गरिमा विकास बैंक लिमिटेड
Garima Bikas Bank Limited
नेपाल राष्ट्र बैंकबाट 'ख' वर्गको इजाजतपत्रप्राप्त संस्था

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Unaudited Financial Results (Quarterly)

As on Fourth Quarter (32/03/2083) for the Fiscal Year 2082/083

Condensed Consolidated Statement of Financial Position

As on Quarter Ended 32nd Ashad 2083

(Amount in NPR)

Particulars	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending (Audited)	This Quarter Ending	Immediate Previous Year Ending (Audited)
Assets				
Cash and cash equivalent	2,951,203,542	3,166,029,248	2,950,651,565	3,165,470,476
Due from Nepal Rastra Bank	4,068,883,377	3,778,537,693	4,068,883,377	3,778,537,693
Placement with Bank and Financial Institutions	-	-	-	-
Derivative financial instruments	-	-	-	-
Other trading assets	-	-	-	-
Loan and Advances to B/FIs	3,359,449,873	4,574,216,271	3,359,449,873	4,574,216,271
Loans and advances to customers	78,241,126,667	69,130,694,763	78,241,126,667	69,130,694,763
Investment in securities	21,201,743,213	20,527,268,246	20,900,552,740	20,195,712,972
Current Tax Assets	32,264,673	100,761,449	13,321,927	83,859,471
Investment in subsidiaries	-	-	123,900,000	123,900,000
Investment in Associates	-	-	-	-
Investment property	630,034,975	675,496,243	630,034,975	675,496,243
Property and equipment	1,808,448,454	1,933,138,287	1,788,555,725	1,908,698,292
Goodwill and Intangible Assets	104,009,884	105,417,013	100,533,935	103,540,968
Deferred tax assets	40,505,268	35,302,344	38,835,344	38,835,344
Other assets	851,385,896	723,999,363	825,802,849	685,096,745
Total Assets	**113,289,055,823**	**104,750,860,918**	**113,041,648,978**	**104,464,059,239**
Liabilities				
Due to Bank and Financial Institutions	1,391,929,724	2,565,987,630	1,391,929,724	2,565,987,630
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial instruments	-	-	-	-
Deposit from customers	98,469,870,197	90,112,803,410	98,472,073,233	90,115,629,859
Borrowings	81,020,263	98,587,819	-	-
Current Tax Liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other liabilities	1,561,491,012	1,589,846,482	1,506,220,694	1,522,124,839
Debt securities issued	998,183,296	997,062,992	998,183,296	997,062,992
Subordinated Liabilities	-	-	-	-
Total liabilities	**102,502,494,491**	**95,364,288,332**	**102,368,406,946**	**95,200,805,319**
Equity				
Share Capital	6,021,348,367	5,680,517,328	6,021,348,367	5,680,517,328
Share Premium	-	-	-	-
Retained Earning	1,207,776,554	595,617,329	1,217,961,826	599,214,090
Reserves	3,447,423,797	2,996,938,444	3,433,931,838	2,983,522,502
Total equity attributable to equity holders	**10,676,548,718**	**9,273,073,101**	**10,673,242,032**	**9,263,253,919**
Non-controlling interests	110,012,613	113,499,485	-	-
Total equity	**10,786,561,332**	**9,386,572,586**	**10,673,242,032**	**9,263,253,919**
Total liabilities and equity	**113,289,055,823**	**104,750,860,918**	**113,041,648,978**	**104,464,059,239**

Condensed Consolidated Statement of Profit or Loss

For the Quarter Ended 32nd Ashad 2083

(Amount in NPR)

