



गुडविल फाइनान्स लिमिटेड (वित्तीय संस्था)

GOODWILL FINANCE LIMITED

नेपाल राष्ट्र बैकबाट "ग" वर्गको इजाजतप्राप्त राष्ट्रियस्तरको संस्था

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Branches

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CONDENSED STATEMENT OF FINANCIAL POSITION (QUARTERLY)

As on Quarter ended Chaitra, 2077 (Mid April of 2021)

Figures in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	695,955,535	1,531,126,700
Due from Nepal Rastra Bank	451,402,255	250,723,997
Placement with Bank and Financial Institutions	-	
Derivative Financial Instruments	-	
Other Trading Assets	-	
Loan and advances to B/FIs	270,000,000	249,781,172
Loan and Advances to Customers	7,454,712,703	6,380,534,016
Investment Securities	3,198,843,476	1,140,269,961
Current Tax Assets		-
Investment in Subsidiaries		-
Investment in Associates		-
Investment Property	51,572,816	63,901,251
Property and Equipment	338,786,468	334,649,939
Goodwill and Intangible assets	635,006	793,757
Deferred Tax Assets		-
Other Assets	331,148,190	267,923,728
Total Assets	12,793,056,449	10,219,704,522
Liabilities	This Quarter Ending	Immediate Previous Year Ending
Due to Bank and Financial Institutions	729,585,064	449,874,922
Due to Nepal Rastra Bank	50,910,060	64,428,620
Derivative Financial Instruments		
Deposits from Customers	8,918,971,357	7,997,693,410
Borrowings	1,050,000,000	
Current Tax Liabilities	63,611,145	45,882,521
Provisions	-	-
Deferred Tax Liabilities	28,501,975	
Other Liabilities	218,634,520	260,715,117
Debt securities issued	247,449,233	146,387,268
Subordinated Liabilities	-	
Total Liabilities	11,307,663,354	8,964,981,857
Equity	This Quarter Ending	Immediate Previous Year Ending
Share Capital	867,200,000	800,000,000
Share Premium	2,475,548	2,475,548
Retained Earnings	175,045,896	15,175,301
Reserves	440,671,651	437,071,816
Total equity attributable to equity holders	1,485,393,095	1,254,722,665
Non-controlling interest	-	-
Total Equity	1,485,393,095	1,254,722,665
Total Liabilities and Equity	12,793,056,449	10,219,704,522

CONDENSED STATEMENT OF PROFIT OR LOSS

For the Quarter ended Chaitra 2077

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	300,004,588	755,550,309	344,959,856	842,944,066
Interest expense	(181,860,448)	(555,363,728)	(189,617,297)	(572,183,780)
Net interest income	118,144,140	200,186,581	155,342,559	270,760,286
Fees and Commission Income	6,063,704	58,000,434	331,699	1,845,127
Fees and Commission Expense	-			
Net fee and commission income	6,063,704	58,000,434	331,699	1,845,127
Net interest, fee and commission income	258,187,016	258,187,016	155,674,258	272,605,413
Net trading income				
Other operating income	(5,262,357)	53,238,816	21,989,056	83,872,928
Total operating income	118,945,487	311,425,831	177,663,315	356,478,341
Impairment charge/(reversal) for loans and other losses	88,856,532	122,498,948	51,928,297	55,376,534
Net operating income	30,088,955	188,926,883	125,735,018	301,101,807
Operating Expenses				
Personnel Expense	(33,022,593)	(77,303,193)	(24,843,080)	(71,250,364)
Other Operating Expense	(19,106,457)	(46,646,003)	(26,699,140)	(61,771,843)
Depreciation and Amortization	(4,275,000)	(12,825,000)	(4,200,000)	(12,600,000)
Operating profit	(26,315,096)	52,152,687	69,992,798	155,479,601
Non operating Income	161,114,044	161,551,044	305,069	1,257,186
Non operating expense				
Profit before Income tax	134,798,949	213,703,732	70,297,867	156,736,786
Income tax Expenses				
Current Tax	(40,197,725)	(63,611,145)	(19,557,233)	(45,882,521)
Deferred Tax				
Profit/(loss) for the period	94,601,224	150,092,587	50,740,635	110,854,265

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 curve 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 2077.78 and divided equally among four quarters.
- The detailed interim report has been published in the bank's website <https://www.goodwillfinance.com.np>

