सेन्ट्रल फाईनान्स लिमिटेड
CENTRAL FINANCE LIMITED

Serving Your Financial Needs

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Unaudited Financial Report (Quarterly)

As at 1st quarter (2083/06/31) of the Fiscal Year 2083/84

Condensed statement of financial position

As on Quarter Ended Ashwin 2083

ASSETS	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	542,051,627	600,130,345
Due from Nepal Rastra Bank	997,550,501	1,203,129,923
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loans and advances to B/FIs	148,263,713	105,879,524
Loans and advances to customers	4,678,976,755	4,646,696,011
Investment securities	3,379,071,812	3,035,124,667
Current tax assets	17,965,891	25,878,208
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	83,727,189	87,727,189
Property Plant and Equipment	174,750,457	177,824,986
Goodwill and Intangible assets	1,453,642	1,628,280
Deferred tax assets	-	-
Other assets	56,457,354	54,679,388
TOTAL ASSETS	**10,080,268,942**	**9,938,698,522**
LIABILITIES	**This Quarter Ending**	**Immediate Previous Year Ending**
Due to Bank and Financial Institutions	291,266,480	137,852,675
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	8,473,275,462	8,467,143,862
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	23,112,553	36,496,065
Other liabilities	143,891,884	138,197,484
Debt securities issued	-	-
Subordinated Liabilities	-	-
TOTAL LIABILITIES	**8,931,546,379**	**8,779,690,086**
EQUITY	**This Quarter Ending**	**Immediate Previous Year Ending**
Share Capital	948,875,459	948,875,459
Share premium	442,546	442,546
Retained Earnings	(205,135,631)	(216,797,975)
Reserves	404,540,188	426,488,406
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	**1,148,722,562**	**1,159,008,436**
NON-CONTROLLING INTEREST		
TOTAL EQUITY	**1,148,722,562**	**1,159,008,436**
TOTAL LIABILITIES & EQUITY	**10,080,268,942**	**9,938,698,522**

Condensed Statement of Profit or Loss

For the quarter ended Ashwin 2083

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Interest income	142,065,941	142,065,941	148,054,202	148,054,202
Interest expense	86,700,728	86,700,728	110,352,874	110,352,874
Net interest income	**55,365,213**	**55,365,213**	**37,701,328**	**37,701,328**
Fee and commission income	7,563,873	7,563,873	5,933,407	5,933,407
Fee and commission expense	-	-	-	-
Net fee and commission income	**7,563,873**	**7,563,873**	**5,933,407**	**5,933,407**
Net interest, fee and commission income	**62,929,086**	**62,929,086**	**43,634,735**	**43,634,735**
Net trading income	1,068,563	1,068,563	-	-
Other operating income	9,523,116	9,523,116	32,842,702	32,842,702
Total operating income	**73,520,765**	**73,520,765**	**76,477,437**	**76,477,437**
Impairment charge/(reversal) for loans and other losses	(9,512,112)	(9,512,112)	(2,011,546)	(2,011,546)
Net operating income	**83,032,877**	**83,032,877**	**78,488,983**	**78,488,983**
Operating expense	-			
Personnel expenses	35,403,262	35,403,262	34,705,089	34,705,089
Other operating expenses	14,201,900	14,201,900	13,363,678	13,363,678
Depreciation & Amortization	3,510,117	3,510,117	4,070,834	4,070,834
Operating Profit	**29,917,597**	**29,917,597**	**26,349,382**	**26,349,382**
Non operating income	-	-	-	-
Non operating expense	-	-	-	-
Profit before income tax	**29,917,597**	**29,917,597**	**26,349,382**	**26,349,382**
Income tax expense			-	-
Current Tax expenses	8,975,279	8,975,279	7,904,815	7,904,815
Deferred Tax Expenses/(Income)	-	-	-	-
Profit for the period	**20,942,318**	**20,942,318**	**18,444,567**	**18,444,567**

