



Janata Bank

नेपाली जनताको बैंक, जनता बैंक

'KA' Class Licensed Institution
Unaudited Financial Reports (Quarterly)
 As at Third Quarter (30/12/2074) of the Fiscal Year 2074/75

(Rs in '000)

S.N.	Particulars	This Quarter Ending on 30/12/2074	Previous Quarter Ending 30/09/2074	Corresponding Previous Year Quarter Ending 29/12/2073
1	Total Capital and Liabilities (1.1 to 1.7)	66,308,612	64,022,379	43,189,336
1.1	Paid Up Capital	8,000,786	8,000,786	4,646,271
1.2	Reserve and Surplus	1,370,746	1,066,878	840,621
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	636,016	427,706	517,329
1.5	Deposits (a+b)	54,579,518	52,801,374	35,465,797
	a. Domestic Currency	54,537,776	52,757,805	35,189,498
	b. Foreign Currency	41,742	43,569	276,299
1.6	Income Tax Liability	-	-	163,668
1.7	Other Liabilities	1,721,547	1,725,634	1,555,651
2	Total Assets (2.1 to 2.7)	66,308,612	64,022,379	43,189,336
2.1	Cash & Bank Balance	5,127,500	6,975,392	4,792,470
2.2	Money at Call and Short Notice	-	-	-
2.3	Investment	7,674,941	6,146,901	3,698,701
2.4	Loans and Advances (a+b+c+d+e+f)	51,169,055	48,691,783	33,240,258
	a. Real Estate Loan	2,450,967	2,576,656	2,031,480
	1. Residential Real Estate Loan (Except Personal Home Loan Upto Rs 15 Million)	65,050	65,734	159,404
	2. Business Complex and Residential Apartment Construction Loan	-	-	-
	3. Income Generating Commercial Complex Loan	245,566	247,012	251,531
	4. Other Real Estate Loan (Including Land Purchase and Plotting)	2,140,351	2,263,910	1,620,545
	b. Personal Home Loan of Rs 15 Million or Less	3,640,487	3,720,848	2,508,037
	c. Margin Type Loan	605,094	689,330	434,292
	d. Term Loan	8,816,901	7,977,238	5,848,455
	e. Overdraft Loan/TR Loan/WC Loan	21,341,781	19,460,367	12,688,833
	f. Others	14,313,824	14,267,345	9,729,161
2.5	Fixed Assets	846,598	803,846	436,571
2.6	Non Banking Assets	54,360	54,360	54,244
2.7	Other Assets	1,436,159	1,350,096	967,092
3	Profit and Loss Account	Upto this Quarter End	Upto Previous Quarter End	Up to Corresponding Previous Year Quarter
3.1	Interest Income	4,630,328	2,992,889	1,734,126
3.2	Interest Expenses	3,055,861	2,020,071	988,881
	A. Net Interest Income (3.1-3.2)	1,574,467	972,818	745,245
3.3	Fees, Commission and Discount	85,017	50,461	35,297
3.4	Other Operating Income	180,790	120,319	126,949
3.5	Foreign Exchange Gain/ Loss (Net)	72,491	39,380	43,697
	B. Total Operating Income (A.+3.3+3.4+3.5)	1,912,765	1,182,979	951,188
3.6	Staff Expenses	464,890	298,296	173,448
3.7	Other Operating Expenses	399,003	246,158	198,618
	C. Operating Profit Before Provision (B.- 3.6-3.7)	1,048,872	638,525	579,122
3.8	Provision for Possible Losses	369,109	412,237	120,588
	D. Operating Profit (C-3.8)	679,763	226,287	458,534
3.9	Non Operating Income/Expenses (Net)	16,919	10,504	3,421
3.10	Write Back of Provision for Possible Loss	251,182	190,227	140,070
	E. Profit from Regular Activities (D+3.9+3.10)	947,864	427,019	602,025
3.11	Extraordinary Income/Expenses (Net)	(43,142)	-	(1,910)
	F. Profit before Bonus and Taxes (E. + 3.11)	904,722	427,019	600,115
3.12	Provision for Staff Bonus	82,247	38,820	54,556
3.13	Provision for Tax	246,742	116,460	163,668
	G. Net Profit/Loss (F.-3.12-3.13)	575,732	271,739	381,891
4	Ratios	At the End of this Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund To RWA	16.13%	16.87%	16.03%
4.2	Non Performing Loan (NPL) to Total Loan	1.95%	2.65%	1.98%
4.3	Total Loan Loss Provision to Total NPL	108.43%	91.78%	126.04%
4.4	Cost of Funds	7.87%	7.83%	5.06%
4.5	CD Ratio (Calculated as per NRB Directives)	79.08%	78.14%	75.51%
4.6	Base Rate	11.66%	11.35%	10.37%
4.7	Average Interest Rate Spread (Calculated as per NRB Directives)	4.25%	3.85%	3.56%
	Additional Information			
A	Average Yield	11.48%	11.28%	7.95%
B	Liquidity Ratio	23.09%	24.47%	22.10%
C	Return on Equity (Annualized)	8.24%	5.98%	9.34%
D	Return on Assets (Annualized)	1.17%	0.85%	1.19%

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 Third quarter ending 30/12/2074, of the financial year 2074/75 has been shown above.

1.b) Major Ratios :

Earnings per share (Annualized Rs.)	9.59
P/E Ratio	17.09
Net worth per share	Rs.117.13
Net Assets value per Share (Rs.)	828.78

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 third 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:

There is one case at high court Patan related to captured shares by the board.

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. 191
Minimum Price	Rs. 144
Last Share Price/Closing Price	Rs. 164
Total No. of transacted share	1,467,948
Transaction day during this quarter	56
Total No. of transactions	4,541

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.