



Rastriya Banijya Bank Limited
(An Entity Formed after Merger of Rastriya Banijya Bank Ltd. and erstwhile NIDC Development Bank Ltd.)

Unaudited Financial Results (Quarterly)

Second Quarter of Fiscal Year 2075/76 ended on 2075 Poush 30 (2019 January 14)

Amount in Rs'000

1. Statement of Financial Position	As on Poush End, 2075		As on Ashwin End 2075		As on Poush End, 2074	
	Group	Bank	Group	Bank	Group	Bank
Assets						
Cash and cash equivalent	29,073,165	29,052,852	11,328,420	11,318,498	8,136,586	8,136,229
Due from NRB and placements with BFs	8,655,638	8,655,638	10,302,421	10,302,421	14,524,959	14,524,959
Loan and advances	134,879,753	134,879,753	123,908,956	123,908,956	110,654,599	110,654,599
Investments Securities	29,125,357	29,064,432	40,154,047	40,126,090	32,195,381	32,175,704
Investment in subsidiaries and associates	230,091	430,091	233,932	433,932	108,814	208,814
Goodwill and intangible assets	23,729	23,729	23,318	23,318	-	-
Other assets	8,421,671	8,412,055	20,838,629	20,827,606	8,487,480	8,480,574
Total Assets	210,409,404	210,518,550	206,789,723	206,940,821	174,107,819	174,180,879
Capital and Liabilities						
Paid up Capital	9,004,796	9,004,796	9,004,796	9,004,796	8,588,972	8,588,972
Reserves and surplus	12,447,429	12,444,767	12,550,672	12,549,806	3,677,255	3,678,494
Deposits	181,482,940	181,596,629	164,014,430	164,168,004	149,031,902	149,104,329
Borrowings	175,107	175,107	181,790	181,790	382,497	382,497
Bond and Debenture	-	-	-	-	-	-
Other liabilities and provisions	7,299,132	7,297,251	21,038,035	21,036,425	12,427,193	12,426,587
Total Capital and Liabilities	210,409,404	210,518,550	206,789,723	206,940,821	174,107,819	174,180,879

2. Statement of Profit or Loss	Up to Second Quarter FY 2075/76		Up to First Quarter FY 2075/76		Up to Second Quarter FY 2074/75	
	Group	Bank	Group	Bank	Group	Bank
Interest income	7,235,531	7,234,386	3,719,511	3,719,119	5,327,842	5,326,512
Interest expense	2,274,191	2,280,694	1,109,423	1,112,671	1,312,349	1,315,207
Net interest income	4,961,340	4,953,692	2,610,088	2,606,448	4,015,493	4,011,305
Fee and commission income	648,841	647,255	353,099	352,452	246,001	246,001
Fee and commission expense	85,365	85,365	61,391	61,391	33,972	33,972
Net fee and commission income	563,476	561,890	291,708	291,061	212,029	212,029
Other operating income	7,610	7,838	10,539	10,649	320,234	320,509
Total operating income	5,532,426	5,523,420	2,912,335	2,908,158	4,547,756	4,543,843
Impairment charge/(reversal) for loans and other losses	(135,603)	(136,448)	251,697	251,697	480,883	480,883
Net operating income	5,668,029	5,659,868	2,660,638	2,656,461	4,066,873	4,062,960
Personnel expenses	1,718,366	1,715,139	852,004	850,163	1,390,410	1,386,305
Other operating expenses	509,510	507,181	221,963	220,731	421,413	419,615
Operating profit	3,440,153	3,437,548	1,586,671	1,585,567	2,255,050	2,257,040
Non operating income/expense	11,362	11,362	18,104	18,104	119,106	119,106
Profit before tax	3,451,515	3,448,910	1,604,775	1,603,671	2,374,156	2,376,146
Income tax	1,038,948	1,038,948	484,595	484,595	590,233	590,233
Profit/(loss) for the period	2,412,567	2,409,962	1,120,180	1,119,076	1,783,923	1,785,913
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	2,412,567	2,409,962	1,120,180	1,119,076	1,783,923	1,785,913
Distributable Profit						
Net profit/(loss) as per profit or loss	2,412,567	2,409,962	1,120,180	1,119,076	1,785,913	1,783,923
Add/Less: Regulatory adjustment as per NRB Directive	(231,774)	(231,774)	(396,701)	(396,701)	-	-
Free profit/(loss) after regulatory adjustments	2,180,793	2,178,188	723,479	722,375	1,785,913	1,783,923

