



First Micro Finance Development Bank Ltd. (FMDBL)

Sector: Microfinance

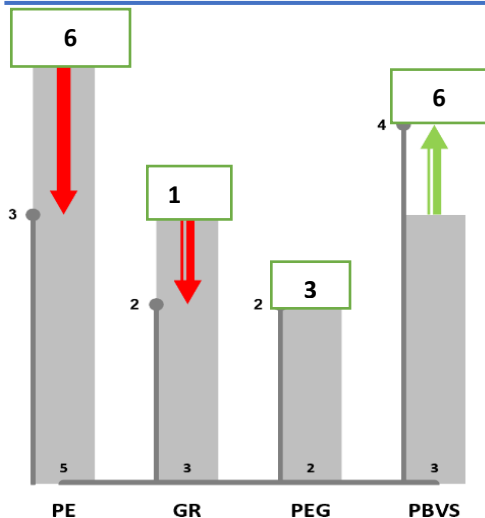
52 High-Low: 1,365-542

Fair Price: 976

LTP: 1045

180 days Average: Rs. 961.96

Base Price: 700



Synopsis

- **FMDBL has Market Capitalization of 9 Arab 39 lakhs 72 thousand and 1 hundred 95 only. It's annualized EPS and PE stands at 16.14 and 63.62 respectively, having a Book Value of 131.95. FMDBL has given dividend on average of 14.07 throughout the years. FMDBL has proposed 9.99% dividend for the year 2077/2078.**
- **If we look at the growth of the company from last Q4 to this year's Q4, Investments has seen highest growth of 37500.00% followed by Borrowings 64.60%, Asset's growth of the company has also seen growth by 55.32% and Loan & Advances has seen growth by 48.02%.**
- **From peer-to-peer growth table, we can see that FMDBL has the second highest growth in Loan and Advances, Reserve and Surplus, Net Interest Income, Operating Profit, Net profit after RSDC. Also, its stands close to SKBBL in terms of assets, borrowings growth.**

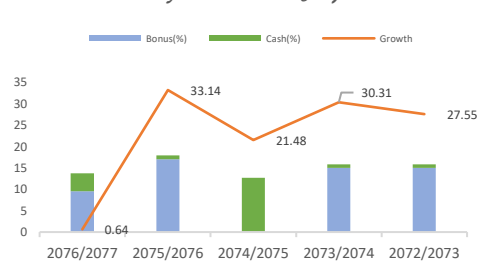
Stock Profile

Market Capitalization	8,908,399,760
Paid Up Capital	876,811,000
No of Shares	8,768,110
52 Weeks High/Low	1365/542
EPS (Annualized)	16.14
PE (Annualized)	62.94
Book Value per Share	131.95
Promoter Holding	51%
Public Holding	49%

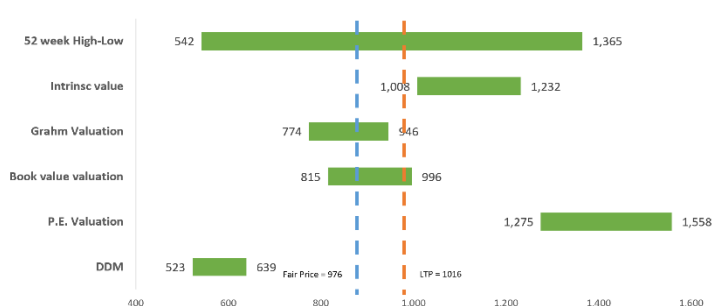
Quarterly unaudited reports highlights

Particular (Values are in RS in 000')	2077.78Q4	2077.78Q3	2077.78Q2
Paid Up Capital	876,811	876,811	876,811
Reserves and Surplus	280,171	233,580	199,008
Borrowings	8,606,601	8,924,062	7,019,448
ASSETS	9,818,814	10,071,142	8,127,630
Investments	752,000	1,002,000	1,002,000
Loan and Advances	8,204,198	8,272,262	6,673,193
Net Interest Income	264,774	185,732	116,392
Operating Profit	225,145	155,380	99,824
Net Profit/Loss	141,529	97,889	62,890
Book Value Per share (Rs.)	131.95	126.64	122.70
P/BV	6.24	6.98	5.66
EPS (Annualized)	16.14	14.89	14.35
Reported PE (Annualized)	50.99	59.39	48.45
Book Value per Share	131.95	126.64	122.70