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	**20,942,318**	**20,942,318**	**18,444,567**	**18,444,567**
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"	(44,611,704)	(44,611,704)	(21,016,451)	(21,016,451)
Gains/(Losses) on revaluation	-	-	-	-
Actuarial gain/(loss) on defined benefit plans			-	-
Income tax relating to above terms	13,383,511	13,383,511	6,304,935	6,304,935
Net other comprehensive income that will not be reclassified to profit or loss	**(31,228,193)**	**(31,228,193)**	**(14,711,516)**	**(14,711,516)**
Other comprehensive income for the year, net of income tax	**(31,228,193)**	**(31,228,193)**	**(14,711,516)**	**(14,711,516)**
Total comprehensive income for the period	(10,285,875)	(10,285,875)	3,733,051	3,733,051
Basic earnings per share				
Diluted earnings per share	8.83	8.83	7.78	7.78
Total comprehensive income attributable to:	**(10,285,875)**	**(10,285,875)**	**3,733,051**	**3,733,051**
Equity holders of the bank	**(10,285,875)**	**(10,285,875)**	**3,733,051**	**3,733,051**
Non-controlling interest				
Total comprehensive income for the period	**(10,285,875)**	**(10,285,875)**	**3,733,051**	**3,733,051**

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		16.49%		14.55%
Tier 1 Capital to RWA		14.22%		12.26%
CET 1 Capital to RWA		14.22%		12.26%
Non-performing loan (NPL) to total loan		9.12%		12.09%
Total loan loss provision to Total NPL		91.86%		84.33%
Cost of Funds		3.79%		5.57%
Credit to Deposit Ratio		59.36%		65.01%
Base Rate		6.23%		8.06%
Interest Rate Spread		4.42%		4.43%

Statement of Distributable Profit or Loss

Particulars	Ashwin End 2083	Ashwin End 2082
Net profit or (loss) as per statement of Profit or loss	**20,942,318**	**18,444,567**
Appropriations:		
a. General reserve	(4,188,464)	(3,688,913)
b. Foreign exchange fluctuation fund	-	
c. Capital redemption reserve	-	
d. Corporate social responsibility fund	(209,423)	(184,446)
e. Employees' training fund	(624,137)	(549,018)
f. Other	568,621	1,280,789
Profit or (loss) before regulatory adjustment	**16,488,915**	**15,302,979**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(5,987,864)	(17,749,933)
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 (+)	1,990,800	
e. Deferred tax assets recognised (-)/ reversal (+)	-	
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	
g. Bargain purchase gain recognised (-)/resersal (+)	-	
h. Actuarial loss recognised (-)/reversal (+)	-	
i. Other (+/-)	-	
Interest Capitalization Reserve (ICR)	**(829,507)**	**(165,132)**
Net Profit for the Quarter Ended Asoj available for distribution	**11,662,344**	**(2,612,086)**
Opening Retained Earning	**(216,797,975)**	**(302,521,990)**
Adjustment(+/-)		
Distribution		
Bonus Share issued		
Cash Dividend Paid		
Total Distributable profit or (loss) as on Quarter End date	**(205,135,631)**	**(305,134,077)**

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 in accordance with the Guidance Note on Interest Income Recognition, 2025. Bank has considered the impact of Effective Interest Rate as not significant for the period of 1st quarter of FY 2083-084. Bank will assess its impact on subsequent quarters of FY 2083-084..
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 interest 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 1st Quarter of F.Y. 2083/84)

1. Financial Statements (as per unaudited figures of 2083/06/31)

i. Financial details as at the end of the 1st quarter of F.Y. 2083/84 (2083/06/31) has been published along with the disclosure.

ii. Major Financial Indicator

Earning Per Share (Annualized)	8.83	Market Value Per Share	564.00
Price Earning Ratio	63.87	Net Worth Per Share	121.06
Total Assets/No. of Share	1062.34	Liquidity Ratio	50.68

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.)	699	Minimum share price (Rs.)	535
Closing share price (Rs.)	564	Total no. of transactions	19467
No. of days of the transaction	61	Total traded no. of shares	64,30,703

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.