

S.N.	Particulars	This Quarter Ending 30 Poush 2068 14-Jan-12	Previous Quarter Ending 30 Ashoj 2068 17-Oct-11	Corresponding Previous Year Quarter Ending 30 Poush 2067 14-Jan-11
1	Total Capital and Liabilities (1.1 to 1.7)	22,995,670	22,149,701	20,827,709
1.1	Paid Up Capital	1,694,081	1,613,521	1,613,521
1.2	Reserve & Surplus	596,610	593,429	491,076
1.3	Debenture & Bond	350,000	350,000	350,000
1.4	Borrowings	-	-	-
1.5	Deposits	19,736,755	18,806,560	17,701,423
a)	Domestic Currency	17,709,986	17,101,576	16,012,963
b)	Foreign Currency	2,026,769	1,704,984	1,688,460
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	618,224	786,191	671,690
2	Total Assets (2.1 to 2.7)	22,995,670	22,149,701	20,827,709
2.1	Cash & Bank Balance	3,681,906	2,627,252	1,229,206
2.2	Money at call and Short Notice	-	313,600	650,000
2.3	Investments	2,395,133	2,797,941	2,663,301
2.4	Loan & Advances	16,324,836	15,796,916	15,579,591
a.	Real Estate Loan	3,007,756	3,215,764	3,652,465
(i)	Residential Real Estate	415,017	428,225	432,518
(ii)	Business Complex & Residential Apart. Construction Loan	1,253,990	1,328,617	1,452,190
(iii)	Income generating Commercial Complexes Loan	680,116	669,628	640,578
(iv)	Other Real Estate Loan	658,632	789,294	1,127,179
b.	Personal Home Loan of Rs 100 lacs or less	691,109	639,639	605,935
c.	Margin Type Loan	201,259	149,544	145,278
d.	Term Loan	2,611,362	2,641,978	2,122,790
e.	Overdraft Loan/ TR Loan/ WC Loan	7,295,099	7,051,244	7,369,309
f.	Others	2,518,251	2,098,747	1,683,814
2.5	Fixed Assets	301,982	344,913	263,357
2.6	Non Banking Assets (net)	-	-	-
2.7	Other Assets	291,812	270,078	442,254
3	Profit & Loss Account	Up to This Quarter	Up to Last Quarter	Up to Corresponding Previous Year This Quarter
3.1	Interest Income	1,158,098	585,854	1,077,068
3.2	Interest Expenses	827,027	426,463	714,617
A. Net Interest Income (3.1-3.2)	331,071	159,391	362,450	
3.3	Fees, Commission & Discount	55,138	34,639	31,541
3.4	Other Operating Income	48,846	21,487	40,185
3.5	Foreign Exchange Gain & Loss	40,004	19,502	27,257
B. Total Operating Income (A+3.3+3.4+3.5)	475,059	235,019	461,434	
3.6	Staff Expenses	88,353	47,190	76,191
3.7	Other Operating Expenses	81,056	34,504	72,170
C. Operating Profit before Provisions (B - 3.6-3.7)	305,650	153,325	313,072	
3.8	Provision for Possible Losses	35,262	10,207	16,589
D. Operating Profit (C - 3.8)	270,388	143,119	296,483	
3.9	Non Operating Income/Expenses (Net)	2,656	10	637
3.10	Writeback of Provision for Possible Losses	4,832	3,154	2,320
E. Profit from Regular Activities (D+3.9+3.10)	277,876	146,283	299,439	
3.11	Extraordinary Income/Expenses (Net)	-	-	1,933
F. Profit before Bonus and Taxes (E+3.11)	277,876	146,283	301,372	
3.12	Provision for Staff Bonus	25,261	13,298	27,397
3.13	Provision for Taxes	75,784	39,895	82,192
G. Net Profit/ Loss (F-3.12-3.13)	176,831	93,089	191,782	
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	11.17%	11.61%	13.25%
4.2	Non Performing Loan (NPL) to Total Loan	1.26%	1.01%	0.82%
4.3	Total Loan Loss Provision to Total NPL	106.60%	122.92%	149.00%
4.4	Net Interest Spread (4.6 - 4.7)	2.44%	2.82%	2.75%
4.5	CD Ratio (Calculated as per NRB Directives)	78.33%	80.13%	86.78%
4.6	Average Yield (LCY)	11.36%	11.82%	11.63%
4.7	Average Cost of Fund (LCY)	8.92%	9.00%	8.88%
4.8	Return on Equity (annualised)	15.72%	16.56%	19.10%
4.9	Return on Assets (annualised)	1.58%	1.70%	1.83%

