

Report of Factual Findings

To the Board of Directors and Management of Narayani Development Bank Limited.

We have performed the procedures agreed with you and enumerated below with respect to the third quarter report as at 31st Chitra, 2081. Our engagement was undertaken in accordance with Nepal Standards on Related Services applicable to agreed –upon procedures engagements. The procedures performed solely to verify the interim financial statements to be presented for Securities Board of Nepal (SEBON) for right issue. The procedures were performed include review and vouching and verification of the accounts of the company during internal audit.

Upon reviewing the third quarter report, we found that depreciation for Leasehold Properties and Right of Use Assets was not charged while preparing the third-quarter report as at 31st Chaitra, 2081. No other reasons were found for the interim financial statements being misstated or providing erroneous results.

The above procedures do not constitute either an audit or a review made in Nepal Standards on Auditing or Nepal Standards on Review Engagements, we do not express any assurance on the interim financial statements as on 31st Chitra, 2081.

Had we performed additional procedures or we had performed an audit overview or the review of the financial statements in accordance with Nepal Standards on Auditing or Nepal Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the purpose specified as above and does not extend to any full financial statements of the Narayani Development Bank Ltd., taken as a whole.


FCA Santosh Regmi
Partner
S.H.A. & Associates
Chartered Accountants
Date: 2082.02.02
Place: Bharatpur
UDIN: 250518CA01010wRqA5





नारायणी डेवलपमेन्ट बैंक लि.
Narayani Development Bank Ltd.
"नेपाल राष्ट्र बैंकबाट 'रा' वर्गको इजाजतप्राप्त संस्था"

Blue Star-10, Chauran, Nepal
Tel: +977-96-230811/230813
www.ndb.com.np, info@ndb.com.np

Unaudited Financial Results(Quarterly)

As on Third Quarter(31/12/2081) for F.Y. 2081/82

Condensed Consolidated Statement of Financial Position

As on Quarter ended 31st Chaitra, 2081

(Amount in NPR, Full Figure)

Particulars	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending (Audited)	This Quarter Ending	Immediate Previous Year Ending (Audited)
Assets				
Cash and Cash Equivalent	75,452,641	264,049,666	75,452,641	264,049,666
Due from Nepal Rastra Bank	43,698,969	48,488,766	43,698,969	48,488,766
Placement with Banks and FIs	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to Banks and FIs	-	-	-	-
Loans and Advances to Customers	240,627,686	264,397,015	240,627,686	264,397,015
Investment Securities	45,879,547	47,153,554	45,879,547	47,153,554
Current Tax Assets	10,796,566	10,344,772	10,796,566	10,344,772
Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Investment Property	36,132,137	14,281,137	36,132,137	14,281,137
Property and Equipment	34,273,180	30,649,123	34,273,180	30,649,123
Goodwill and Intangible Assets	5,553,815	7,299,826	5,553,815	7,299,826
Deferred Tax Assets	29,072,386	38,787,446	29,072,386	38,787,446
Other Assets	14,667,118	10,775,599	14,667,118	10,775,599
Total Assets	536,154,045	736,226,905	536,154,045	736,226,905
Liabilities				
Due to Banks and FIS	-	-	-	-
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Deposit from Customers	435,063,396	631,521,022	435,063,396	631,521,022
Borrowings	-	-	-	-
Current Tax Liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred Tax Liabilities	-	-	-	-
Other Liabilities	52,230,150	46,710,411	52,230,150	46,710,411
Debt Securities Issued	-	-	-	-
Subordinated Liabilities	-	-	-	-
Total Liabilities	487,293,547	678,231,434	487,293,546	678,231,434
Equity				
Share Capital	262,467,600	262,467,600	262,467,600	262,467,600
Share Premium	10,101,374	10,101,374	10,101,374	10,101,374
Retained Earnings	(429,182,174)	(411,508,978)	(429,182,174)	(411,508,978)
Reserves	205,473,698	196,935,475	205,473,698	196,935,475
Total Equity Attributable to Equity Holders	48,860,498	57,995,470	48,860,498	57,995,470
Non Controlling Interest	-	-	-	-
Total Equity	48,860,498	57,995,470	48,860,498	57,995,470
Total Liabilities and Equity	536,154,045	736,226,905	536,154,045	736,226,905

