

Unaudited Financial Results (Quarterly)

As at 1st Quarter 31st Ashwin 2075 (October 17, 2018) of the year 2075/076

Rs in '000'

| S.N. | Particulars | This Quarter Ending | Previous Quarter Ending | Corresponding Previous Quarter Ending |
|---|---|-----------------------------------|---------------------------------------|--|
| 1 | Total Capital And Liabilities (1.1 to 1.7) | 7,617,430 | 7,318,160 | 5,918,933 |
| 1.1 | Paid up Capital | 804,060 | 804,060 | 724,379 |
| 1.2 | Reserve and Surplus | 67,754 | 136,024 | 104,330 |
| 1.3 | Debentures and Bond | | | |
| 1.4 | Borrowings | 24,253 | 30,357 | 63,793 |
| 1.5 | Deposits (a+b) | 6,346,987 | 6,074,039 | 4,802,678 |
| a. | Domestic Currency | 6,346,987 | 6,074,039 | 4,802,678 |
| b. | Foreign Currency | | | |
| 1.6 | Income Tax Liabilities | - | - | - |
| 1.7 | Other Liabilities | 374,376 | 273,679 | 223,753 |
| 2 | Total Assets (2.1 to 2.7) | 7,617,430 | 7,318,160 | 5,918,933 |
| 2.1 | Cash and Bank Balance | 1,699,647 | 1,735,777 | 1,587,449 |
| 2.2 | Money at call and short Notice | - | - | - |
| 2.3 | Investment | 135,215 | 105,438 | 100,000 |
| 2.4 | Loans and Advances (a+b+c+d+e+f) | 5,461,435 | 5,188,951 | 3,999,371 |
| a. | Real Estate Loan | 331,992 | 274,153 | 329,444 |
| 1. Residential Real Estate Loan (Except personal Home Loan upto Rs. 15 Million) | 18,943 | 18,943 | 19,000 | |
| 2. Business Complex & Residential Apartment Construction Loan | 70,000 | | | |
| 3. Income generating Commercial Complex Loan | 1,751 | 1,901 | 2,226 | |
| 4. Other Real Estate (Including Land Purchase and Plotting) | 241,298 | 253,308 | 308,217 | |
| b. Personal Home Loan of Rs. 15 Million or less | 1,498,690 | 1,523,207 | 1,176,061 | |
| c. Margin Type Loan | 262,860 | 277,737 | 329,310 | |
| d. Term Loan | 2,147,976 | 1,981,624 | 1,095,251 | |
| e. Overdraft Loan/TR Loan/WC Loan | 659,821 | 703,557 | 636,153 | |
| f. Others | 560,096 | 428,673 | 433,153 | |
| 2.5 | Fixed Assets | 47,497 | 47,661 | 44,890 |
| 2.6 | Non Banking Assets | 41,346 | 41,346 | 41,346 |
| 2.7 | Other Assets | 232,289 | 198,987 | 145,877 |
| 3 | Profit And Loss Account | Up to This Quarter | Up to Previous Quarter | Up to Corresponding Previous Quarter Ending |
| 3.1 | Interest Income | 216,496 | 748,227 | 143,990 |
| 3.2 | Interest Expenses | 169,300 | 542,174 | 114,638 |
| A. | Net Interest Income (3.1-3.2) | 47,196 | 206,053 | 29,353 |
| 3.3 | Fees, Commission and Discount | 1,592 | 5,580 | 1,457 |
| 3.4 | Other Operating Income | 7,917 | 33,448 | 6,414 |
| 3.5 | Foreign Exchange Gain/Loss (Net) | - | - | - |
| B. | Total Operating Income (A.+3.3+3.4+3.5) | 56,705 | 245,081 | 37,223 |
| 3.6 | Staff Expenses | 17,661 | 48,031 | 11,627 |
| 3.7 | Other Operating Expenses | 13,292 | 58,968 | 14,675 |
| C. | Operating Profit Before Provision (B.-3.6-3.7) | 25,753 | 138,083 | 10,921 |
| 3.8 | Provision for Possible Losses | 8,978 | 11,742 | 530 |
| D. | Operating Profit (C.-3.8) | 16,775 | 126,341 | 10,391 |
| 3.9 | Non Operating Income / Expenses (Net) | - | 26,101 | - |
| 3.10 | Write Back of provision for possible Loss | - | - | - |
| E. | Profit From Regular Activities (D +3.9+3.10) | 16,775 | 152,442 | 10,391 |
| 3.11 | Extraordinary Income / Expenses (Net) | - | - | - |
| F. | Profit before Bonus and Taxes (E.+3.11) | 16,775 | 152,442 | 10,391 |
| 3.12 | Provision for Staff Bonus | 1,525 | 13,858 | 945 |
| 3.13 | Provision for Tax | 4,575 | 41,575 | 2,834 |
| G. | Net Profit/Loss (F.-3.12-3.13) | 10,675 | 97,009 | 6,613 |
| 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 | 14.68 | 16.50 | 18.96 |
| 4.2 | Non Performing Loan (NPL) to Total Loan | 2.31 | 2.11 | 1.77 |
| 4.3 | Total Loan Loss Provision to Total NPL | 122.69 | 126.41 | 152.22 |
| 4.4 | Cost of Fund | 10.42 | 10.71 | 10.09 |
| 4.5 | CD Ratio | 75.32 | 73.55 | 69.89 |
| 4.6 | Base Rate | 13.78 | 13.74 | 13.46 |
| 4.7 | Interest Spread | 4.53 | 4.36 | 3.75 |

