

**Manjushree Finance Limited**  
**Condensed Statement of Financial Position**  
As at Poush End, 2081

**NPR**

<b>Assets</b>	<b>This Quarter Ending</b>	<b>Previous Year Ending</b>
Cash and Cash Equivalent	283,389,947	365,926,265
Due from Nepal Rastra Bank	905,134,412	838,736,447
Placement With Bank and Financial Institutions	-	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loan and Advances to B/FIs	799,820,583	1,327,368,635
Loans and Advances to Customers	16,488,383,310	13,999,297,975
Investment in Securities	4,335,136,438	4,132,619,091
Current Tax Assets	216,312,993	32,427,270
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	133,368,189	63,520,366
Property and Equipment	526,655,890	225,421,700
Goodwill and Intangible Assets	2,595,873	3,040,945
Deferred Tax Assets	19,302,863	18,840,859
Other Assets	23,041,839	226,646,007
<b>Total Assets</b>	<b>23,733,142,339</b>	<b>21,233,845,560</b>
<b>Liabilities</b>	<b>This Quarter Ending</b>	<b>Previous Year Ending</b>
Due to Bank and Financial Institutions	626,524,117	1,204,819,219
Due to Nepal Rastra Bank	438,453,283	603,662,927
Derivative Financial Instruments	-	-
Deposit from Customers	19,462,103,705	16,413,518,399
Borrowings	-	-
Current Tax Liabilities	167,095,968	-
Provisions	-	-
Deferred Tax Liabilities	-	-
Other Liabilities	292,613,422	295,671,113
Debt Securities Issued	500,000,000	500,000,000
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>21,486,790,495</b>	<b>19,017,671,659</b>
<b>Equity</b>	<b>This Quarter Ending</b>	<b>Previous Year Ending</b>
Share Capital	1,351,552,849	1,351,552,849
Share Premium	-	-
Retained Earning	150,942,730	174,925,005
Reserves	743,856,266	689,696,048
<b>Total Equity Attributable to Equity Holders</b>	<b>2,246,351,844</b>	<b>2,216,173,901</b>
<b>Non-Controlling Interests</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>2,246,351,844</b>	<b>2,216,173,901</b>
<b>Total Liabilities and Equity</b>	<b>23,733,142,339</b>	<b>21,233,845,560</b>

**Manjushree Finance Limited**  
**Condensed Statement of Profit or Loss**  
For the Period ended on 29th Poush, 2081

NPR

Particulars	Current Year		Previous Year	
	This Quarter	Up to This Quarter Ending	This Quarter	Up to This Quarter Ending
Interest Income	519,956,501	1,147,091,946	566,584,940	1,138,803,647
Interest Expense	(358,910,148)	(749,036,479)	(382,705,720)	(765,418,329)
<b>Net Interest Income</b>	<b>161,046,352</b>	<b>398,055,467</b>	<b>183,879,220</b>	<b>373,385,318</b>
Fees and Commission Income	20,375,675	59,926,797	14,878,517	37,431,425
Fees and Commission Expense	-	-	-	-
<b>Net Fee and Commission Income</b>	<b>20,375,675</b>	<b>59,926,797</b>	<b>14,878,517</b>	<b>37,431,425</b>
<b>Net Interest Fee and Commission Income</b>	<b>181,422,027</b>	<b>457,982,265</b>	<b>198,757,737</b>	<b>410,816,743</b>
Net Trading Income	-	-	-	-
Other Operating Income	8,113,557	18,046,656	1,317,289	6,470,850
<b>Total Operating Income</b>	<b>189,535,584</b>	<b>476,028,921</b>	<b>200,075,026</b>	<b>417,287,593</b>
Impairment Charge/(Reversal) for Loans and Other Losses	40,969,359	65,279,499	88,869,023	98,314,282
<b>Net Operating Income</b>	<b>148,566,224</b>	<b>410,749,421</b>	<b>111,206,002</b>	<b>318,973,312</b>
<b>Operating Expenses</b>				
Personnel Expense	53,971,949	128,539,503	42,269,171	103,630,602
Other Operating Expenses	25,031,943	51,136,964	24,071,578	45,476,649
Depreciation and Amortisation	7,705,664	14,909,942	6,491,890	12,756,978
<b>Operating Profit</b>	<b>61,856,668</b>	<b>216,163,012</b>	<b>38,373,364</b>	<b>157,109,083</b>
Non Operating Income	-	-	-	-
Non Operating Expense	13,564,482	34,234,550	-	-
<b>Profit before income tax</b>	<b>48,292,186</b>	<b>181,928,462</b>	<b>38,373,364</b>	<b>157,109,083</b>
Income Tax Expense	25,436,687	64,848,903	15,678,021	51,638,307
Current Tax	25,436,687	64,848,903	15,163,734	47,960,393
Deferred Tax (Expense)/Income	-	-	514,286	3,677,914
<b>Profit for the Period</b>	<b>22,855,499</b>	<b>117,079,558</b>	<b>22,695,343</b>	<b>105,470,776</b>
<b>Condensed Consolidated Statement of Other Comprehensive Income</b>				
Profit/(Loss) for the Period	22,855,499	117,079,558	22,695,343	105,470,776
Other Comprehensive Income	(745,343)	(1,078,011)	(13,212,895)	(13,212,895)
<b>Total Comprehensive Income for the Period</b>	<b>22,110,155</b>	<b>116,001,547</b>	<b>9,482,448</b>	<b>92,257,880</b>
Basic Earnings per Share (Annualised)		17.33		15.61
Diluted Earnings per Share		17.33		15.61
<b>Profit Attributable to:</b>				
Equity Holders of the Bank	22,110,155	116,001,547	9,482,448	92,257,880
Non-controlling Interest	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>22,110,155</b>	<b>116,001,547</b>	<b>9,482,448</b>	<b>92,257,880</b>

