



# Janata Bank

नेपाली जनताको बैंक, जनता बैंक

'KA' Class Licensed Institution  
Unaudited Financial Reports (Quarterly)  
As at Second Quarter (30/09/2074) of the Fiscal Year 2074/75

(Rs in '000)

S.N.	Particulars	This Quarter Ending on 30/09/2074	Previous Quarter Ending 31/06/2074	Corresponding Previous Year Quarter Ending 29/09/2073
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>64,022,379</b>	<b>63,431,986</b>	<b>30,099,043</b>
1.1	Paid Up Capital	8,000,786	8,000,786	2,307,200
1.2	Reserve and Surplus	1,066,878	885,070	332,354
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	427,706	25,050	718,164
1.5	Deposits (a+b)	<b>52,801,374</b>	<b>52,353,487</b>	<b>25,564,136</b>
a.	Domestic Currency	52,757,805	52,309,557	25,251,272
b.	Foreign Currency	43,569	43,930	312,864
1.6	Income Tax Liability	-	-	69,149
1.7	Other Liabilities	1,725,634	2,167,593	1,108,040
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>64,022,379</b>	<b>63,431,986</b>	<b>30,099,043</b>
2.1	Cash & Bank Balance	6,975,392	8,047,511	2,508,398
2.2	Money at Call and Short Notice	-	-	-
2.3	Investment	6,146,901	5,792,821	3,672,753
2.4	<b>Loans and Advances (a+b+c+d+e+f)</b>	<b>48,691,783</b>	<b>47,736,957</b>	<b>22,978,929</b>
a.	Real Estate Loan	2,576,656	2,582,234	1,268,665
1.	Residential Real Estate Loan (Except Personal Home Loan Upto Rs 100 Lacs)	65,734	49,901	117,362
2.	Business Complex and Residential Apartment Construction Loan	-	-	-
3.	Income Generating Commercial Complex Loan	247,012	249,074	252,095
4.	Other Real Estate Loan (Including Land Purchase and Plotting)	2,263,910	2,283,260	899,208
b.	Personal Home Loan of Rs 100 Lacs or Less	3,720,848	3,750,874	688,096
c.	Margin Type Loan	689,330	693,830	534,686
d.	Term Loan	7,977,238	7,721,270	4,824,874
e.	Overdraft Loan/TR Loan/WC Loan	19,460,367	18,265,772	10,345,603
f.	Others	14,267,345	14,722,978	5,317,006
2.5	Fixed Assets	803,846	792,773	205,426
2.6	Non Banking Assets	54,360	54,360	29,897
2.7	Other Assets	1,350,096	1,007,564	703,639
<b>3</b>	<b>Profit and Loss Account</b>	<b>Upto this Quarter End</b>	<b>Upto Previous Quarter End</b>	<b>Up to Corresponding Previous Year Quarter</b>
3.1	Interest Income	2,992,889	1,383,550	986,268
3.2	Interest Expenses	2,020,071	1,025,090	578,476
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>972,818</b>	<b>358,460</b>	<b>407,792</b>
3.3	Fees, Commission and Discount	50,461	25,638	22,608
3.4	Other Operating Income	120,319	54,097	82,847
3.5	Foreign Exchange Gain/ Loss (Net)	39,380	20,792	24,250
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>1,182,979</b>	<b>458,987</b>	<b>537,497</b>
3.6	Staff Expenses	298,296	159,034	101,925
3.7	Other Operating Expenses	246,158	114,930	126,327
	<b>C. Operating Profit Before Provision (B.- 3.6-3.7)</b>	<b>638,525</b>	<b>185,023</b>	<b>309,245</b>
3.8	Provision for Possible Losses	412,237	143,841	149,905
	<b>D. Operating Profit (C-3.8)</b>	<b>226,287</b>	<b>41,182</b>	<b>159,340</b>
3.9	Non Operating Income/Expenses (Net)	10,504	2,302	2,841
3.10	Write Back of Provision for Possible Loss	190,227	58,372	93,194
	<b>E. Profit from Regular Activities (D+3.9+3.10)</b>	<b>427,019</b>	<b>101,855</b>	<b>255,376</b>
3.11	Extraordinary Income/Expenses (Net)	-	-	(1,829)
	<b>F. Profit before Bonus and Taxes ( E. + 3.11)</b>	<b>427,019</b>	<b>101,855</b>	<b>253,546</b>
3.12	Provision for Staff Bonus	38,820	9,260	23,050
3.13	Provision for Tax	116,460	27,779	69,149
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>271,739</b>	<b>64,817</b>	<b>161,348</b>
<b>4</b>	<b>Ratios</b>	<b>At the End of this Quarter</b>	<b>At the End of Previous Quarter</b>	<b>At the End of Corresponding Previous Year Quarter</b>
4.1	Capital Fund To RWA	16.87%	17.06%	10.73%
4.2	Non Performing Loan (NPL) to Total Loan	2.65%	1.65%	2.57%
4.3	Total Loan Loss Provision to Total NPL	91.78%	131.47%	120.16%
4.4	Cost of Funds	7.83%	7.90%	4.57%
4.5	CD Ratio (Calculated as per NRB Directives)	78.14%	73.26%	80.46%
4.5	Base Rate	11.35%	11.50%	8.12%
4.6	Average Interest Rate Spread (Calculated as per NRB Directives)	3.85%	3.72%	4.07%
	<b>Additional Information</b>			
A	Average Yield	11.28%	10.53%	7.85%
B	Liquidity Ratio	24.47%	26.04%	22.83%
C	Return on Equity (Annualized)	5.98%	2.83%	12.26%
D	Return on Assets (Annualized)	0.85%	0.40%	1.08%

