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 First Quarter (31/06/2083) for the Fiscal Year 2083/084

Condensed Consolidated Statement of Financial Position

As on Quarter Ended 31st Ashoj 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	3,026,175,960	2,952,082,037	3,023,360,276	2,951,515,401
Due from Nepal Rastra Bank	8,219,063,888	4,068,883,377	8,219,063,888	4,068,883,377
Placement with Bank and Financial Institutions	-	-	-	-
Derivative financial instruments	-	-	-	-
Other trading assets	-	-	-	-
Loan and Advances to B/FIs	3,127,332,766	3,359,449,873	3,127,332,766	3,359,449,873
Loans and advances to customers	80,229,200,125	78,215,661,746	80,229,200,125	78,215,661,746
Investment in securities	17,371,887,583	21,201,711,844	17,065,825,087	20,900,552,740
Current Tax Assets	-	2,671,142	-	-
Investment in subsidiaries	-	-	123,900,000	123,900,000
Investment in Associates	-	-	-	-
Investment property	634,718,975	630,034,975	634,718,975	630,034,975
Property and equipment	1,815,501,914	1,808,433,931	1,796,046,797	1,788,555,725
Goodwill and Intangible Assets	104,882,208	104,009,884	100,346,221	100,533,935
Deferred tax assets	79,647,977	80,800,531	79,647,977	79,647,977
Other assets	879,916,045	868,278,738	853,556,821	842,266,151
Total Assets	**115,488,327,442**	**113,292,018,077**	**115,252,998,935**	**113,061,001,901**
Liabilities				
Due to Bank and Financial Institutions	899,907,888	1,391,929,724	899,907,888	1,391,929,724
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial instruments	-	-	-	-
Deposit from customers	101,535,607,523	98,469,870,197	101,535,693,307	98,472,073,233
Borrowings	79,858,066	81,020,263	-	-
Current Tax Liabilities	43,020,101	-	62,482,390	16,367,050
Provisions	-	-	-	-
Deferred tax liabilities	799,449	-	-	-
Other liabilities	1,501,575,289	1,554,539,523	1,447,094,188	1,499,347,671
Debt securities issued	996,682,331	996,682,331	996,682,331	996,682,331
Subordinated Liabilities	-	-	-	-
Total liabilities	**105,057,450,647**	**102,494,042,037**	**104,941,860,105**	**102,376,400,009**
Equity				
Share Capital	6,623,483,204	6,021,348,367	6,623,483,204	6,021,348,367
Share Premium	-	-	-	-
Retained Earning	75,885,073	1,196,425,514	83,278,303	1,206,628,392
Reserves	3,619,783,242	3,471,582,530	3,604,377,323	3,456,625,133
Total equity attributable to equity holders	**10,319,151,519**	**10,689,356,411**	**10,311,138,830**	**10,684,601,892**
Non-controlling interests	111,725,277	108,619,629	-	-
Total equity	**10,430,876,795**	**10,797,976,040**	**10,311,138,830**	**10,684,601,892**
Total liabilities and equity	**115,488,327,442**	**113,292,018,077**	**115,252,998,935**	**113,061,001,901**

