1,121,543,086	3,630,593,430
Net interest income	**917,652,038**	**2,795,908,227**	**823,436,908**	**2,665,245,404**	**919,474,658**	**2,799,889,841**	**825,156,599**	**2,669,780,386**
Fees and Commission Income	174,919,485	479,829,550	131,987,621	400,957,693	162,503,567	444,145,676	124,345,463	363,412,678
Fees and Commission Expense	3,177,653	10,329,814	3,005,423	6,743,632	2,126,923	6,290,286	2,153,931	3,163,719
Net fee and Commission	**171,741,832**	**469,499,736**	**128,982,198**	**394,214,061**	**160,376,645**	**437,855,391**	**122,191,531**	**360,248,959**
Net interest fee and commission income	**1,089,393,870**	**3,265,407,963**	**952,419,106**	**3,059,459,464**	**1,079,851,303**	**3,237,745,232**	**947,348,130**	**3,030,029,345**
Net Trading Income	5,422,691	17,912,853	8,915,681	29,275,765	6,818,121	18,684,030	4,377,591	10,579,030
Other Operating Income	11,011,361	73,298,898	10,695,036	32,840,773	10,979,106	72,533,420	10,669,573	30,757,396
Total operating income	**1,105,827,922**	**3,356,619,714**	**972,029,823**	**3,121,576,003**	**1,097,648,530**	**3,328,962,681**	**962,395,295**	**3,071,365,772**
Impairment charge/(reversal) for loans and other losses	8,000,024	390,445,592	273,974,936	715,960,132	8,000,024	390,445,592	273,974,936	715,960,132
Net Operating income	**1,097,827,898**	**2,966,174,122**	**698,054,887**	**2,405,615,871**	**1,089,648,506**	**2,938,517,089**	**688,420,359**	**2,355,405,640**
Operating expenses								
Personal Expense	331,968,205	944,940,971	271,577,406	841,252,586	326,882,584	929,096,698	267,093,073	824,664,296
Other Operating Expenses	135,847,071	425,924,561	131,801,358	406,892,569	134,316,865	420,207,560	130,903,250	402,302,560
Depreciation and amortisation	25,040,489	81,832,236	27,771,244	83,498,338	23,637,030	77,602,367	26,387,744	79,321,486
Operating Profit	**604,972,134**	**1,513,476,353**	**266,904,879**	**1,073,972,378**	**604,812,027**	**1,511,610,464**	**264,036,292**	**1,049,117,298**
Non operating income	135,000	666,290	135,000	405,000	135,000	666,290	135,000	405,000
Non operating expense	14,803,864	14,803,864	992,751	1,677,603	14,803,864	14,803,864	992,751	1,677,603
Profit before income tax	**590,303,269**	**1,499,338,779**	**266,047,127**	**1,072,699,775**	**590,143,163**	**1,497,472,889**	**263,178,541**	**1,047,844,695**
Income tax expense	177,264,235	449,621,494	79,984,868	321,264,261	177,042,949	449,241,867	78,953,562	314,353,409
Current tax	177,546,739	449,738,554	78,953,562	314,353,409	177,042,949	449,241,867	78,953,562	314,353,409
Deferred tax Expenses/(Income)	(282,504)	(117,060)	1,031,306	6,910,852	-	-	-	-
Profit for the period	**413,039,034**	**1,049,717,285**	**186,062,259**	**751,435,514**	**413,100,214**	**1,048,231,023**	**184,224,978**	**733,491,287**
Condensed Consolidated Statement of Other Comprehensive Income								
Profit for the period	413,039,034	1,049,717,285	186,062,259	751,435,514	413,100,214	1,048,231,023	184,224,978	733,491,287
Total Other comprehensive income	67,629,229	36,299,431	2,050,688	8,622,116	67,629,229	36,299,431	2,050,688	8,622,116
Total Comprehensive income for the period	**480,668,263**	**1,086,016,716**	**188,112,947**	**760,057,630**	**480,729,443**	**1,084,530,454**	**186,275,666**	**742,113,403**
Profit attributable to:								
Equity holders of the bank	480,698,119	1,085,291,396	187,216,324	751,300,550	480,729,443	1,084,530,454	186,275,666	742,113,403
Non-controlling interest	(29,857)	725,321	896,623	8,757,079	-	-	-	-
Profit for the period	**480,668,263**	**1,086,016,716**	**188,112,947**	**760,057,630**	**480,729,443**	**1,084,530,454**	**186,275,666**	**742,113,403**
Earnings per share:								
Basic earnings per share		23.24		17.64		23.21		17.22
Diluted earnings per Share		23.24		17.64		23.21		17.22

