

Guheswori Merchant Banking and Finance Ltd.
Condensed Consolidated Statement of Financial Position
As on Quarter ended 30th Ashwin 2077 (16/10/2020)

	Rs in '000	
	This Quarter Ending	Immediate Previous Quarter Ending
Assets		
Cash and Cash Equivalents	893,590	847,522
Due from Nepal Rastra Bank	154,999	152,753
Placements with Bank and Financial Institutions	-	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	237,600	276,740
Loans and Advances to Customers	3,747,207	3,455,871
Investment Securities	1,392,726	952,829
Current Tax Assets	25,125	5,990
Investment in Subsidiaries	-	-
Investment in Associates	26,200	31,161
Investment Property	-	-
Property and Equipment	171,253	166,142
Goodwill and Intangible Assets	-	-
Deferred Tax Assets	-	-
Other Assets	131,430	111,785
Total Assets	6,780,130	6,000,793
Liabilities		
Due to Bank and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Derivative Financial Instruments	-	-
Deposit from Customers	5,432,877	4,835,335
Borrowings	-	-
Current Tax Liabilities	-	-
Provisions	6,118	-
Deferred tax Liabilities	38,645	10,223
Other Liabilities	86,688	81,453
Debt Securities Issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	5,564,328	4,927,011
Equity		
Share Capital	800,000	800,000
Share Premium	3,500	3,500
Retained Earnings	105,938	44,295
Reserves	306,363	225,987
Total Equity attributable to equity holders	1,215,802	1,073,782
Non Controlling Interest	-	-
Total Equity	-	-
Total Liabilities and Equity	6,780,130	6,000,793

Guheswori Merchant Banking and Finance Ltd.
Condensed Statement of Profit or Loss
As on Quarter ended 30th Ashwin 2077 (16/10/2020)

Rs in '000

Particulars	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	146,664	146,664	138,248	138,248
Interest Expenses	100,549	100,549	92,242	92,242
Net interest income	46,115	46,115	46,006	46,006
Fee and commission income	438	438	6,663	6,663
Fee and commission expenses	222	222	21	21
Net fee and commission income	217	217	6,642	6,642
Net interest, fee and commission income	46,331	46,331	52,648	52,648
Net Trading Income	0	0	0	0
Other Operating Income	14,352	14,352	1,761	1,761
Total operating income	60,684	60,684	54,409	54,409
Impairment charge/(reversal) for loans and other losses	-	-	7,511	7,511
Net Operating Income	60,684	60,684	46,899	46,899
Operating Expenses				
Personnel Expenses	18,096	18,096	15,025	15,025
Other Operating Expenses	7,027	7,027	5,322	5,322
Depreciation and Amortization	4,834	4,834	2,846	2,846
Operating profit	30,727	30,727	23,705	23,705
Non operating income	-	-	-	-
Non operating expense	-	-	344	344
Profit before income tax	30,727	30,727	23,361	23,361
Income Tax Expense				
Current tax	9,218	9,218	7,008	7,008
Deferred tax	-	-	-	-
Profit for the period	21,509	21,509	16,353	16,353

Guheswori Merchant Banking and Finance Ltd.
Statement of Comprehensive Income

Rs in '000

	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the period	21,509	21,509	16,353	16,353
Other comprehensive income, net of income tax	-	-	-	-
a) Items that will not be reclassified to profit or loss	-	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	86,579	86,579	-	-
Gains/(losses) on revaluation	-	-	-	-
Actuarial gain/(losses) on defined benefit plans	-	-	-	-
Income Tax relating to above items	(25,973.76)	(25,973.76)	-	-
Net other comprehensive income that will not be reclassified to profit or loss	60,605	60,605	-	-
b) Items that will 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 will be reclassified to profit or loss	-	-	-	-
c) Share of other comprehensive income of associate accounted as per equity method	-	-	-	-
Other comprehensive income, net of income tax	60,605	60,605	-	-
Total comprehensive income for the period	82,114	82,114	16,353	16,353
Profit attributable to:				
Equity holders of the Bank	82,114.48	82,114	16,353	16,353
Non-controlling interest	-	-	-	-
Total	82,114	82,114	16,353	16,353

