सेन्ट्रल फाईनान्स लिमिटेड

CENTRAL FINANCE LIMITED

Serving Your Financial Needs

Head Office: Kupondole, Lalitpur, **Tel:** 01-5970005, **Email:** info@centralfinance.com.np, **Website:** www.centralfinance.com.np

Unaudited Financial Report (Quarterly)

As at 4th quarter (2083/03/32) of the Fiscal Year 2082/83

Condensed statement of financial position

As on Quarter Ended Asadh 2083

ASSETS	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	600,130,345	607,092,272
Due from Nepal Rastra Bank	1,203,129,923	356,042,898
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loans and advances to B/FIs	105,879,524	164,381,146
Loans and advances to customers	4,646,696,011	4,411,290,318
Investment securities	3,035,124,667	2,897,800,313
Current tax assets	25,878,208	70,474,365
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	87,727,189	83,232,618
Property Plant and Equipment	177,824,986	172,516,550
Goodwill and Intangible assets	1,628,280	2,336,345
Deferred tax assets	-	-
Other assets	54,679,388	35,683,677
TOTAL ASSETS	**9,938,698,522**	**8,800,850,502**
LIABILITIES	**This Quarter Ending**	**Immediate Previous Year Ending**
Due to Bank and Financial Institutions	137,852,675	72,367,047
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	8,467,143,862	7,524,680,237
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	36,496,065	45,396,487
Other liabilities	138,197,484	106,179,797
Debt securities issued	-	-
Subordinated Liabilities	-	-
TOTAL LIABILITIES	**8,779,690,086**	**7,748,623,569**
EQUITY	**This Quarter Ending**	**Immediate Previous Year Ending**
Share Capital	948,875,459	948,875,459
Share premium	442,546	442,546
Retained Earnings	(216,797,975)	(305,508,619)
Reserves	426,488,406	408,417,548
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	**1,159,008,436**	**1,052,226,933**
NON-CONTROLLING INTEREST		
TOTAL EQUITY	**1,159,008,436**	**1,052,226,933**
TOTAL LIABILITIES & EQUITY	**9,938,698,522**	**8,800,850,502**

Condensed Statement of Profit or Loss

For the quarter ended Asadh 2083

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Interest income	158,291,432	639,321,276	129,665,129	644,318,065
Interest expense	103,340,973	419,786,658	119,198,410	503,695,464
Net interest income	**54,950,459**	**219,534,618**	**10,466,719**	**140,622,601**
Fee and commission income	5,628,201	22,502,049	6,897,907	23,289,815
Fee and commission expense	-	-	-	-
Net fee and commission income	**5,628,201**	**22,502,049**	**6,897,907**	**23,289,815**
Net interest, fee and commission income	**60,578,660**	**242,036,667**	**17,364,626**	**163,912,416**
Net trading income	2,084,708	6,386,894	21,214,991	40,693,568
Other operating income	22,000	35,142,066	235,793	17,841,111
Total operating income	**62,685,368**	**283,565,627**	**38,815,410**	**222,447,095**
Impairment charge/(reversal) for loans and other losses	(126,583,413)	(96,461,243)	(52,175,158)	(14,616,699)
Net operating income	**189,268,781**	**380,026,870**	**90,990,568**	**237,063,794**
Operating expense	-			
Personnel expenses	43,466,022	130,128,812	31,698,258	103,890,533
Other operating expenses	3,148,671	42,746,229	5,749,640	42,511,065
Depreciation & Amortization	13,209,950	24,938,748	12,981,483	26,034,494
Operating Profit	**129,444,138**	**182,213,082**	**40,561,186**	**64,627,702**
Non operating income	-	-	(187,309)	-
Non operating expense	-	-	-	-
Profit before income tax	**129,444,138**	**182,213,082**	**40,373,877**	**64,627,702**
Income tax expense	-			
Current Tax expenses	38,833,241	54,663,924	(6,248,983)	1,027,164
Deferred Tax Expenses/(Income)	-	-	(1,351,725)	(1,351,725)
Profit for the period	**90,610,896**	**127,549,157**	**47,974,586**	**64,952,263**

Condensed Statement of Comprehensive Income

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Profit for the year	**90,610,896**	**127,549,157**	**47,974,586**	**64,952,263**
Other comprehensive income, net of income tax				
a) Items that will not be reclassified to profit or loss				
"Gains/(Losses) from investments in equity instruments measured at fair value"	(27,458,516)	(29,668,076)	8,091,191	104,231,543
Gains/(Losses) on revaluation				
Actuarial gain/(loss) on defined benefit plans			(87,457)	(87,457)
Income tax relating to above terms	8,237,555	8,900,423	(2,401,120)	(31,243,226)
Net other comprehensive income that will not be reclassified to profit or loss	**(19,220,961)**	**(20,767,653)**	**5,602,614**	**72,900,860**
Other comprehensive income for the year, net of income tax	**(19,220,961)**	**(20,767,653)**	**5,602,614**	**72,900,860**
Total comprehensive income for the period	71,389,935	106,781,504	53,577,200	137,853,123
Basic earnings per share		13.44		6.85
Diluted earnings per share		13.44		6.85
Total comprehensive income attributable to:	**71,389,935**	**106,781,504**	**53,577,200**	**137,853,123**
Equity holders of the bank	**71,389,935**	**106,781,504**	**53,577,200**	**137,853,123**
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	**71,389,935**	**106,781,504**	**53,577,200**	**137,853,123**

