



NCC Bank

नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Head Office: Siddharthanagar
Corporate Office: Bagbazar, Kathmandu

Unaudited Financial Results (Quarterly)

As at 3rd Quarter (13.04.2018) of the F.Y 2074/75

Rs. In '000

S. No.	Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	71,428,314	71,083,815	66,845,293
1.1	Paid up Capital	4,679,058	4,679,058	4,679,058
1.2	Reserve and Surplus	3,127,899	2,914,562	2,393,685
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	1,411,535	1,100,866	1,350,222
1.5	Deposits (a+b)	59,010,499	58,913,520	55,264,918
	a.Domestic Currency	58,335,317	58,075,707	54,398,316
	b.Foreign Currency	675,182	837,813	866,602
1.6	Income Tax Liability	211,643	151,937	71,727
1.7	Other Liabilities	2,987,680	3,323,872	3,085,683
2	Total Assets (2.1 to 2.7)	71,428,314	71,083,815	66,845,293
2.1	Cash and Bank Balance	6,837,449	5,690,339	10,544,862
2.2	Money at Call and Short Notice	898,623	897,249	1,043,479
2.3	Investments	8,651,912	10,169,616	4,427,669
2.4	Loans and Advances (a+b+c+d+e+f)	52,127,607	51,418,552	48,702,751
	a. Real Estate Loan	1,194,922	1,495,048	1,604,346
	1. Residential Real Estate Loan (Except Personal Home Loan Upto Rs. 1.5 crore)	459,582	663,612	182,474
	2. Business Complex & Residential Apartment Construction Loan	46,686	79,956	70,317
	3. Income Generating Commercial Complex Loan	16,957	18,491	19,339
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	671,697	732,989	1,332,216
	b. Personal Home Loan of Rs. 1.5 crore or Less	3,878,290	3,640,866	4,166,068
	c. Margin Type Loan	727,032	822,759	800,630
	d. Term Loan	6,706,335	6,174,850	5,095,830
	e. Overdraft Loan / TR Loan / WC Loan	23,066,748	22,573,935	20,661,180
	f. Others	16,554,280	16,711,094	16,374,697
2.5	Fixed Assets	704,304	684,947	757,235
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	2,208,420	2,223,112	1,369,297
3	Profit and Loss Account	Up to This Quarter	Up to Previous Quarter	Up to Corresponding Previous Year Quarter
3.1	Interest Income	4,795,099	3,099,233	3,800,809
3.2	Interest Expense	3,784,224	2,511,805	2,253,425
	A. Net Interest Income (3.1 - 3.2)	1,010,875	587,428	1,547,384
3.3	Fees, Commission and Discount	158,517	106,585	124,997
3.4	Other Operating Income	185,238	117,020	145,869
3.5	Foreign Exchange Gain/Loss (Net)	48,070	26,503	31,171
	B. Total Operating Income (A+3.3+3.4+3.5)	1,402,700	837,536	1,849,421
3.6	Staff Expenses	479,840	288,424	372,346
3.7	Other Operating Expenses	342,980	226,793	383,604
	C. Operating Profit Before Provision (B-3.6-3.7)	579,880	322,319	1,093,471
3.8	Provision for Possible Losses	233,485	148,200	1,006,815
	D. Operating Profit (C-3.8)	346,396	174,119	86,656
3.9	Non Operating Income/Expenses (Net)	38,799	31,041	17,798
3.10	Write Back of Provision for Possible Loss	440,021	346,962	166,971
	E. Profit From Regular Activities (D+3.9+3.10)	825,215	552,122	271,425
3.11	Extraordinary Income/Expenses (Net)	5,059	4,981	(8,427)
	F. Profit Before Bonus and Taxes (E.+3.11)	830,275	557,103	262,998
3.12	Provision for Staff Bonus	75,480	50,646	23,909
3.13	Provision for Tax	211,643	151,937	71,727
	G. Net Profit/Loss (F-3.12-3.13)	543,152	354,520	167,362
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	11.54%	11.24%	12.06%
4.2	Non Performing Loan (NPL) to Total Loan	3.97%	4.04%	4.68%
4.3	Total Loan Loss Provision to Total NPL	93.31%	95.49%	112.59%
4.4	Cost of Funds	8.52%	8.19%	5.75%
4.5	Credit to Deposit Ratio (As per NRB directives)	75.60%	76.48%	77.14%
4.6	Base Rate	12.03%	11.45%	8.79%
5	Additional Information			
5.1	Average Yield	11.66%	11.11%	9.07%
5.2	Net Interest Spread	3.14%	2.92%	3.32%
5.3	Return on Equity (ROE)	9.83%	9.99%	6.74%
5.4	Earnings per Share (NRs.)	15.48	10.24	10.63
5.5	Return on Assets (ROA)	0.99%	0.97%	0.72%

