



Unaudited Financial Results (Quarterly)

1st Quarter ended of Fiscal Year 2081/82

Condensed Statement of Financial Position

As on Quarter ended 30th Ashwin 2081

Amount in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending (Unaudited)
Cash and cash equivalent	2,255,470,153	2,478,680,743
Due from Nepal Rastra Bank	2,341,341,313	2,004,682,212
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	3,724,420,871	3,712,564,513
Loans and advances to customers	40,936,502,397	40,433,740,560
Investment securities	11,620,869,435	14,624,569,938
Current tax assets	-	38,851,549
Investment in subsidiaries	-	-
Investment in associates	4,733,900	4,733,900
Investment property	532,454,431	532,454,431
Property and equipment	341,940,814	344,370,506
Goodwill and Intangible assets	5,768,120	6,237,688
Deferred tax assets	61,517,669	56,618,591
Other assets	620,459,458	399,383,254
Total Assets	62,445,478,559	64,636,887,884
Liabilities		
Due to Bank and Financial Institutions	1,112,039,313	914,146,754
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	52,553,752,559	55,210,282,742
Borrowing	-	-
Current Tax Liabilities	586,025	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	965,208,529	825,099,497
Debt securities issued	994,759,618	995,083,747
Subordinated Liabilities	-	-
Total liabilities	55,626,346,044	57,944,612,739
Equity		
Share capital	4,171,318,600	4,171,318,600
Share premium	-	-
Retained earnings	214,190,378	177,137,733
Reserves	2,433,623,537	2,343,818,812
Total equity attributable to equity holders	6,819,132,516	6,692,275,145
Non-controlling interest		
Total equity	6,819,132,516	6,692,275,145
Total liabilities and equity	62,445,478,559	64,636,887,884
Net assets value per share	163.48	160.44

Statement of Distributable Profit or Loss

For The Quarter ended 30th Ashwin 2081
(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 Ashadh 81	94,289,078	95,378,609
Appropriations:		
a. General reserve	(18,857,816)	(20,046,420)
b. Capital redemption reserve	(31,250,000)	-
c. Exchange fluctuation fund	(59,835)	(201,588)
d. Corporate social responsibility fund	(942,891)	(953,786)
e. Employees' training fund	(3,687,982)	(3,359,933)
f. Other-	-	-
Investment Adjustment Reserve	-	-
Fair value reserve	-	-
CSR expense reversal	550,426	420,500
Profit or (loss) before regulatory adjustment	40,040,981	71,237,381
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(73,461,463)	(191,868,164)
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 (+)	70,473,126	(2,016,139)
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 Loss	-	(64,759,336)
Interest Capitalized Reserve	-	-
Net profit for the period end Ashwin 2081 available for distribution	37,052,644	(187,406,257)
Opening Retained Earning	177,137,734	336,330,815
Adjustment(+/-)	-	-
Distribution:		
Bonus Share issued	-	-
Cash Dividend Paid	-	-
Total Distributable Profit or (Loss) as on Ashwin Quarter End, 2081	214,190,378	148,924,559
Annualised Distributable Profit/Loss per Share	20.54	14.28

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 (%)	14.89%	13.43%
Non-Performing Loan (NPL) to Total Loan (%)	4.90%	3.51%
Total Loan Loss Provision to Total NPL (%)	104.69%	110.60%
Cost of Funds (%)	5.87%	9.18%
Credit to Deposit Ratio (CD Ratio as per NRB) (%)	85.35%	78.12%
Base Rate (%)	7.96%	11.44%
Interest Rate Spread (%)	4.59%	4.59%

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 NAS 39.
- 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.

