



MANJUSHREE FINANCE LIMITED

मञ्जुश्री फाइनेन्स लिमिटेड

(नेपाल राष्ट्र बैंकबाट "ग" वर्गको इजाजतपत्रप्राप्त संस्था)

प्रधान कार्यालय ओमकार भवन, नयाँ बानेश्वर-१०, काठमाण्डौं

फोन नं. ०१-४७८२५१७, फ्याक्स: ०१-४७८२५३४

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Unaudited Financial Results (Quarterly)

As on Quarter ended 30th Ashwin 2077 (16th October, 2020)

Condensed Consolidated Statement of Financial Position As on Quarter ended 30th Ashwin 2077 (16th October, 2020)

Figures in NPR '000

Assets	This Quarter Ending		Immediate Previous Year Ending	
Cash and cash equivalent	2,361,951		1,044,531	
Due from Nepal Rastra Bank	265,716		421,525	
Placement with Bank & Financial Institutions	-		-	
Derivative financial instruments	-		-	
Other trading assets	-		-	
Loans and advance BFIs	1,074,150		995,264	
Loans and advance to customers	5,627,413		5,818,222	
Investment securities	491,720		717,851	
Current tax assets	131,131		-	
Investment in subsidiaries	-		-	
Investment in associates	-		-	
Investment Property	36,346		36,346	
Property and equipment	42,052		52,166	
Goodwill and intangible assets	1,626		999	
Deferred tax assets	4,955		5,990	
Other Assets	170,372		88,325	
Total Assets	10,207,433		9,181,219	
Liabilities				
Due to Bank and Financial Institutions	1,355,593		1,964,341	
Due to Nepal Rastra Bank	15,778		10,907	
Derivative financial instruments	-		-	
Deposit from customers	7,194,199		5,848,383	
Borrowing	-		-	
Current Tax Liabilities	21,718		2,375	
Provisions	-		-	
Deferred Tax Liabilities	-		-	
Other Liabilities	355,446		141,191	
Debt Securities issued	-		-	
Subordinate Liabilities	-		-	
Total Liabilities	8,942,734		7,967,196	
Equity				
Share capital	818,131		818,131	
Share Premium	-		-	
Retained earnings	148,371		119,800	
Reserves	298,196		276,092	
Total equity attributable to equity holders	1,264,699		1,214,023	
Non-controlling interest	-		-	
Total equity	1,264,699		1,214,023	
Total Liabilities and equity	10,207,433		9,181,219	

Condensed Consolidated Statement of Profit or Loss For the Quarter ended 30th Ashwin 2077 (16th October, 2020)

Figures in NPR '000

Particular	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest Income	251,243	251,243	319,818	319,818
Interest Expenses	157,302	157,302	189,984	189,984
Net Interest Income	93,941	93,941	129,833	129,833
Fees and Commission income	6,818	6,818	6,716	6,716
Fees and Commission expenses	-	-	-	-
Net fee and commission income	6,818	6,818	6,716	6,716
Net interest, fee and commission income	100,759	100,759	136,550	136,550
Net trading income	-	-	3,216	3,216
Other operating income	-	-	1,826	1,826
Total operating income	100,759	100,759	141,592	141,592
Impairment charge/(reversal) for loans and other losses	1,135	1,135	59,731	59,731
Net operating income	99,624	99,624	81,860	81,860
Operating expenses				
Personnel expenses	31,029	31,029	27,210	27,210
Other operating expenses	13,531	13,531	14,568	14,568
Depreciation & Amortization	2,831	2,831	2,154	2,154
Operating Profit	52,233	52,233	37,928	37,928
Non operating income	20,161	20,161	-	-
Non operating expenses	-	-	-	-
Profit before income tax	72,394	72,394	37,928	37,928
Income tax expenses	21,718	21,718	10,336	10,336
Current Tax	21,718	21,718	10,114	10,114
Deferred Tax	-	-	221	221
Profit/(loss) for the period	50,676	50,676	27,593	27,593

Condensed Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	50,676	50,676	27,593	27,593
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	50,676	50,676	27,593	27,593
Earning Per Share				
Basic Earning per share		24.78		13.49
Diluted Earning per share		24.78		13.49
Profit attributable to:				
Equity holders of the bank	50,676	50,676	27,593	27,593
Non-controlling Interest	-	-	-	-
Total	50,676	50,676	27,593	27,593

Ratios as per NRB Directives

Particular	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Capital fund to RWA			13.43%	15.72%
Non-performing loan (NPL) to total loan			3.16%	3.96%
Total loan loss provision to Total NPL			131.97%	114.34%
Cost of Funds			7.52%	9.36%
Credit to Deposit Ratio			70.77%	75.80%
Base Rate			9.55%	11.49%
Interest Rate Spread			4.60%	4.71%

Notes:

- Above financials have been prepared in accordance with NRB Directive No. 4 and applicable Nepal Financial Reporting Standards (NFRS) by applying certain Carve-outs in NFRS as issued by The Institute of Chartered Accountants of Nepal (ICAN).
- The above figures are subject to change if directed by the Regulators and/or External Auditor.
- Figures have been regrouped and rearranged wherever necessary.
- Loans and advance consists of accrued interest receivable net of interest suspense and have been presented in net of impairment charges.
- Personnel expenses includes provision for staff bonus.
- The detailed interim financial report has been published in the Finance's website : www.manjushreefinance.com.np

Statement of Distributable Profit

Figures in NPR '000

Particulars	Upto This Quarter (YTD)
Net profit for the period as on Ashwin quarter 2077/78	50,676
Appropriations:	
1.1 Profit required to be appropriated to:	(10,642)
a. General reserve	(10,135)
b. Foreign exchange fluctuation fund	
c. Capital redemption reserve	
d. Corporate social responsibility fund	(507)
e. Employees training fund	
f. Other	
1.2 Profit required to be transferred to Regulatory Reserve:	(11,463)
a. Transferred to Regulatory Reserve	(11,463)
b. Transferred from Regulatory Reserve	
Net Profit for the period ended Ashwin quarter 2077 available for distribution	28,571

Disclosure as prescribed by Securities Registration and Issue Regulation, 2073

(Related to Sub rule (1) of Rule 26, for the First Quarter of FY. 2077/78)

1. Financial Statements (as per un-audited figures of 2077.06.30)

- Financial detail as at the end of Fourth Quarter (2077.06.30) of FY. 2077/78 has been published along with this disclosure.
- Major Financial Indicators

a) Earnings Per Share (Annualized)	NPR 24.78	b) Market Value Per Share	NPR 320
c) Price Earnings Ratio	12.91	d) Net Worth Per Share	NPR 154.58
e) Total Assets / No. of Share	1247.65	f) Liquidity Ratio	30.68%

2. Management Analysis

- 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.
- Management's analytical details regarding future business plan. FI seeks to achieve sustainable growth in business and profitability as per its strategic management plan.
- 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.

- Legal Proceedings
- Case filed by or against the FI in this quarter. Except in the regular course of business, there is no law suits filed against the FI in this quarter.
- 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.
- 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

- 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.
 - 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 | 333 | Minimum Share Price | 297 |
| Closing Share Price | 320 | Total No. of Transaction | 2127 |
| No. of days of transaction | 22 | Total Traded no. of share | 713,978 |

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. 4) COVID-19 Impact.

Strategy to overcome the problems and challenges

- Development and Introduction of customer-oriented products / services.
- Strict portfolio management with emphasis on quality rather than quantity.
- Identification of new business avenues.
- 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.