

Mega Bank Nepal Limited
Unaudited Financial Results (Quarterly)
1st 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	8,005,906	8,005,903	6,604,211	6,604,194	-	4,528,536
Due from NRB and placements with BFls	4,996,734	4,996,505	6,233,028	6,233,028	-	1,482,211
Loan and Advances	62,249,650	62,249,650	57,124,513	57,124,513	-	35,708,791
Investments Securities	7,067,577	7,067,577	7,068,826	7,068,826	-	7,755,117
Investment in subsidiaris and associates	-	200,000	-	200,000	-	-
Goodwill and intangible assets	24,674	24,674	25,952	25,952	-	8,281
Other assets	1,919,332	1,919,199	1,542,607	1,542,709	-	1,032,938
Total Assets	84,263,873	84,463,508	78,599,137	78,799,222	-	50,515,874
Capital and Liabilities						
Paid up Capital	10,285,527	10,285,527	10,285,527	10,285,527	-	4,582,313
Reserves and surplus	2,810,944	2,807,560	2,405,508	2,405,057	-	1,352,847
Deposits	65,914,949	66,119,878	63,299,234	63,498,999	-	39,849,177
Borrowings	4,271,991	4,271,991	1,590,220	1,590,220	-	3,409,234
Bond and Debenture	-	-	-	-	-	-
Other liabilities and provisions	980,463	978,553	1,018,648	1,019,418	-	1,322,303
Total Capital and Liabilities	84,263,873	84,463,508	78,599,137	78,799,222	-	50,515,874

Statement of Profit or Loss	Up to this Quarter		Up to Previous Quarter		Up to Corresponding Previous Year Quarter	
Interest income	2,214,144	2,214,144	6,022,508	6,022,508	-	1,172,606
Interest expense	1,280,831	1,285,984	3,647,071	3,648,583	-	837,713
Net interest income	933,313	928,161	2,375,437	2,373,925	-	334,892
Fee and commission income	117,833	117,833	320,269	320,269	-	58,886
Fee and commission expense	15,074	15,074	24,550	24,550	-	4,423
Net fee and commission income	102,759	102,759	295,718	295,718	-	54,463
Other operating income	88,329	88,329	204,096	204,096	-	44,121
Total operating income	1,124,402	1,119,249	2,875,251	2,873,739	-	433,476
Impairment charge/(reversal) for loans and other losses	146,865	146,865	14,782	14,782	-	117,358
Net operating income	977,537	972,384	2,860,469	2,858,957	-	316,118
Personnel expenses	243,294	242,542	684,144	683,571	-	118,807
Other operating expenses	152,937	152,727	450,252	449,914	-	80,223
Operating profit	581,306	577,115	1,726,074	1,725,472	-	117,088
Non operating income/expense	847	847	(14,251)	(14,251)	-	-
Profit before tax	582,152	577,962	1,711,823	1,711,221	-	117,088
Income tax	174,646	173,389	504,882	504,732	-	35,270
Profit/(loss) for the period	407,507	404,573	1,206,940	1,206,489	-	81,817
Other comprehensive income	(2,071)	(2,071)	25,544	25,544	-	-
Total comprehensive income	405,436	402,503	1,232,484	1,232,033	-	81,817

Distributable Profit

Net profit/(loss) as per profit or loss	407,507	404,573	1,206,940	1,206,489	-	81,817
Add/Less: Regulatory adjustment as per NRB Directive	168,382	168,382	174,856	174,856	-	-
Profit/(loss) after regulatory adjustments	239,125	236,191	1,032,085	1,031,633	-	81,817

Ratios

Capital fund to RWA	17.27	17.01	18.71	18.42	-	14.51
Non performing loan (NPL) to total loan (As per NRB Directive)	1.08	1.08	0.82	0.82	-	1.67
Total loan loss provision to total NPL (As per NRB Directive)	150.77	150.77	182.72	182.72	-	119.45
Cost of Funds	7.56	7.56	7.73	7.73	-	7.80
Credit to Deposit Ratio (As per NRB Directive)	79.61	79.61	75.93	75.93	-	78.26
Base Rate	10.55	10.55	11.38	11.38	-	10.72
Basic Earning Per Share	15.44	15.44	16.50	16.50	-	6.88
Diluted Earning Per Share	15.44	15.44	16.50	16.50	-	6.88

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). Further, due to application of Carve-outs, the previous periods' figures have also been re-grouped or re-arranged or restated accordingly due to which some figures varies from previous quarters' published figures.
- 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.
- 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 of ICAN.
- As per Carve-Out relating to para 19 of NFRS 10, a parent shall prepare consolidated financials using uniform accounting policies for like transactions and events in similar circumstances unless it is impracticable to do so. Hence, the Bank has prepared consolidated financials by using the Carve-out.
- 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 First 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	200,114
Interest Paid to Subsidiary	5,153
Receivable from Subsidiaries	-
Payable to subsidiaries	4,816

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	100,928	74,546,025	13,367	9,803,188	84,463,508
Total Capital & Liabilities	27,363	80,162,680		4,273,465	84,463,508
Segment Revenue	32,948	2,200,564	5,206	182,435	2,421,153
Segment Expenditure	19,321	1,807,396	1,692	14,782	1,843,191
Segment Profit Before Tax	13,627	393,168	3,515	167,652	577,962