आइ.सि.इफ.सि. फाइनान्स लिमिटेड ICFC FINANCE LIMITED

Unaudited Financial Results (Quarterly)

Condensed Statement of Financial Position
As on Quarter ended Poush 2081

Amount in NPR

ASSETS	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	855,784,849	876,251,094
Due from Nepal Rastra Bank	2,862,378,411	982,520,311
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loans and advances to B/Fs	642,944,087	578,980,756
Loans and advances to customers	14,881,066,710	14,257,565,269
Investment securities	2,013,730,318	3,944,723,790
Current tax assets	27,464,242	30,970,815
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	22,266,811	4,271,524
Property Plant and Equipment	373,121,923	380,111,803
Goodwill and Intangible assets	2,181,090	2,652,648
Deferred tax assets	-	-
Other assets	123,788,501	123,591,895
TOTAL ASSETS	**21,804,726,943**	**21,181,639,905**

LIABILITIES	This Quarter Ending	Immediate Previous Year Ending
Due to Bank and Financial Institutions	376,388,861	285,574,168
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	18,898,071,620	18,510,733,492
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	10,239,055	4,172,927
Other liabilities	353,479,339	275,243,344
Debt securities issued	199,861,674	199,861,673
Subordinated Liabilities	-	-
TOTAL LIABILITIES	**19,838,040,549**	**19,275,585,604**
EQUITY		
Share Capital	1,183,470,960	1,183,470,960
Share premium	-	-
Retained Earnings	44,923,520	72,117,858
Reserves	738,291,915	650,465,482
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	**1,966,686,394**	**1,906,054,300**
NON-CONTROLLING INTEREST	**-**	**-**
TOTAL EQUITY	**1,966,686,394**	**1,906,054,300**
TOTAL LIABILITIES & EQUITY	**21,804,726,943**	**21,181,639,905**

Condensed Statement of Profit or Loss
For the Quarter ended Poush 2081

Amount in NPR

Particular	Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest income	435,098,522	942,760,957	584,673,779	1,206,123,389
Interest expense	325,794,137	690,193,281	464,625,058	969,208,232
Net interest income	**109,304,385**	**252,567,676**	**120,048,721**	**236,915,157**
Fee and commission income	23,962,003	52,000,275	20,110,705	44,436,136
Fee and commission expense	1,472,243	2,776,983	1,041,440	1,653,811
Net fee and commission income	**22,489,760**	**49,223,293**	**19,069,265**	**42,782,326**
Net interest, fee and commission income	**131,794,145**	**301,790,969**	**139,117,987**	**279,697,482**
Net trading income/(expenses)	-	-	-	-
Other operating income	4,979,223	84,238,057	669,525	2,312,149
Total operating income	**136,773,367**	**386,029,026**	**139,787,511**	**282,009,631**
Impairment charge/(reversal) for loans and other losses	(9,991,308)	48,629,170	(11,155,017)	47,332,644
Net operating income	**146,764,675**	**337,399,855**	**150,942,529**	**234,676,987**
Operating expense				
Personnel expenses	60,086,066	116,922,375	57,022,670	94,183,132
Other operating expenses	22,157,231	50,262,096	25,229,351	52,577,253
Depreciation & Amortization	4,938,239	9,914,988	5,652,256	11,232,201
Operating Profit	**59,583,139**	**160,300,397**	**63,038,251**	**76,684,400**
Non operating income	-	-		
Non operating expense	1,966,454	4,397,020	402,503	652,769
Profit before income tax	**57,616,685**	**155,903,377**	**62,635,748**	**76,031,631**
Income tax expense				
Current Tax expenses	20,223,788	46,544,452	18,790,724	22,809,489
Deferred Tax Expenses/(Income)	(2,938,783)	226,561	-	-
Profit for the period	**40,331,680**	**109,132,364**	**43,845,024**	**53,222,142**
Profit attributable to:				
Equity holders of the Finance	40,331,680	109,132,364	43,845,024	53,222,142
Non-controlling interest	-	-	-	-
Profit for the period	**40,331,680**	**109,132,364**	**43,845,024**	**53,222,142**
Other comprehensive income	**(6,823,804)**	**13,625,656**	**(20,343,292)**	**5,703,965**
Total comprehensive income for the period	**33,507,876**	**122,758,020**	**23,501,732**	**58,926,107**
Earnings per share				
Basic earnings per share				
Annualized Basic earnings per share		18.44		8.99
Diluted earnings per share		18.44		8.99
Total comprehensive income attributable to:				
Equity holders of the finance	33,507,876	122,758,020	23,501,732	58,926,107
Non-controlling interest	-	-	-	-
Total	**33,507,876**	**122,758,020**	**23,501,732**	**58,926,107**

Ratios as per NRB Directive

Particular	Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Capital fund to RWA		12.99%		12.28%
Non-performing loan (NPL) to total loan		3.07%		2.21%
Total loan loss provision to Total NPL		99.30%		107.24%
Cost of Funds		6.77%		9.99%
Credit to Deposit Ratio		81.29%		76.65%
Base Rate		8.78%		12.28%
Interest Rate Spread		4.56%		4.55%

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS
For the Quarter ended Poush 2081
(As per NRB Regulation)

