



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 | Taumadhj, 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 |
|-----------------------|-----------------------|--------------------------------|---------------------------------|-------------------------|--------------------------------|------------------------|-------------------------|----------------------------|--------------------|----------------------|----------------------|------------------------|----------------------------|----------------------------|

CONDENSED STATEMENT OF FINANCIAL POSITION (QUARTERLY)

As on Quarter ended Ashwin, 2077 (Mid Oct of 2020)

Figures in NPR

| Assets | This Quarter Ending | Immediate Previous Year Ending |
|--|---------------------|--------------------------------|
| Cash and cash equivalent | 1,785,541,773 | 1,294,662,797 |
| Due from Nepal Rastra Bank | 306,655,141 | 295,314,246 |
| Placement with Bank and Financial Institutions | | - |
| Derivative Financial Instruments | | - |
| Other Trading Assets | | - |
| Loan and advances to B/FIs | 154,781,172 | 200,745,511 |
| Loan and Advances to Customers | 6,416,469,982 | 5,767,934,861 |
| Investment Securities | 2,758,063,402 | 847,522,427 |
| Current Tax Assets | | - |
| Investment in Subsidiaries | | - |
| Investment in Associates | | - |
| Investment Property | 51,572,816 | 63,901,251 |
| Property and Equipment | 342,436,689 | 333,780,073 |
| Goodwill and Intangible assets | 793,757 | 2,352,394 |
| Deferred Tax Assets | | - |
| Other Assets | 223,310,217 | 155,023,128 |
| Total Assets | 12,039,624,950 | 8,961,236,688 |
| Liabilities | This Quarter Ending | Immediate Previous Year Ending |
| Due to Bank and Financial Institutions | 2,455,882 | - |
| Due to Nepal Rastra Bank | 11,722,825 | 92,497,250 |
| Derivative Financial Instruments | | - |
| Deposits from Customers | 8,618,128,734 | 7,391,666,322 |
| Borrowings | 1,600,000,000 | - |
| Current Tax Liabilities | 29,811,916 | 4,998,523 |
| Provisions | (0.00) | 43,051,778 |
| Deferred Tax Liabilities | | - |
| Other Liabilities | 241,907,573 | 163,039,873 |
| Debt securities issued | 247,370,331 | - |
| Subordinated Liabilities | | - |
| Total Liabilities | 10,751,397,260 | 7,695,253,747 |
| 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 | 99,934,567 | 132,423,409 |
| Reserves | 385,817,575 | 329,033,655 |
| Total equity attributable to equity holders | 1,288,227,689 | 1,265,982,941 |
| Non-controlling interest | - | - |
| Total Equity | 1,288,227,689 | 1,265,982,941 |
| Total Liabilities and Equity | 12,039,624,950 | 8,961,236,688 |

CONDENSED STATEMENT OF PROFIT OR LOSS

For the Quarter ended Ashwin 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 | 253,924,033 | 253,924,033 | 255,741,276 | 255,741,276 |
| Interest expense | (191,775,673) | (191,775,673) | (181,208,250) | (181,208,250) |
| Net interest income | 62,148,360 | 62,148,360 | 74,533,026 | 74,533,026 |
| Fees and Commission Income | 953,044 | 953,044 | 692,168 | 692,168 |
| Fees and Commission Expense | - | - | - | - |
| Net fee and comission income | 953,044 | 953,044 | 692,168 | 692,168 |
| Net interest,fee and comission income | 63,101,404 | 63,101,404 | 75,225,194 | 75,225,194 |
| Net trading income | | | - | - |
| Other operating income | 43,229,313 | 43,229,313 | 26,616,900 | 26,616,900 |
| Total operating income | 106,330,717 | 106,330,717 | 101,842,094 | 101,842,094 |
| Impairment charge/(reversal) for loans and other losses | 26,825,290 | 26,825,290 | 11,294,314 | 11,294,314 |
| Net operating income | 79,505,428 | 79,505,428 | 90,547,781 | 90,547,781 |
| Operating Expenses | | | | |
| Personnel Expense | (21,228,727) | (21,228,727) | (22,647,170) | (22,647,170) |
| Other Operating Expense | (12,700,914) | (12,700,914) | (46,721,332) | (46,721,332) |
| Depreciation and Amortization | (4,275,000) | (4,275,000) | (4,200,000) | (4,200,000) |
| Operating profit | 41,300,786 | 41,300,786 | 16,979,279 | 16,979,279 |
| Non operating Income | 56,000 | 56,000 | 208,600 | 208,600 |
| Non operating expense | | | - | - |
| Profit before Income tax | 41,356,786 | 41,356,786 | 17,187,879 | 17,187,879 |
| Income tax Expenses | | | | |
| Current Tax | (12,196,883) | (12,196,883) | (4,998,523) | (4,998,523) |
| Deferred Tax | | | | |
| Profit/(loss) for the period | 29,159,903 | 29,159,903 | 12,189,356 | 12,189,356 |