5 Year Dividend History



Valuation of FMDBL



Growth Information	FMDBL	SKBBL	RMDC	RSDC
ASSETS	22.40%	22.73%	10.91%	46.52%
Loan and Advances	22.63%	21.63%	15.10%	43.13%
Investments	0.00%	80.86%	6.49%	0.00%
Borrowings	20.92%	22.38%	12.72%	41.39%
Reserves and Surplus	43.84%	19.27%	5.88%	127.57%
Net Interest Income	26.47%	26.14%	12.89%	50.87%
Operating Profit	31.85%	29.43%	15.18%	57.64%
Net Profit/Loss	32.12%	30.02%	9.07%	61.02%

Peer to peer growth status

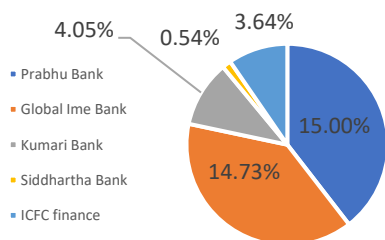
Company Profile

First Microfinance Laghu Bitta Bittiya Sanstha Limited (FMDB), a wholesale microfinance lender- was incorporated in 12th October 2009 and started its operations from January 8, 2010.

First Microfinance Laghu Bitta Bittiya Sanstha Limited (FMDBL) was registered at Office of Company Registrar as Public Limited Company on 2066/6/26 with registration number of 1181/066/067.

FMDB is engaged in business of providing microfinance access to rural poor households, especially to women via. Wholesale lending to partner organizations which include retail microfinance institutions, rural cooperatives and NGO financial intermediaries. Apart from this, it provides institutional strengthening and capacity building support to its partner MFIs with a view to promote and develop microfinance sector in the country. As of October-2017, FMDB is running its operations in 45 districts of the country through 141 partner organizations.

First Microfinance Laghu Bitta Bittiya Sanstha Limited (First Microfinance) or "the Micro Finance") was promoted by Global IME Bank Limited, Prabhu Bank Limited, Kumari Bank Limited, Siddhartha bank limited, ICFC Finance Limited and some other reputed personalities of Nepal. FMDB has 38.2% institutional promoter holding as on Jul-17, which includes two Class A commercial banks (30%) and Class B & Class C BFIs each holding 4.1%.



Commercial Bank Holdings

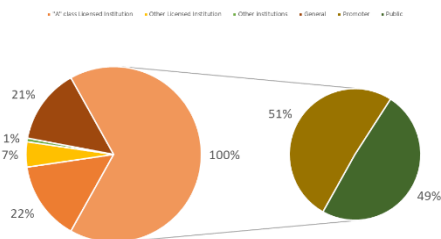
The Micro Finance is operating its business from its corporate office at Gyaneshor-30, Kathmandu.

It had obtained license to carry on business of wholesale lending of micro credit in Nepal under the license No. "GHA717/066/067 dated 2066/9/13 from Nepal Rastra Bank as Class 'D' Licensed Institution and it commenced its transactions since 2066/09/24.

The main objective of First Microfinance is to provide wholesale lending to other licensed micro finance institutions and cooperatives societies to promote the life style of deprived people as describe by Nepal Rastra Bank.

First Microfinance Laghu Bitta Bittiya Sanstha Limited is listed on Nepal Stock Exchange and is trading under the code "FMDBL". As per section 32(5) of Bank and Financial Institutions Act 2073, D class financial institutions is required to use in its name "Laghu Bitta Bittiya Sanstha Limited". So according the name of the Micro Finance has been changed to First Microfinance Laghu Bitta Bittiya Sanstha Limited from First Microfinance Development Bank Ltd.

The promoter-public shareholding ratio stood at 51:49. Authorized capital and



Public Promoter Ratio

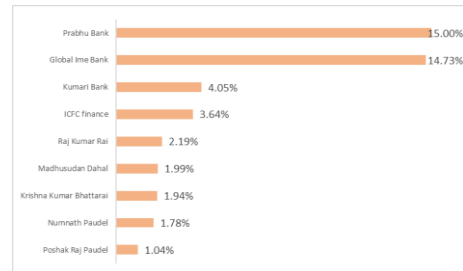
Issued Capital of the First Microfinance is Rs. 684,393,800 (shares of Rs. 100 each) and Paid-up capital is also Rs. 684,393,800 (shares of Rs.100 each).

