

Unaudited Financial Results

Rs in ' 000							
S.N.	Particulars	This Quarter Ending 31 Ashwin 2074 (17 October 2017)		Previous Quarter Ending 31 Ashadh 2074 (15 July 2017)		Corresponding Previous Year Quarter Ending 30 Ashwin 2073 (16 October 2016)	
		Bank	Group	Bank	Group	Bank	Group
1	Total Capital and Liabilities (1.1 to 1.8)	71,371,181	72,682,986	70,903,814	71,940,985	59,514,285	60,405,686
1.1	Paid Up Capital	8,219,653	8,219,653	7,472,412	7,472,412	3,039,229	3,039,229
1.2	Reserve & Surplus	2,138,382	2,266,414	2,182,759	2,331,620	3,356,181	3,447,178
1.3	Non Controlling Interest	-	112,841	-	116,870	-	61,728
1.4	Debenture & Bond	400,000	400,000	400,000	400,000	400,000	400,000
1.5	Borrowings	638,171	865,096	257,875	341,134	-	100,000
1.6	Deposits	58,645,840	59,244,385	59,320,404	59,191,049	51,584,728	51,499,977
1.7	a) Domestic Currency	55,594,934	56,193,480	56,760,852	56,631,497	48,602,883	48,518,132
	b) Foreign Currency	3,050,905	3,050,905	2,559,552	2,559,552	2,981,846	2,981,846
1.8	Income Tax Liability	-	-	-	-	-	-
1.8	Other Liabilities	1,329,135	1,574,598	1,270,363	2,087,899	1,134,146	1,857,574
2	Total Assets (2.1 to 2.7)	71,371,181	72,682,986	70,903,814	71,940,985	59,514,285	60,405,686
2.1	Cash & Bank Balance	4,576,084	4,607,471	6,120,775	6,143,971	5,215,708	5,406,573
2.2	Money at call and Short Notice	-	48,204	117,690	162,718	90,097	130,148
2.3	Investments	9,481,738	9,324,551	9,439,808	9,302,625	7,824,651	7,776,635
2.4	Loan & Advances	54,948,284	56,187,201	52,733,336	53,688,975	44,042,709	44,649,421
	a. Real Estate Loan	1,895,219	1,895,219	2,165,410	2,165,410	1,275,112	1,275,112
	(i) Residential Real Estate	385,364	385,364	585,246	585,246	509,786	509,786
	(ii) Business Complex & Residential Apart.Construction Loan	369,929	369,929	382,964	382,964	114,891	114,891
	(iii) Income generating Commercial Complexes Loan	568,557	568,557	607,220	607,220	640,434	640,434
	(iv) Other Real Estate Loan	571,369	571,369	589,979	589,979	10,000	10,000
	b. Personal Home Loan of Rs 150 lacs or less	2,784,760	2,784,760	2,503,984	2,503,984	2,161,642	2,161,642
	c. Margin Type Loan	1,697,145	1,697,145	1,797,931	1,797,931	1,588,243	1,588,243
	d. Term Loan	11,125,368	11,125,368	10,530,262	10,530,262	7,319,962	7,319,962
	e. Overdraft Loan/ TR Loan/ WC Loan	19,501,112	19,501,112	16,888,231	16,888,231	18,311,656	18,311,656
	f. Others	17,944,679	19,183,597	18,847,518	19,803,157	13,386,094	13,992,807
2.5	Fixed Assets	1,167,859	1,214,387	1,156,151	1,196,457	1,062,216	1,102,209
2.6	Non Banking Assets (net)	-	-	-	-	-	-
2.7	Other Assets	1,197,216	1,301,172	1,336,053	1,446,239	1,278,903	1,340,700
3	Profit & Loss Account	Up to This Quarter		Up to Last Quarter		Up to Corresponding Previous Year This Quarter	
3.1	Interest Income	1,608,874	1,695,986	4,682,811	5,004,759	889,521	879,533
3.2	Interest Expenses	1,125,502	1,149,781	3,028,184	3,075,715	509,431	439,867