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
	NPR	NPR	NPR	NPR	NPR	NPR	NPR	NPR
Interest Income	1,911,228,479	7,509,493,555	2,092,231,579	8,395,995,496	1,909,207,230	7,505,139,450	2,090,876,137	8,391,249,954
Interest Expense	895,480,511	3,697,837,360	1,151,359,204	4,789,877,717	893,461,918	3,689,504,298	1,148,589,368	4,779,182,798
Net interest income	**1,015,747,968**	**3,811,656,195**	**940,872,375**	**3,606,117,778**	**1,015,745,311**	**3,815,635,152**	**942,286,770**	**3,612,067,156**
Fees and Commission Income	202,271,130	682,100,680	170,477,167	571,434,860	185,026,900	629,172,577	152,961,770	516,374,447
Fees and Commission Expense	6,178,282	16,508,096	4,256,076	10,999,709	3,608,887	9,899,172	2,316,600	5,480,318
Net fee and Commission income	**196,092,848**	**665,592,584**	**166,221,090**	**560,435,151**	**181,418,014**	**619,273,405**	**150,645,170**	**510,894,129**
Net interest fee and commission income	**1,211,840,816**	**4,477,248,779**	**1,107,093,465**	**4,166,552,929**	**1,197,163,325**	**4,434,908,557**	**1,092,931,939**	**4,122,961,285**
Net Trading Income	(19,951,294)	(2,038,441)	31,829,445	61,105,210	6,307,658	24,991,688	5,830,288	16,409,319
Other Operating Income	34,989,248	108,288,146	88,043,922	120,884,695	34,989,237	107,522,657	87,938,218	118,695,614
Total operating income	**1,226,878,771**	**4,583,498,484**	**1,226,966,832**	**4,348,542,835**	**1,238,460,220**	**4,567,422,901**	**1,186,700,445**	**4,258,066,217**
Impairment charge/(reversal) for loans and other losses	(341,402,899)	49,042,693	(68,904,394)	647,055,737	(341,402,899)	49,042,693	(68,904,394)	647,055,737
Net Operating income	**1,568,281,670**	**4,534,455,792**	**1,295,871,226**	**3,701,487,097**	**1,579,863,119**	**4,518,380,209**	**1,255,604,840**	**3,611,010,480**
Operating expenses								
Personnel Expense	323,931,575	1,268,872,546	294,255,968	1,135,508,554	318,782,647	1,247,879,345	285,933,718	1,110,598,014
Other Operating Expenses	52,577,638	478,502,199	64,268,999	471,161,568	49,834,651	470,042,211	61,539,201	463,841,760
Depreciation and amortisation	144,202,634	226,034,870	150,010,079	233,508,417	142,713,916	220,316,283	148,559,312	227,880,797
Operating Profit	**1,047,569,823**	**2,561,046,177**	**787,336,181**	**1,861,308,559**	**1,068,531,906**	**2,580,142,370**	**759,572,610**	**1,808,689,908**
Non operating income	606,942	1,273,231	135,000	540,000	606,942	1,273,231	135,000	540,000
Non operating expense	95,583,960	110,387,824	1,248,968	2,926,571	95,583,960	110,387,824	1,087,529	2,765,132
Profit before income tax	**952,592,805**	**2,451,931,584**	**786,222,213**	**1,858,921,988**	**973,554,888**	**2,471,027,777**	**758,620,081**	**1,806,464,776**
Income tax expense	326,363,907	775,985,401	253,032,363	574,296,624	333,119,600	782,361,467	244,419,226	558,772,635
Current tax	332,615,810	782,354,364	275,396,096	589,749,505	333,119,600	782,361,467	275,388,935	589,742,344
Deferred tax Expenses/(Income)	(6,251,904)	(6,368,964)	(22,363,734)	(15,452,881)	-	-	(30,969,709)	(30,969,709)
Profit for the period	**626,228,899**	**1,675,946,183**	**533,189,851**	**1,284,625,365**	**640,435,288**	**1,688,666,310**	**514,200,854**	**1,247,692,141**
Condensed Consolidated Statement of Other Comprehensive Income								
Profit for the period	626,228,899	1,675,946,183	533,189,851	1,284,625,365	640,435,288	1,688,666,310	514,200,854	1,247,692,141
Total Other comprehensive income	(69,645,331)	(33,345,899)	34,655,611	43,277,727	(72,366,091)	(36,066,659)	31,097,091	39,719,207
Total Comprehensive income for the period	**556,583,568**	**1,642,600,284**	**567,845,462**	**1,327,903,092**	**568,069,197**	**1,652,599,651**	**545,297,945**	**1,287,411,348**
Profit attributable to:								
Equity holders of the bank	563,516,521	1,648,807,916	558,578,518	1,309,879,068	568,069,197	1,652,599,651	545,297,945	1,287,411,348
Non-controlling interest	(6,932,953)	(6,207,632)	9,266,944	18,024,024	-	-	-	-
Profit for the period	**556,583,568**	**1,642,600,284**	**567,845,462**	**1,327,903,092**	**568,069,197**	**1,652,599,651**	**545,297,945**	**1,287,411,348**
Earnings per share:								
Basic earnings per share		27.83		22.61		28.04		21.96
Diluted earnings per Share		27.83		22.61		28.04		21.96