Condensed Statement of Profit or Loss

For The Quarter ended 30th Ashwin 2081

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	1,335,051,338	1,335,051,338	1,719,550,895	1,719,550,895
Interest expense	851,839,949	851,839,949	1,278,325,174	1,278,325,174
Net interest income	483,211,390	483,211,390	441,225,722	441,225,722
Fee and commission income	36,413,275	36,413,275	49,614,162	49,614,162
Fee and commission expense	5,260,765	5,260,765	4,261,307	4,261,307
Net fee and commission income	31,152,510	31,152,510	45,352,855	45,352,855
Net interest, fee and commission income	514,363,899	514,363,899	486,578,577	486,578,577
Net trading income	220,575	220,575	358,376	358,376
Other operating income	47,087,582	47,087,582	20,421,805	20,421,805
Total operating income	561,672,056	561,672,056	507,358,758	507,358,758
Impairment charge/(reversal) for loans and other losses	163,602,990	163,602,990	124,178,967	124,178,967
Net operating income	398,069,066	398,069,066	383,179,790	383,179,790
Operating expense	262,355,172	262,355,172	243,913,194	243,913,194
Personnel expenses	167,120,688	167,120,688	174,971,625	174,971,625
Other operating expenses	77,146,445	77,146,445	57,608,456	57,608,456
Depreciation & Amortisation	18,088,039	18,088,039	11,333,113	11,333,113
Operating Profit	135,713,894	135,713,894	139,266,596	139,266,596
Non operating income	161,910	161,910	162,535	162,535
Non operating expense	1,177,121	1,177,121	3,173,974	3,173,974
Profit before income tax	134,698,683	134,698,683	136,255,156	136,255,156
Income tax expense	40,409,605	40,409,605	40,876,547	40,876,547
Current Tax	40,409,605	40,409,605	40,876,547	40,876,547
Deferred Tax Income / Expenses	-	-	-	-
Profit for the year	94,289,078	94,289,078	95,378,609	95,378,609
Earnings per Share				
Basic earnings per share		9.04		9.05
Diluted earnings per share		9.04		9.05

Statement of Other Comprehensive Income

Total equity attributable to equity holders

Amount in NPR

Particulars	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit / (Loss) for the Period	94,289,078	94,289,078	95,378,609	95,378,609
Other comprehensive income				
a) Items that will not be reclassified to profit or loss				
Gains/(losses) from investments in equity instruments measured at fair value	46,526,131	46,526,131	(92,513,337)	(92,513,337)
Gain/(loss) on revaluation	-	-	-	-
Actuarial gain/loss on defined benefit plans	-	-	-	-
Income tax relating to above items	(13,957,839)	(13,957,839)	27,754,001	27,754,001
Net other comprehensive income that will not be reclassified to profit or loss	32,568,291	32,568,291	(64,759,336)	(64,759,336)
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	-	-	-	-
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 equited method				
Other comprehensive income for the period, net of income tax	32,568,291	32,568,291	(64,759,336)	(64,759,336)
Total comprehensive income	126,857,369	126,857,369	30,619,274	30,619,274
Profit attributable to:				
Equity holders of the Bank	126,857,369	126,857,369	30,619,274	30,619,274
Non-controlling interest	-	-	-	-
Total comprehensive income	126,857,369	126,857,369	30,619,274	30,619,274

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 2081/82

1. Financial Detail

- Quarterly statement of financial position and statement of profit or loss has been published along with this detail.
- Major Financial Indicators

1	Earnings per Share (Annualized)	9.04
2	Price Earnings ratio	39.11
3	Net Worth per Share	163.48
4	Return on Total Asset (Annualized)	0.72%
5	Liquidity Ratio	28.72%

2. Management Analysis:

The bank has posted a net profit of NPR 94,289,078 up to the first quarter of FY 2081/82, with a growth 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 4.90%. 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

- Case filed by or against the Bank in this year: No such information has been received.
- 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.
- 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. 498.00
Minimum Share Price	NPR. 350.00
Last Share Price	NPR. 421.00
Transaction volume (No. of shares)	7,902,824.00
Transaction volume (Amount)	NPR. 3,431,183,696.10
Transaction Days	57

5. Problems and Challenges

- Internal:**
- Increased cost of operation.
 - Sourcing and retention of quality workforce in the increased competitive banking industry.
 - Challenge to manage operational risk and minimize risk relating to information technology.
- External:**
- Increased level of operational risk in the industry.
 - Challenge to recover the interest as a result of overall economic downturn.
 - Subdued credit demand.

6. Strategy to overcome Problems and Challenges

- To revise strategy and planning according to the ongoing market scenario.
- Effective management of cost of deposit and total operating expense.
- Provide banking service to population still not within the Bank reach and mobilize deposit.
- Provide uninterrupted service through the use of information technology.
- Introduction of customer-oriented & innovative products and services focusing on digital banking.
- Strengthening human resource capabilities to minimize various risk.
- Proper portfolio management targeting good quality loan customers.
- 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

To the 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 of the genuineness and purity of the report till the date.