



गुडविल फाइनान्स लिमिटेड (वित्तीय संस्था)

GOODWILL FINANCE LIMITED

नेपाल राष्ट्र बैंकबाट “ग” वर्गको इजाजतपत्रप्राप्त राष्ट्रिय स्तरको संस्था

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Branches

Dillibazar 4422290	Indrachowk 5329554	Taumadhi, Bhaktapur 6620067	Kumaripati, Lalitpur 5008690	Tripureshwor 4231533	Itahari, Sunsari 025-587051	Birtamod 023-540548	Nepalgunj 081-528056	Ghorai, Dang 082-563350	Ilam 027-520949	Phidim 024-521068	Butwal 071-547282	Bardibas 044-550102	Dhangadi Tel 091-417357	Nawalpur Tel 046-570060
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CONDENSED STATEMENT OF FINANCIAL POSITION (QUARTERLY)

As on Quarter ended Poush, 2076 (Mid January of 2020)

Figures in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	2,113,998,654	1,677,811,328
Due from Nepal Rastra Bank	300,891,983	264,812,318
Placement with Bank and Financial Institutions		
Derivative Financial Instruments		
Other Trading Assets		
Loan and advances to B/FIs	244,781,172	184,772,019
Loan and Advances to Customers	6,027,480,363	5,191,044,818
Investment Securities	813,952,783	597,306,049
Current Tax Assets		
Investment in Subsidiaries		
Investment in Associates		
Investment Property	63,901,251	80,202,273
Property and Equipment	338,713,025.79	203,282,811
Goodwill and Intangible assets	793,757	2,013,394
Deferred Tax Assets	-	-
Other Assets	201,849,878	213,213,485
Total Assets	10,106,362,866	8,414,458,496
Liabilities	This Quarter Ending	Immediate Previous Year Ending
Due to Bank and Financial Institutions	508,024,484	515,000,000
Due to Nepal Rastra Bank	89,019,583	111,671,573
Derivative Financial Instruments		
Deposits from Customers	7,925,363,844	6,263,172,048
Borrowings		
Current Tax Liabilities	26,325,288	17,880,785
Provisions	42,802,653.43	349,571,736
Deferred Tax Liabilities		
Other Liabilities	215,675,631	148,738,079
Debt securities issued		
Subordinated Liabilities		
Total Liabilities	8,807,211,484	7,406,034,221
Equity	This Quarter Ending	Immediate Previous Year Ending
Share Capital	800,000,000	800,000,000
Share Premium	2,475,548	4,525,877
Retained Earnings *	145,429,909.97	37,514,665
Reserves	351,245,923	166,383,733
Total equity attributable to equity holders	1,299,151,381	1,008,424,275
Non-controlling interest	-	-
Total Equity	1,299,151,381	1,008,424,275
Total Liabilities and Equity	10,106,362,866	8,414,458,496

* Retained earnings comprises of cash dividend declared by 25th AGM held on 14/01/2020

CONDENSED STATEMENT OF PROFIT OR LOSS

For the Quarter ended Poush 2076

Figures in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest Income	242,242,934	497,984,210	194,400,048	389,349,465
Interest expense	(201,358,233)	(382,566,483)	(135,110,689)	(271,508,177)
Net interest income	40,884,701	115,417,727	59,289,359	117,841,288
Fees and Commission Income	821,260	1,513,428	2,067,705	2,616,077
Fees and Commission Expense	-		-	
Net fee and commission income	821,260	1,513,428	2,067,705	2,616,077
Net interest,fee and commission income	41,705,961	116,931,155	61,357,064	120,457,365
Net trading income				
Other operating income	35,266,972	61,883,872	23,268,834	46,793,452
Total operating income	76,972,932	178,815,027	84,625,898	167,250,817
Impairment charge/(reversal) for loans and other losses	(7,846,077)	3,448,237	6,210,287	36,843,519
Net operating income	84,819,009	175,366,790	78,415,611	130,407,298
Operating Expenses				
Personnel Expense	(23,760,114)	(46,407,284)	(16,963,685)	(36,793,644)
Other Operating Expense	(21,967,596)	(35,072,703)	(23,297,667)	(36,033,939)
Depreciation and Amortization	(4,200,000)	(8,400,000)	(3,300,000)	(7,800,000)
Operating profit	34,891,298	85,486,802	34,854,259	49,779,715
Non operating Income	743,517	952,117	311,084	343,084
Non operating expense				
Profit before Income tax	35,634,815	86,438,919	35,165,343	50,122,799
Income tax Expenses				
Current Tax	(11,084,057)	(26,325,288)	(13,387,421)	(17,880,785)
Deferred Tax				
Profit/(loss) for the period	24,550,758	60,113,631	21,777,922	32,242,014

Condensed Statement of Comprehensive Income

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Profit/(loss) for the period	24,550,758	60,113,631	21,777,922	32,242,014
Other Comprehensive Income	17,136,782	(16,479,444)	-	-
Gains/(losses) from investments in equity instruments measured at fair value	17,136,782	(16,479,444)	-	-
Total Comprehensive Income	41,687,540	43,634,187	21,777,922	32,242,014
Basic earning per share	3.07	7.51	2.72	4.03
Annualized Basic earning per share	12.28	15.03	10.89	8.06
Diluted earning per share	3.07	7.51	2.72	4.03
Profit attributable to:				
Equity holders of the Bank	41,687,540	43,634,187	21,777,922	32,242,014
Non-controlling interests	-	-	-	-
Total	41,687,540	43,634,187	21,777,922	32,242,014