Ratios as per NRB Directive

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter Ending(YTD)	This Quarter	Up to This Quarter Ending(YTD)	This Quarter	Up to This Quarter Ending(YTD)	This Quarter	Up to This Quarter Ending(YTD)
Capital fund to RWA		13.63%		13.20%		13.63%		13.20%
Tier 1 Capital to RWA		11.62%		11.22%		11.62%		11.22%
CET 1 Capital to RWA		11.62%		11.22%		11.62%		11.22%
Non-performing loan (NPL) to total loan		4.76%		4.69%		4.76%		4.69%
Total loan loss provision to Total NPL		100.56%		111.29%		100.56%		111.29%
Cost of Funds		3.53%		4.84%		3.53%		4.84%
Return on Equity		16.62%		14.49%		16.94%		14.24%
Return on Assets		1.54%		1.28%		1.55%		1.24%
Credit to Deposit Ratio		86.14%		85.13%		86.14%		85.13%
Base Rate		5.26%		6.94%		5.26%		6.94%
Interest Rate Spread		4.04%		4.37%		4.04%		4.37%

Statement of Distributable Profit or Loss

For the Quarter Ended 32nd Ashad 2083 (As per NRB Regulation)

(Amount in NPR)

Particulars	Bank	
	Current Year upto this Quarter YTD	Previous Year Corresponding Quarter YTD
Net profit or (loss) as per statement of profit or loss	**1,688,666,310**	**1,247,692,141**
Appropriations:	-	-
a. General reserve	(337,733,262)	(249,506,565)
b. Foreign exchange fluctuation fund	(7,618,006)	(160,744)
c. Capital redemption reserve	(166,666,667)	(166,666,667)
d. Corporate social responsibility fund	(16,886,663)	(12,476,921)
e. Employees' training fund	(18,922,445)	(18,922,445)
f. Other	-	-
Investment Adjustment Reserve	-	-
Corporate social responsibility fund utilization	4,590,809	10,979,918
Employees' training fund utilization	17,366,708	9,648,011
Unrealised Gain on Investment in Associates	-	-
Other Adjustment/restatement	14,715,896	159,316
Profit or (loss) before regulatory adjustment	**1,177,512,679**	**820,746,043**
Regulatory adjustment :	-	-
a. Interest receivable (-)/previous accrued interest received (+)	13,170,345	85,730,424
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 (+)	22,626,073	(229,561,221)
e. Deferred tax assets recognised (-)/ reversal (+)	-	(53,918,056)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	-	(28,750,774)
i. Other (+/-)	3,597,114	2,590,485
Lease Payment	-	-
Dividend Income from Associates	-	-
Income Attributable from Associates	-	-
Share Issued Expenses Directly Charged to equity	-	-
Share Issued Expenses- Directly Charged to Equity- Tax Impact	-	-
Gain on Disposal of Share Classified into OCI	-	-
Current Tax on Gain on Disposal of Share Classified into OCI	-	-
Distributable profit or (loss)	**1,216,906,211**	**596,836,899**
Opening Retained Earning as on Shrawan	599,214,090	286,403,056
Adjustment(+/-)	-	-
Distribution	-	-
Bonus Share Issued	(340,831,040)	-
Cash Dividend Paid	(257,327,435)	(284,025,866)
Total Distributable Profit or (Loss) as on end Date	**1,217,961,826**	**599,214,090**
Annualised Distributable Profit/Loss per Share	**20.23**	**10.55**

1. The above financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) in line with NRB Directives. In compliance with NRB's ECL Guidelines, Bank has de-recognized interest income on loans and advances classified as Lifetime ECL under Stage-3. Bank has considered the impairment on credit exposures as the higher of total ECL provision as per NFRS 9 and existing regulatory provision in Unified Directives. Separate reporting of ECL shall be done to NRB by the Bank..
2. The unaudited financial figures are subject to change if instructed by external auditors and regulatory authorities.
3. Loans and advances includes staff loans and accrued interest receivables on loans and are presented net off loan impairments.
4. Personnel expenses includes employee bonus calculated as per bonus act.
5. Previous year's corresponding quarter ending figures have been regrouped, rearranged and restated wherever necessary.
6. The detailed interim report has been published in website of the bank.
7. The group financial statement includes the Garima Capital Ltd. (formerly known as KCL Astute Capital Ltd) which is the subsidiary of the bank.

