



Unaudited Financial Results (Quarterly)

2nd Quarter ended of Fiscal Year 2081/82

Condensed Statement of Financial Position

As on Quarter ended 29th Poush 2081

Amount in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	1,897,038,955	2,478,680,743
Due from Nepal Rastra Bank	2,468,034,066	2,004,682,212
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	4,178,930,447	3,712,564,513
Loans and advances to customers	41,679,700,926	40,550,087,131
Investment securities	11,166,064,412	14,625,163,539
Current tax assets	30,961,543	-
Investment in subsidiaries	-	-
Investment in associates	4,733,900	4,733,900
Investment property	577,019,329	532,454,431
Property and equipment	345,783,621	344,370,504
Goodwill and Intangible assets	5,338,645	6,237,690
Deferred tax assets	43,601,748	57,549,740
Other assets	634,316,882	372,470,817
Total Assets	63,031,524,474	64,688,995,218
Liabilities		
Due to Bank and Financial Institutions	844,278,764	914,146,754
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	53,246,564,616	55,210,282,742
Borrowing	-	-
Current Tax Liabilities	-	12,006,842
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	1,048,275,157	813,345,450
Debt securities issued	995,083,747	995,083,747
Subordinated Liabilities	-	-
Total liabilities	56,134,202,284	57,944,865,535
Equity		
Share capital	4,171,318,600	4,171,318,600
Share premium	-	-
Retained earnings	219,411,650	292,319,290
Reserves	2,506,591,940	2,280,491,793
Total equity attributable to equity holders	6,897,322,190	6,744,129,684
Non-controlling interest	-	-
Total equity	6,897,322,190	6,744,129,684
Total liabilities and equity	63,031,524,474	64,688,995,218
Net assets value per share	165.35	161.68

Statement of Distributable Profit or Loss

For The Quarter ended 29th Poush 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 Poush 81	287,499,937	278,036,822
Appropriations:		
a. General reserve	(57,499,987)	(55,607,364)
b. Capital redemption reserve	(71,428,571)	-
c. Exchange fluctuation fund	(617,866)	(138,579)
d. Corporate social responsibility fund	(2,874,999)	(2,780,368)
e. Employees' training fund	(2,040,944)	(6,739,459)
f. Other-	-	-
Investment Adjustment Reserve	-	-
Fair value reserve	-	-
CSR expense reversal	1,501,764	1,941,445
Profit or (loss) before regulatory adjustment	154,539,332	214,712,497
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(38,414,278)	(113,621,845)
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 (+)	(22,179,950)	(2,131,872)
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	-	(30,823,814)
Interest Capitalized Reserve	-	-
Net profit for the period end Poush 2081 available for distribution	93,945,104	68,134,965
Opening Retained Earning	292,319,290	267,191,345
Adjustment(+/-)	-	-
Distribution:		
Bonus Share issued	(125,139,558)	-
Cash Dividend Paid	(166,852,744)	(266,964,390)
Total Distributable Profit or (Loss) as on Poush Quarter End, 2081	94,272,092	68,361,920
Annualised Distributable Profit/Loss per Share	4.52	3.28

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 (%)	14.99%	12.77%
Non-Performing Loan (NPL) to Total Loan (%)	4.93%	4.21%
Total Loan Loss Provision to Total NPL (%)	101.16%	99.47%
Cost of Funds (%)	5.29%	8.33%
Credit to Deposit Ratio (CD Ratio as per NRB) (%)	86.43%	83.33%
Base Rate (%)	7.48%	10.71%
Interest Rate Spread (%)	4.57%	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. Impairment in accordance with NFRS 9; ECL Module is under development and validation process.
 - 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 29th Poush 2081

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	1,263,035,308	2,598,086,647	1,615,592,635	3,335,143,531
Interest expense	727,605,382	1,579,445,331	1,164,411,546	2,442,736,720
Net interest income	535,429,926	1,018,641,315	451,181,089	892,406,811
Fee and commission income	61,097,333	97,510,608	56,290,482	105,904,645
Fee and commission expense	5,864,455	11,125,220	4,860,488	9,121,795
Net fee and commission income	55,232,879	86,385,388	51,429,994	96,782,849
Net interest, fee and commission income	590,662,804	1,105,026,704	502,611,083	989,189,660
Net trading income	168,238	388,812	525,459	883,835
Other operating income	12,539,571	59,627,153	11,027,638	31,449,443
Total operating income	603,370,613	1,165,042,669	514,164,180	1,021,522,938
Impairment charge/(reversal) for loans and other losses	30,118,907	193,721,897	(30,572,520)	93,606,447
Net operating income	573,251,707	971,320,773	544,736,700	927,916,491
Operating expense	296,663,924	559,019,096	288,275,594	532,188,789
Personnel expenses	193,729,557	360,850,245	167,734,038	342,705,663
Other operating expenses	85,839,660	162,986,105	97,721,898	155,330,355
Depreciation & Amortisation	17,094,707	35,182,746	22,819,658	34,152,771
Operating Profit	276,587,783	412,301,676	256,461,106	395,727,702
Non operating income	169,431	331,340	4,479,198	4,641,733
Non operating expense	741,701	1,918,822	-	3,173,974
Profit before income tax	276,015,512	410,714,195	260,940,304	397,195,461
Income tax expense	82,804,654	123,214,259	78,282,091	119,158,638
Current Tax	82,804,654	123,214,259	78,282,091	119,158,638
Deferred Tax Income / Expenses	-	-	-	-
Profit for the year	193,210,859	287,499,937	182,658,213	278,036,822
Earnings per Share				
Basic earnings per share		13.78		13.33
Diluted earnings per share		13.78		13.33

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	193,210,859	287,499,937	182,658,213	278,036,822
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	(32,825)	46,493,305	48,479,317	(44,034,020)
Gain/(loss) on revaluation	-	-	-	-
Actuarial gain/loss on defined benefit plans	-	-	-	-
Income tax relating to above items	9,848	(13,947,992)	(14,543,795)	13,210,206
Net other comprehensive income that will not be reclassified to profit or loss	(22,978)	32,545,314	33,935,522	(30,823,814)
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	(22,978)	32,545,314	33,935,522	(30,823,814)
Total comprehensive income	193,187,881	320,045,250	216,593,735	247,213,009
Profit attributable to:				
Equity holders of the Bank	193,187,881	320,045,250	216,593,735	247,213,009
Non-controlling interest	-	-	-	-
Total comprehensive income	193,187,881	320,045,250	216,593,735	247,213,009

Disclosure as prescribed by Securities Registration and Issuance Regulation, 2073

(Related to Sub rule (1) of Rule 26), for the Second 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)	13.78
2	Price Earnings ratio	26.62
3	Net Worth per Share	165.35
4	Return on Total Asset (Annualized)	0.91%
5	Liquidity Ratio	26.59%

2. Management Analysis:

The bank has posted a net profit of NPR 287,499,937 up to the second quarter of FY 2081/82, with a growth 3.40% 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 4.93%. 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. 365.00
Last Share Price	NPR. 367.00
Transaction volume (No. of shares)	29,98,613
Transaction volume (Amount In NPR)	1,240,876,062.2
Transaction Days	55

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 Changes

- 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 missed or omitted. I personally take the responsibility for fair representation of the report.