Ratios as per NRB Directive

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter Ending(YTD)	This Quarter	Up to This Quarter Ending(YTD)	This Quarter	Up to This Quarter Ending(YTD)	This Quarter	Up to This Quarter Ending(YTD)
Capital fund to RWA		13.00%		13.09%		13.00%		13.09%
Tier 1 Capital to RWA		10.93%		10.98%		10.93%		10.98%
CET 1 Capital to RWA		10.93%		10.98%		10.93%		10.98%
Non-performing loan (NPL) to total loan		4.77%		4.78%		4.77%		4.78%
Total loan loss provision to Total NPL		111.05%		111.06%		111.05%		111.06%
Cost of Funds		3.61%		5.07%		3.61%		5.07%
Return on Equity		14.28%		11.81%		14.44%		11.52%
Return on Assets		1.31%		1.03%		1.31%		1.01%
Credit to Deposit Ratio		87.15%		87.95%		87.15%		87.95%
Base Rate		5.35%		6.92%		5.35%		6.92%
Interest Rate Spread		4.13%		4.56%		4.13%		4.56%

Statement of Distributable Profit or Loss

For the Quarter Ended 30th Chaitra 2082 (As per NRB Regulation)

(Amount in NPR)

Particulars	Bank	
	Current Year upto this Quarter YTD	Corresponding Quarter YTD
Net profit or (loss) as per statement of profit or loss	**1,048,231,023**	**733,491,287**
Appropriations:	-	-
a. General reserve	(209,646,205)	(146,698,257)
b. Foreign exchange fluctuation fund	(5,959,673)	(597,927)
c. Capital redemption reserve	(125,000,000)	(125,000,000)
d. Corporate social responsibility fund	(10,482,310)	(7,334,913)
e. Employees' training fund	(16,559,680)	(16,559,680)
f. Other	-	-
Investment Adjustment Reserve	-	-
Corporate social responsibility fund utilization	5,919,527	6,355,323
Employees' training fund utilization	10,318,914	7,786,894
Unrealised Gain on Investment in Associates	-	-
Other Adjustment/restatement	-	-
Profit or (loss) before regulatory adjustment	**696,821,596**	**451,442,726**
Regulatory adjustment :	-	-
a. Interest receivable (-)/previous accrued interest received (+)	(65,880,010)	(38,944,680)
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 (+)	(11,573,599)	(66,589,709)
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	6,812,222	2,208,435
Lease Payment	-	-
Dividend Income from Associates	-	-
Income Attributable from Associates	-	-
Share Issued Expenses Directly Charged to equity	-	-
Share Issued Expenses- Directly Charged to Equity- Tax Impact	-	-
Gain on Disposal of Share Classified into OCI	-	-
Current Tax on Gain on Disposal of Share Classified into OCI	-	-
Distributable profit or (loss)	**626,180,209**	**348,116,772**
Opening Retained Earning as on Shrawan	599,214,090	286,403,056
Adjustment(+/-)	-	-
Distribution	-	-
Bonus Share Issued	(340,831,040)	-
Cash Dividend Paid	(257,327,435)	(284,025,866)
Total Distributable Profit or (Loss) as on end Date	**627,235,824**	**350,493,962**
Annualised Distributable Profit/Loss per Share	**13.89**	**8.23**

