



गुडविल फाइनान्स लिमिटेड (वित्तीय संस्था)

GOODWILL FINANCE LIMITED

नेपाल राष्ट्र बैकबाट "ग" वर्गको इजाजतप्राप्त राष्ट्रियस्तरको संस्था

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CONDENSED STATEMENT OF FINANCIAL POSITION (QUARTERLY)

As on Poush ended 2080 (Mid January of 2024)

Figures in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	785,416,564	718,370,367
Due from Nepal Rastra Bank	530,831,836	626,358,263
Placement with Bank and Financial Institutions	-	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loan and advances to B/FIs	300,000,000	399,735,000
Loan and Advances to Customers	8,515,776,232	8,831,857,205
Investment Securities	3,439,121,402	3,110,776,556
Current Tax Assets	118,142,280	127,179,752
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	109,011,058	88,137,482
Property and Equipment	494,212,375	505,991,603
Goodwill and Intangible assets	-	-
Deferred Tax Assets	-	-
Other Assets	238,446,144	389,673,516
Total Assets	14,530,957,891	15,642,387,746
Liabilities	This Quarter Ending	Immediate Previous Year Ending
Due to Bank and Financial Institutions	65,392,770	107,116,960
Due to Nepal Rastra Bank	-	950,000,000
Derivative Financial Instruments	-	-
Deposits from Customers	12,059,216,727	11,472,262,452
Borrowings	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred Tax Liabilities	118,759,869	112,334,461
Other Liabilities	391,270,518	297,925,701
Debt securities issued	248,351,353	248,351,353
Subordinated Liabilities	-	-
Total Liabilities	12,882,991,237	13,257,156,153
Equity	This Quarter Ending	Immediate Previous Year Ending
Share Capital	946,115,200	946,115,200
Share Premium	2,475,548	2,475,548
Retained Earnings	(259,153,707)	(189,400,020)
Reserves	958,529,614	850,898,090
Total equity attributable to equity holders	1,647,966,653.95	2,385,231,593
Non-controlling interest	-	-
Total Equity	1,647,966,654	2,385,231,593
Total Liabilities and Equity	14,530,957,891	15,642,387,746

CONDENSED STATEMENT OF PROFIT OR LOSS

For the Quarter ended Poush 2080

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	756,632,261	756,632,914	272,214,156	892,478,092
Interest expense	(634,995,308)	(634,994,654)	(242,486,996)	(667,206,260)
Net interest income	121,636,952	121,638,259	29,727,160	225,271,831
Fees and Commission Income	15,651,783	15,651,783	(19,633,198)	23,535,195
Fees and Commission Expense	-	-	-	-
Net fee and commission income	15,651,783	15,651,783	(19,633,198)	23,535,195
Net interest, fee and commission income	137,288,735	137,290,042	10,093,962	248,807,026
Net trading income	-	-	-	-
Other operating income	11,597,411	11,597,411	(9,684,135)	11,805,429
Total operating income	148,887,453	148,887,453	409,827	260,612,455
Impairment charge/(reversal) for loans and other losses	9,920,086	9,920,086	45,738,444	81,934,953
Net operating income	138,967,367	138,967,367	(45,328,617)	178,677,502
Operating Expenses	-	-	-	-
Personnel Expense	(57,971,467)	(57,971,467)	269,797	(60,613,275)
Other Operating Expense	(40,126,149)	(40,126,149)	34,496	(39,492,448)
Depreciation and Amortization	(12,600,000)	(12,600,000)	-	(12,000,000)
Operating profit	28,269,751	28,269,751	(45,024,325)	66,571,779
Non operating Income	4,158,157	4,158,157	(300,000)	387,000
Non operating expense	-	-	-	-
Profit before Income tax	32,427,909	32,427,909	(45,324,325)	66,958,779
Income tax Expenses	-	-	-	-
Current Tax	(9,542,690)	(9,542,690)	13,076,057	(20,015,675)
Deferred Tax	-	-	-	-
Profit/(loss) for the period	22,885,218	22,885,218	(32,248,267)	46,943,104