Handwritten signature

Handwritten signature



Handwritten signature



Condensed Consolidated Statement of Profit and Loss
As on Quarter ended 31st Chaitra, 2081

(Amount in NPR, Full Figure)

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Interest income	10,749,000	30,396,261	13,687,118	40,043,877	10,749,000	30,396,261	13,687,118	40,043,877
Interest expense	7,161,371	29,175,492	11,663,782	33,574,594	7,161,371	29,175,492	11,663,782	33,574,594
Net interest income	3,587,629	1,220,769	2,023,336	6,469,283	3,587,629	1,220,769	2,023,336	6,469,283
Fee and commission income	214,909	451,452	81,006	461,976	214,909	451,452	81,006	461,976
Fee and commission expense	-	-	-	-	-	-	-	-
Net fee and commission income	214,909	451,452	81,006	461,976	214,909	451,452	81,006	461,976
Net interest, fee and commission income	3,802,538	1,672,221	2,104,342	6,931,259	3,802,538	1,672,221	2,104,342	6,931,259
Net trading income	-	-	-	-	-	-	-	-
Other operating income	796,400	1,561,882	-	-	796,400	1,561,882	-	-
Total operating income	4,598,938	3,234,103	2,104,342	6,931,259	4,598,938	3,234,103	2,104,342	6,931,259
Impairment charge/(reversal) for loans and other losses	1,503,553	(29,516,723)	(6,187,540)	(23,088,997)	1,503,553	(29,516,723)	(6,187,540)	(23,088,997)
Net operating income	3,095,385	32,750,826	8,291,882	30,020,256	3,095,385	32,750,826	8,291,882	30,020,256
Operating expense	-	-	-	-	-	-	-	-
Personnel expenses	4,610,757	14,741,043	4,849,137	15,559,568	4,610,757	14,741,043	4,849,137	15,559,568
Other operating expenses	5,157,495	15,112,549	4,764,484	13,758,410	5,157,495	15,112,549	4,764,484	13,758,410
Depreciation & Amortization	1,411,638	4,227,733	1,673,370	4,973,603	1,411,638	4,227,733	1,673,370	4,973,603
Operating Profit	(8,084,505)	(1,330,498)	(2,995,110)	(4,271,325)	(8,084,505)	(1,330,498)	(2,995,110)	(4,271,325)
Non operating income	-	-	-	-	-	-	-	-
Non operating expense	-	1,956,269	-	-	-	1,956,269	-	-
Profit before income tax	(8,084,505)	(3,286,767)	(2,995,110)	(4,271,325)	(8,084,505)	(3,286,767)	(2,995,110)	(4,271,325)
Income tax expense	-	-	-	-	-	-	-	-
Current Tax	-	-	-	-	-	-	-	-
Deferred Tax	19,398,731	9,387,894	-	-	19,398,731	9,387,894	-	-
Profit for the period	(27,483,236)	(12,674,661)	(2,995,110)	(4,271,325)	(27,483,236)	(12,674,661)	(2,995,110)	(4,271,325)

Handwritten signature

Handwritten signature



Handwritten signature



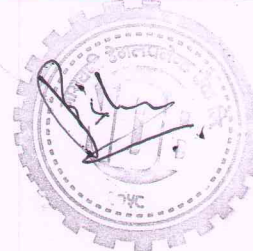
Narayani Development Bank Limited
Condensed Consolidated Statement of Other comprehensive income
As on Quarter ended 31st Chaitra, 2081

(Amount in NPR, Full Figure)