**Manjushree Finance Limited**  
**Statement of Cash Flows**  
For the Period ended on 29th Poush, 2081

NPR

Particulars	This Period	Corresponding Period of Previous Year
<b>Cash Flows from Operating Activities</b>		
Interest Received	1,161,417,327	1,047,115,929
Fee and Other Income Received	59,926,797	37,431,425
Dividend Received	-	-
Receipts from Other Operating Activities	3,240,559	6,470,850
Interest Paid	(749,036,479)	(765,885,047)
Commission and Fee Paid	-	-
Cash Payments to Employee	(108,325,230)	(86,435,780)
Other Expense Paid	(54,194,656)	(39,211,561)
<b>Operating Cash Flows Before Change in Operating Assets and Liabilities</b>	<b>313,028,319</b>	<b>199,485,817</b>
<b>(Increase)/Decrease in Operating Assets</b>	<b>(1,957,171,936)</b>	<b>(1,176,181,717)</b>
Due from Nepal Rastra Bank	(66,397,965)	(61,344,795)
Placement with Bank and Financial Institutions	-	-
Other Trading Assets	-	-
Loan and Advances to Bank and Financial Institutions	506,751,995	(31,031,703)
Loan and Advances to Customer	(2,379,722,026)	(1,116,221,641)
Other Assets	(17,803,939)	32,416,422
<b>Increase/(Decrease) in Operating Liabilities</b>	<b>2,305,080,560</b>	<b>1,525,895,545</b>
Due to Bank and Financial Institutions	(578,295,102)	(281,522,396)
Due to Nepal Rastra Bank	(165,209,644)	103,217,932
Deposits from Customers	3,048,585,306	1,716,516,989
Borrowings	-	-
Other Liabilities	-	(12,316,980)
<b>Net Cash Flow from Operating Activities Before Tax Paid</b>	<b>660,936,943</b>	<b>549,199,645</b>
Income Taxes Paid	(81,638,659)	(27,620,942)
<b>Net Cash Flow From Operating Activities</b>	<b>579,298,285</b>	<b>521,578,703</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of Investment Securities	(207,609,221)	(1,046,194,866)
Receipts from Sale of Investment Securities	-	-
Purchase of Property and Equipment	(322,203,673)	(1,859,859)
Receipt from Sale of Property and Equipment	8,843,625	-
Purchase of Intangible Assets	-	(169,440)
Receipt from Sale of Intangible Assets	-	-
(Purchase)/Sale of Investment Properties	(69,847,823)	-
Receipt from Sale of Investment Properties	-	-
Interest Received	-	-
Dividend Received	14,806,097	6,420,434
<b>Net Cash Used in Investing Activities</b>	<b>(576,010,996)</b>	<b>(1,041,803,731)</b>
<b>Cash Flows from Financing Activities</b>		
Receipt from Issue of Debt Securities	-	-
Repayment of Debt Securities	-	-
Receipt from Issue of Subordinated Liabilities	-	-
Repayment of Subordinated Liabilities	-	-
Receipt from Issue of Shares	-	-
Dividend Paid	(85,823,606)	(71,132,226)
Interest Paid	-	-
Other Receipt/ Payment	-	-
<b>Net Cash from Financing Activities</b>	<b>(85,823,606)</b>	<b>(71,132,226)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(82,536,317)</b>	<b>(591,357,254)</b>
Cash and Cash Equivalents at Shrawan 01, 2081	365,926,265	1,007,858,504
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents Held	-	-
<b>Closing Cash and Cash Equivalents</b>	<b>283,389,948</b>	<b>416,501,249</b>

**Manjushree Finance Limited**  
**Statement of Distributable Profit or Loss**  
For the Period ended on 29th Poush, 2081  
(As per NRB Regulation)

