

Unaudited Financial Results

Rs in ' 000

S.N.	Particulars	This Quarter Ending 30 Ashoj 2069 (16 Oct 2012)		Previous Quarter Ending 31 Ashad 2069 (15 July 2012)		Corresponding Previous Year Quarter Ending 30 Ashoj 2068 (17 Oct 2011)	
		Bank	Group	Bank	Group	Bank	Group
1	Total Capital and Liabilities (1.1 to 1.7)	26,330,308	26,257,231	26,222,541	26,112,374	22,149,701	22,086,302
1.1	Paid Up Capital	1,694,081	1,694,081	1,694,081	1,694,081	1,613,521	1,613,521
1.2	Reserve & Surplus	863,347	867,999	775,951	780,234	593,429	595,587
1.3	Debtenture & Bond	350,000	350,000	350,000	350,000	350,000	350,000
1.4	Borrowings	-	-	27,980	27,980	-	-
1.5	Deposits	22,644,999	22,568,569	22,831,843	22,715,599	18,806,560	18,739,629
	a) Domestic Currency	19,893,727	19,817,296	19,729,797	19,613,553	17,101,576	17,034,644
	b) Foreign Currency	2,751,273	2,751,273	3,102,046	3,102,046	1,704,984	1,704,984
1.6	Income Tax Liability	-	-	-	-	-	-
1.7	Other Liabilities	777,881	776,582	542,686	544,481	786,191	787,566
2	Total Assets (2.1 to 2.7)	26,330,308	26,257,231	26,222,541	26,112,374	22,149,701	22,086,302
2.1	Cash & Bank Balance	3,171,478	3,172,221	4,448,674	4,448,942	2,627,252	2,627,270
2.2	Money at call and Short Notice	-	1,298	659,488	659,488	312,600	312,600
2.3	Investments	4,062,159	3,968,099	3,768,293	3,644,233	2,797,941	2,727,941
2.4	Loan & Advances	18,178,774	18,189,647	16,697,063	16,701,214	15,796,916	15,796,916
	a. Real Estate Loan	2,275,349	2,275,349	2,614,039	2,614,039	3,215,743	3,215,743
	(i) Residential Real Estate	327,751	327,751	383,820	383,820	428,205	428,205
	(ii) Business Complex & Residential Apart. Construction Loan	792,582	792,582	997,087	997,087	1,328,617	1,328,617
	(iii) Income generating Commercial Complexes Loan	688,613	688,613	698,882	698,882	669,628	669,628
	(iv) Other Real Estate Loan	466,403	466,403	534,251	534,251	789,294	789,294
	b. Personal Home Loan of Rs 100 lacs or less	706,035	706,035	733,552	733,552	639,659	639,659
	c. Margin Type Loan	231,772	231,772	224,133	224,133	149,544	149,544
	d. Term Loan	2,623,591	2,623,591	2,695,114	2,695,114	2,641,978	2,641,978
	e. Overdraft Loan/ TR Loan/ WC Loan	9,638,602	9,638,602	7,828,649	7,828,649	7,051,244	7,051,244
	f. Others	2,703,425	2,714,298	2,601,576	2,605,726	2,098,747	2,098,747
2.5	Fixed Assets	304,516	310,317	308,172	314,362	344,913	349,957
2.6	Non Banking Assets (net)	-	-	-	-	-	-
2.7	Other Assets	613,382	615,649	340,851	344,136	270,078	271,617
3	Profit & Loss Account	Up to This Quarter		Up to Last Quarter		Up to Corresponding Previous Year This Quarter	
3.1	Interest Income	588,400	589,469	2,289,360	2,289,927	585,854	585,854
3.2	Interest Expenses	388,670	387,152	1,645,718	1,636,371	426,463	424,285
A.	Net Interest Income (3.1-3.2)	199,730	202,317	643,642	653,557	159,391	161,570
3.3	Fees, Commission & Discount	40,320	40,354	149,818	150,843	34,639	34,661
3.4	Other Operating Income	18,585	18,757	56,391	56,600	21,487	21,487
3.5	Foreign Exchange Gain & Loss	30,274	30,274	107,951	107,951	19,502	19,502
B.	Total Operating Income (A+3.3+3.4+3.5)	288,909	291,702	957,801	968,951	235,019	237,219
3.6	Staff Expenses	58,408	60,282	178,285	181,669	47,190	47,545
3.7	Other Operating Expenses	43,308	44,593	194,843	199,241	34,504	35,252
C.	Operating Profit before Provisions (B -3.6-3.7)	187,192	186,828	584,673	588,040	153,325	154,422
3.8	Provision for Possible Losses	55,104	55,243	31,353	31,395	10,207	10,207
D.	Operating Profit (C - 3.8)	132,088	131,585	553,321	556,646	143,119	144,215
3.9	Non Operating Income/Expenses (Net)	0	0	5,834	6,068	10	10
3.10	Writeback of Provision for Possible Losses	3,705	3,705	544	544	3,154	3,154
E.	Profit from Regular Activities (D+3.9+3.10)	135,793	135,290	559,699	563,258	146,283	147,379
3.11	Extraordinary Income/Expenses (Net)	1,200	1,200	-	-	-	-
F.	Profit before Bonus and Taxes (E+3.11)	136,993	136,490	559,699	563,258	146,283	147,379
3.12	Provision for Staff Bonus	12,454	12,454	50,882	50,893	13,298	13,398
3.13	Provision for Taxes	37,362	37,434	152,645	153,530	39,895	40,145
G.	Net Profit/ Loss (F-3.12-3.13)	87,178	86,602	356,172	358,836	93,089	93,837
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	11.30%	11.61%	11.76%	12.06%	11.61%	11.95%
4.2	Non Performing Loan (NPL) to Total Loan	1.21%	1.21%	0.62%	0.62%	1.01%	1.01%
4.3	Total Loan Loss Provision to Total NPL	123.56%	123.64%	212.56%	212.56%	122.92%	122.92%
4.4	Net Interest Spread	4.10%	4.11%	3.60%	3.60%	4.12%	4.12%
4.5	CD ratio (Calculated as per NRB Directives)	78.27%	78.09%	71.43%	71.41%	80.13%	79.83%
4.6	Average Yield (LCY)	10.80%	10.81%	11.62%	11.62%	12.57%	12.57%
4.7	Cost of Fund (LCY)	6.70%	6.70%	8.02%	8.02%	8.45%	8.45%
4.8	Return on Equity (annualised)	13.87%	13.76%	15.22%	15.25%	16.56%	16.99%
4.9	Return on Assets (annualised)	1.33%	1.32%	1.48%	1.49%	1.70%	1.70%