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Profit or loss for the year	(27,483,236)	(12,674,661)	(2,995,110)	(4,271,325)	(27,483,236)	(12,674,661)	(2,995,110)	(4,271,325)
Other comprehensive income								
a) Items that will not be reclassified to Profit or loss								
• Gains/(losses) from Investments in equity instruments measured at fair value	148,251	1,090,553	610,985	(4,010,077)	148,251	1,090,553	610,985	(4,010,077)
• Gains/(losses) on revaluation	-	-	-	-	-	-	-	-
• Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-
• Income tax relating to above items	(44,475)	(327,166)	(183,295)	1,203,023	(44,475)	(327,166)	(183,295)	1,203,023
Net other comprehensive income that will not be reclassified to profit or loss	103,775	763,387	427,689	(2,807,054)	103,775	763,387	427,689	(2,807,054)
b) Items that are or may be reclassified to profit or loss								
• Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-
• Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-
• Income tax relating to above items	-	-	-	-	-	-	-	-
• Reclassify to profit or loss	-	-	-	-	-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-	-	-	-	-	-	-
c) Share of other comprehensive income of associate accounted as per equited method	-	-	-	-	-	-	-	-
Other comprehensive income for the period, net of income tax	103,775	763,387	427,689	(2,807,054)	103,775	763,387	427,689	(2,807,054)
Total comprehensive income for the period	(27,379,460)	(11,911,274)	(2,567,420)	(7,078,379)	(27,379,460)	(11,911,274)	(2,567,420)	(7,078,379)
Basic earning per share	(4.83)	(4.83)	(1.63)	(1.63)	(4.83)	(4.83)	(1.63)	(1.63)
Diluted earning per share	(4.83)	(4.83)	(1.63)	(1.63)	(4.83)	(4.83)	(1.63)	(1.63)
Profit attributable to:								
Equity holders of the Bank	(27,379,460)	(11,911,274)	(2,567,420)	(7,078,379)	(27,379,460)	(11,911,274)	(2,567,420)	(7,078,379)
Non-controlling interest								
Profit for the period	(27,379,460)	(11,911,274)	(2,567,420)	(7,078,379)	(27,379,460)	(11,911,274)	(2,567,420)	(7,078,379)

Handwritten signature

Handwritten signature



Handwritten signature

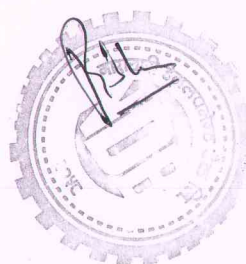
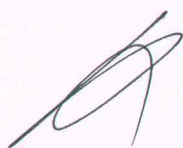
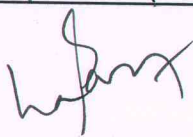


Statement of Distributable Profit or Loss

As on Quarter ended 31st Chaitra, 2081

Amount in full figure

Particulars	Amount
Net Profit for the period end Chaitra, 2081	(12,674,661)
Net profit or (loss) as per statement of profit or loss	
Appropriations:	
a. General reserve	-
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	-
e. Employees' training fund	-
f. Other	-
Profit or (loss) before regulatory adjustment	(12,674,661)
Regulatory adjustment (if any)	-
Distributable profit or (loss)	(12,674,661)



Ratio as per NRB Directives Third Quarter

As on Quarter ended 31st Chaitra, 2081

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Capital Fund To RWA	-1.14%	-1.14%	10.55%	10.55%	-1.14%	-1.14%	10.55%	10.55%
Non Performing Loan (NPL) To Total Loan	44.96%	44.96%	31.77%	31.77%	44.96%	44.96%	31.77%	31.77%
Total Loan Loss provision To Total NPL	72.44%	72.44%	93.00%	93.00%	72.44%	72.44%	93.00%	93.00%
Total Loan Loss provision To Total Loan	32.57%	32.57%	29.52%	29.52%	32.57%	32.57%	29.52%	29.52%
Cost of Fund	6.29%	6.29%	7.34%	7.34%	6.29%	6.29%	7.34%	7.34%
Credit To Deposit Ratio	81.06%	81.06%	73.62%	73.62%	81.06%	81.06%	73.62%	73.62%
Base Rate	15.51%	15.51%	15.09%	15.09%	15.51%	15.51%	15.09%	15.09%
Interest Spread	4.49%	4.49%	4.47%	4.47%	4.49%	4.49%	4.47%	4.47%

Signature

Signature



Signature