Condensed Consolidated Statement of Profit or Loss

For the Quarter Ended 31st Ashoj 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	1,822,922,547	1,822,922,547	2,054,573,667	2,054,573,667	1,821,733,488	1,821,733,488	2,053,389,899	2,053,389,899
Interest Expense	903,041,647	903,041,647	1,057,284,254	1,057,284,254	900,919,223	900,919,223	1,054,795,251	1,054,795,251
Net interest income	**919,880,899**	**919,880,899**	**997,289,413**	**997,289,413**	**920,814,264**	**920,814,264**	**998,594,648**	**998,594,648**
Fees and Commission Income	168,707,971	168,707,971	128,958,623	128,958,623	152,785,062	152,785,062	115,378,143	115,378,143
Fees and Commission Expense	3,073,048	3,073,048	3,229,595	3,229,595	290,987	290,987	988,667	988,667
Net fee and Commission	**165,634,923**	**165,634,923**	**125,729,028**	**125,729,028**	**152,494,075**	**152,494,075**	**114,389,476**	**114,389,476**
Net interest fee and commission income	**1,085,515,822**	**1,085,515,822**	**1,123,018,441**	**1,123,018,441**	**1,073,308,339**	**1,073,308,339**	**1,112,984,124**	**1,112,984,124**
Net Trading Income	12,251,795	12,251,795	6,585,796	6,585,796	5,885,915	5,885,915	5,863,644	5,863,644
Other Operating Income	(22,546)	(22,546)	41,635,412	41,635,412	(22,820)	(22,820)	41,069,895	41,069,895
Total operating income	**1,097,745,072**	**1,097,745,072**	**1,171,239,649**	**1,171,239,649**	**1,079,171,434**	**1,079,171,434**	**1,159,917,664**	**1,159,917,664**
Impairment charge/(reversal) for loans and other losses	254,291,576	254,291,576	333,193,656	333,193,656	254,291,576	254,291,576	333,193,656	333,193,656
Net Operating income	**843,453,495**	**843,453,495**	**838,045,992**	**838,045,992**	**824,879,858**	**824,879,858**	**826,724,008**	**826,724,008**
Operating expenses								
Personnel Expense	299,891,177	299,891,177	302,897,380	302,897,380	293,188,794	293,188,794	296,857,653	296,857,653
Other Operating Expenses	162,870,906	162,870,906	146,325,798	146,325,798	160,823,177	160,823,177	144,103,233	144,103,233
Depreciation and amortisation	30,273,263	30,273,263	29,569,234	29,569,234	28,765,558	28,765,558	28,138,866	28,138,866
Operating Profit	**350,418,149**	**350,418,149**	**359,253,581**	**359,253,581**	**342,102,329**	**342,102,329**	**357,624,256**	**357,624,256**
Non operating income	932,314	932,314	340,290	340,290	932,314	932,314	340,290	340,290
Non operating expense	-	-	-	-	-	-	-	-
Profit before income tax	**351,350,463**	**351,350,463**	**359,593,871**	**359,593,871**	**343,034,643**	**343,034,643**	**357,964,546**	**357,964,546**
Income tax expense	104,862,396	104,862,396	107,894,859	107,894,859	102,910,393	102,910,393	107,389,364	107,389,364
Current tax	102,910,393	102,910,393	107,382,261	107,382,261	102,910,393	102,910,393	107,389,364	107,389,364
Deferred tax	1,952,004	1,952,004	512,598	512,598	-	-	-	-
Profit for the period	**246,488,066**	**246,488,066**	**251,699,012**	**251,699,012**	**240,124,250**	**240,124,250**	**250,575,182**	**250,575,182**
Condensed Consolidated Statement of Other Comprehensive Income								
Profit for the period	246,488,066	246,488,066	251,699,012	251,699,012	240,124,250	240,124,250	250,575,182	250,575,182
Total Other comprehensive	(11,452,475)	(11,452,475)	(62,466,636)	(62,466,636)	(11,452,475)	(11,452,475)	(62,466,636)	(62,466,636)
Total Comprehensive income for the period	**235,035,592**	**235,035,592**	**189,232,376**	**189,232,376**	**228,671,775**	**228,671,775**	**188,108,546**	**188,108,546**
Profit attributable to:								
Equity holders of the bank	231,929,944	231,929,944	188,683,928	188,683,928	228,671,775	228,671,775	188,108,546	188,108,546
Non-controlling interest	3,105,648	3,105,648	548,447	548,447	-	-	-	-
Profit for the period	**235,035,592**	**235,035,592**	**189,232,376**	**189,232,376**	**228,671,775**	**228,671,775**	**188,108,546**	**188,108,546**
Earnings per share:								
Basic earnings per share		14.89		17.72		14.50		17.64
Diluted earnings per Share		14.89		17.72		14.50		17.64

