आइ.सि.इफ.सि. फाइनान्स लिमिटेड ICFC FINANCE LIMITED

Unaudited Financial Results (Quarterly)

Condensed Statement of Financial Position
As on Quarter ended Asoj 2083 — Amount in NPR

ASSETS	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	1,397,277,671	834,819,162
Due from Nepal Rastra Bank	1,332,420,805	2,691,289,528
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loans and advances to B/Fs	440,113,830	550,291,477
Loans and advances to customers	20,375,119,509	18,700,876,392
Investment securities	3,489,034,974	2,918,816,064
Current tax assets	-	3,058,468
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	43,817,026	76,678,425
Property Plant and Equipment	331,672,456	323,647,083
Goodwill and Intangible assets	4,021,866	3,950,526
Deferred tax assets	7,326,259	2,514,103
Other assets	159,264,757	117,122,528
TOTAL ASSETS	**27,580,069,153**	**26,223,063,756**
LIABILITIES	**This Quarter Ending**	**Immediate Previous Year Ending**
Due to Bank and Financial Institutions	491,639,302	298,349,671
Due to Nepal Rastra Bank	211,325,354	204,209,672
Derivative financial instruments	-	-
Deposits from customers	23,497,088,239	22,232,744,964
Borrowing	-	-
Current Tax Liabilities	18,343,577	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	186,093,434	245,500,470
Debt securities issued	997,263,176	997,263,176
Subordinated Liabilities	-	-
TOTAL LIABILITIES	**25,401,753,082**	**23,978,067,953**
EQUITY		
Share Capital	1,183,470,960	1,183,470,960
Share premium	-	-
Retained Earnings	(90,795)	143,065,670
Reserves	994,935,906	918,459,173
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	**2,178,316,071**	**2,244,995,803**
NON-CONTROLLING INTEREST	-	-
TOTAL EQUITY	**2,178,316,071**	**2,244,995,803**
TOTAL LIABILITIES & EQUITY	**27,580,069,153**	**26,223,063,756**

Condensed Statement of Profit or Loss

For the Quarter ended Asoj 2083 — Amount in NPR

Particular	Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest income	438,331,469	438,331,469	479,750,189	479,750,189
Interest expense	251,946,609	251,946,609	320,389,069	320,389,069
Net interest income	**186,384,860**	**186,384,860**	**159,361,120**	**159,361,120**
Fee and commission income	16,469,850	16,469,850	17,356,352	17,356,352
Fee and commission expense	2,987,860	2,987,860	1,255,241	1,255,241
Net fee and commission income	**13,481,990**	**13,481,990**	**16,101,111**	**16,101,111**
Net interest, fee and commission income	**199,866,850**	**199,866,850**	**175,462,231**	**175,462,231**
Net trading income/(expenses)	-	-	-	-
Other operating income	59,970,866	59,970,866	19,783,276	19,783,276
Total operating income	**259,837,716**	**259,837,716**	**195,245,507**	**195,245,507**
Impairment charge/(reversal) for loans and other losses	52,471,383	52,471,383	66,854,005	66,854,005
Net operating income	**207,366,333**	**207,366,333**	**128,391,502**	**128,391,502**
Operating expense				
Personnel expenses	70,662,294	70,662,294	64,542,266	64,542,266
Other operating expenses	31,813,800	31,813,800	26,370,785	26,370,785
Depreciation & Amortization	4,911,825	4,911,825	4,766,735	4,766,735
Operating Profit	**99,978,414**	**99,978,414**	**32,711,716**	**32,711,716**
Non operating income	29,429	29,429	-	-
Non operating expense	309,703	309,703	632,556	632,556
Profit before income tax	**99,698,140**	**99,698,140**	**32,079,160**	**32,079,160**
Income tax expense				
Current Tax expenses	29,624,715	29,624,715	9,623,748	9,623,748
Deferred Tax Expenses/(Income)	284,727	284,727	-	-
Profit for the period	**69,788,698**	**69,788,698**	**22,455,412**	**22,455,412**
Profit attributable to:				
Equity holders of the finance	69,788,698	69,788,698	22,455,412	22,455,412
Non-controlling interest	-	-	-	-
Profit for the period	**69,788,698**	**69,788,698**	**22,455,412**	**22,455,412**
Other comprehensive income	(11,892,725)	(11,892,725)	(25,071,954)	(25,071,954)
Total comprehensive income for the period	**57,895,973**	**57,895,973**	**(2,616,542)**	**(2,616,542)**
Earnings per share				
Basic earnings per share		5.90		1.90
Annualized Basic earnings per share		23.59		7.59
Diluted earnings per share		23.59		7.59
Total comprehensive income attributable to:				
Equity holders of the finance	57,895,973	57,895,973	(2,616,542)	(2,616,542)
Non-controlling interest	-	-	-	-
Total comprehensive income	**57,895,973**	**57,895,973**	**(2,616,542)**	**(2,616,542)**

