

## Unaudited Financial Results

Rs in ' 000

S.N.	Particulars	This Quarter Ending 30 Chaitra 2074 (13 April 2018)		Previous Quarter Ending 30 Poush 2074 (14 January 2017)		Corresponding Previous Year Quarter Ending 31 Chaitra 2073 (13 April 2017)	
		Bank	Group	Bank	Group	Bank	Group
<b>1</b>	<b>Total Capital and Liabilities ( 1.1 to 1.8)</b>	<b>76,989,802</b>	<b>78,751,589</b>	<b>73,091,867</b>	<b>74,920,549</b>	<b>68,055,656</b>	<b>68,980,052</b>
1.1	Paid Up Capital	8,221,667	8,221,667	8,221,667	8,221,667	3,159,030	3,159,030
1.2	Reserve & Surplus	2,169,151	2,344,555	1,886,146	2,035,522	4,329,849	4,452,355
1.3	Non Controlling Interest	-	126,040	-	119,430	-	108,231
1.4	Debenture & Bond	400,000	400,000	400,000	400,000	400,000	400,000
1.5	Borrowings	1,230,117	1,123,411	638,171	858,693	1,200,000	1,289,555
<b>1.6</b>	<b>Deposits</b>	<b>63,268,385</b>	<b>64,254,178</b>	<b>60,279,392</b>	<b>60,928,449</b>	<b>57,801,175</b>	<b>58,230,549</b>
	a) Domestic Currency	59,932,170	60,604,762	56,862,643	57,511,699	55,295,428	55,724,802
	b) Foreign Currency	3,336,215	3,649,415	3,416,749	3,416,749	2,505,747	2,505,747
1.7	Income Tax Liability	-	-	-	-	-	-
1.8	Other Liabilities	1,700,482.35	2,281,738	1,666,491	2,356,788	1,165,603	1,340,332
<b>2</b>	<b>Total Assets (2.1 to 2.7 )</b>	<b>76,989,802</b>	<b>78,751,589</b>	<b>73,091,867</b>	<b>74,920,549</b>	<b>68,055,656</b>	<b>68,980,052</b>
2.1	Cash & Bank Balance	5,004,330	5,382,775	5,119,474	5,578,015	6,324,171	6,345,606
2.2	Money at call and Short Notice	367,030	417,082	739,529	789,110	148,498	220,921
2.3	Investments	10,329,001	10,251,814	9,812,688	9,815,501	8,412,900	8,279,755
<b>2.4</b>	<b>Loan &amp; Advances</b>	<b>58,699,279</b>	<b>59,935,177</b>	<b>55,022,716</b>	<b>56,167,482</b>	<b>50,217,636</b>	<b>51,047,094</b>
	a. Real Estate Loan	1,805,111	1,805,111	1,844,317	1,844,317	1,697,959	1,697,959
	(i) Residential Real Estate	409,459	409,459	381,666	381,666	566,578	566,578
	(ii) Business Complex & Residential Apart. Construction Loan	369,114	369,114	357,469	357,469	81,624	81,624
	(iii) Income generating Commercial Complexes Loan	571,760	571,760	581,824	581,824	590,154	590,154
	(iv) Other Real Estate Loan	454,778	454,778	523,358	523,358	459,602	459,602
	b. Personal Home Loan of Rs 150 lacs or less	2,973,333	2,973,333	2,843,820	2,843,820	2,410,993	2,410,993
	c. Margin Type Loan	1,447,316	1,447,316	1,453,706	1,453,706	1,653,051	1,653,051
	d. Term Loan	12,872,312	12,872,312	11,762,679	11,762,679	9,186,820	9,186,820
	e. Overdraft Loan/ TR Loan/ WC Loan	21,431,148	21,431,148	19,633,959	19,633,959	17,180,518	17,180,518
	f. Others	18,170,059	19,405,957	17,484,236	18,629,002	18,088,295	18,917,753
2.5	Fixed Assets	1,192,127	1,242,266	1,184,001	1,234,239	1,118,002	1,158,177
2.6	Non Banking Assets (net)	-	-	-	-	-	-
2.7	Other Assets	1,398,036	1,522,476	1,213,460	1,336,202	1,834,450	1,928,499
<b>3</b>	<b>Profit &amp; Loss Account</b>	<b>Up to This Quarter</b>		<b>Up to Last Quarter</b>		<b>Up to Corresponding Previous Year This Quarter</b>	
3.1	Interest Income	4,950,044	5,203,316	3,223,479	3,386,457	3,129,433	3,362,115
3.2	Interest Expenses	3,400,488	3,461,495	2,223,608	2,262,495	1,956,218	1,988,958
<b>A.</b>	<b>Net Interest Income ( 3.1-3.2 )</b>	<b>1,549,556</b>	<b>1,741,821</b>	<b>999,871</b>	<b>1,123,962</b>	<b>1,173,216</b>	<b>1,373,156</b>
