



गुडविल फाइनान्स लिमिटेड (वित्तीय संस्था)

GOODWILL FINANCE LIMITED

नेपाल राष्ट्र बैंकबाट "ग" वर्गको इजाजतपत्रप्राप्त राष्ट्रिय स्तरको संस्था

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Branches

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CONDENSED STATEMENT OF FINANCIAL POSITION (QUARTERLY)

As on Quarter ended Chaitra, 2076 (Mid April of 2020)

Figures in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	1,531,126,700	1,638,274,457
Due from Nepal Rastra Bank	250,723,997	284,138,281
Placement with Bank and Financial Institutions		
Derivative Financial Instruments		
Other Trading Assets		
Loan and advances to B/Fls	249,781,172	185,000,000
Loan and Advances to Customers	6,380,534,016	5,557,811,447
Investment Securities	1,140,269,961	603,333,910
Current Tax Assets		
Investment in Subsidiaries		
Investment in Associates		
Investment Property	63,901,251	83,184,449
Property and Equipment	334,649,939.02	203,248,652
Goodwill and Intangible assets	793,757	2,352,394
Deferred Tax Assets		
Other Assets	267,923,728	137,797,053
Total Assets	10,219,704,522	8,695,140,643
Liabilities	This Quarter Ending	Immediate Previous Year Ending
Due to Bank and Financial Institutions	449,874,922	216,180,761
Due to Nepal Rastra Bank	64,428,620	106,870,492
Derivative Financial Instruments		
Deposits from Customers	7,997,693,410	6,912,862,517
Borrowings		
Current Tax Liabilities	45,882,521	19,892,963
Provisions	-	290,215,622
Deferred Tax Liabilities		
Other Liabilities	260,715,117	141,557,673
Debt securities issued	146,387,268	
Subordinated Liabilities		
Total Liabilities	8,964,981,857	7,687,580,028
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	15,175,301	36,745,012
Reserves	437,071,816	166,289,727
Total equity attributable to equity holders	1,254,722,665	1,007,560,615
Non-controlling interest	-	-
Total Equity	1,254,722,665	1,007,560,615
Total Liabilities and Equity	10,219,704,522	8,695,140,643

CONDENSED STATEMENT OF PROFIT OR LOSS

For the Quarter ended Chaitra 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	344,959,856	842,944,066	229,277,038	618,626,503
Interest expense	(189,617,297)	(572,183,780)	(183,424,201)	(454,932,378)
Net interest income	155,342,559	270,760,286	45,852,838	163,694,125
Fees and Commission Income	331,699	1,845,127	862,268	3,478,345
Fees and Commission Expense			-	
Net fee and comission income	331,699	1,845,127	862,268	3,478,345
Net interest,fee and comission income	155,674,258	272,605,413	46,715,105	167,172,470
Net trading income			-	
Other operating income	21,989,056	83,872,928	23,407,869	70,201,321
Total operating income	177,663,315	356,478,341	70,122,974	237,373,791
Impairment charge/(reversal) for loans and other losses	51,928,297	55,376,534	26,006,161	62,849,679
Net operating income	125,735,018	301,101,807	44,116,813	174,524,112
Operating Expenses				
Personnel Expense	(24,843,080)	(71,250,364)	(16,909,329)	(53,702,973)
Other Operating Expense	(26,699,140)	(61,771,843)	(23,095,475)	(59,129,415)
Depreciation and Amortization	(4,200,000)	(12,600,000)	(3,900,000)	(11,700,000)
Operating profit	69,992,798	155,479,601	212,009	49,991,724
Non operating Income	305,069	1,257,186	1,030,516	1,373,600
Non operating expense			-	
Profit before Income tax	70,297,867	156,736,786	1,242,524	51,365,323
Income tax Expenses				
Current Tax	(19,557,233)	(45,882,521)	(2,012,178)	(19,892,963)
Deferred Tax				
Profit/(loss) for the period	50,740,635	110,854,265	(769,653)	31,472,360

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 employeee 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>

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	50,740,635	110,854,265	(769,653)	31,472,360
Other Comprehensive Income	35,008,692.64	18,529,249	-	-
Gains/(losses) from investments in equity instruments measured at fair value	35,008,693	18,529,249	-	-
Total Comprehensive Income	85,749,327	129,383,514	(769,653)	31,472,360
Basic earning per share	6.34	13.86	(0.10)	3.93
Annualized Basic earning per share	25.37	18.48	(0.38)	7.87
Diluted earning per share	6.34	13.86	(0.10)	3.93
Profit attributable to:				
Equity holders of the Bank	85,749,327	129,383,514	(769,653)	31,472,360
Non-controlling interests	-	-	-	-
Total	85,749,327	129,383,514	(769,653)	31,472,360