Earnings per share

Basic earnings per share	2.69	2.69	2.04	2.04
Annualized Basic earnings per share	10.75	10.75	8.18	8.18
Diluted earnings per share	2.69	2.69	2.04	2.04

Ratios as per NRB Directive

Particulars	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital fund to RWA	24.50%	24.50%	26.08%	26.08%
Non performing Loan (NPL) to Total Loan	0.72%	0.72%	0.60%	0.60%
Total Loan Loss Provision to Total NPL	195.32%	195.32%	229.21%	229.21%
Cost of Funds	7.50%	7.50%	9.72%	9.72%
Credit to Deposit Ratio	61.25%	61.25%	66.93%	66.93%
Base Rate	9.93%	9.93%	12.15%	12.15%
Interest Rate Spread	4.98%	4.98%	4.98%	4.98%

Guheswari Merchant Banking and Finance Ltd.
Condensed Statement of Changes in Equity
For the period 1st Shrawan 2077 to 30th Ashwin 2077 (16/10/2020)

Rs in '000

Particulars	Attributable to Equityholders of Bank															
	Share Capital	Share Premium	General Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Deferred Tax Reserve	CSR Reserve	Investment at Adjusted Fund	Employee Training Fund	Actuarial Gain & Losses	Total Shareholders' Funds	Non Controlling Interest	Total Shareholders' Funds
Balance as at Shrawan 1, 2077	800,000	3,500	130,356	49,607.61			128,515	310		(29)		339		1,112,289		1,112,289
Adjustments/Restatement			12,234	3,850	13,955	8,951	(84,220)			769	6,601	313	(1,062)			1,073,781
Adjusted/Restated Balance as at Shrawan 2077	800,000	3,500	142,590	53,458	13,955	8,951	44,294	6,932	-	740	6,601	652	(1,062)	1,073,781		1,073,781
Comprehensive income for the period																
Net profit for the period							21,509									21,509
Other Comprehensive income																
Total comprehensive income							21,509									
Transfer to reserve during the period																
General Reserve Fund			4,302				(4,302)									
Debiture Redemption Reserve																
Exchange Fluctuation Fund																
Investment Adjustment Reserve																
Corporate Social Responsibility Fund																
Fair Value Reserve					59,984											59,984
Other Reserve							60,528									60,528
Regulatory reserve				16,091			(16,091)									
Deferred Tax Impact																
Investment Provision to RE																
Transfer from reserve during the period																
Training and Development Reserve																
Other Reserve																
Shares Issued																
Dividend Paid																
Non Controlling Interest																
Balance as at Ashwin end, 2077	800,000	3,500	146,892	69,648	73,939	8,951	105,938	6,932	-	740	6,601	652	(1,062)	1,215,802		1,215,802

Guheswari Merchant Banking and Finance Ltd.
Condensed Statement of Cash Flows
For the Period 1st Shrawan 2077 to 30th Ashwin 2077 (16/10/2020)

