

Mega Bank Nepal Limited
Unaudited Financial Results (Quarterly)
2nd Quarter ended of Fiscal Year 2075/76

Rs. in '000'

Statement of Financial Position	This Quarter Ending		Previous Quarter Ending		Corresponding Previous Quarter Ending	
	Group	Bank	Group	Bank	Group	Bank
Assets						
Cash and cash equivalent	8,552,751	8,552,746	8,005,906	8,005,903	-	3,431,851
Due from NRB and placements with BFIs	3,107,643	3,107,644	4,996,734	4,996,505	-	4,250,933
Loan and Advances	65,849,351	65,849,351	62,249,650	62,249,650	-	40,767,599
Investments Securities	7,322,099	7,322,099	7,067,577	7,067,577	-	6,463,000
Investment in subsidiaris and associates	-	200,000	-	200,000	-	-
Goodwill and intangible assets	25,036	25,036	24,674	24,674	-	7,718
Other assets	2,679,438	2,675,130	1,919,332	1,919,199	-	3,362,807
Total Assets	87,536,319	87,732,007	84,263,873	84,463,508	-	58,283,909
Capital and Liabilities						
Paid up Capital	10,388,621	10,388,621	10,285,527	10,285,527	-	7,376,743
Reserves and surplus	2,318,293	2,312,706	2,810,944	2,807,560	-	1,664,534
Deposits	70,655,119	70,859,462	65,914,949	66,119,878	-	45,573,713
Borrowings	1,124,865	1,124,865	4,271,991	4,271,991	-	1,011,144
Bond and Debenture	-	-	-	-	-	-
Other liabilities and provisions	3,049,421	3,046,352	980,463	978,553	-	2,657,775
Total Capital and Liabilities	87,536,319	87,732,007	84,263,873	84,463,508	-	58,283,909

Statement of Profit or Loss	Up to this Quarter		Up to Previous Quarter		Up to Corresponding Previous Year Quarter	
Interest income	4,411,950	4,411,950	2,214,144	2,214,144	-	2,498,158
Interest expense	2,621,752	2,631,797	1,280,831	1,285,984	-	1,651,811
Net interest income	1,790,198	1,780,153	933,313	928,161	-	846,347
Fee and commission income	230,269	230,269	117,833	117,833	-	139,641
Fee and commission expense	25,844	25,844	15,074	15,074	-	9,860
Net fee and commission income	204,425	204,425	102,759	102,759	-	129,781
Other operating income	199,198	199,102	88,329	88,329	-	102,738
Total operating income	2,193,822	2,183,680	1,124,402	1,119,249	-	1,078,866
Impairment charge/(reversal) for loans and other losses	298,197	298,197	146,865	146,865	-	97,232
Net operating income	1,895,625	1,885,484	977,537	972,384	-	981,634
Personnel expenses	519,846	518,387	243,294	242,542	-	249,238
Other operating expenses	334,317	332,970	152,937	152,727	-	178,461
Operating profit	1,041,463	1,034,126	581,306	577,115	-	553,935
Non operating income/expense	3,592	3,592	847	847	-	-
Profit before tax	1,045,054	1,037,718	582,152	577,962	-	553,935
Income tax	307,874	305,673	174,646	173,389	-	160,286
Profit/(loss) for the period	737,181	732,045	407,507	404,573	-	393,649
Other comprehensive income	(19,334)	(19,334)	(2,071)	(2,071)	-	-
Total comprehensive income	717,847	712,711	405,436	402,503	-	393,649

Distributable Profit						
Net profit/(loss) as per profit or loss	737,181	732,045	407,507	404,573	-	393,649
Add/Less: Regulatory adjustment as per NRB Directive	185,016	185,016	168,382	168,382	-	-
Profit/(loss) after regulatory adjustments	552,165	547,029	239,125	236,191	-	393,649

Ratios						
Capital fund to RWA	16.06	15.81	17.27	17.01	-	18.52
Non performing loan (NPL) to total loan (As per NRB Directive)	1.21	1.21	1.08	1.08	-	0.96
Total loan loss provision to total NPL (As per NRB Directive)	145.84	145.84	150.77	150.77	-	172.04
Cost of Funds	7.71	7.71	7.56	7.56	-	7.58
Credit to Deposit Ratio (As per NRB Directive)	79.56	79.56	79.61	79.61	-	79.37
Base Rate	10.83	10.83	10.55	10.55	-	10.96
Basic Earning Per Share	14.13	14.13	15.44	15.44	-	10.64
Diluted Earning Per Share	14.13	14.13	15.44	15.44	-	10.64

Notes to Unaudited Financial Results

- Above financials have been prepared on accrual basis in accordance with NRB Directive No. 4 and applicable Nepal Financial Reporting Standards (NFRS) by applying certain Carve-outs in NFRS as issued by Institute of Chartered Accountants of Nepal (ICAN).
- Property, Plant and Equipment has been included in Other Assets.
- Loans & Advances are presented net of Loan impairments. Loans & Advances also includes interest receivables on Loans together with Staff Loans & Advances.
- The bank has measured impairment loss on Loans & Advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39 by using Carve-out.
- The bank has prepared consolidated financials using Carve-Out relating to para 19 of NFRS 10.
- Due to impracticability to determine reliably the effective interest rate as required by para 9 & para AG 93 of NAS 39, the Bank has opted for Carve-outs. Further, Bank has recognized fees received and transaction costs directly to statement of Profit and Loss account.
- Provisions for Leave and Gratuity as per actuarial valuation of FY 2074/75 has been carried forward for this and previous Quarter of FY 2075/76. Hence the figures might change after actuarial valuation for FY 2075/76.
- The Bank has not restated corresponding previous year quarter ending figures. However, the figures have been reclassified or regrouped as per NFRS.
- The above figures are subject to change if directed by the Regulators and/or External Auditor.
- The above unaudited interim financial statements has been uploaded in the Bank's website : www.megabanknepal.com

Related Party Disclosure

- Group Financials include Mega Bank Nepal Limited (Parent Company) and Mega Capital Markets Limited (Subsidiary Company)
- All intra group transactions are conducted in arm's length basis.
- Following intra group transactions have taken place during the reporting period:

Particular	Mega Capital Markets Limited (Rs. "000")
Deposit received from Subsidiary	204,343
Interest Paid to Subsidiary	10,045
Receivable from Subsidiaries	-
Payable to subsidiaries	-

4. The Bank's Subsidiary Company "Mega Capital Markets Limited" has obtained its legal identity from the Office of Company Registrar and obtained LOI from SEBON but yet to receive operating license.

5. The intra-group related figures have been excluded for presentation of the financial position of the Group.

Segment Reporting:

Rs. in 000

Particulars	Cards	General Banking	Remittance	Treasury	Total
Total Assets	98,613	77,040,191	9,991	10,583,212	87,732,007
Total Capital & Liabilities	15,108	86,590,355		1,126,544	87,732,007
Segment Revenue	61,649	4,387,043	11,026	385,194	4,844,913
Segment Expenditure	35,639	3,747,664	3,202	20,689	3,807,195
Segment Profit Before Tax	26,010	639,379	7,824	364,505	1,037,718