महालक्ष्मी विकास बैंक लि.
Mahalaxmi Bikas Bank Ltd.

(नेपाल राष्ट्र बैंकबाट "ख" वर्गको राष्ट्रियस्तरको इजाजत प्राप्त संस्था)

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Unaudited Financial Results (Quarterly)
1st Quarter ended of Fiscal Year 2082/83

Condensed Statement of Financial Position
As on Quarter ended 31st Ashwin 2082

Amount in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	2,676,456,080	2,952,865,711
Due from Nepal Rastra Bank	2,328,363,132	2,215,803,424
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	3,071,704,189	3,830,832,832
Loans and advances to customers	40,461,633,971	42,018,173,718
Investment securities	12,923,528,042	12,461,104,320
Current tax assets	114,224,848	103,367,753
Investment in subsidiaries	-	-
Investment in associates	4,733,900	4,733,900
Investment property	582,766,001	569,777,835
Property and equipment	531,598,624	537,693,100
Goodwill and Intangible assets	5,439,782	5,366,924
Deferred tax assets	78,624,490	35,614,415
Other assets	1,079,450,666	425,583,971
Total Assets	**63,858,523,726**	**65,160,917,903**
Liabilities		
Due to Bank and Financial Institutions	836,389,461	1,101,615,285
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	54,045,059,501	55,115,470,657
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	874,008,511	814,745,541
Debt securities issued	995,443,823	995,443,823
Subordinated Liabilities	-	-
Total liabilities	**56,750,901,295**	**58,027,275,307**
Equity		
Share capital	4,296,458,158	4,296,458,158
Share premium	-	-
Retained earnings	391,188,555	494,599,613
Reserves	2,419,975,718	2,342,584,824
Total equity attributable to equity holders	**7,107,622,431**	**7,133,642,596**
Non-controlling interest	**-**	**-**
Total equity	**7,107,622,431**	**7,133,642,596**
Total liabilities and equity	**63,858,523,726**	**65,160,917,903**
Net assets value per share	165.43	166.04

Statement of Distributable Profit or Loss
As on Quarter ended 31st Ashwin 2082
(As per NRB Regulation)

Amount in NPR

Particulars	Current Year	Previous Year Corresponding
	Upto This Quarter	Upto This Quarter
Net profit or (loss) for the period end Ashwin 82	**97,512,436**	**94,289,078**
Appropriations:		
a. General reserve	(19,502,487)	(18,857,816)
b. Capital redemption reserve	(41,666,667)	(31,250,000)
c. Exchange fluctuation fund	(359,912)	(59,835)
d. Corporate social responsibility fund	(975,124)	(942,891)
e. Employees' training fund	(3,482,806)	(3,687,982)
f. Other-		
Investment Adjustment Reserve	-	-
Fair value reserve	-	-
CSR expense reversal	953,880	550,426
Profit or (loss) before regulatory adjustment	**32,479,320**	**40,040,981**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(44,477,328)	(73,461,463)
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 (-)/reserval (+)	(17,472,256)	70,473,126
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/ reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)		-
Fair Value Gain On Investment	2,444,602	-
Interest Capitalized Reserve		-
Net profit for the period end Ashwin 2082 available for distribution	**(27,025,662)**	**37,052,644**
Opening Retained Earning	418,214,217	177,137,734
Adjustment(+/-)		-
Distribution:		
Bonus Share issued	-	-
Cash Dividend Paid	-	-
Total Distributable Profit or (Loss) as on Ashwin Quarter End, 2082	**391,188,555**	**214,190,378**
Annualised Distributable Profit/Loss per Share	7.22	7.80

Regulatory Ratios as per NRB Unified Directive

Particulars	Current Year	Previous Year Corresponding
	Upto This Quarter (YTD)	Upto This Quarter (YTD)
Capital Fund to RWA (%)	17.60%	15.48%
Tier 1 Capital to RWA (%)	13.86%	11.78%
CET 1 Capital to RWA (%)	13.86%	11.78%
Non-Performing Loan (NPL) to Total Loan (%)	5.50%	4.90%
Total Loan Loss Provision to Total NPL (%)	112.21%	104.69%
Cost of Funds (%)	4.30%	5.87%
Credit to Deposit Ratio (CD Ratio as per NRB) (%)	82.98%	85.35%
Base Rate (%)	6.45%	7.96%
Interest Rate Spread (%)	4.36%	4.59%
Return on Equity	5.48%	5.58%
Return on Assets	0.60%	0.59%

