


<div>  <div> Head Office: Babarmahal, Kathmandu, Nepal  Tel: 977-1-4788500, Fax: 977-1-4780588  E-mail: info@prabhubank.com </div> </div>					
<div> <b>Unaudited Financial Results (Quarterly)</b>  As at 3rd Quarter end on 30 Chaitra Fiscal Year 2074/75 (2017/18) </div>					
S.N.	Particulars	This Quarter Ending		Previous Quarter Ending	
		Group	PBL	Group	PBL
		Rs. in '000'		Corresponding Previous Year Quarter Ending	
1	<b>Total Capital and Liabilities (1.1 to 1.8)</b>	<b>104,683,763</b>	<b>104,258,700</b>	<b>101,159,887</b>	<b>100,903,580</b>
1.1	Paid up Capital	8,001,334	8,001,334	6,533,414	6,533,414
1.2	Reserves and Surplus	3,410,230	3,401,994	3,112,685	3,107,104
1.3	Debentures and Bonds	-	-	-	-
1.4	Borrowings	1,353,861	1,353,861	1,042,875	1,042,875
1.5	<b>Deposits (a+b)</b>	<b>87,602,624</b>	<b>87,643,506</b>	<b>85,993,221</b>	<b>86,128,037</b>
a.	Domestic Currency	85,647,633	85,688,514	84,542,013	84,676,829
b.	Foreign Currency	1,954,991	1,954,991	1,451,207	1,451,207
1.6	Income Tax Liabilities	1,887	-	151	-
1.7	Other Liabilities	4,203,012	3,858,005	4,369,279	4,092,150
1.8	Non Controlling Interest	110,814	-	108,262	-
2	<b>Total Assets (2.1 to 2.7)</b>	<b>104,683,763</b>	<b>104,258,700</b>	<b>101,159,887</b>	<b>100,903,580</b>
2.1	Cash and Bank Balance	10,055,351	9,725,970	11,653,801	11,487,987
2.2	Money at Call and Short Notice	1,500,000	1,500,000	201,800	201,800
2.3	Investments	11,724,791	11,656,047	9,544,434	9,476,490
2.4	<b>Loans and Advances (a+b+c+d+e+f)</b>	<b>73,070,388</b>	<b>73,070,388</b>	<b>71,637,855</b>	<b>71,637,855</b>
a.	Real Estate Loan	5,476,653	5,476,653	5,566,227	5,566,227
1.	Residential Real Estate Loan above Rs 10 million	725,255	725,255	748,536	748,536
2.	Business Complex & Residential Apartment Construction Loan	875,619	875,619	896,009	896,009
3.	Income generating Commercial Complex Loan	184,885	184,885	181,609	181,609
4.	Other Real Estate Loan (Including Land Purchase & Plotting)	3,690,894	3,690,894	3,740,072	3,740,072
b.	Personal Home Loan upto Rs 10 million or Less	9,629,978	9,629,978	9,533,116	9,533,116
c.	Margin Type Loan	2,346,048	2,346,048	2,221,387	2,221,387
d.	Term Loan	18,650,109	18,650,109	18,107,019	18,107,019
e.	Overdraft Loan/TR Loan/WC Loan	23,331,102	23,331,102	23,206,004	23,206,004
f.	Other Loan	13,636,497	13,636,497	13,004,103	13,004,103
2.5	Fixed Assets	2,116,125	2,107,919	2,138,521	2,130,536
2.6	Non Banking Assets	482,911	482,911	429,995	429,995
2.7	Other Assets	5,734,196	5,715,465	5,553,480	5,538,916
3	<b>Profit and Loss Account</b>	<b>1,907,145</b>	<b>1,902,500</b>	<b>1,209,343</b>	<b>1,207,997</b>
3.1	Interest Income	5,858,816	5,858,767	3,813,852	3,814,616
3.2	Interest Expense	(3,951,671)	(3,956,267)	(2,604,509)	(2,606,619)
A.	<b>Net Interest Income (3.1-3.2)</b>	<b>1,907,145</b>	<b>1,902,500</b>	<b>1,209,343</b>	<b>1,207,997</b>
3.3	Fees, Commission and Discount	182,981	178,667	122,626	121,056