	Rs in '000	
	Upto This Quarter Rs	Corresponding Previous Year Upto This Quarter Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Interest Received	121,122	118,609
Fee and Other Income Received	438	4,061
Dividend received	555	159
Receipts from other operating activities	8,470	414
Interest Paid	(95,661)	(92,242)
Commission and Fees Paid	222	-
Cash Payment to Employees	(14,662)	(21)
Other Expenses Paid	(7,027)	(17,752)
Operating cash flows before changes in operating assets and liabilities	11,994	19,836
(Increase) / Decrease in operating assets		
Due from Nepal Rastra Bank	(2,247)	14,562
Payments with bank and financial institutions	-	-
Other trading assets	33,660	(30,000)
Loans and advances to bank and financial institutions	(281,970)	(84,949)
Loans and advances to customers	(21,707)	(5,087)
Other assets	(72,263)	(78,032)
Increase / (Decrease) in operating liabilities		
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposit from customer	597,838	195,266
Borrowings	(18,092)	4,952
Other liabilities	578,146	299,218
Net cash flow from operating activities before tax paid	318,577	440,035
Income taxes paid	(30,702)	-
Net cash flow from operating activities	287,874	440,035
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment securities	(351,076)	-
Receipt from sale of investment securities	36,384	1,180
Disposal of property and equipment	(2,005)	(4,750)
Receipt from sale of property and equipment	-	-
Purchase of intangible assets	-	-
Receipt from sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from sale of investment properties	-	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	(318,687)	(3,870)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividend paid	(104)	-
Interest paid	-	-
Other receipt/payment	77,834	-
Net cash from financing activities	77,834	-
Net increase/(decrease) in cash and cash equivalents	46,931	136,165
Cash and Cash Equivalents as at 1st Shrawan	893,623	793,824
Effect of exchange rate fluctuations on cash & cash equivalents	-	-
Cash and Cash Equivalents as at Ashad End 2076	836,692	657,659

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Particulars	This Quarter Ending	Corresponding Quarter Ending
1. Interest Received From Operating Activities	121,122	
2. Fee & Other Income Received	438	
Total Other Operating Income	14,106	
Less: Dividend Income	555	
Less: Profit on sale of Shares	5,081	
3. Receipt From Other Operating Activities	8,470	
5. Dividend income	555	
6. Interest Paid		
Operating Interest Payable	30,991	
Interest Expense for the year	100,549	
Closing Interest Payable	34,879	
Interest Paid	95,661	
7. Commission & Fees Paid	222	
8. Other Expenses Paid (A +B)	7,027	
Total Other Operating Expenses	24,392	
Less: Depreciation	2,683	
Less: Personnel Expense	14,882	
Expenses Paid (A)	7,027	
9. Personnel Expense	14,882	
10. Due From NRB	(2,247)	
Opening Balance as on Shrawan	162,720	
Closing Balance as on Ashwin	154,999	
11. Loans and advances to bank and financial institutions	33,660	
Opening Balance as on Shrawan 1st 2077	271,260	
Closing balance as on Ashwin	237,600	
12. Loan & Advances to Customer	(281,970)	
Opening Balance as on Shrawan	3,465,237	
Closing Balance as on Ashwin	3,747,207	
13. Property and Equipment		
Opening WDV as on Shrawan 1st	165,024	
Less: Depreciation + Amortization (FA + Leasehold improvement)	2,683	
Closing WDV	162,340	
Closing Value as on Ashwin end	165,335	
Purchase this year	2,895	
14. Investment Securities		
Opening balance as on Shrawan 1st 2077	932,893	
Closing balance as on Ashwin	1,253,666	
Purchase of Shares and Bond	351,076	
Cost of Investment Sold	36,303	
Sale Proceeds from Sale of Shares	35,384	
15. Tax Paid	(30,752)	
Opening balance of Current tax assets as on 1st Shrawan 2077	34,013	
Closing balance of Current tax assets as on Ashwin end 2077	34,343	
Opening balance of Current tax liabilities as on 1st Shrawan 2077	30,422	
Closing balance of Current tax liabilities as on Ashwin end 2077	9,218	
Provision for tax	9,218	
16. Other Assets	(21,707)	
Total Other Assets as on Shrawan (A)	68,144	
Total Other Assets as on Ashwin end	89,951	
Add Less:	-	
Total Other Asset	89,951	
17. Deposits from Customer	597,838	
Opening Balance as on Shrawan	4,838,339	
Closing Balance as on Ashwin	5,436,177	
18. Other Liabilities (B - A)	(18,602)	
Total Other Liabilities as on Shrawan end	73,180	
Less: Opening Dividend payable	4,530	
Less: Opening Interest Payable	30,991	
Total Other Liabilities as on Ashwin	85,081	
Less: Closing Dividend payable	4,426	
Less: Closing Interest payable	34,879	
Opening provision	45,776	
Closing provision	31,410	
19. Receipt from Issue of Shares		
Closing Share Capital	800,000	
Less: Opening Share Capital	800,000	
Changes in Share Capital (A)	-	
20. Other Receipt/ Payments	77,834	
Opening balance of Share premium	3,500	
Closing balance of Share premium	3,500	
Opening balance of Retained Earning	(44,503)	
Closing balance of Retained Earning	82,355	
Opening balance of CY profit	49,770	
Opening balance of Reserves	180,327	
Closing balance of Reserves	180,274	
21. Dividend Paid		
Opening balance of Dividend payable	4,530.77	
Proposed for 76.77	-	
Closing balance of Dividend payable	4,425.66	
Dividend paid during the year	104.11	