The shareholder composition of the microfinance (as of 2076-03-31) is as follows.

First Microfinance Laghubitta Bittiya Sanstha Limited FMDBL has proposed a

10.53% dividend for the fiscal year 2077/78.

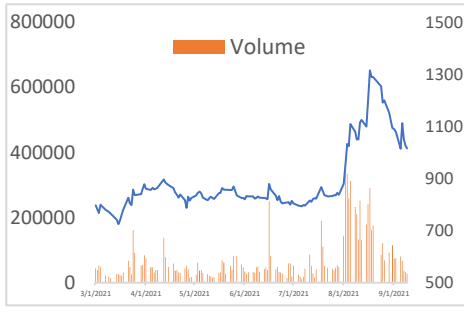
The meeting of the board of directors held on Bhadra 19 has decided to distribute the dividend from the existing paid-up capital of Rs. 87,68,11,200. 10% bonus shares and 0.53% cash



Top 10 Shareholders

dividend have been proposed. The bonus shares are worth Rs. 8,76,81,200 and the cash dividend is worth Rs. 46,14,800. The cash dividend is proposed for tax on bonus shares.

Technical Assessment



Recommendation

Close price

Support

Resistance

Sentiment

Correctio

Volatility

High

Price change %

1 Week **-5.93**

4 Week **-9.69**

12 week **18.25**

1 years **75.47**

Technical indicator

Trend indicator

20 Days Moving Average **1140**

Standard Deviation **36.71**

Commodity Channel Index **-103.9**

Oscillators Indicator

Average True Range **68.8**

Relative Strength Index **44.64**

MACD **11.64**

9th August, 2021

Script	Open	High	Low	Close	VOL.	Turnover
FIMDBL	1,026	1,045	1,001	1,016	28,682	29,204,140

Support & Resistance	S3	S2	S1	PP	R1	R2	R3
Clasic Pivot table	996	972	943	1,021	1,040	1,065	1,075
Camarilla Pivot Points	1,028	1,024	1,020	1,021	992	1,004	1,008
Woodie's pivot points	950	976	994	1,020	1,038	1,064	1,082
Fibonacci Pivot Point	1,023	993	1,004	1,021	1,037	1,048	1,065
Average	999	991	990	1,013	1,030	1,046	1,043

Fibonacci ratio (Unadj. Data)

levels %	0.38	0.50	0.62	1.27	1.38	1.50	1.62
Price	1,051	954	856	1,589	1,679	1,777	1,874

1 Month Floor sheet Analysis

Broker That bought the most

Broker No.	Qty	Average Price (Rs)	% of Total Buy
42	4,69,142	Rs. 1191.1	21.78%
58	1,29,956	Rs. 1183.77	6.03%
45	1,04,650	Rs. 1176.75	4.86%
39	95752	Rs. 1190.31	4.44%
1	78041	Rs. 1225.1	3.62%

Broker that sold the most

Broker No.	Qty	Average Price (Rs)	% of Total Sell
42	1,73,259	Rs. 1160.57	8.04%
45	1,33,610	Rs. 1170.97	6.20%
25	98613	Rs. 1142.79	4.58%
49	95750	Rs. 1181.01	4.44%
58	91196	Rs. 1179.87	4.23%

In one month, time the broker who bought the most is broker no. 42 with 4,69,142 shares however it has also sold 1,73,259 shares. Broker no.45 has sold more shares than it bought in the 1-month time which shows it following an exit strategy after the recent ups and down in share market. It's clear that broker no.25, 49 is also selling heavily than it has bought shares in past 1 month.

Elliott Wave Theory



Short-term Elliott wave view in FMDBL suggests that the cycle from 21st August 2021 high is unfolding as an (A), (B), and (C) structure to complete wave 4. Down from that high, the price has begun the first leg as wave (A) at 975. This wave (A) is developed as an impulse structure as Pullback in wave (B) ended at 1125 high. Near-term as far as the drop remains below wave (B) at 930, expect FMDBL to extend lower up to 850. Wave C could continue lower and end at 930 to 850 which could complete of major degree wave (4). If we look at lesser degree 4, a clear symmetrical triangle had formed. As per the theory of Elliott theory, the price must enter the area of the triangle for the compilation of Major wave (4).