Ratios as per NRB Directives

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Capital fund to RWA		17.72%		15.52%
Non - Performing Loan (NPL) to Total Loan		1.25%		0.85%
Cost of Funds		9.57%		10.55%
Total Loan Loss provision to Total NPL		183.81%		208.97%
Credit to Deposit Ratio		70.26%		72.92%
Base Rate		11.83%		13.50%
Interest Rate Spread		4.83%		4.58%

Notes to Financial Statement

- Above Financial Statements are prepared in accordance with the Nepal Financial Reporting Standards (NFRS) and certain carve -outs as issued by ICAN.
- These figures may vary with the audited figures at the instance of external auditor and regulator.
- Figures have been regrouped and rearranged wherever necessary.
- Loans and advances consist of accrued interest receivable net of interest suspense and have been presented in net of any impairment charges. Impairment charge on loans and advances have been taken as calculated as per NRB directives using carve out no. 5 issued by Institute of Chartered Accountants of Nepal (ICAN) being higher of impairment charge calculated as per NAS 39.
- Loans and advances to customers include loan to customers and Loan to Employees which have been measured at amortised cost.
- Personnel expenses include employee bonus provision and amortization of the Deferred employee benefits of subsidized loans provided as per Employees byelaws of the bank.
- NFRS adjustments which are subject to regulatory adjustments as per NRB directives have been shown as regulatory adjustments.
- Interest on staff loan provided at nominal rate has been calculated for the FY 2076.77 and divided equally among four quarters.
- The detailed interim report has been published in the bank's website <https://www.goodwillfinance.com.np>

धितोपत्र दर्ता निष्काशन नियमावली २०६५ को अनुसूची १४

(नियम २२ को उप नियम (२) सँग सम्बन्धित)

आ. ब. २०७६/७७ का दोश्रो त्रैमासिक प्रतिवेदन

1. Financial Statements Highlights

- 1. Ratios as on Second Quarter ending 2076/77

Particulars	This Quarter Ending	Previous Quarter Ending
Liquidity (CRR)	36.39%	28.84%
Value of per share on total assets	Rs.1263.29	Rs.1121.13
Number of equity shares	8000000	8000000
Earnings per share (Annualized)	Rs. 15.03	Rs. 6.09
Net worth per share*	Rs.162.39	Rs.158.25
Price earnings ratio	9.38	21.66

*Net worth per share comprises of retained earnings including cash dividend declared by 25th AGM held on 14/01/2020

2. Management's analysis of performance

- a. As per NFRS reporting,during this quarter, company's profitability increased by 86.44% as compare to 2nd quarter of previous year 2075-2076 . However, deposit and loans & advances are increased by 27.48% and 16.68% respectively as compare to 2nd quarter of previous Yr. 2075-076

3. Legal proceedings

- a. No law suit has been filed by or against the company in the last quarter.
- b. No such information has been received of law suit filed by or against the promoters or directors of the company involving violation of statutory regulation or criminal offences.
- c. No such information has been received of law suit filed against any promoters or directors of the company for economic offences.

4. Analysis of stock performance

- a. During the 2nd quarter of FY 2076/77, total volume of 90250 no. of shares were transacted in 396 transactions. And share price was of NPR 143/- at the highest, Rs.124 was the lowest and NPR 141/- was the closing price at the end of the 2nd quarter.

5. Problems and challenges

A. Internal Problems:

- Challenges of retaining & maintaining skilled man power.
- Building adequate leadership capabilities.

B. External Problems

- Scarcity of skilled & competent man power.
- Growing excess rate of interest on deposits.
- Very limited investment opportunities.
- Demand for quality loan in decreasing trend

C. Strategy:

- Closely monitoring the internal and external environmental changes and adopting proactive approach.
- Undertaking various initiatives to engage employees for better performance and retention.
- Introducing new products for better serving the market.
- Achieving excellence in service for delighting the customers.
- Emphasizing on quality rather than quantity.

6. Corporate Governance

That we deal with other people's money and we have to be a role model in management of custodial capital is made clear to everyone at Goodwill, from the members of the Board to entry level staff. The decisions at the company are taken after adequate and open deliberation by committees at different level depending on the decisions.

- The Board of Directors meets regularly to formulate and review the strategies and policies, and monitor the performance
- The Audit Committee, headed by a non-executive director, meets minimum every quarter to review the performance of the company and continually suggest measures to enhance compliance and control mechanisms.
- The Management Committee, chaired by the CEO, meets regularly to review performance and make business decisions.

7. Declaration by CEO on the truthfulness of information

To the best of my knowledge and belief, I, the Chief Executive Officer, declare that the information disclosed in this report are true reflection of the company's position and performance and I have not purposefully concealed any relevant data or information that in my assessment would adversely affect the investment decision of any depositor/investor.