Unaudited financial figures are subject to change from Supervisory Authority and External Audit.
 Previous period figures have been regrouped where necessary

1. Financial Highlights (as per unaudited figures)

a.	Earning per Share (annualized):	NPR 20.88
b.	Market Value per Share	NPR 240
c.	Price Earning Ratio	11.50
d.	Liquidity	26.71%*
e.	Return on Average Total Assets	1.58%
f.	Networth per Share	NPR 135.22

* Calculated as per NRB circular 27/066/67 relating to amendment in Capital Adequacy framework form #.8.

2. Management Analysis

- There have been changes in the Bank's capital corresponding to the 5% bonus share issuance in accordance with the decision made by 11th AGM. Changes in reserve, income and liquidity position are in line with the growth in business volumes. Reserves have grown through retention of profits.
- The Bank aims to achieve its financial goals through sustainable profitability and measured growth in balance sheet size. Our business models remain robust and we continue to seek sound growth.
- There were no incidents, which have had impact on reserve, profit or cash flow position of the Bank during the quarter under review.

3. Details relating to legal action

- Case filed by or against the organized institution during the quarter - There is no other major case except those arising in normal course of banking business related to lending and income tax.
- Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the Promoter or Director of organized institution - No such information has been received.
- Case relating to financial crime filed against any Promoter or Director - No such information has been received.

4. Analysis of share transaction and progress of organized institution

- Case filed by or against the organized institution during the quarter - There is no other major case except those arising in normal course of banking business related to lending and income tax.
- Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the Promoter or Director of organized institution - No such information has been received.
- Case relating to financial crime filed against any Promoter or Director - No such information has been received.

5. Analysis of share transaction and progress of organized institution

- Management view on share transaction of the organized institution at securities market - Some effect of the overall decrease in the stock index has been observed in the institution's share as well in the past. However since price and transaction of the bank's shares are being determined at Nepal Stock Exchange through open share market operations, management view on this is neutral.
- Maximum, minimum and last share price of the organized institution including total transaction number of shares and days of transaction during the quarter.

Maximum Price:	NPR 294.00
Minimum Price:	NPR 230.00
Last Price:	NPR 240.00
Transaction volume:	46,602 shares
Days of transaction:	48

5. Problems and Challenges
Internal

- Recruitment and retention of quality manpower
- Increasing cost of operation

External

- Competition both on maintaining lending yield and mobilizing deposits at lower cost
- Rapidly deteriorating business environment.
- Volatility in the Foreign Exchange rates caused by changes in the global economic conditions
- Unstable local socio-political situation
- Volatile liquidity conditions in the banking industry.

Strategy

- Re-pricing of assets / liabilities and increase in spread as per the market conditions
- New products and services being introduced / capitalize on existing array of services
- Strong risk management approaches / Portfolio management
- Identify new areas for investment
- Reinforcement of prudent banking fundamentals.

6. Corporate Governance

Laxmi Bank is committed to high standards of corporate governance, business integrity and professionalism in all our activities that assures all stakeholders that the bank is being managed ethically in compliance with best practices and applicable legislation and within predetermined risk parameters, and is also adding value to and protecting their investment.

7. Declaration by Chief Executive Officer on the Truthfulness and Accuracy of Information

I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. I also hereby declare that to the best of my knowledge and belief, the information contained in this report is true, accurate and complete and there are no other matters concealed, the omission of which shall adversely affect the informed investment decision by the investors