Notes :

- Figures have been regrouped/ rearranged wherever necessary.
- Above figures may change subject to any instruction of statutory auditor and/or supervisory body.
- Loan and advances are presented gross of provision and provision on loan & advances are presented in other liabilities.
- Non banking assets are presented net of provision.
- Above financials have been prepared as per NRB Directive No.4 and not in full compliance with NFRS.

"Schedule 14 Disclosure as per Rule 26(1) of Securities Registration & Issuance Regulation, 2073" Third Quarter Report- 2074/75

1. Financial Statements:

- Quarterly Financial Report including Balance Sheet and Profit & Loss Account: published along with this report.
- Transactions held between related parties:
There is no transaction held between related parties during this quarter.
- Major Financial Indicators:

Earnings per share (Annualized)	NRs.15.48	Price earnings ratio (Annualized)	21.06
Net worth per share	NRs.166.85	Liquid assets to total deposit (Liquidity ratio)	27.56%
Assets value per share	NRs.1,583.84		

2. Management Analysis:

- Details relating to change in the Bank's reserve, income and liquidity in the quarter and its main reason:
The change in the bank's reserve, income and liquidity are as presented in the third quarter financial statement ending on Chaitra end 2074. The liquidity position of the bank is at comfortable level throughout third quarter period.
- Management's analytical details regarding future business plan:
The bank has adopted strategy to increase business growth and to provide the innovative products and services to the customers through existing branch networks and expansion of branch networks in rural areas. In addition, NPA and NBA management shall be the utmost priority of the management of the bank.
- Analytical details of the incidents that may have major impact on reserves, profit or cash flow (if any) based on previous experience:
There have been no incidents /conditions which may have impact on the bank's position, profit and cash flow.

3. Legal Proceedings:

- Lawsuits filed by /against the Bank:
There have been no legal cases except the cases filed in DRT for recovery of loans.
- Lawsuits filed by / against the promoters /directors relating to disobedience of prevailing law or criminal offense:
There have been no such legal cases filed at the court.
- Lawsuits filed against promoters /directors for financial offense:
There have been no such legal cases filed at the court.

4. Analysis of stock performance:

- Management view on securities transactions of the bank at securities market:
Since the share prices are determined by open market operations at Nepal Stock Exchange under the supervision of Securities Board of Nepal, management has no comment on the same.
- Maximum ,minimum and closing share price of the bank including total transacted number of shares and transacted day during the quarter are as follows: (as published in the Nepal Stock Exchange website)
Maximum share price: NPR.337 /- Minimum share price: NPR.217/-
Closing share price: NPR.326/- Total no. of transaction days: 56 days
Total no. of transacted shares: 1,099,745 shares Total no. of transactions: 3410

5. Problems, Challenges and Strategies:

Internal

- Pressure in interest spread
- Challenges on recovery of non-performing accounts
- Challenge of improving non-interest revenue
- Managing increasing operation costs
- Management of human resources

External

- Increased price competition in limited market, thereby decreasing margin
- Increasing trade deficit and unfavorable balance of payment
- Changing liquidity conditions
- Volatile foreign exchange market

Bank's Strategies to mitigate problem and challenges:

- Better management of risk assets and liabilities
- Prudent risk management on operational, market, and credit risk
- Provide quality and latest technology based services to the customers
- Effective Cost management
- Regular training to the staff to enhance work performance

6. Corporate Governance:

The Bank is committed to upholding good corporate governance practices with strict compliance with laws, rules and regulations .Risk Management, compliance, control and audit functions are accorded due priority in the bank. The bank has Audit Committee, Risk Management Committee, Asset and Liability Committee (ALCO), AML Committee, Research & Development Committee and other Sub-Committees to ensure high level of corporate governance. There are number of policies and clear procedures in place to ensure high level of governance within the bank.

7. Declaration by CEO about the Truthfulness of Financials/Information:

I, CEO of the bank, take responsibility on the truthfulness of information and particulars disclosed in this report. Further I declare that the particulars mentioned in this report, to the best of my knowledge, are true, fair and complete and have not knowingly concealed any particulars, notices and information to the investors to take informed decision.