Ratio as per NRB Directive

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Capital fund to RWA		15.03%		14.42%
Tier 1 Capital to RWA		12.99%		12.01%
CET 1 Capital to RWA		12.99%		12.01%
Non-performing loan (NPL) to total loan		10.12%		14.35%
Total loan loss provision to Total NPL		85.33%		74.35%
Cost of Funds		4.24%		5.84%
Credit to Deposit Ratio		59.89%		66.84%
Base Rate		6.56%		8.25%
Interest Rate Spread		4.42%		4.46%

Statement of Distributable Profit or Loss

Particulars	Asadh End 2083	Asadh End 2082
Net profit or (loss) as per statement of Profit or loss	**127,549,157**	**64,952,263**
Appropriations:		
a. General reserve	(25,509,831)	(12,990,453)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(1,275,492)	(649,523)
e. Employees' training fund	(2,196,073)	(2,032,900)
f. Other	3,176,913	615,369
Profit or (loss) before regulatory adjustment	**101,744,674**	**49,894,757**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(20,030,643)	38,326,337
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)		-
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	8,774,727	(52,279,884)
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	(61,220)
i. Other (+/-)	(1,778,114)	(3,174,761)
Net Profit for the Quarter Ended Ashad available for distribution	**88,710,645**	**32,705,229**
Opening Retained Earning	**(305,508,620)**	**(333,932,289)**
Adjustment(+/-)		(4,281,560)
Distribution		
Bonus Share issued	-	-
Cash Dividend Paid	-	-
Total Distributable profit or (loss) as on Quarter End date	**(216,797,975)**	**(305,508,620)**
Annualised Distributable Profit/Loss per share	-22.85%	-32.20%

Notes:

1. The above financial statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) and NRB Directives. Interest income on financial assets measured at amortized cost within the context of NFRS-9 ECL Guidelines has been recognized inaccordance with the Guidance Note on Interest Income Recognition, 2025.
2. As the loan loss provision required as per Expected Credit Loss Model is lower than the impairment charges required as per the norms of NRB, impairment charges as norms of NRB has been considered as impairment charges.
3. Figures presented above may vary with the audited figures as per the instruction or requirement of the banking regulator and/or statutory auditor.
4. Investment in securities have been marked to market using NFRS 13 and have been measured at fair value through other comprehensive income.
5. Regulatory adjustment on accrued interesst and possible losses on investment properties has been made.
6. Loans and advances are presented net of impairment charges and includes staff loans and advances.
7. Personnel expenses includes provision for staff bonus which has been calculated as per provision of Bonus Act.
8. A detailed interim financial report has been published in the financial institution's website https://www.centralfinance.com.np

Disclosure as prescribed by Securities Registration and Issue Regulation, 2073

(Related to Sub rule (1) of Rule 26, for the 4th Quarter of F.Y.2082/83)

1. Financial Statements (as per unaudited figures of 2083/03/32)

i. Financial details as at the end of the 4th quarter of F.Y. 2082/83 (2083/03/32) has been published along with the disclosure.

ii. Major Financial Indicator

Earning Per Share (Annualized)	NPR 13.44	Market Value Per Share	NPR 608.90
Price Earning Ratio	45.30	Net Worth Per Share	NPR 122.15
Total Assets/No. of Share	1047.42	Liquidity Ratio	50.03

2. Management Analysis

a) Details relating to change in the FI's reserve, income, and liquidity in the quarter (if any) and it's main reason.

FI's capital adequacy and liquidity position continues to remain strong.

b) Management's analytical details regarding future business plan.

FI seeks to achieve sustainable growth in business and profitability as per it's strategic management plan.

c) Analytical details of the Incidents that may have major impact on reserve, profit, or cash flow (if any) based on previous experience.

No specific incident occurred during the period that could have impact on reserve, profit, or cash flow.

3. Legal Proceedings

a) Case filed by or against the FI in this quarter.

Except in the regular course of business, there is no lawsuits filed against the FI in this quarter.

b) Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or Director of the FI.

No such information has been received.

4. Analysis of Stock Performance of the FI

a) Management view on the transaction of the shares of the FI in the Share Market.

Transaction of Shares and share price are determined by open market at Nepal Stock Exchange Ltd.

b) Maximum, Minimum, and last share price, total transaction days and total transacted number of shares in the quarter (as per nepalstock.com)

Maximum share price (Rs.)	695.00	Minimum share price (Rs.)	480
Closing share price (Rs.)	608.90	Total no. or transactions	19828
No. of days of the transaction	64	Total traded no. of shares	57,27,593

5. Problem and Challenges

Internal

1) Difficulties in recovery of loans.
2) Recruiting and retaining skilled staff.

External

1) Intense competition from larger banks and financial institution.
2) Changing regulatory requirements.
3) Political instability and economic fluctuations.

Strategy to overcome the problems and challenges

1) Customer centric products, new business avenues, and digital banking drive growth.
2) Implement robust risk management system including loan collection and recovery process.
3) Streamline operations by adopting best practices and process improvements.
4) Growth opportunities and invest in training and development.

6. Corporate Governance

Clear separation of roles and responsibilities of Board of Directors and Management has ensured high standard of corporate Governance Audit Committee has been functioning independently and actively. Central Finance is committed for transparency, high standard of professionalism and data integrity.

7. Declaration

I, CEO of the FI, am accountable individually on the factual accuracy of the information submitted as of the date in this report. I also declare that to the best of my knowledge, no material information for investors has been concealed.