Unaudited financial figures are subject to change from Supervisory Authority and External Audit.

Previous period figures have been regrouped where necessary

Group represents Laxmi Bank Ltd and its subsidiaries Laxmi Capital Market Ltd and Laxmi Laghubitta Bittiya Sanstha Ltd

All inter company transaction among Group have been eliminated in the above statement related to Group

Loans and Investments are presented on Gross Basis. Provisions are included in Other Liabilities

Disclosure as per Securities Registration and Issuance Regulation, 2065

Quarterly Details as on 16 Oct 2012

1. Financial Highlights of Laxmi Bank Ltd (as per unaudited figures)

- Earning per Share (annualized): NPR 20.58
- Market Value per Share NPR 312.00
- Price Earning Ratio 15.16
- Liquidity 28.91%*
- Return on Average Total Assets 1.33%
- Net worth per Share NPR 150.96

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

2. Group

- Group Comprises of Laxmi Bank Ltd and its Subsidiaries (Laxmi Capital Market Ltd and Laxmi Laghubitta Bittiya Sanstha Ltd).

3. Related Party Disclosure

- Laxmi Capital Market Ltd and Laxmi Laghubitta Bittiya Sanstha Ltd are wholly owned subsidiaries of Laxmi Bank Ltd. Laxmi Capital Ltd is operating Merchant Banking activities and Laxmi Laghubitta Bittiya Sanstha Ltd is a "D" class licensed institution.
- The Bank held call deposit from Laxmi Capital Market Ltd (NPR 53.78M) and Laxmi Laghubitta Bittiya Sanstha Ltd (NPR 24.27M) as at this quarter end.

4. Management Analysis

- There have been changes in the Bank's reserve, income and liquidity position 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.

5. 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.

6. 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 372.00
 Minimum Price: NPR 294.00
 Last Price: NPR 312.00
 Transaction volume: 141,918 shares
 Days of transaction: 62

7. Problems and Challenges

Internal

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

External

- Lack of investment avenues
- 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

Strategy

- Re-ricing 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.

8. 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.

9. 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.


Laxmi Bank