A.	Net Interest Income (3.1-3.2)	483,373	546,205	1,654,627	1,929,045	380,089	439,666
3.3	Fees, Commission & Discount	68,321	82,625	270,939	293,318	54,294	58,958
3.4	Other Operating Income	48,537	60,439	227,163	278,443	55,788	67,061
3.5	Foreign Exchange Gain & Loss	57,809	57,809	194,087	194,087	44,215	44,215
B.	Total Operating Income (A+3.3+3.4+3.5)	658,040	747,078	2,346,815	2,694,892	534,386	609,901
3.6	Staff Expenses	120,313	147,691	412,554	508,304	84,265	104,893
3.7	Other Operating Expenses	118,277	128,061	485,647	524,866	100,590	108,895
C.	Operating Profit before Provisions (B -3.6-3.7)	419,450	471,326	1,448,614	1,661,722	349,531	396,112
3.8	Provision for Possible Losses	234,598	239,544	99,733	112,385	159,923	162,597
D.	Operating Profit (C -3.8)	184,851	231,782	1,348,881	1,549,336	189,608	233,515
3.9	Non Operating Income/Expenses (Net)	96,556	96,556	160,768	163,788	23,863	23,863
3.10	Writeback of Provision for Possible Losses	-	-	49,084	49,084	-	-
E.	Profit from Regular Activities (D+3.9+3.10)	281,407	328,338	1,558,733	1,762,208	213,471	257,378
3.11	Extraordinary Income/Expenses (Net)	(12,711)	(12,711)	6,769	6,769	-	-
F.	Profit before Bonus and Taxes (E+3.11)	268,696	315,626	1,565,503	1,768,978	213,471	257,378
3.12	Provision for Staff Bonus	24,427	28,693	142,318	160,916	19,406	22,960
3.13	Provision for Taxes	73,281	85,555	416,560	470,706	58,219	70,084
3.14	Share of Non Controlling Interest in Profit of Subsidiary	-	6,754	-	32,135	-	7,462
G.	Net Profit/ Loss (F-3.12-3.13)	170,988	194,625	1,006,624	1,105,221	135,845	156,872
4	Ratios	At the End of This Quarter		At the End of Previous Quarter		At the End of Corresponding Previous Year Quarter	
4.1	Capital Fund to RWA	13.37%	13.42%	13.58%	13.65%	10.88%	10.91%
4.2	Non Performing Loan (NPL) to Total Loan	1.78%	1.74%	0.93%	0.91%	1.68%	1.63%
4.3	Total Loan Loss Provision to Total NPL	110.91%	111.79%	173.52%	175.31%	119.61%	121.39%
4.4	Net Interest Spread	2.94%	3.20%	2.74%	3.00%	3.85%	4.12%
4.5	LCY Interest Spread (Calculated as per NRB Directives)	3.52%	3.74%	3.39%	3.49%	3.62%	3.52%
4.6	CD ratio (Calculated as per NRB Directives)	78.86%	81.15%	71.76%	73.99%	78.95%	81.04%
4.7	Base Rate	10.66%	10.85%	10.33%	10.77%	6.73%	6.96%
4.8	Average Yield	10.40%	10.67%	10.14%	10.41%	8.12%	8.42%
4.9	Cost of Fund (LCY)	7.46%	7.47%	7.40%	7.41%	4.27%	4.30%
4.10	Return on Equity (annualised)	6.84%	7.67%	10.38%	11.23%	9.03%	10.29%
4.11	Return on Assets (annualised)	0.96%	1.08%	1.41%	1.53%	0.95%	1.08%

Unaudited financial figures are subject to change from Supervisory Authority and External Audit.
Proposed bonus shares of FY 2073/74 has been adjusted to the Paid up Capital.
Previous period figures have been regrouped where necessary.
Group represents Laxmi Bank Ltd and its subsidiaries Laxmi Capital Market Ltd and Laxmi Laghubitta Bittiya Sanstha Ltd.