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 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>

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 | 29,159,903 | 29,159,903 | 12,189,356 | 12,189,356 |
| Other Comprehensive Income | 27,864,412.60 | 27,864,413 | - | - |
| Gains/(losses) from investments in equity instruments measured at fair value | 27,864,413 | 27,864,413 | - | - |
| Total Comprehensive Income | 57,024,316 | 57,024,316 | 12,189,356 | 12,189,356 |
| Basic earning per share | 3.64 | 3.64 | 1.52 | 1.52 |
| Annualized Basic earning per share | 14.58 | 14.58 | 6.09 | 6.09 |
| Diluted earning per share | 14.58 | 14.58 | 6.09 | 6.09 |
| Profit attributable to: | | | | |
| Equity holders of the Bank | 57,024,316 | 57,024,316 | 12,189,356 | 12,189,356 |
| Non-controlling interests | - | - | - | - |
| Total | 57,024,316 | 57,024,316 | 12,189,356 | 12,189,356 |

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 | | 20.55% | | 13.49% |
| Total Loan Loss provision to Total NPL | | 154.40% | | 187.71% |
| Non-Performing Loan (NPL) to Total Loan | | 2.01% | | 1.24% |
| Cost of Funds | | 8.36% | | 9.75% |
| Credit to Deposit Ratio | | 68.88% | | 80.75% |
| Base Rate | | 10.47% | | 11.98% |
| Interest Rate Spread | | 4.99% | | 4.66% |

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

For the Quarter Ended Ashwin, 2077

Figures in NPR

| Particulars | Amount (Rs) |
|---|-----------------|
| Opening Retained Earnings as on year ended 2076.77 | 54,122,886.75 |
| Net Profit for the quarter ended Ashwin 2077 | 29,159,903.11 |
| 1. Appropriations | |
| 1.1 Profit required to be appropriated to statutory reserve | (6,123,579.65) |
| a. General Reserve | (5,831,980.62) |
| b. Capital Redemption Reserve | |
| c. Exchange Fluctuation Fund | |
| d. Corporate Social Responsibility Fund | (291,599.03) |
| e. Employees Training Fund | |
| f. Other | - |
| 1.2 Profit required to be transfer to Regulatory Reserve | 22,775,356.39 |
| a. Transfer to Regulatory Reserve | (28,011,688.63) |
| b. Transfer from Regulatory Reserve | 50,787,045.03 |
| Net Profit for quarter ended Ashadh 2077 available for distribution | 45,811,679.85 |
| Closing retained Earnings as on Ashwin end 2077 | 99,934,566.60 |

धितोपत्र दर्ता निष्काशन नियमावली २०६५ को अनुसूची १४

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

आ. ब. २०७७/७८ को प्रथम त्रैमासिक प्रतिवेदन

1. Financial Statements Highlights

- Ratios as on First Quarter ending 2077/78

| Particulars | This Quarter Ending | Previous Quarter Ending |
|------------------------------------|---------------------|-------------------------|
| Liquidity (CRR) | 51.66% | 37.88% |
| Value of per share on total assets | Rs.1504.94 | Rs.1362.59 |
| Number of equity shares | 8000000 | 8000000 |
| Earnings per share (Annualized) | Rs.14.58 | Rs.13.48 |
| Net worth per share (Annualized) | Rs.161.03 | Rs.153.81 |
| Price earnings ratio | 13.03 | 9.79 |

2. Management's analysis of performance

- As per NFRS reporting, during this quarter, company's profitability increased by (139.22% as compare to1st quarter of previous year 2076-2077. Likewise, deposit and loans & advances are increased by 10.10% and 16.63% respectively as compare to 1st 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 1st quarter of FY 2077/78, total volume of 569028 no. of shares were transacted in 2259 transactions. And share price was of NPR 208/- at the highest, Rs.144 was the lowest and NPR 190/- was the closing price at the end of the 1st 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.