Attributable to equity holders of the Bank											
Particulars	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Investment adjustment reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total
Balance at 1 Shrawan 2077	800,000,000	2,475,548	167,130,478	-	85,434,474	-	(27,309,940)	85,349,593	109,682,533	603,117	1,223,365,803
Opening Difference				-		-					
Adjusted Balance at 1 Shrawan 2077	800,000,000	2,475,548	167,130,478	-	85,434,474	-	(27,309,940)	85,349,593	109,682,533	603,117	1,223,365,803
Comprehensive income for the period											-
Profit for the period									150,092,587		150,092,587
Other comprehensive income, net of tax											-
Gains / (Losses) from investment in equity instruments measured at fair value							92,071,542				92,071,542
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	-	-	-	-	-	-	92,071,542	-	150,092,587	-	242,164,129
Transfer to reserve during the year			30,018,517		6,064,466				(37,583,909)	1,500,926	(0)
Transfer from reserve during the year											-
Other Adjustments						-			48,854,685	(191,523)	48,663,162
Total Adjustments	-	-	30,018,517	-	6,064,466	-	-	-	11,270,776	1,309,403	48,663,162
Transactions with owners, directly recognised in equity											-
Right share issued											-
Share based payment											-
Dividends to equity holders											-
Bonus shares issued	67,200,000								(67,200,000)		-
Cash dividend paid									(28,800,000)		(28,800,000)
Total contributions by and distributions to owners	67,200,000		-	-	-	-	-	-	(96,000,000)	-	(28,800,000)
Balance at 29 Chaitra 2077	867,200,000	2,475,548	197,148,996	-	91,498,939	-	64,761,602	85,349,593	175,045,896	1,912,521	1,485,393,094

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	94,601,224	150,092,587	50,740,635	110,854,265
Other Comprehensive Income	21,756,422	92,071,542	35,008,693	18,529,249
Gains/(losses) from investments in equity instruments measured at fair value	21,756,422	92,071,542	35,008,693	18,529,249
Total Comprehensive Income	116,357,646	242,164,129	85,749,327	129,383,514
Basic earning per share	10.91	17.31	6.34	13.86
Annualized Basic earning per share	14.55	23.08	25.37	18.48
Diluted earning per share	14.55	23.08	6.34	13.86
Profit attributable to:				
Equity holders of the Bank	116,357,646	242,164,129	85,749,327	129,383,514
Non-controlling interests	-	-	-	-
Total	116,357,646	242,164,129	85,749,327	129,383,514

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		16.84%		17.30%
Total Loan Loss provision to Total NPL		100.80%		147.59%
Non-Performing Loan (NPL) to Total Loan		3.44%		2.00%
Cost of Funds		7.36%		9.57%
Credit to Deposit Ratio		73.61%		73.90%
Base Rate		8.42%		11.66%
Interest Rate Spread		4.99%		4.98%

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

For the Quarter Ended Chaitra, 2077

Figures in NPR

Particulars	Amount (Rs)
Opening Retained Earnings as on year ended 2076.77	62,537,217.76
Net Profit for the quarter ended Chaitra 2077	150,092,586.65
1. Appropriations	
1.1 Profit required to be appropriated to statutory reserve	(31,519,443.20)
a. General Reserve	(30,018,517.33)
b. Capital Redemption Reserve	
c. Exchange Fluctuation Fund	
d. Corporate Social Responsibility Fund	(1,500,925.87)
e. Employees Training Fund	
f. Other	
1.2 Profit required to be transfer to Regulatory Reserve	(6,064,465.57)
a. Transfer to Regulatory Reserve	(6,064,465.57)
b. Transfer from Regulatory Reserve	-
Net Profit for quarter ended Chaitra 2077 available for distribution	112,508,677.88
Closing retained Earnings as on Chaitra end 2077	175,045,895.64

धितोपत्र दर्ता निष्काशन नियमावली २०६५ को अनुसूची १४

(नियम २२ को उप नियम (२) सँग सम्बन्धित)
आ. ब. २०७७/७८ को तेश्रो त्रैमासिक प्रतिवेदन

1. Financial Statements Highlights

- Ratios as on third Quarter ending 2077/78

Particulars	This Quarter Ending	Previous Quarter Ending
Liquidity (CRR)	40.17%	44.98%
Value of per share on total assets	Rs.1475.21	Rs. 1445.57
Number of equity shares	8672000	8672000
Earnings per share (Annualized)	Rs. 23.08	Rs.12.80
Net worth per share (Annualized)	Rs.171.29	Rs. 154.07
Price earnings ratio	11.66	17.50

2. Management's analysis of performance

- As per NFRS reporting, during this quarter, company's profitability significantly increased by 35.4% as compare to 3rd quarter of previous year 2076-2077. Likewise, deposit and loans & advances are increased by 14.22% and 16.51% respectively as compare to 3rd quarter of previous Yr.2076-077

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 third quarter of FY 2077/78, total volume of 1038968 no. of shares were transacted in 4459 transactions. And share price was of NPR 298/- at the highest, Rs. 220 was the lowest and NPR 269/- was the closing price at the end of the third 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.
- 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.