Condensed Statement of Profit or Loss
As on Quarter ended 31st 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	1,132,788,952	1,132,788,952	1,335,051,338	1,335,051,338
Interest expense	623,850,915	623,850,915	851,839,949	851,839,949
Net interest income	**508,938,037**	**508,938,037**	**483,211,390**	**483,211,390**
Fee and commission income	33,246,661	33,246,661	36,413,275	36,413,275
Fee and commission expense	3,698,991	3,698,991	5,260,765	5,260,765
Net fee and commission income	**29,547,671**	**29,547,671**	**31,152,510**	**31,152,510**
Net interest, fee and commission income	**538,485,707**	**538,485,707**	**514,363,899**	**514,363,899**
Net trading income	71,160	71,160	220,575	220,575
Other operating income	74,828,459	74,828,459	47,087,582	47,087,582
Total operating income	**613,385,327**	**613,385,327**	**561,672,056**	**561,672,056**
Impairment charge/(reversal) for loans and other losses	157,886,686	157,886,686	163,602,990	163,602,990
Net operating income	**455,498,641**	**455,498,641**	**398,069,066**	**398,069,066**
Operating expense	**274,655,501**	**274,655,501**	**262,355,172**	**262,355,172**
Personnel expenses	171,949,722	171,949,722	167,120,688	167,120,688
Other operating expenses	84,054,209	84,054,209	77,146,445	77,146,445
Depreciation & Amortization	18,651,570	18,651,570	18,088,039	18,088,039
Operating Profit	**180,843,139**	**180,843,139**	**135,713,894**	**135,713,894**
Non operating income	149,739	149,739	161,910	161,910
Non operating expense	41,689,397	41,689,397	1,177,121	1,177,121
Profit before income tax	**139,303,481**	**139,303,481**	**134,698,683**	**134,698,683**
Income tax expense	41,791,044	41,791,044	40,409,605	40,409,605
Current Tax	41,791,044	41,791,044	40,409,605	40,409,605
Deferred Tax Income / Expenses	-	-		
Profit for the year	**97,512,436**	**97,512,436**	**94,289,078**	**94,289,078**
Condensed Consolidated Statement of Comprehensive Income				
Profit/(Loss) for the Period	**97,512,436**	**97,512,436**	**94,289,078**	**94,289,078**
Other Comprehensive Income	(49,174,418)	(49,174,418)	32,568,291	32,568,291
Total Comprehensive Income	**48,338,019**	**48,338,019**	**126,857,369**	**126,857,369**
Earnings per Share				
Basic earnings per share		9.08		9.04
Diluted earnings per share		9.08		9.04
Profit attributable to:				
Equity holders of the Bank	48,338,019	48,338,019	126,857,369	126,857,369
Non-controlling interest	-	-	-	-
Total income	**48,338,019**	**48,338,019**	**126,857,369**	**126,857,369**

Note:

- Above Financial Statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS).
- Loan & Advances Includes Staff loans and accrued interest receivable on loans and are presented net of loan impairments.
- Bank has assessed and measured impairment loss on Loan & Advances at higher of amount derived as per norms prescribed by NRB and as per NFRS 9 .
- Personal Expenses includes employee bonus calculated as per Bonus Act, 2030.
- Previous Quarter ending figure have been restated, regrouped, reclassified to make them comparable, which might vary from previous quarter published figure.
- The unaudited financial figures are subject to change from external auditor and regulatory authority.
- Detailed interim report has been published in Bank's website www.mahalaxmibank.com.

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 2082/83

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)	9.08
2	Price Earnings ratio	40.08
3	Net Worth per Share	165.43
4	Return on Total Asset (Annualized)	0.60%
5	Return on Equity (Annualized)	5.48%
6	Liquidity Ratio	30.76%

2. Management Analysis:

The bank has posted a net profit of NPR 97,512,436/- up to the first quarter of FY 2082/83, with a growth 3.42 % percentage corresponding to the previous year's quarter-end 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 5.50 %. 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	NPR. 468.60
Minimum Share Price	NPR. 348.90
Last Share Price	NPR. 363.90
Transaction volume (No. of shares)	5,183,875
Transaction volume (Amount In NPR)	2,191,333,861
Transaction Days	51

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

Tothe 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.