3.4	Other Operating Income	358,059	356,263	234,570	232,283
3.5	Foreign Exchange Gain/Loss (Net)	175,026	175,026	111,436	111,436
B.	<b>Total Operating Income (A+ 3.3+3.4+3.5)</b>	<b>2,623,211</b>	<b>2,612,456</b>	<b>1,677,975</b>	<b>1,672,772</b>
3.6	Staff Expenses	(759,172)	(755,554)	(479,556)	(477,028)
3.7	Other Operating Expenses	(549,404)	(546,117)	(357,466)	(355,124)
C.	<b>Operating Profit Before Provision (B. - 3.6-3.7)</b>	<b>1,314,635</b>	<b>1,310,784</b>	<b>840,952</b>	<b>840,620</b>
3.8	Provision for Possible Losses	(343,958)	(343,958)	(245,090)	(245,090)
D.	<b>Operating Profit (C. - 3.8)</b>	<b>970,676</b>	<b>966,826</b>	<b>595,862</b>	<b>595,530</b>
3.9	Non Operating Income/Expenses (Net)	29,926	29,926	12,871	12,863
3.1	Write Back of Provision for Possible Loss	757,412	757,412	512,491	512,491
E.	<b>Profit from Regular Activities (D.+3.9+3.10)</b>	<b>1,758,015</b>	<b>1,754,164</b>	<b>1,121,223</b>	<b>1,120,883</b>
3.11	Extraordinary Income/Expenses (Net)	(385,957)	(385,957)	(171,935)	(171,935)
F.	<b>Profit before Bonus and Taxes (E.+3.11)</b>	<b>1,372,058</b>	<b>1,368,208</b>	<b>949,288</b>	<b>948,948</b>
3.12	Provision for Staff Bonus	124,733	124,383	86,299	86,268
3.13	Provision for Tax	377,664	376,701	227,804	227,727
	Current Year	194,240	193,277	84,112	84,035
	Prior Period	-	-	-	-
	Deferred Tax	183,424	183,424	143,692	143,692
G.	<b>Net Profit/Loss (F. -3.12-3.13)</b>	<b>869,662</b>	<b>867,124</b>	<b>635,185</b>	<b>634,953</b>
3.14	Share of Non controlling interest in the P/L of Subsidiary	2,438	-	223	-
H.	<b>Net Profit/Loss (G-3.14)</b>	<b>867,224</b>	<b>867,124</b>	<b>634,962</b>	<b>634,953</b>
4	<b>Ratios</b>	<b>10.28%</b>	<b>10.28%</b>	<b>10.15%</b>	<b>10.15%</b>
4.1	Capital Fund to RWA	12.68%	12.68%	11.24%	11.24%
4.2	Non Performing Loan (NPL) To Total Loan	3.90%	3.90%	4.12%	4.12%
4.3	Total Loan Loss Provision to Total NPL	75.53%	75.53%	79.63%	79.63%
4.5	Credit to Deposit Ratio (Calculated as per NRB Directive)	74.49%	74.49%	75.24%	75.24%
4.6	Base Rate	10.17%	10.17%	9.71%	9.71%
4.7	Average Interest Spread (Calculated as per NRB Circular)	4.41%	4.41%	4.10%	4.10%
1	<b>Average Yield</b>	<b>10.28%</b>	<b>10.28%</b>	<b>10.15%</b>	<b>10.15%</b>
2	<b>Average cost</b>	<b>6.39%</b>	<b>6.39%</b>	<b>6.38%</b>	<b>6.38%</b>
3	<b>Return on Equity</b>	<b>10.13%</b>	<b>10.14%</b>	<b>13.17%</b>	<b>13.17%</b>
4	<b>Return on Assets</b>	<b>1.11%</b>	<b>1.11%</b>	<b>1.26%</b>	<b>1.26%</b>
<b>Notes:</b> - Unaudited Financial Figures are subject to change from supervisory authority and statutory audit. - Provision for loan loss and NPA has been reported under other liabilities. So, loans and advances and NBA are reported in gross figure. - Group comprises of Prabhu Bank Ltd. (The Bank) and Prabhu Capital Ltd. (Subsidiary) - All inter company transaction and outstanding balance among group companies have been eliminated in the above statement related to group.					
