

Unaudited Financial Results

Rs in ' 000

S.N.	Particulars	This Quarter Ending 30 Poush 2074 (14 January 2018)		Previous Quarter Ending 31 Ashwin 2074 (17 October 2017)		Corresponding Previous Year Quarter Ending 29 Poush 2073 (13 January 2017)	
		Bank	Group	Bank	Group	Bank	Group
		1	Total Capital and Liabilities (1.1 to 1.8)	73,091,867	74,920,549	71,371,181	72,682,986
1.1	Paid Up Capital	8,221,667	8,221,667	8,221,667	8,221,111	3,039,229	3,039,229
1.2	Reserve & Surplus	1,886,146	2,035,522	1,577,490	2,264,956	3,626,729	3,800,933
1.3	Non Controlling Interest	-	119,430	-	112,841	-	100,298
1.4	Debtenture & Bond	400,000	400,000	400,000	400,000	400,000	400,000
1.5	Borrowings	638,171	858,693	638,171	865,096	-	96,047
1.6	Deposits	60,279,392	60,928,449	58,645,840	59,244,385	55,554,818	55,619,191
	a) Domestic Currency	56,862,643	57,511,699	55,594,934	56,193,480	52,766,829	52,831,202
	b) Foreign Currency	3,416,749	3,416,749	3,050,905	3,050,905	2,787,989	2,787,989
1.7	Income Tax Liability	-	-	-	-	-	-
1.8	Other Liabilities	1,666,491	2,356,788	1,888,013	1,574,598	988,034	1,799,503
2	Total Assets (2.1 to 2.7)	73,091,867	74,920,549	71,371,181	72,682,986	63,608,810	64,855,202
2.1	Cash & Bank Balance	5,119,474	5,578,015	4,263,662	4,295,049	6,752,474	7,149,394
2.2	Money at call and Short Notice	739,529	789,110	312,422	360,626	909,403	934,416
2.3	Investments	9,812,688	9,815,501	9,481,738	9,324,551	6,947,030	6,889,533
2.4	Loan & Advances	55,022,716	56,167,482	54,948,284	56,187,201	46,710,109	47,478,272
	a. Real Estate Loan	1,844,317	1,844,317	1,895,219	1,895,219	1,645,943	1,645,943
	(i) Residential Real Estate	381,666	381,666	385,364	385,364	531,675	531,675
	(ii) Business Complex & Residential Apart. Construction Loan	357,469	357,469	369,929	369,929	96,235	96,235
	(iii) Income generating Commercial Complexes Loan	581,824	581,824	568,557	568,557	612,031	612,031
	(iv) Other Real Estate Loan	523,358	523,358	571,369	571,369	406,002	406,002
	b. Personal Home Loan of Rs 150 lacs or less	2,843,820	2,843,820	2,784,760	2,784,760	2,339,438	2,339,438
	c. Margin Type Loan	1,453,706	1,453,706	1,697,145	1,697,145	1,650,754	1,650,754
	d. Term Loan	11,762,679	11,762,679	11,125,368	11,125,368	8,324,837	8,324,837
	e. Overdraft Loan/ TR Loan/ WC Loan	19,633,959	19,633,959	19,501,112	19,501,112	18,048,743	18,048,743
	f. Others	17,484,236	18,629,002	17,944,679	19,183,597	14,700,395	15,468,558
2.5	Fixed Assets	1,184,001	1,234,239	1,167,859	1,214,387	1,075,151	1,114,391
2.6	Non Banking Assets (net)	-	-	-	-	-	-
2.7	Other Assets	1,213,460	1,336,202	1,197,216	1,301,172	1,214,643	1,289,196
3	Profit & Loss Account	Up to This Quarter		Up to Last Quarter		Up to Corresponding Previous Year This Quarter	
3.1	Interest Income	3,223,479	3,386,457	1,608,874	1,695,986	1,878,038	2,027,379
3.2	Interest Expenses	2,223,608	2,262,495	1,125,502	1,149,781	1,101,522	1,121,406
A.	Net Interest Income (3.1-3.2)	999,871	1,123,962	483,373	546,205	776,516	905,973
3.3	Fees, Commission & Discount	149,879	175,626	68,321	82,625	113,922	122,524
3.4	Other Operating Income	111,527	137,287	48,537	60,439	103,661	125,542
3.5	Foreign Exchange Gain & Loss	128,867	128,867	57,809	57,809	88,423	88,423
B.	Total Operating Income (A+3.3+3.4+3.5)	1,390,145	1,565,742	658,040	747,078	1,082,521	1,242,462
