



# Janata Bank Nepal Ltd.

जनता बैंक नेपाल लिमिटेड

नेपाल राष्ट्र बैंकबाट 'क' वर्गको इजाजत पत्र प्राप्त संस्था

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## Unaudited Financial Reports (Quarterly)

As at Third Quarter (30/12/2071) of the Fiscal Year 2071/72

(Rs in '000)

S.N.	Particulars	This Quarter Ending 30/12/2071	Previous Quarter Ending 30/09/2071	Corresponding Previous Year Quarter Ending 31/12/2070
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>24,464,668</b>	<b>23,648,339</b>	<b>19,035,569</b>
1.1	Paid Up Capital	2,060,000	2,060,000	2,060,000
1.2	Reserve and Surplus	281,868	256,428	108,472
1.3	Debtenture and Bond	-	-	-
1.4	Borrowings	15,702	27,637	19,260
1.5	Deposits (a+b)	<b>21,546,911</b>	<b>20,735,814</b>	<b>16,412,918</b>
a.	Domestic Currency	21,361,033	20,573,898	16,350,476
b.	Foreign Currency	185,878	161,916	62,441
1.6	Income Tax Liability	57,703	46,800	19,826
1.7	Other Liabilities	502,484	521,660	415,092
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>24,464,668</b>	<b>23,648,339</b>	<b>19,035,569</b>
2.1	Cash & Bank Balance	3,084,753	2,982,642	3,112,000
2.2	Money at Call and Short Notice	-	-	-
2.3	Investment	1,860,685	1,671,379	1,073,412
2.4	<b>Loans and Advances (a+b+c+d+e+f)</b>	<b>18,845,900</b>	<b>18,412,053</b>	<b>14,345,079</b>
a.	Real Estate Loan	1,033,760	1,037,025	779,191
1.	Residential Real Estate Loan (Except Personal Home Loan Upto Rs 100 Lacs)	93,635	93,238	42,824
2.	Business Complex and Residential Apartment Construction Loan	-	-	-
3.	Income Generating Commercial Complex Loan	338,493	341,537	309,675
4.	Other Real Estate Loan (Including Land Purchase and Plotting)	601,632	602,249	426,692
b.	Personal Home Loan of Rs 100 Lacs or Less	681,440	605,478	355,344
c.	Margin Type Loan	857,376	822,345	246,963
d.	Term Loan	4,174,055	3,820,398	2,710,335
e.	Overdraft Loan/TR Loan/WC Loan	9,101,682	9,286,786	7,792,852
f.	Others	2,997,586	2,840,021	2,460,394
2.5	Fixed Assets	200,748	188,840	158,305
2.6	Non Banking Assets	3,707	3,707	-
2.7	Other Assets	468,875	389,717	346,773
<b>3</b>	<b>Profit and Loss Account</b>	<b>Upto this Quarter Ending</b>	<b>Upto previous Quarter Ending</b>	<b>Up to Corresponding Previous Year Quarter</b>
3.1	Interest Income	1,251,345	819,739	1,081,788
3.2	Interest Expenses	781,099	505,987	696,158
<b>A.</b>	<b>Net Interest Income (3.1-3.2)</b>	<b>470,246</b>	<b>313,751</b>	<b>385,630</b>
3.3	Fees, Commission and Discount	70,366	43,859	53,368
3.4	Other Operating Income	9,234	6,251	6,279
3.5	Foreign Exchange Gain/ Loss (Net)	34,319	22,215	(64,592)
<b>B.</b>	<b>Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>584,165</b>	<b>386,077</b>	<b>380,686</b>
3.6	Staff Expenses	162,564	104,867	95,536
3.7	Other Operating Expenses	150,782	92,094	110,571
<b>C.</b>	<b>Operating Profit Before Provision (B.- 3.6-3.7)</b>	<b>270,818</b>	<b>189,116</b>	<b>174,578</b>
3.8	Provision for Possible Losses	187,746	134,160	103,809
<b>D.</b>	<b>Operating Profit (C-3.8)</b>	<b>83,072</b>	<b>54,956</b>	<b>70,770</b>
3.9	Non Operating Income/Expenses (Net)	2,306	838	1,927
3.10	Write Back of Provision for Possible Loss	126,199	115,805	-
<b>E.</b>	<b>Profit from Regular Activities (D+3.9+3.10)</b>	<b>211,577</b>	<b>171,600</b>	<b>72,697</b>
3.11	Extraordinary Income/Expenses (Net)	-	-	-
<b>F.</b>	<b>Profit before Bonus and Taxes (E. + 3.11)</b>	<b>211,577</b>	<b>171,600</b>	<b>72,697</b>
3.12	Provision for Staff Bonus	19,234	15,600	6,609
3.13	Provision for Tax	57,703	46,800	19,826
<b>G.</b>	<b>Net Profit/Loss (F.-3.12-3.13)</b>	<b>134,640</b>	<b>109,200</b>	<b>46,262</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	11.55%	11.92%	14.46%
4.2	Non Performing Loan (NPL) to Total Loan	1.09%	0.86%	1.39%
4.3	Total Loan Loss Provision to Total NPL	153.62%	167.83%	117.22%
4.4	Cost of Funds	5.17%	5.16%	6.50%
4.5	Credit to Deposit Ratio (Calculated as per NRB Directives)	78.28%	79.78%	76.71%
4.6	Base Rate	8.79%	8.53%	8.79%
4.7	Average Interest Rate Spread	3.30%	3.80%	4.63%
<b>Additional Information</b>				
A	Average Yield	7.49%	7.55%	8.79%
B	Net Interest Spread	2.32%	2.38%	2.29%
C	Return on Equity (Annualized)	7.74%	9.45%	2.86%
D	Return on Assets (Annualized)	0.74%	0.93%	0.33%

1. The above figures are subject to change upon otherwise instructions from statutory auditor and regulatory authorities.

2. The Figures are regrouped/rearranged wherever necessary.

## Additional disclosure as per Securities Registration and Issuance Regulation – 2065 Schedule 14 (Sub-Rule 2 of Rule 22)

1.a) Financial details at the end of third quarter ending 30/12/2071, of the financial year 2071/72 has been shown above.

1.b) **Major Ratios :**

Earnings per share	Rs. 8.71
P/E Ratio	31
Net worth per share	Rs.113.68
Liquid Assets to Total Deposit	22.68%
Total Assets/No of Shares	Rs.1,187.61

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 3<sup>rd</sup> quarter ending of FY 2071/72 based on the income generated during the period. Provision level has increased on account of increased loan portfolio as well as provision on watch list loans. The bank continues to maintain comfortable liquidity position.

b) **Management overview on the business strategy for the next period:** JBNL's business comprises of three major segments viz. corporate, SME and Retail banking. Bank continues to focus in SME and Retail areas in the next period.

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 other than additional Loan Loss Provisioning in irregular accounts.

3. **Details relating to legal action:**

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

No such information has been received.

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. 296
Minimum Price	Rs. 250
Last Share Price/Closing Price	Rs. 270
Total No. of transacted share	350,838
Transaction day during this quarter	57
Total No. of transactions	1,140

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. The effect of disaster due to recent earthquake will also be one of the challenges.

**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 Officiating 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.