Disclosure as per Securities Registration and Issuance Regulation, 2073 (Sub-Rule (1) of Rule 26, Annexure 14)

Fourth Quarter of Financial Year 2082/83

1. Financial Detail

a) NFRS compliant Quarterly statement of financial position and statement of profit or loss of fourth quarter has been published along with this report. Transactions with related parties are as follows:

Related Party	Nature of Transaction	Amount (Rs.)
Garima Capital Ltd.	Deposit with Bank	22,03,036.37
Garima Capital Ltd.	Interest paid by Bank on deposit	33,423.83

b) **Major Financial Indicators**

Earnings per Share (Rs.)	28.04	Liquidity Ratio (%)	26.41
Price Earnings ratio (Times)	14.40	Return on Equity (%)	16.94
Net Worth per Share (Rs.)	177.26	Total Assets Value Per Share (Rs.)	1,877.35
Return on Total Asset (%)	1.55	Capital Adequacy Ratio (%)	13.63

2. Management Analysis:

The bank reported a net profit of Rs. 1,68,86,66,310 for the fourth quarter of FY 2082/83, reflecting a growth of 35.34% compared to the same quarter of the previous year. The bank continues to maintain strong capital adequacy and liquidity. However, challenges in loan recovery under a difficult economic environment have caused the non-performing assets (NPA) ratio to slightly increase to 4.76% from 4.69%. The bank remains committed to achieving its business targets, maximizing returns, and providing excellent customer service.

3. Details Relating to Legal Action

a) **Case filed by or against the Bank in this year:** No such cases have been filed except those arising the normal course of the business.

b) **Case relating to disobedience of prevailing law or commission criminal offence filed by or against the Promoter or Director of the Bank:** No such information has been received.

c) **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:

Price History		Transaction History	
Maximum Price (Rs.)	445.90	Transaction Volume (No. of Shares)	15,26,713
Minimum Price (Rs.)	383.80	Transaction Volume (No. of Transaction)	7,349
Closing Prince (Rs.)	403.80	Transaction Days	64

5. Problems and Challenges

a) Internal Challenges:
- Challenges in the recovery of problematic loans.
- Increasing trend of operating costs.
- Challenges in increasing non-interest income.
- Challenges in retaining skilled manpower and high value clients.
- Increase in credit risk and operational risk.
- Assets Quality Management.

b) External Challenges:
- Stiff competition among Banks & Financial Institutions.
- Changes in regulatory provisions.
- Risk of cyber security.
- Increasing trend of non-performing loans.
- Excess liquidity in the market.

c) Strategy:
- Optimal utilization of assets and resources of the bank.
- Developing quality human resources through robust training and development.
- Adopting proactive loan recovery management.
- Identification of new possibilities for the business development.
- Prioritization of digitization in banking services to enhance efficiency.
- Implication of effective cost management practices.
- Diversifying product and service portfolio of the bank.
- Strengthening internal control and governance mechanisms.
- Enhancing AML/CFT compliance and risk monitoring in alignment with FATF standards.

6. 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, Committees like Risk Management Committee, Employees Service and Benefit Committee, Audit Committee, AML/CFT Committee have been constituted to oversee banking operation and these committees are actively involved in major policies/plan related decisions. The Bank is committed to fully comply with all directives and guidelines issued by regulatory bodies.

7. Declaration by Chief Executive Officer on the truthfulness and accuracy of information

I hereby declare that all the information provided in this document is true, complete and factual and that I take personal responsibility for any deviation thereof. I also declare that no information or data of the Bank that may assist investors in making investment decisions have been concealed in any manner.