3.6	Staff Expenses	248,781	304,678	120,313	147,691	182,658	225,167
3.7	Other Operating Expenses	260,083	280,642	118,277	128,061	218,814	236,212
C.	Operating Profit before Provisions (B -3.6-3.7)	881,281	980,422	419,450	471,326	681,049	781,083
3.8	Provision for Possible Losses	190,689	200,522	247,310	252,256	191,547	196,787
D.	Operating Profit (C -3.8)	690,592	779,900	172,140	219,070	489,502	584,295
3.9	Non Operating Income/Expenses (Net)	126,144	127,446	96,556	96,556	86,486	87,162
3.10	Writeback of Provision for Possible Losses	43,807	43,807	12,711	12,711	49,084	49,084
E.	Profit from Regular Activities (D+3.9+3.10)	860,543	951,153	281,407	328,338	625,072	720,542
3.11	Extraordinary Income/Expenses (Net)	(44,547)	(44,547)	(12,711)	(12,711)	13,546	13,546
F.	Profit before Bonus and Taxes (E+3.11)	815,996	906,606	268,696	315,626	638,618	734,088
3.12	Provision for Staff Bonus	74,181	82,419	24,427	28,693	58,056	65,468
3.13	Provision for Taxes	222,544	246,321	73,281	85,555	174,169	199,889
3.14	Share of Non Controlling Interest in Profit of Subsidiary	-	13,369	-	6,754	-	15,564
G.	Net Profit/ Loss (F-3.12-3.13)	519,270	564,497	170,988	194,625	406,393	453,167
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	13.46%	13.49%	13.37%	13.42%	10.89%	11.06%
4.2	Non Performing Loan (NPL) to Total Loan	1.29%	1.29%	1.78%	1.74%	1.31%	1.27%
4.3	Total Loan Loss Provision to Total NPL	139.55%	139.44%	110.91%	111.79%	149.91%	151.94%
4.4	Net Interest Spread	2.95%	3.22%	2.94%	3.20%	3.65%	3.90%
4.5	LCY Interest Spread (Calculated as per NRB Circular)	3.49%	3.72%	3.52%	3.74%	3.43%	3.41%
4.6	CD ratio (Calculated as per NRB Directives)	77.93%	80.35%	78.86%	81.15%	77.69%	79.64%
4.7	Base Rate	10.88%	11.03%	10.66%	10.85%	7.58%	7.66%
4.8	Average Yield	10.37%	10.65%	10.40%	10.67%	8.89%	9.18%
4.9	Cost of Fund (LCY)	7.42%	7.43%	7.46%	7.47%	5.25%	5.27%
4.10	Return on Equity (annualised)	10.43%	10.89%	6.84%	7.67%	12.45%	13.60%
4.11	Return on Assets (annualised)	1.44%	1.53%	0.96%	1.08%	1.32%	1.45%

Unaudited financial figures are subject to change from Supervisory Authority and External Audit.

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 14 January 2018

1. Financial Highlights of Laxmi Bank Ltd

(as per unaudited figures)

a. Earning per Share	NPR 13.23
b. Market Value per Share	NPR 262
c. Price Earnings Ratio	19.80
d. Liquidity	21.56%
e. Return on Average Total Assets	1.44%
f. Net worth per Share	NPR 122.94

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 339
Minimum Price:	NPR 245
Last Price:	NPR 262
Transaction volume:	484,597 shares
Days of transaction:	57

2. Group

a. Group comprises of Laxmi Bank Ltd and its Subsidiaries (Laxmi Capital Market Ltd and Laxmi Laghubitta Bittiya Sanstha Ltd).

7. Problems and Challenges
Internal

- Recruitment and retention of quality manpower
- Increasing cost of operation

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.

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.

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.

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.

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 determined at Nepal Stock Exchange through open share market operations, management view on this is neutral.


Laxmi Bank