3.3	Fees, Commission & Discount	210,542	248,991	149,879	175,626	187,801	200,295
3.4	Other Operating Income	178,606	218,771	111,527	137,287	144,400	178,952
3.5	Foreign Exchange Gain & Loss	206,910	206,910	128,867	128,867	139,718	139,718
<b>B.</b>	<b>Total Operating Income ( A+3.3+3.4+3.5 )</b>	<b>2,145,614</b>	<b>2,416,493</b>	<b>1,390,145</b>	<b>1,565,742</b>	<b>1,645,134</b>	<b>1,892,121</b>
3.6	Staff Expenses	384,899	470,498	248,781	304,678	290,475	357,281
3.7	Other Operating Expenses	416,429	448,602	260,083	280,642	342,127	368,812
<b>C.</b>	<b>Operating Profit before Provisions ( B -3.6-3.7 )</b>	<b>1,344,286</b>	<b>1,497,393</b>	<b>881,281</b>	<b>980,422</b>	<b>1,012,532</b>	<b>1,166,028</b>
3.8	Provision for Possible Losses	234,872	249,393	190,689	200,522	276,328	284,979
<b>D.</b>	<b>Operating Profit ( C - 3.8 )</b>	<b>1,109,414</b>	<b>1,248,000</b>	<b>690,592</b>	<b>779,900</b>	<b>736,204</b>	<b>881,049</b>
3.9	Non Operating Income/Expenses ( Net )	154,827	157,037	126,144	127,446	95,351	96,770
3.10	Writeback of Provision for Possible Losses	43,807	43,807	43,807	43,807	49,084	49,084
<b>E.</b>	<b>Profit from Regular Activities ( D+3.9+3.10 )</b>	<b>1,308,048</b>	<b>1,448,845</b>	<b>860,543</b>	<b>951,153</b>	<b>880,639</b>	<b>1,026,903</b>
3.11	Extraordinary Income/Expenses (Net)	(46,767)	(46,767)	(44,547)	(44,547)	13,660	13,660
<b>F.</b>	<b>Profit before Bonus and Taxes (E+3.11 )</b>	<b>1,261,281</b>	<b>1,402,078</b>	<b>815,996</b>	<b>906,606</b>	<b>894,299</b>	<b>1,040,563</b>
3.12	Provision for Staff Bonus	114,662	127,462	74,181	82,419	81,300	92,489
3.13	Provision for Taxes	343,986	380,742	222,544	246,321	243,900	283,263
3.14	Share of Non Controlling Interest in Profit of Subsidiary	-	19,980	-	13,369	-	23,497
<b>G.</b>	<b>Net Profit/ Loss ( F-3.12-3.14 )</b>	<b>802,633</b>	<b>873,894</b>	<b>519,270</b>	<b>564,497</b>	<b>569,100</b>	<b>641,315</b>
<b>4</b>	<b>Ratios</b>	<b>At the End of This Quarter</b>		<b>At the End of Previous Quarter</b>		<b>At the End of Corresponding Previous Year Quarter</b>	
4.1	Capital Fund to RWA	12.97%	13.02%	13.46%	13.49%	11.04%	11.20%
4.2	Non Performing Loan (NPL) to Total Loan	1.16%	1.16%	1.29%	1.29%	1.79%	1.74%
4.3	Total Loan Loss Provision to Total NPL	149.70%	149.02%	139.55%	139.44%	114.11%	115.80%
4.4	LCY Interest Spread (Calculated as per NRB Directives)	3.61%	4.00%	3.49%	3.72%	3.52%	3.54%
4.5	CCD ratio (Calculated as per NRB Directives)	77.79%	79.07%	77.93%	80.35%	73.66%	80.32%
4.6	Base Rate	11.35%	11.47%	10.88%	11.03%	9.88%	10.17%
4.7	Average Yield	10.58%	10.82%	10.37%	10.65%	10.31%	10.57%
4.8	Cost of Fund (LCY)	7.73%	7.75%	7.42%	7.43%	6.76%	6.77%
4.9	Return on Equity (annualised)	10.44%	11.19%	10.43%	10.89%	10.72%	11.83%
4.10	Return on Assets (annualised)	1.43%	1.52%	1.44%	1.53%	1.15%	1.28%

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 13 April 2018

#### 1. Financial Highlights of Laxmi Bank Ltd (as per unaudited figures)

a. Earning per Share	NPR 13.64
b. Market Value per Share	NPR 245
c. Price Earnings Ratio	17.96
d. Liquidity (SLR)	17.23%
e. Return on Average Total Assets	1.43%
f. Net worth per Share	NPR 126.38

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

#### 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.



# Laxmi Bank