Note: Above figures may vary with the audited figures if modified by the external auditors / regulators.

Disclosure as prescribed by Securities Registration and Issue Regulation, 2073 (Related to Sub rule (1) of Rule26, for the First Quarter of F.Y. 2075/076

1. Financial Statements (as per un-audited figures of 2075.6.31)

i. Financial detail as at the end of First Quarter (2075.6.31) of F.Y. 2075/76 has been published along with this disclosure.

ii. Major Financial Indicators

| | | | |
|---------------------------|----------|--------------------------------|------------|
| a) Earnings Per Share | NPR 5.31 | d) Net Worth Per Share | NPR 108.43 |
| b) Market Value Per Share | NPR 131 | e) Total Assets / No. of Share | 947.37 |
| c) Price Earning Ratio | 24.67 | f) Liquidity Ratio | 28.91 % |

2. Management Analysis

a) Details relating to the change in the FI's reserve, income and liquidity in the quarter (if any) and its main reason.

FI's reserve and liquidity position remained strong throughout the quarter.

b) Management's analytical details regarding future business plan.

FI seeks to achieve sustainable growth in business and profitability as per its strategic management plan.

c) Analytical details of the incidents that may have major impact on reserve, profit or cash flow (if any) based on previous experience.

No specific incident occurred during the period that could have impact on reserve, profit or cash flow.

3. Legal Proceedings

a) Case filed by or against the FI in this quarter.

No case filed by or against FI in this quarter.

b) Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or Director of the FI.

No such information has been received.

c) Case relating to commission of financial crime filed against any Promoter or Director of the FI.

No such information has been received.

4. Analysis of Stock Performance of the FI

a) Management view on the transaction of the shares of the FI in the Share Market.

Transaction of Shares and share price are determined by open market at Nepal Stock Exchange Ltd.

b) Maximum, minimum and last share price, total transaction days and total transacted number of shares in the quarter (as per nepalstock.com)

| Maximum Share price | Minimum Share Price | Closing Share Price | Total No. of Transaction | No. of days of transaction | Total Traded no. of share |
|---------------------|---------------------|---------------------|--------------------------|----------------------------|---------------------------|
| 136 | 115 | 131 | 403 | 57 | 161,971 |

5. Problems and Challenges

Internal

- 1) To maintain the level of interest spread.
- 2) Managing overheads.
- 3) Recruitment, retention and development of quality manpower.

External

- 1) Tough competition in banking industry.
- 2) Unstable socio-political situation of the country.
- 3) Lack of favorable environment for the investment.

Strategy to overcome the problems and challenges

- 1) Development and Introduction of customer oriented products / services.
- 2) Strict portfolio management with emphasis on quality rather than quantity.
- 3) Identification of new business avenues.
- 4) Focus on development of staffs by training, counseling and monitoring them.

6. Corporate Governance

Clear separation of roles and responsibilities of Board of Directors and Management has ensured high standard of corporate Governance. Audit Committee has been functioning independently and actively. Manjushree is committed for transparency, high standard of professionalism and data integrity.

7. Declaration

I, CEO of the FI, am accountable individually on the factual accuracy of the information submitted as of the date in this report. I also declare that to the best of my knowledge, no material information for investors has been concealed.