3. Significant Ratios:

Particulars	Up to Second Quarter FY 2075/76		Up to First Quarter FY 2075/76		Up to Second Quarter FY 2074/75	
	Group	Bank	Group	Bank	Group	Bank
Capital fund to RWA		11.73%		13.75%		11.42%
Non performing loan (NPL) to total loan (As per NRB Directive)		3.40%		3.83%		3.11%
Total loan loss provision to Total NPL (As per NRB Directive)		99.79%		115.97%		138.69%
Cost of Funds		3.01%		2.74%		2.01%
Credit to Deposit Ratio (As per NRB Directive)		69.24%		67.87%		69.12%
Base Rate		5.60%		6.33%		5.98%
Basic Earning Per Share (Annualized)	53.58	53.53	49.76	49.71	41.54	41.59
Diluted Earning Per Share (Annualized)	53.58	53.53	49.76	49.71	41.54	41.59

4. Segment Reporting:

The bank has identified its geographical segments on the basis of 5 regional offices and Central Office which also represents operating segments.

Particulars	Biratnagar Region	Birgunj Region	Kathmandu Region	Nepalgunj Region	Pokhara Region	Central Office	Total
Revenue from external customers	1,050,069	1,022,655	2,364,863	994,500	1,132,812	1,182,521	7,747,420
Inter-segment revenues	-	-	-	-	-	-	-

Net revenue	1,050,069	1,022,655	2,364,863	994,500	1,132,812	950,747	7,515,646
Interest revenue	980,521	952,742	2,252,712	925,942	1,066,601	1,055,868	7,234,386
Interest expenses	320,169	214,307	1,188,144	245,239	299,549	13,287	2,280,695
Net interest revenue	660,352	738,435	1,064,568	680,703	767,053	1,042,580	4,953,691
Depreciation and amortization	-	-	-	-	-	100,609	100,609
Segment profit/(loss)	579,489	722,778	475,614	637,277	712,639	(717,835)	2,409,962
Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-	-	-	-
Other material non-cash items	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-	-
Segment assets	34,133,003	22,041,394	85,239,678	26,046,105	24,056,517	19,001,853	210,518,550
Segment liabilities	33,553,515	21,318,615	80,958,970	25,408,828	23,343,881	4,485,178	189,068,987

Notes:

1. The above financial statements have been prepared based on the circular no Bai. Bi. Ni. Bi/ Niti/ Paripatra/ KaKhaGha/23/074/75 issued by NRB and are NFRS compliant. The Bank has opted carve-outs on NFRSs as issued by The Institute of Chartered Accountants of Nepal on 2018 September 20.
2. Loans and Advances include accrued interest and are presented net of impairment charges. Higher of impairment charges calculated as per NFRS provision and NRB regulation has been charged to statement of profit and loss.
3. Group represents the Bank and its wholly owned subsidiary RBB Merchant Banking Limited.
4. Inter-group transactions have been eliminated in the above consolidated financial statements.
5. Personnel expenses include provision for staff bonus computed based on profit as per previous NRB Directive No. 4 and Rs. 50 Crores has been charged as expenses for employee retirement benefit obligation and included in statement of profit and loss as per management estimation.
6. Difference in profit as per NFRS and previous NRB Directive no 4 has been transferred to "Regulatory Reserve".
7. The "Free Profit/ (Loss) after Regulatory Adjustment" is before the regulatory appropriations towards General Reserve, Exchange Equalization fund, Corporate Social Responsibility Fund, Employee Training and Development Fund and other provisions as per NRB Directives.
8. The above figures are subject to change based on the direction of statutory auditor and/ or regulator.
9. Corresponding Previous Period's figures have been regrouped/ rearranged/re-classified wherever necessary.
10. Above quarterly financial results are also available in bank's website: www.rbb.com.np