<div> Annex-14 of Securities Registration and Issue Regulations, 2065 (Related to sub-rule (2) of Rule 22)  <b>Third Quarter Report of F/Y 2074/75</b> </div>					
<div> <div> <b>1. Financial Statements</b>  a) Statements related to Balance Sheet and Profit and Loss has been published along with this.  <b>Transactions with related parties:</b>  i. Group companies of Prabhu Bank Ltd. (The Bank) and Prabhu Capital Ltd. (Subsidiary)  ii. The Bank held NPR. 40.88 million in Deposit account of the subsidiary at the reporting date and paid interest amount of NPR. 4.60million to the subsidiary for the reporting period.  b) Key Financial Indicators:  Earnings per Share Rs. 14.45  Market Price per Share Rs.220  Price Earnings Ratio 15.22  Return on Total Assets 1.11%  Net Worth per Share Rs. 142.52  Liquidity Ratio 23.63% </div> <div> <b>2. Managerial Analysis</b>  a) <b>Details relating to the change in the Bank's reserve, income and liquidity in the quarter and its main reason:</b>  Bank has been able to earn Operating Profits of Rs. 967 m. Operating Profits before Loan Loss Provision of Rs. 1,311 m and Net Profits of Rs. 867 m. NPA management continues to be the top priority of the management. There has been progress on recovery of non-performing loans in the current quarter and hence, it is expected that there will be further increase in the profits of the Bank.  b) <b>Management's analytical details regarding future business plan:</b>  Besides NPA management, Bank has adopted the strategy to expand Small and Medium Enterprises (SMEs) Loans, Productive Loans as Agriculture, Energy sectors with effective management of assets and liabilities.  c) <b>Analytical details of the incidents that may have major impact on reserves, profit or cash flow (if any), based on previous experience:</b>  There have been no incidents or conditions which may have impact on the Bank's position, profits and cash-flow. </div> <div> <b>3. Statement related to legal proceedings:</b>  a) <b>Case filed by or against the Bank in this quarter</b>  There have been no legal cases except the cases which are related to recovery of loans in the ordinary business course.  b) <b>Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or director of the Bank</b>  No such information has been received.  c) <b>Case relating to commission of financial crime filed against any promoter or director of the Bank</b>  No such information has been received. </div> <div> <b>4. Statements related to Share Transactions:</b>  a) <b>Management view on the transactions of the shares of the Bank in the share market</b>  Movements in the share price are determined by the open market principles. Hence, management has neutral opinion regarding the share price movements.  b) <b>Maximum, minimum and closing share price, total transaction days and total transacted number of shares in the quarter</b>  Maximum Price (Rs.)251  Minimum Price (Rs.) 196  Closing Price (Rs.)220  Total Transaction Days 56  No. of Transactions 4,168 </div> <div> <b>5. Problems and Challenges:</b>  <b>Internal Problems and Challenges:</b> <ul style="list-style-type: none"> <li>Challenge to manage Operational Risk with the increase in business volume</li> <li>Challenge to manage Interest Spread</li> <li>Reduction in Operating Expenses</li> <li>Management of personnel</li> </ul> <b>External Problems and Challenges:</b> <ul style="list-style-type: none"> <li>Challenges from the Political and Social Environments</li> <li>Competition in the Banking Industry specially pricing</li> </ul> <b>Bank's Strategy to mitigate problems and challenges:</b> <ul style="list-style-type: none"> <li>Expanding business activities with caution observing the changes in internal and external environment</li> <li>Providing trainings to staff to enhance skills and abilities</li> <li>Introducing new products and services considering the interest of the customers</li> <li>Effective risk management, monitoring and controlling on operational risk, market risk and interest rate risk.</li> </ul> <b>6. Corporate Governance</b>  Bank has been meticulously following the laws in force, directions issued by regulatory authorities like Nepal Rastra Bank, Securities Board. Bank has created environment for Compliance Department, Internal Audit Department and Operation Risk Management Department to perform their responsibilities in an independent manner. Risk Management Department, Risk Management Committee, Internal Audit Department and Audit Committee have also been working to mitigate the risks arising from the business activities of the Bank.  <b>7. CEO's declaration regarding truth and fairness</b>  I am responsible for the truth and fairness of the information and statements in this report till date. Besides, I declare that, to the extent of my knowledge, the statements are true and fair and any information necessary for investors to take decisions has not been suppressed. </div> </div>					