



# ओम डेवलपमेन्ट बैंक लि. OM DEVELOPMENT BANK LTD.

नेपाल राष्ट्र बैंकबाट 'ब' वर्गको इजाजतपत्र प्राप्त संस्था (राष्ट्रिय स्तर)

(साबिकको सिटी डेवलपमेन्ट बैंक लि. र ओम फाइनेन्स लि. एक आपसमा गाभिएर बनेको संस्था)

Head Office : Chipladhunga, Pokhara Ph : 061-521505, 521912

Email : info@ombank.com.np website : www.ombank.com.np

## Unaudited Financial Results (Quarterly)

As at 2<sup>nd</sup> Quarter (29/09/2073) of the Fiscal Year 2073/2074

Amount Rs. In '000

S.N.	Particular	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.8)</b>	<b>15,189,631.37</b>	<b>14,448,946.65</b>	<b>6,188,968.05</b>
1.1	Paid up Capital	1,360,281.60	1,052,849.50	558,280.80
1.2	Reserves and Surplus	457,314.85	607,987.68	206,861.80
1.3	Debentures and Bond	-	-	-
1.4	Borrowings	-	-	-
<b>1.5</b>	<b>Deposits (a+b)</b>	<b>12,995,083.00</b>	<b>12,325,915.18</b>	<b>5,332,514.22</b>
a.	Domestic Currency	12,995,083.00	12,325,915.18	5,332,514.22
b.	Foreign Currency	-	-	-
1.6	Proposed Dividend	-	-	-
1.7	Income Tax Liability	20,345.50	13,349.50	716.93
1.8	Other Liabilities	356,606.41	448,844.79	90,594.29
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>15,189,631.37</b>	<b>14,448,946.65</b>	<b>6,188,968.05</b>
2.1	Cash and Bank Balance	3,013,401.01	2,726,071.59	1,343,022.63
2.2	Money at call and short notice	-	-	-
2.3	Investments	520,490.23	488,638.37	181,823.87
<b>2.4</b>	<b>Loans and Advances (a to f)</b>	<b>11,345,235.18</b>	<b>10,780,562.95</b>	<b>4,446,981.39</b>
a.	Real Estate Loan	1,687,941.45	1,698,186.23	333,804.73
1.	Residential Real Estate Loan (Except Personal Home Loan up to Rs. 10 million)	753,149.32	703,625.80	-
2.	Business Complex & Residential Apartment Construction Loan	18,600.00	18,600.00	-
3.	Income generating Commercial Complex Loan	18,811.83	9,159.27	-
4.	Other Real Estate Loan (Including Land purchase & Plotting)	897,380.29	966,801.16	333,804.73
b.	Personal Home Loan of Rs. 10 million or Less	1,777,377.37	1,772,505.00	1,068,568.89
c.	Margin Type Loan	74,401.10	56,669.92	11,221.65
d.	Term Loan	543,523.77	535,173.63	489,252.03
e.	Overdraft Loan/TR Loan/WC Loan	1,415,028.34	1,169,455.57	889,046.03
f.	Others	5,846,963.14	5,548,572.60	1,655,088.05
2.5	Fixed Assets	106,446.58	133,675.89	61,566.45
2.6	Non Banking Assets	-	4,622.71	-
2.7	Other assets	204,058.37	315,375.14	155,573.70
<b>3</b>	<b>Profit and Loss Account</b>			
3.1	Interest Income	674,830.22	290,018.06	285,037.82
3.2	Interest Expenses	321,635.46	156,838.65	156,535.20
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>353,194.77</b>	<b>133,179.41</b>	<b>128,502.62</b>
3.3	Fees, commission and Discount	6,987.62	5,202.66	5,902.46
3.4	Other Operating Income	51,477.62	24,312.72	14,580.60
3.5	Foreign Exchange Gain/Loss (Net)	-	-	4.39
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>411,660.01</b>	<b>162,694.79</b>	<b>148,990.07</b>
3.6	Staff Expenses	47,750.14	26,749.92	20,131.14
3.7	Other Operating Expenses	42,949.96	18,262.06	23,008.55
	<b>C. Operating Profit Before Provision (B.-3.6-3.7)</b>	<b>320,959.91</b>	<b>117,682.81</b>	<b>105,850.37</b>
3.8	Provision for possible loss	38,518.65	80,043.88	5,446.39
	<b>D. Operating Profit (C.-3.8)</b>	<b>282,441.26</b>	<b>37,638.93</b>	<b>100,403.98</b>
3.9	Non-operating Income/Expenses (Net)	16,503.71	14,559.94	118.28
3.10	Write Back of Provision for Possible Loss	-	-	-
	<b>E. Profit From Regular Activities (D.+3.9+3.10)</b>	<b>298,944.97</b>	<b>52,198.87</b>	<b>100,522.26</b>
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	<b>F. Profit Before Bonus and Taxes (E.+3.11)</b>	<b>298,944.97</b>	<b>52,198.87</b>	<b>100,522.26</b>
3.12	Provision for Staff Bonus	27,176.82	4,745.35	9,138.39
3.13	Provision For Tax	81,530.45	14,236.05	27,415.16
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>190,237.71</b>	<b>33,217.46</b>	<b>63,968.71</b>
<b>4</b>	<b>Ratios</b>			
4.1	Capital Fund To RWA	14.47%	13.63%	14.46%
4.2	Non Performing Loan (NPL) to Total Loan	1.26%	1.96%	0.42%
4.3	Total Loan Loss Provision to Total NPL	139.25%	111.43%	318.78%
4.4	Cost Of Funds	5.38%	5.29%	6.40%
4.5	Credit to Deposit Ratio (Calculated as per NRB Directives)	76.64%	77.08%	74.20%
4.6	Base Rate	8.35%	8.05%	9.04%
4.7	Interest Spread Rate	6.30%	6.06%	6.12%
<b>5</b>	<b>Additional Information</b>			
5.1	Net Worth Per Share (Rs.)	133.62	157.75	137.05
5.2	Asset Per Share (Rs.)	1,116.65	1,371.93	1,119.36
5.3	Earning Per Share (Annualized)	27.97	12.62	22.92
5.4	Price Earning Ratio (Annualized)	22.49	49.84	14.18
5.5	Return on Equity (Annualized)	23.38%	8.16%	18.28%
5.6	Liquidity Ratio	26.32%	25.36%	25.19%