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		12.84%		13.57%		12.84%		13.57%
Tier 1 Capital to RWA		10.86%		11.29%		10.86%		11.29%
CET 1 Capital to RWA		10.86%		11.29%		10.86%		11.29%
Non-performing loan (NPL) to total loan		4.81%		4.73%		4.81%		4.73%
Total loan loss provision to Total NPL		104.09%		120.72%		104.09%		120.72%
Cost of Funds		3.46%		4.42%		3.46%		4.42%
Return on Equity		9.29%		10.76%		9.15%		10.71%
Return on Assets		0.86%		0.96%		0.84%		0.96%
Credit to Deposit Ratio		84.18%		82.43%		84.18%		82.43%
Base Rate		5.18%		6.39%		5.18%		6.39%
Interest Rate Spread		4.05%		4.59%		4.05%		4.59%

Statement of Distributable Profit or Loss

For the Quarter Ended 31st Ashoj 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	**240,124,250**	**250,575,182**
Appropriations:	-	-
a. General reserve	(48,024,850)	(50,115,036)
b. Foreign exchange fluctuation fund	-	(778,057)
c. Capital redemption reserve	(41,666,667)	(41,666,667)
d. Corporate social responsibility fund	(2,401,242)	(2,505,752)
e. Employees' training fund	(4,781,562)	(5,398,237)
f. Other	-	-
Investment Adjustment Reserve	-	-
Corporate social responsibility fund utilization	2,500,000	2,910,612
Employees' training fund utilization	4,680,902	3,604,946
Unrealised Gain on Investment in Associates	-	-
Other Adjustment/restatement	-	-
Profit or (loss) before regulatory adjustment	**150,430,831**	**156,626,992**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(67,292,064)	(120,815,877)
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 (+)	(2,331,227)	(3,342,473)
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reserval (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	112,045	537,398
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)	**80,919,585**	**33,006,040**
Opening Retained Earning as on Shrawan	1,206,628,392	599,214,090
Adjustment(+/-)	-	-
Distribution	-	-
Bonus Share Issued	(602,134,837)	-
Cash Dividend Paid	(602,134,837)	-
Total Distributable Profit or (Loss) as on end Date	**83,278,303**	**632,220,130**
Annualised Distributable Profit/Loss per Share	**5.03**	**12.87**

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. Bank has considered the impact of Effective Interest Rate as not significant for the period of 1st quarter of FY 2083-084. Bank will assess its impact on subsequent quarters of FY 2083-084.
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)

First Quarter of Financial Year 2083/84

1. Financial Detail

a) NFRS compliant Quarterly statement of financial position and statement of profit or loss of first 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	85,784.13
Garima Capital Ltd.	Interest paid by Bank on deposit	2,269.78

b) Major Financial Indicators

Earnings per Share (Rs.)	14.50	Liquidity Ratio (%)	25.91
Price Earnings ratio (Times)	28.62	Return on Equity (%)	9.15
Net Worth per Share (Rs.)	155.68	Total Assets Value Per Share (Rs.)	1,740.07
Return on Total Asset (%)	0.84	Capital Adequacy Ratio (%)	12.84

2. Management Analysis:

Bank reported a net profit of Rs. 240,124,250 for the first quarter of FY 2083/84, representing a decline of 4.17% compared to the corresponding period of the previous fiscal year. Despite the challenging economic environment, the Bank continues to maintain a sound capital adequacy position and adequate liquidity. However, difficulties in loan recovery have resulted in a marginal increase in the Non-Performing Assets (NPA) ratio to 4.81%, compared to 4.77% as of Ashad end 2083. Bank remains focused on strengthening its financial performance, achieving its business objectives, enhancing shareholder returns, and delivering quality services to its customers.

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.)	460.00	Transaction Volume (No. of Shares)	49,06,672
Minimum Price (Rs.)	398.00	Transaction Volume (No. of Transaction)	16,417
Closing Prince (Rs.)	415.00	Transaction Days	61

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.