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		17.30%		15.52%
Total Loan Loss provision to Total NPL		2.00%		0.85%
Cost of Funds		9.57%		10.55%
Credit to Deposit Ratio		73.90%		72.92%
Base Rate		11.66%		13.50%
Interest Rate Spread		4.98%		4.58%

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

Particulars	Amount (Rs)
Net Profit for the quarter ended Chaitra 2076	110,854,265
1. Appropriations	
1.1 Profit required to be appropriated to statutory reserve	(23,279,396)
a. General Reserve	(22,170,853)
b. Capital Redemption Reserve	
c. Exchange Fluctuation Fund	
d. Corporate Social Responsibility Fund	(1,108,543)
e. Employees Training Fund	-
f. Other	
1.2 Profit required to be transfer to Regulatory Reserve	(85,570,065)
a. Transfer to Regulatory Reserve	(85,570,065)
b. Transfer from Regulatory Reserve	
Net Profit for quarter ended Chaitra 2076 available for distribution	2,004,805

घितोपत्र दर्ता निष्काशन नियमाबली २०६५ को अनुसूची १४

(नियम २१ को उप नियम (२) सँग सम्बन्धित)  
आ. ब. २०७६/७७ का तेश्रो त्रैमासिक प्रतिवेदन

1. Financial Statements Highlights

- Ratios as on Third Quarter ending 2076/77

Particulars	This Quarter Ending	Previous Quarter Ending
Liquidity (CRR)	32.15%	36.39%
Value of per share on total assets	Rs.1277.46	Rs.1263.29
Number of equity shares	8000000	8000000
Earnings per share (Annualized)	Rs.18.48	Rs.15.03
Net worth per share (Annualized)	Rs.156.84	Rs.162.39
Price earnings ratio	7.36	9.38

2. Management's analysis of performance

- As per NFRS reporting, during this quarter, company's profitability increased by 252.23% as compare to 3rd quarter of previous year 2075-2076. However, deposit and loans & advances are increased by 15.69% and 14.8% respectively as compare to 3rd quarter of previous Yr. 2075-076

3. Legal proceedings

- No law suit has been filed by or against the company in the last quarter.
- 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.
- 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

- During the 3rd quarter of FY 2076/77, total volume of 245946 no. of shares were transacted in 893 transactions. And share price was of NPR 177/- at the highest, Rs.130 was the lowest and NPR 136/- was the closing price at the end of the 3rd 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.
- Nationwide lockdown due to global pandemic of corona virus.
- 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.

Attributable to equity holders of the Bank										
Particulars	Share Capital	Share premium	General reserve	Regulatory reserve	Investment adjustment reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total
Balance at 1 Shrawan 2076	800,000,000	2,475,548	144,397,993	96,977,442	-	(13,691,193)	85,349,593	85,682,233	(3,340,728)	1,197,850,888
Comprehensive income for the period										-
Profit for the period								110,854,265		110,854,265
Other comprehensive income, net of tax										-
Gains / (Losses) from investment in equity instruments measured at fair value						18,529,249				18,529,249
Gains / (Losses) on revaluation										-
Actuarial Gains / (Losses) on defined benefit plans										-
Gains / (Losses) on Cash Flow Hedge										-
Exchange gains / (Losses) arising from translating financial assets of foreign operation										-
Total Comprehensive income for the period	-	-	-	-	-	18,529,249	-	110,854,265	-	129,383,514
Transfer to reserve during the year			22,170,853	85,570,065				(108,849,460)	1,108,543	(0)
Transfer from reserve during the year										-
Other Adjustments								7,488,263		7,488,263
Total Adjustments	-	-	22,170,853	85,570,065	-	-	-	(101,361,197)	1,108,543	7,488,263
Transactions with owners, directly recognised in equity										-
Right share issued										-
Share based payment										-
Dividends to equity holders										-
Bonus shares issued								(80,000,000)		(80,000,000)
Cash dividend paid										-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	(80,000,000)	-	(80,000,000)
Balance at 31 Chaitra 2076	800,000,000	2,475,548	166,568,846	182,547,506	-	4,838,055	85,349,593	15,175,301	(2,232,185)	1,254,722,665

	Opening	During the period	Total Closing
Regulatory Reserve	13771126	73,931,184	87,702,310
Interest Receivable as on net of tax and bonus effect	36523021	11,638,881	48,161,902
Provisions for losses on Investments (net of tax effect)	40257788	-	40,257,788
Losses on remeasurement of Defined Benefit Obligation (net of tax effect)	6425507	-	6,425,507
	96977442	85,570,065	182,547,506
	96,977,442		182,547,506