Note: 1. The final figures of this unaudited financial statements may be changed accordingly if the auditors and supervisory body notify us to do so.  
2. Previous period figures were rearranged wherever it was necessary to do so.

### Disclosure as required by Securities Registration and Issuance Regulations 2073 (Related to Sub Rule (1) of Rule 26), Annex 14

## 2<sup>nd</sup> Quarter Report, F.Y. 2073/074

#### 1. Financial Statements :

Quarterly report that includes Balance Sheet and Profit and Loss Accounts of the bank is published with this report. No 'related party' transaction (as defined by Nepal Rastra Bank) has been noted.

#### 2. Management Analysis :

**Management has following view regarding the financial position of the bank.**

- Scarce liquidity position in the entire banking industry and unstable political situation causes shrink in the lending opportunities and escorted interest rates in deposit which caused impact on profitability. Despite those facts, bank has succeeded to achieve reasonable and progressive accomplishment up to the reported quarter.
- Considering the trust of the Customers, the Bank plans to enhance its service standards, explore launching of new products and services, mounting network and work on solicitation of new business.

#### 3. Details pertaining to legal action:

- No any legal case filed by or against the bank apart from pertaining to the regular banking business.
- No Information has been received regarding the case of disobedience of prevailing law or commission of criminal offence by or against the any promoter or director of the organization
- No information has been received regarding the case filed relating to commission of financial crime by any Promoter or Director:

#### 4. Analysis pertaining to share transactions of the organizations:

The Bank's share prices are determined by open market operations at Nepal Stock Exchange under the supervision of Securities Board of Nepal (SEBON). The Bank has nothing to comment on its share transactions. The security of ODBL has been now suspended due to merger process with Manaslu Bikash Bank Ltd. Closing Market Price on the date of last transaction has been taken to calculate P/E Ratio.

#### 5. Problems and Challenges:

##### a. Internal Problems:

- Escalating operational expenditures,
- Managing expectations of stakeholders,
- Increasing operational risk.

##### b. External Problems:

- Unstable government,
- Competition among bank and financial institutions, leading to decline in margin,
- No significant infrastructural development activities in the country,
- Limited business opportunities due lack of economic activities in the country.

##### c. Strategies

- Capital increment through merger and acquisition, bonus shares and right issue,
- Branch Expansion with the vision of covering the whole nation as we have started six branches in this quarter,
- Implementation of better cost management practice,
- Optimum utilization of the available resources,
- Portfolio management with effective risk management approaches,
- Exploring new, emerging and productive sector for the investment,
- Special focus on Micro, Small and Medium enterprises rather than large corporate sector investment.

#### 6. Corporate Governance:

The Board of Directors, Audit Committee, Risk Management Committee and senior management are dedicated to maintain good corporate governance practices in the Bank. Bank's organization structure has been devised keeping best corporate governance practices in mind.

#### 7. Declaration of true and fair status by CEO:

I, CEO of the Bank, take responsibility on the truthfulness of the information and particulars disclosed in this report. Also hereby declare that to the best of my knowledge and belief, the information contained in this report is true, accurate and complete, there are no other matters concealed or omitted which shall adversely affect the interest of banks stakeholder .