The Elliott Wave Theory is a form of technical analysis that aspects recurrent long-term price patterns related to persistent changes in investor sentiment and psychology. The theory identifies impulse waves that set up a pattern and corrective waves that oppose the larger trend.

Technical Indicator Analysis

Candlestick pattern:

FMDBL had Bearish Spinning top candles were formed in all trading days of this weekly chart. A spinning top is a candlestick pattern that has a short real body that's vertically centered between long upper and lower shadows. The candlestick pattern represents indecision about the future direction of the asset. It means that neither buyers nor sellers could gain the upper hand.

20 days Moving Average (Daily chart):

The price of FMDBL is below both 20 days SMA. The value below the moving average usually is a bearish signal. SMA calculates the average of a selected range of prices, usually closing prices, by the number of periods in that range. It is a technical indicator that can aid in determining if an asset price will continue or if it will reverse a bull or bear trend.

Relative Strength Index (Daily chart):

14 Days Relative Strength Index is currently at 44.64 level which indicates a Neutral zone. The RSI provides signals about bullish and bearish price momentum and is usually considered overbought when the RSI is above 70% and oversold when it is below 30%.

Moving Average Convergence and Divergence (MACD):

MACD line (blue) and the signal line (red line) had a bearish cross on 21st August is still valid. The histogram is also in a negative zone which shows the market could fall further in the upcoming days. MACD triggers technical signals when it crosses above (to buy) or below (to sell) its signal line. The speed of crossovers is also taken as a signal of a market is overbought or oversold. MACD helps investors understand whether the bullish or bearish movement in the price is strengthening or weakening.

Bollinger Bands



interest at specific price levels.

The Upper Band and the lower band seem to contract the band next week. This shows the volatility could decrease. It is a technical analysis tool developed by John Bollinger for generating oversold or overbought signals. Three lines compose Bollinger Bands: A simple moving average (middle band) and an upper and lower band. The upper and lower bands are typically 2 standard deviations +/- from a 20-day simple moving average but can be modified.

Volume chart: Last August the price was supported by the increasing volumes however the month of September volume has decreased along with the price. It suggests the market will witness a sluggish market. Price by volume charts is used to illustrate high buying and selling

Conclusion: All major indicators are supporting the downtrend. This aspect market to make new on coming days.

Name List	Kitta	% of Total
GLobal IME Bank	987,162.20	11.26%
PRABHU BANK LIMITED	958,230.31	10.93%
KUMARI BANK LIMITED	355,058.49	4.05%
ICFC FINANCE LIMITED	319,411.19	3.64%
Kamadhenu Investment	269,852.00	3.08%
KRISHNA KUMAR BHATTARAI	169,724.57	1.94%
MADHU SUDAN RAJ DAHAL	166,732.11	1.90%
Numanath Poudel	156,156.22	1.78%
RASTRIYA BANIJYA BANK LIMITED	150,000.00	1.71%
HATHWAY STOCK DEALER LTD	104,652.00	1.19%
GAURI SHRESTHA	94,118.86	1.07%
Poshak Raj Paudel	91,367.07	1.04%

Fig: SHAREHOLDERS LIST Promoter and Public Combined

Looking at both Promoter and Public shares of the company. We can see that Global IME Bank has the highest holding as of date with 987,162.20 i.e., 11.26% followed by Prabhu Bank Limited 958,230.31 i.e., 10.93%.

Other Holdings of FMDBL with Kumari Bank Limited, ICFC Finance Limited, Kamadhenu Investment, Krishna Kumar Bhattarai, Madhu Sudan Raj Dahal, Numanath Poudel, Rastriya Banijya Bank Limited, Hathway Stock Dealer Ltd, Gauri Shrestha and Poshak Raj Paudel with 4.05%,3.64%,3.08%,1.94%,1.90%,1.78%,1.71%,1.19%,1.07% and 1.04% respectively.

*** (Other holdings below 1% are not shown in the data.)**