NPR

Particulars	Poush End 2081	Previous Year Corresponding Quarter End
<b>Net Profit or (Loss) as per Statement of Profit or Loss</b>	<b>117,079,558</b>	<b>105,470,776</b>
<b>Appropriations:</b>		
a. General Reserve	(23,415,912)	(21,094,155)
b. Foreign Exchange Fluctuation Fund	-	-
c. Capital Redemption Reserve	-	(41,666,667)
d. Corporate Social Responsibility Fund	(1,055,796)	(1,054,708)
e. Employees' Training Fund	-	-
f. Other	-	-
<b>Profit or (Loss) Before Regulatory Adjustment</b>	<b>92,607,851</b>	<b>41,655,246</b>
<b>Regulatory Adjustment :</b>		
a. Interest Receivable (-)/Previous Accrued Interest Received (+)	(3,328,993)	(73,632,247)
b. Short Loan Loss Provision in Accounts (-)/Reversal (+)	-	-
c. Short Provision for Possible Losses on Investment (-)/Reversal (+)	(1,078,011)	-
d. Short Loan Loss Provision on Non Banking Assets (-)/Reversal (+)	(26,359,517)	-
e. Deferred Tax Assets Recognised (-)/ Reversal (+)	-	(1,984,755)
f. Goodwill Recognised (-)/ Impairment of Goodwill (+)	-	-
g. Bargain Purchase Gain Recognised (-)/Resersal (+)	-	-
h. Actuarial Loss Recognised (-)/Reversal (+)	-	-
i. Other (+/-)	-	-
<b>Net Profit for the Year Available for Distribution</b>	<b>61,841,330</b>	<b>(33,961,756)</b>
<b>Opening Balance of Retained Earning</b>	<b>174,925,005</b>	<b>79,438,886</b>
<b>Adjustment: (+/ -)</b>	<b>-</b>	<b>-</b>
<b>Distribution:</b>		
Bonus Shares Issued	-	-
Cash Dividend Paid	(85,823,606)	(71,132,226)
<b>Distributable Profit or (Loss)</b>	<b>150,942,730</b>	<b>(25,655,097)</b>
Notes:		
and		
NRB Directives. In accordance with the ECL Guidelines-2024 issued by NRB, accrued interest on loans and advances classified as Stage-3 (Lifetime ECL) has been excluded for calculation of interest income.		
2. Loans and advances include accrued interest and staff loans, and presented net of impairment charges as per NRB Directives.		
3. Detailed interim financial statements have been published on the website: <a href="https://manjushreefinance.com.np">https://manjushreefinance.com.np</a> .		
4. The unaudited figures are subject to statutory audit and regulatory review.		
5. Investment in securities have been marked to market using NFRS 13 input value and have been measured at fair value through other comprehensive income.		
6. Personnel expense includes staff bonus as per the Bonus Act 2030.		
7. As per clause 5(2)(kha) of Directive No. 16 of NRB Directives, Debenture Redemption Reserve has not been set aside.		
8. Figures have been regrouped and rearranged wherever necessary.		
<b>Ratios as per NRB Directives</b>		
Particulars	Current Year Up to this Quarter	Previous Year Up to This Quarter
Capital Fund to RWA	14.92%	16.25%
Non-performing Loan (NPL) to Total Loan	3.86%	3.50%
Net NPL to Total Loan	1.44%	-
Total Loan Loss Provision to Total NPL	99.41%	116.57%
Cost of Funds	6.87%	9.59%
Credit to Deposit Ratio	82.83%	83.36%
Base Rate (Quarterly Average)	9.67%	12.06%
Interest Rate Spread	4.59%	4.58%

**Disclosure as prescribed by Securities Registration and Issue Regulation, 2073  
(Related to Sub rule (1) of Rule 26, for the Second Quarter of F.Y. 2081/82)**

**1. Financial Statements (as per unaudited figures of 2081/09/29)**

i. Financial details as at the end of second quarter of F.Y. 2081/82 (2081/09/29) has been published along with this disclosure.

ii. **Major Financial Indicators**

a) Earnings Per Share (Annualized)	NPR 17.33
b) Market Value Per Share	NPR 649
c) Price Earnings Ratio	37.44
d) Net Worth Per Share	NPR 166.21
e) Total Assets / No. of Share	NPR 1,756
f) Liquidity Ratio	25.78

**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 capital adequacy and liquidity position continues to remain strong.

**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.**

Except in the regular course of business, there is no lawsuits filed against the 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
834.00	610.00	649.00	18,549	55	2,597,646

**5. Problems and Challenges**

**Internal**

1) Difficulties in recovery of loans

- 2) Managing overheads.
- 3) Challenges to ensure operational efficiency through digitization
- 4) Recruiting and retaining skilled staff

**External**

- 1) Intense competition from larger banks and fintech companies
- 2) Economic fluctuations and political instability
- 3) Reaching rural and underserved populations
- 4) Changing regulatory requirements

**Strategy to overcome the problems and challenges.**

- 1) Implement robust risk management system including loan collection and recovery processes
- 2) Implement cost-control measures, optimization of resources utilization
- 3) Streamline operations by adopting best practices and process improvements.
- 4) Customer-centric products, new business avenues, and digital banking drive growth.
- 5) Offer competitive pay, growth opportunities and invest in training and development

**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.