Ratios as per NRB Directive

Particulars	Current year		Previous year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Capital fund to RWA		13.03%		13.10%
Tier 1 Capital To RWA		8.28%		9.88%
Non-performing loan (NPL) to total loan		1.95%		2.77%
Total loan loss provision to Total NPL		110.17%		89.38%
Cost of Funds		4.09%		5.88%
Credit to Deposit Ratio		87.00%		82.65%
Base Rate		5.85%		7.67%
Interest Rate Spread		4.05%		4.34%
Return on Equity		12.82%		4.13%
Return on Asset		1.01%		0.37%

STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

For the Quarter ended Asoj 2083
(As per NRB Regulation) — Amount in NPR

Particular	Current year Up to This Quarter (YTD)	Previous year Up to This Quarter (YTD)
Net profit or (loss) as per statement of profit or loss	**69,788,698**	**22,455,412**
Appropriations:		
a. General reserve	(13,957,740)	(4,491,082)
b. Foreign exchange fluctuation fund		-
c. Debenture redemption reserve	(33,333,333)	(23,250,000)
d. Corporate social responsibility fund	(697,887)	(224,554)
e. Employees' training fund		
f. Other		
Transfer to investment adjustment reserve		-
Transfer from contingency reserve and deferred tax reserve		-
Transfer from CSR fund	2,500,000	609,841
Profit or (loss) before regulatory adjustment	**24,299,738**	**(4,900,383)**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(42,761,776)	(40,935,116)
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 (-)/reversal (+)	-	(16,355,118)
e. Deferred tax assets recognised (-)/ reversal (+)		-
f. Goodwill recognised (-)/ impairment of Goodwill (+)		-
g. Bargain purchase gain recognised (-)/reversal (+)		-
h. Actuarial loss recognised (-)/reversal (+)		-
i. Other (+/-) Interest Capitalized Reserve	(118,723)	-
Net Profit for the Quarter ended available for distribution	**(18,580,761)**	**(62,190,617)**
Opening retained earning	**143,065,670**	**218,670,200**
Less: Cash Dividend distributed	124,575,704	
Less: Bonus Share issued	-	-
Less: Share issue expenses	-	-
Add: Gain from sale of investment securities measured at fair value through OCI	-	-
Add/(Less) : Profit and Loss Adjustment	-	818,830
Remaining balance of Retained Earnings	**18,489,966**	**219,489,029**
Distributable Profit or (Loss)	**(90,795)**	**157,298,412**
Distributable Profit or (Loss) per Share	**(0.01)**	**13.29**

Notes:

1. Figures presented above may vary with the audited figures as per the instruction or requirement of the banking regulator and/or statutory auditor.
2. Above financial have been prepared in according with NRB Directive No 4 and applicable Nepal Financial Reporting standard (NFRS) by applying certain carve-out in NFRS as issued by The Institute of Chartered Accountants of Nepal (ICAN).
3. Impairement on credit exposures has been recognized in accordance with Nepal Rastra Bank existing regulatory provisions outlined in the Unified Directives 2082, as these provisions resulted in a higher impairement amount compared to the Expected Credit Loss(ECL) calculated under Nepal Financial Reporting Standard (NFRS 9)
4. Interest income has been recognised in accordance with the Guidance Note on Interest Income Recognition, 2025 issued by Nepal Rastra Bank. For all financial assets other than old term loans, interest income has been calculated using the effective interest method, applying the effective interest rate to the gross carrying amount of financial assets that are not credit-impaired and to the amortised cost of financial assets that are credit-impaired. Where the contractual cash flows of a financial asset were renegotiated or otherwise modified without resulting in derecognition (a non-substantial modification), the gross carrying amount has been recalculated as the present value of the modified contractual cash flows discounted at the original effective interest rate, and the resulting modification gain or loss has been recognised in profit or loss. No substantial modification requiring derecognition of a financial asset occurred during the reporting period. For old term loans, interest income has been recognised on the gross carrying amount or the amortised cost, as applicable under the Guidance Note, by applying the deemed effective interest rate.
5. Loans and advances are presented along with staff loans and net of impairment charges
6. Investments are recognized at their fair value i.e. after charging impairment charge or fair value gain as per their classification.
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 www.icfc.com.np
9. Figures are regrouped and reclassified wherever appropriate for fair presentation.