All inter company transactions among Group have been eliminated in the above statement related to Group.
Loans and Investments are presented on Gross Basis. Provisions are included in Other Liabilities.

Laxmi Bank Disclosure as per Securities Registration and Issuance Regulation, 2065 Annexure – 14 (Sub rule 2 of rule 22) Quarterly Details as on 17 October 2017	
1. Financial Highlights of Laxmi Bank Ltd (as per unaudited figures) a. Earning per Share NPR 8.24 b. Market Value per Share NPR 331 c. Price Earnings Ratio 40.17 d. Liquidity (SLR) 19.53%* e. Return on Average Total Assets 0.95% f. Net worth per Share NPR 126 * Minimum SLR requirement is 12%	determined at Nepal Stock Exchange through open share market operations, management view on this is neutral. b. Maximum, minimum and last share price of the organized institution including total transaction number of shares and days of transaction during the quarter. Maximum Price: NPR 368 Minimum Price: NPR 313 Last Price: NPR 331 Transaction volume: 599,773 shares Days of transaction: 50
2. Group a. Group comprises of Laxmi Bank Ltd and its Subsidiaries (Laxmi Capital Market Ltd and Laxmi Laghubitta Bittiya Sanstha Ltd).	
3. Related Party Disclosure a. Laxmi Capital Market Ltd is a wholly owned subsidiary of Laxmi Bank Ltd. Laxmi Bank Ltd. has 70% holding in Laxmi Laghubitta Bittiya Sanstha Ltd while 30% of its shares are held by the public. Laxmi Capital Market Ltd is operating Merchant Banking activities. Laxmi Laghubitta Bittiya Sanstha Ltd is a “D” class licensed financial institution. b. The Bank held call deposits from Laxmi Capital Market and Laxmi Laghubitta Bittiya Sanstha Ltd as at this quarter end. The bank has also provided loan facility to Laxmi Laghubitta Bittiya Sanstha Ltd. The bank has entered into Service Level Agreements with Laxmi Capital Market Ltd for various services such as RTS.	
4. Management Analysis a. There have been changes in the Bank's reserve, income and liquidity position in line with the growth in business volumes. b. The Bank aims to achieve its financial goals through sustainable profitability and measured growth in balance sheet size. Our business models remain robust and we continue to seek sound growth. c. There were no major incidents, which have had adverse impact on reserve, profit or cash flow position of the Bank during the quarter under review.	
5. Details relating to legal action a. Case filed by or against the organized institution during the quarter – There are no other major cases except those arising in normal course of banking business related to lending and income tax. b. Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the Promoter or Director of organized institution – No such information has been received. c. Case relating to financial crime filed against any Promoter or Director – No such information has been received.	
6. Analysis of share transaction and progress of organized institution a. Management view on share transaction of the organized institution at securities market -- Some effect of the changes in stock index has been observed in the institution's share price during this quarter. However since price and transaction of the bank's shares are being	
7. Problems and Challenges Internal • Recruitment and retention of quality manpower • Increasing cost of operation External • Lack of investment avenues • Competition both on maintaining lending yield and mobilizing deposits at lower cost • Volatility in the Foreign Exchange rates caused by changes in the global economic conditions • Unstable local socio-political situation Strategy • Re-pricing of assets / liabilities as per the market conditions. • New products and services being introduced / capitalize on existing array of services • Strong risk management approaches / Portfolio management • Identify new areas for investment • Reinforcement of prudent banking fundamentals.	
8. Corporate Governance Laxmi Bank is committed to high standards of corporate governance, business integrity and professionalism in all our activities that assures all stakeholders that the bank is being managed ethically in compliance with best practices and applicable legislation and within predetermined risk parameters, and is also adding value to and protecting their investment.	
9. Declaration by Chief Executive Officer on the Truthfulness and Accuracy of Information I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. To the best of my knowledge and belief, the information contained in this report is true, accurate and complete and there are no other matters concealed, the omission of which shall adversely affect the informed investment decision by the investors.	