Amount in NPR

Particular	Poush End 2081
Net profit or (loss) as per statement of profit or loss	**109,132,364**
Appropriations:	
a. General reserve	(21,826,473)
b. Foreign exchange fluctuation fund	-
c. Debenture redemption reserve	(16,500,000)
d. Corporate social responsibility fund	(1,091,324)
e. Employees' training fund	-
f. Other	
Transfer to investment adjustment reserve	-
Transfer from contingency reserve and deferred tax reserve	-
Transfer from CSR fund	1,469,593
Profit or (loss) before regulatory adjustment	**71,184,161**
Regulatory adjustment :	
a. Interest receivable (-)/previous accrued interest received (+)	(26,458,633)
b. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(9,793,940)
Net Profit for the year ended Poush 2081	**34,931,587**
Opening retained earning	**72,117,858**
Less: Dividend distributed	62,287,945
Less: Bonus Share issued	-
Less: Share issue expenses	-
Add: Gain from sale of investment securities measured at fair value through OCI	-
Add/(Less) : Profit and Loss Adjustment	162,020
Remaining balance of Retained Earnings	**9,991,932**
Distributable Profit or (Loss)	**44,923,520**

Note:
Impairment on credit exposures has been recognized in accordance with Nepal Rastra Bank existing regulatory provisions outlined in the Unified Directives 2080, as these provisions resulted in a higher impairment amount compared to the Expected Credit Loss (ECL) calculated under Nepal Financial Reporting Standard (NFRS) 9.

Interest income on financial assets measured at amortized cost for exposures classified under Stage 3 has been recognized on actual receipt basis, in compliance with the NFRS 9 - Expected Credit Loss Related Guidelines, 2024, issued by Nepal Rastra Bank.

Securities Registration and Issue Regulation, 2073
Related to (Rule 26(1), Annexure 14), for the Second Quarter of F.Y. 2081/82

1. Financial Statements as per un-audited figures of 2081.09.29

i. Financial details as of the end of Second Quarter (2081.09.29) of FY 2081/82 have been published along with this disclosure.

ii. Major Financial Indicators

Earnings per share (Rs.)	**18.44**	**Market Value Per Share (Rs.)**	**655.00**
Price Earnings Ratio (times)	**35.52**	**Net Worth Per Share (Rs.)**	**166.18**
Total Assets/No. of Shares (Rs.)	**1,842.44**	**Liquidity Ratio (%)**	**27.06**

2. Management Analysis

a) Details relating to the change in the FI's reserve, income, and liquidity in the quarter (if any) and its main reason.
Despite of excess liquidity scenario management is consistently working on building a strong balance sheet, diversifying its portfolio to cater to the growing demands of the economy, achieving sustainable growth and making investment in high quality assets due to which during the year, FI's reserve and liquidity position remained strong throughout the quarter.

b) Management's analytical details regarding future business plan:
FI's seeks to achieve sustainable growth in business and profitability as per its strategic management plan.

c) Analytical details of the incidents that may have a major impact on reserve, profit, or cash flow (if any) based on previous experience:
No specific incident occurred during the period that could have an impact on reserve, profit, or cash flow.

3. Legal Proceedings

a) Case filed by or against the FI in this quarter.
Except in the regular course of business, there are no lawsuits filed against the FI in this quarter.

b) Case relating to disobedience of prevailing law or commission of criminal offense filed by or against the promoter or Director of the FI:
No such information has been received.

c) Case relating to the commission of financial crime filed against any promoter or Director of the FI:
No such information has been received.

4. Analysis of Stock Performance of the FI

a) Management view on the transaction of the shares to the FI in the Share Market:
Tractions of the shares and share price are determined by the open market at Nepal Stock Exchange Ltd.

b) Maximum, minimum, and last share price, total transaction days, and total transacted number of shares in the quarter (as per nepalstock.com)

Maximum share price (Rs.)	812	Minimum share price (Rs.)	617.50
Closing share price (Rs.)	655	Total no. of transactions	11,310
No. of days of the transaction	38	Total traded no. of shares	15,32,087

5. Problem and Challenges

Internal
1. Increasing cost of operation
2. Recruitment and retention of skilled & quality manpower.
3. To maintain the level of interest spread.
4. Increasing customer expectations

External
1. Competitive banking business.
2. Widening gap between promise and performance
3. Lack of favorable environment for investment due to the global economic downturn.
4. Political Instability

Strategy to overcome the problems and challenges
1. Development and introduction of customer-oriented products/services.
2. Strong risk management approach and portfolio diversification.
3. Identification of new business opportunities.
4. Focus on the development of staff by training, counseling, and monitoring them.
5. Actively seek out new talent.
6. Digitalizing the customer experience
7. Securely sharing data in real-time to create a seamless customer experience.

6. Corporate Governance
The FI's has been complying with the directives, and guidelines issued by Nepal Rastra Bank regarding corporate governance. To ensure that the prevalent laws and rules are followed, the FI has developed policies and working procedures. Clear authorities have been developed to guide the function of management, to ensure the same complies with the corporate governance requirement. The board of directors, audit committee, risk management committee, recruitment committee, and management committee are committed to strengthening good corporate governance within the FI.

7. Declaration
I, CEO of the FI, 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 the FI's information or data that assists investors make their investment decisions have not been concealed in any way.