Securities Registration and Issue Regulation, 2073
Related to (Rule 26(1), Annexure 14), for the First Quarter of F.Y. 2083/84)

1. Financial Statements as per un-audited figures of 2083.06.31

i. Financial details as of the end of the First Quarter (2083.06.31) of FY 2083/84 have been published along with this disclosure.

ii. Major Financial Indicators

Earnings per share (Rs.)	**23.59**	**Market Value Per Share (Rs.)**	**616**
Price Earnings Ratio (times)	**26.12**	**Net Worth Per Share (Rs.)**	**184.06**
Total Assets/No. of Shares (Rs.)	**2,330.44**	**Liquidity Ratio (%)**	**23.23**

2. Management Analysis

a) Details relating to the change in the FI's reserve, income, and liquidity in the quarter (if any) and its main reason.
During the reporting period, the Company recorded a significant increase in income compared to the corresponding period of the previous fiscal year, primarily driven by growth in Net Interest Income (NII). Non-interest income and investment returns also improved, supported by gains realized from the sale of investment securities at a premium. The Company continued to focus on strengthening asset quality, improving portfolio performance, and optimizing overall returns. Furthermore, the Non-Performing Loan (NPL) ratio declined compared to the previous quarter, reflecting improvement in the quality of the loan portfolio.
From a liquidity perspective, the Company maintained a comfortable position, with adequate funds available to support lending activities and meet its financial obligations. The market continued to experience excess liquidity, resulting in a gradual decline in lending rates in line with the reduction in base rates across the banking sector. The Asset Liability Management Committee (ALCO) remained proactive in managing interest rate and liquidity risks through prudent asset-liability management practices, ensuring an appropriate balance between profitability, liquidity, and risk. Going forward, the Company remains committed to maintaining financial stability, enhancing operational efficiency, and achieving sustainable business growth and profitability.

b) Management's analytical details regarding future business plan:
ICFC Finance Ltd has laid out a strategic business plan aimed at achieving sustainable and balance growth. The company aims to improve financial performance, deliver value to shareholders, and support inclusive financial access across its service areas.

c) Analytical details of the incidents that may have a major impact on reserve, profit, or cash flow (if any) based on previous experience:
No specific incident occurred during the period that could have an 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 are no lawsuits filed against the FI in this quarter.

b) Case relating to disobedience of prevailing law or commission of criminal offense filed by or against the promoter or Director of the FI:
No such information has been received.

c) Case relating to the commission of financial crime filed against any 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 to the FI in the Share Market:
Transaction of the shares and share price are determined by the 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.)	629	**Minimum share price (Rs.)**	567
Closing share price (Rs.)	616	**Total no. of transactions**	2,504
No. of days of the transaction	51	**Total traded no. of shares**	354,073

5. Problem and Challenges

Internal
a. Rising operational Costs
b. Dependence on interest income
c. Retention of skilled and experienced human resources.
d. Maintaining adequate Capital Adequacy.
e. Significant challenges in recovery

External
a. Increasing trend of cyber frauds and operational risks
b. Economic Slowdowns
c. Low credit demand
d. Intense market competition
e. Compliance with evolving regulations

Strategy to overcome the problems and challenges
a. Development and introduction of customer-oriented products/services.
b. Strong risk management approach and portfolio diversification.
c. Identification of new business opportunities.
d. Focus on the development of staff by training, counseling, and monitoring them.
e. Strengthen IT security and conduct regular audits
f. Improve service quality and leverage digital platforms to stay competitive.

6. Corporate Governance
The FI's has been complying with the directives, and guidelines issued by Nepal Rastra Bank regarding corporate governance. To ensure that the prevalent laws and rules are followed, the FI has developed policies and working procedures. Clear authorities have been developed to guide the function of management, to ensure the same complies with the corporate governance requirement. The board of directors, audit committee, risk management committee, recruitment committee, and management committee are committed to strengthening good corporate governance within the FI.

7. Declaration
I, Acting CEO of the FI, hereby declare that all the information provided in this document is true, complete, and factual and that I take personal responsibility for any deviation thereof. I also declare that the FI's information or data that assists investors make their investment decisions have not been concealed in any way.