**Note:**

- The above figures are subject to change upon otherwise instructions from statutory auditor and regulatory authorities.
- Provision for Loan Loss has been reported under Other Liabilities and Loans and Advances are reported in gross figure.
- The Figures are regrouped/rearranged wherever necessary.
- Above financials have been presented as per NRB Directives no. 4 and prevailing practice in the banking industry and are not NFRS compliant.

## **Additional disclosure as per Securities Registration and Issuance Regulation – 2073 Schedule 14 (Sub-Rule 1 of Rule 26)**

1.a) Financial details at the end of second quarter ending 30/09/2074, of the financial year 2074/75 has been shown above.

### 1.b) Major Ratios :

Earnings per share (Annualized)	6.79
P/E Ratio	28
Net worth per share	Rs.113.33
Liquid Assets to Total Deposit	24.47%

### 2. Management Analysis:

#### a) Quarterly change in the reserve, income and liquidity and reason thereof, if any:

There has been change in the bank's reserve position, income and liquidity as stated in the financial highlights of second quarter ending of FY 2074-75. There have been changes in the reserve position of the bank based on the income generated during the reported period. The bank continues to maintain comfortable liquidity position.

#### b) Management overview on the business strategy for the next period:

Bank's business comprises of three major segments viz. corporate, SME and Retail banking. Bank continues to focus in SME, Retail and Deprived sector in the financial year.

#### c) Incidents which have impact on reserve, profit or cash flow position of the bank during the quarter under review :

There have been no significant incidents.

### 3. Details relating to legal action:

#### a) Cases filed by and or against the Bank during the quarter:

No such information has been received except for bank's loan recovery initiatives.

#### b) Cases filed by or against the promoter/directors relating to disobedience of prevailing law or criminal offences:

No such information has been received.

#### c) Cases filed against promoter/director for financial offence:

No such information has been received.

### 4. Analysis of share Transaction and progress of organized institution:

#### a) Management view on share transaction of the bank at securities market:

The management has no comment on the share transactions at Nepal Stock Exchange as it is operating under the supervision of Securities Board of Nepal.

#### b) Maximum, minimum and last share price of organized institution including total transacted number of shares and transacted day during the quarter:

Maximum Price	Rs. 265
Minimum Price	Rs. 185
Last Share Price/Closing Price	Rs. 189
Total No. of transacted share	2,008,296
Transaction day during this quarter	57
Total No. of transactions	4,859

### 5. Problems, challenges and strategy:

**Internal Problems and Challenges:** Decreasing interest spread, lower return on investment, increasing operational risk due to increase in branch network and transactions, increasing operational cost, high turnover of staffs etc. are the major internal problems and challenges faced by the bank.

**External Problems and Challenges:** Very limited new ventures, high competition in the banking industry, power outage etc. are the major external problems and challenges faced by the bank.

**Strategy:** Better management of assets and liability, trainings for staff to improve service standards, regular monitoring/review of expenses, diversified business strategy that will cater to the mass for higher yield, effective risk management system to monitor and plan on operational and business risk, innovative products for expanding customer base.

**6. Corporate Governance:** Board of Directors, Audit Committee, Internal Audit Department, Management team are committed to strengthening good corporate governance within the bank. Janata Bank Nepal Ltd. has written policies, rules and guidelines to perform banking operation with good governance.

**7. Declaration by the Chief Executive Officer (CEO) relating to the truthfulness of information:**

I, CEO of the bank, am accountable individually on the factual accuracy of the information / disclosure submitted as of date in this report. I also declare to the best of my knowledge and belief that the said facts are true and complete as far as I know and that no information required by the investors for making an informed decision have been knowingly concealed by the bank.