Statement of Distributable profit or loss
For the quarter ended 30th Ashwin 2077
As per NRB Regulation

Particulars	This Quarter
Retained Earning as at Asadh end, 2077	44,294
Cash dividend paid	-
Fair value reserve reversal	37,408
Corporate social responsibility tf from fund to Retained Earning	612
Retained Earning before appropriation and regulatory adjustments	82,314
Net Profit/(loss) as per Statement of Profit or Loss	21,509
<u>Appropriation</u>	
a. General Reserve	4,302
b. Foreign Exchange Fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	-
e. Employees training fund	-
f. Other	-
Adjusted Profit/(loss) before regulatory adjustment	99,521
<u>Regulatory Adjustments:</u>	
a. Interest Receivable (-)/previous accrued interest received(+)	(16,091)
b. Short loan loss provision in accounts(-)/reversal(+)	-
c. Short provision for possible losses on investment(-)/reversal(+)	-
d. Short provision for possible losses on Non-Banking Assets (-)/reversal(+)	-
e. Deferred Tax Assets recognized(-)/reveral(+)	-
f. Goodwill recognized (-)/Impairment of Goodwill(+)	-
g. Bargain purchase gain recognized (-)/reversal(+)	-
h. Actuarial Loss recognized (-)/reversal(+)	-
i. Other (+/-)	-
Distributable Profit or (Loss)	83,430

Guheswori Merchant Banking & Finance Ltd.
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Rs in '000

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Non Controlling Interest		
Total Equity		
Total Liabilities and Equity	6,780,130	6,000,793

Guheswori Merchant Banking & Finance Ltd.
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Rs in '000

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Net Trading Income	0	0	0	0
Other Operating Income	14,352	14,352	1,761	1,761
Total operating income	60,684	60,684	54,409	54,409
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Personnel Expenses	18,096	18,096	15,025	15,025
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Operating profit	30,727	30,727	23,705	23,705
Non operating income	-	-	-	-
Non operating expenses	-	-	344	344
Profit before income tax	30,727	30,727	23,361	23,361
Income Tax Expense				
Current Tax	9,218	9,218	7,008	7,008
Deferred Tax	-	-	-	-
Profit/(Loss) for the period	21,509	21,509	16,353	16,353

Statement of Comprehensive Income

Profit/(Loss) for the period	21,509	21,509	16,353	16,353
Other Comprehensive income	60,605	60,605	-	-
Total Comprehensive income	82,114	82,114	16,353	16,353
Basic earnings per share(Annualised)	10.75	10.75	8.18	8.18
Diluted earnings per share(Annualised)	10.75	10.75	8.18	8.18
Profit attributable to				
Equity holders of the Bank	82,114	82,114	16,353	16,353
Non Controlling Interest	-	-	-	-
Total	82,114	82,114	16,353	16,353

Ratios				
Capital fund to RWA	24.50%	24.50%	26.08%	26.08%
Non performing Loan (NPL) to Total Loan	0.72%	0.72%	0.60%	0.60%
Total Loan Loss Provision to Total NPL	195.32%	195.32%	229.21%	229.21%
Cost of Funds	7.50%	7.50%	9.72%	9.72%
Credit to Deposit Ratio	61.25%	61.25%	66.93%	66.93%
Base Rate	9.93%	9.93%	12.15%	12.15%
Interest Rate Spread	4.98%	4.98%	4.98%	4.98%