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	22,885,218	22,885,218	(32,248,267)	46,943,104
Other Comprehensive Income	14,992,618	14,992,618	(456,476,473)	(359,424,472)
Gains/(losses) from investments in equity instruments measured at fair value	14,992,618	14,992,618	(456,476,473)	(359,424,472)
Total Comprehensive Income	37,877,837	37,877,837	(488,724,741)	(312,481,368)
Basic earning per share	-	2.42	-2.94	(2.94)
Annualized Basic earning per share	-	4.84	-11.77	(8.83)
Diluted earning per share	-	4.84	-11.77	(8.83)
Profit attributable to:	-	-	-	-
Equity holders of the Bank	37,877,837	37,877,837	(47,306,833)	(47,306,833)
Non-controlling interests	-	-	-	-
Total	37,877,837	37,877,837	(47,306,833)	(47,306,833)

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	-	13.88%	-	15.40%
Total Loan Loss provision to Total NPL	-	109.73%	-	107.93%
Total Mon Performing Loan(NPL) to Total Loan	-	5.23%	-	3.71%
Cost of Funds	-	10.03%	-	8.34%
Credit to Deposit Ratio	-	75.82%	-	87.59%
Base Rate	-	12.43%	-	10.19%
Interest Rate Spread	-	4.57%	-	3.89%

Notes to Financial Statement

- Above Financial Statements are prepared in accordance with the Nepal Financial Reporting Standards (NFRS) and certain curve -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 2080.81 and divided equally among four quarters.
- Reclassification has been done wherever necessary.
- The detailed interim report has been published in the bank's website <https://www.goodwillfinance.com.np>

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

For the Quarter Ended Poush, 2080

Figures in NPR

Particulars	Amount (Rs)
Opening Retained Earnings as on year ended 2079.80	(189,301,879.12)
Net Profit For the Quarter ended Poush 2080	22,885,218.12
1. Appropriations	
1.1 Profit required to be appropriated to statutory reserve	(4,805,895.80)
a. General Reserve	(4,577,043.62)
b. Capital Redemption Reserve	
c. Exchange Fluctuation Fund	
d. Corporate Social Responsibility Fund	(228,852.18)
e. Employees Training Fund	
f. Other	
1.2 Profit required to be transfer to Regulatory Reserve	(87,931,150.47)
a. Transfer to Regulatory Reserve	(94,940,797.65)
b. Transfer to Regulatory Reserve	(13,150,352.82)
c. Transfer from Regulatory Reserve	20160000
Net Profit for quarter ended Poush 2080 available for distribution	(69,851,828.16)
Closing retained Earnings as on Poush end 2080	(259,153,707.28)

धितोपत्र दर्ता निष्काशन नियमावली २०६५ को अनुसुची १४

(नियम २२ को उप नियम (२) सँग सम्बन्धित)
आ. ब. २०८०/८१ को दोश्रो त्रैमासिक प्रतिवेदन

1. Financial Statements Highlights

- Ratios as on second Quarter ending 2080/81

Particulars	This Quarter Ending	Previous Quarter Ending
Liquidity (CRR)	31.37%	29.05%
Value of per share on total assets	Rs. 1535.86	Rs. 1578.90
Number of equity shares	9461152	9461152
Earnings per share (Annualized)	Rs.4.84	Rs.(3.7)
Net worth per share	Rs. 174.18	Rs. 246.35
Price earnings ratio (Annualized)	92.58	(27.83)

2. Management's analysis of performance

- As per NFRS reporting, during this second quarter for the year 2080-81, company's profitability decreased by (51.25)% as compare to 2nd quarter of previous year 2079-2080. Likewise, loans & advances are decreased by (11.15)% and deposit are increased by 3.54% respectively as compare to 2nd quarter of previous year 2079-2080.

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 second quarter of FY 2080/81, total volume of 440526 no. of shares were transacted in 2697 transactions. And share price was of NPR 475/- at the highest, Rs. 375 was the lowest and NPR 447.90 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.
- 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.