1. The above financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) in line with NRB Directives. In compliance with NRB's ECL Guidelines, Bank has de-recognized interest income on loans and advances classified as Lifetime ECL under Stage-3. Bank has considered the impairment on credit exposures as the higher of total ECL provision as per NFRS 9 and existing regulatory provision in Unified Directives. Separate reporting of ECL shall be done to NRB by the Bank..
2. The unaudited financial figures are subject to change if instructed by external auditors and regulatory authorities.
3. Loans and advances includes staff loans and accrued interest receivables on loans and are presented net off loan impairments.
4. Personnel expenses includes employee bonus calculated as per bonus act.
5. Previous year's corresponding quarter ending figures have been regrouped, rearranged and restated wherever necessary.
6. The detailed interim report has been published in website of the bank.
7. The group financial statement includes the Garima Capital Ltd. (formerly known as KCL Astute Capital Ltd) which is the subsidiary of the bank.

Disclosure as per Securities Registration and Issuance Regulation, 2073 (Sub-Rule (1) of Rule 26, Annexure 14)

Third Quarter of Financial Year 2082/83

1. Financial Detail

a) NFRS compliant Quarterly statement of financial position and statement of profit or loss of third quarter has been published along with this report. Transactions with related parties are as follows:

Related Party	Nature of Transaction	Amount (Rs.)
Garima Capital Ltd.	Deposit with Bank	288,1621.02
Garima Capital Ltd.	Interest paid by Bank on deposit	31,343.34

b) Major Financial Indicators

Earnings per Share (Rs.)	23.21	Liquidity Ratio (%)	24.10
Price Earnings ratio (Times)	17.79	Return on Equity (%)	14.44
Net Worth per Share (Rs.)	167.58	Total Assets Value Per Share (Rs.)	1,798.45
Return on Total Asset (%)	1.31	Capital Adequacy Ratio (%)	13.00

2. Management Analysis:

The bank reported a net profit of Rs. 1,048,231,023 for the third quarter of FY 2082/83, reflecting a growth of 42.91% compared to the same quarter of the previous year. The bank continues to maintain strong capital adequacy and liquidity. However, challenges in loan recovery under a difficult economic environment have caused the non-performing assets (NPA) ratio to slightly decrease to 4.77% from 4.78%. The bank remains committed to achieving its business targets, maximizing returns, and providing excellent customer service.

3. Details Relating to Legal Action

a) Case filed by or against the Bank in this year: No such cases have been received except those arising during the normal course of the business.
b) Case relating to disobedience of prevailing law or commission 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:

Price History		Transaction History	
Maximum Price (Rs.)	445.00	Transaction Volume (No. of Shares)	2,391,434
Minimum Price (Rs.)	384.00	Transaction Volume (No.)	11,139
Closing Prince (Rs.)	412.90	Transaction Days	53

5. Problems and Challenges

a) Internal Challenges:

- Challenges in the recovery of problematic loans.
- Increasing trend of operating costs.
- Challenges in increasing non-interest income.
- Challenges in retaining skilled manpower and high value clients.
- Increase in credit risk and operational risk.
- Assets Quality Management.

b) External Challenges:

- Stiff competition among Banks & Financial Institutions.
- Changes in regulatory provisions.
- Risk of cyber security.
- Increasing trend of non-performing loans.
- Excess liquidity in the market.

c) Strategy:

- Optimal utilization of assets and resources of the bank.
- Developing quality human resources through robust training and development.
- Adopting proactive loan recovery management.
- Identification of new possibilities for the business development.
- Prioritization of digitization in banking services to enhance efficiency.
- Implication of effective cost management practices.
- Diversifying product and service portfolio of the bank.
- Strengthening internal control and governance mechanisms.
- Enhancing AML/CFT compliance and risk monitoring in alignment with FATF standards.

6. 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, Committees like Risk Management Committee, Employees Service and Benefit Committee, Audit Committee, AML/CFT Committee have been constituted to oversee banking operation and these committees are actively involved in major policies/plan related decisions. The Bank is committed to fully comply with all directives and guidelines issued by regulatory bodies.

7. Declaration by Chief Executive Officer on the truthfulness and accuracy of information

I hereby declare that all the information provided in this document is true, complete and factual and that I take personal responsibility for any deviation thereof. I also declare that no information or data of the Bank that may assist investors in making investment decisions have been concealed in any manner.