



DurbarMarg, P.O. Box 21128, Kathmandu, Tel: 01-4221311, Fax: 01-4226644, SWIFT: KMBLNPKA

## Unaudited Financial Results (Quarterly)

As at Third Quarter (13 Apr 2017) of the Fiscal Year 2016/17

As per NRB Directive form no. 9.14

Rs '000

S.N.	Particulars	31.12.2073 / 13.04.2017 This Quarter Ending	29.09.2073/13.01.2017 Previous Quarter Ending	30.12.2072/12.04.2016 Corresponding Previous Year Quarter Ending
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>45,714,495</b>	<b>46,932,977</b>	<b>39,933,760</b>
1.1	Paid Up Capital	3,265,992	2,699,167	2,699,167
1.2	Reserve and Surplus	1,143,499	1,643,566	1,003,133
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	1,076,648	1,107,335	292,910
1.5	<b>Deposits (a+b)</b>	<b>39,035,512</b>	<b>39,946,389</b>	<b>34,821,620</b>
	a. Domestic Currency	37,194,165	38,122,917	33,343,130
	b. Foreign Currency	1,841,347	1,823,472	1,478,490
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,192,845	1,536,520	1,116,931
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>45,714,495</b>	<b>46,932,977</b>	<b>39,933,760</b>
2.1	Cash & Bank Balance	4,245,482	5,310,483	3,067,534
2.2	Money at Call and Short Notice	51,500	532,750	948,023
2.3	Investments	6,078,162	6,144,928	6,512,047
2.4	<b>Loans and Advances (a+b+c+d+e+f)</b>	<b>34,486,276</b>	<b>33,659,893</b>	<b>28,695,897</b>
	a.Real Estate Loan	1,713,733	1,793,235	1,835,598
	1. Residential Real Estate Loan	623,838	616,186	511,378
	2. Business Complex & Residential Apartment Construction Loan	289,702	289,885	281,743
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	800,193	887,164	1,042,477
	b. Personal Home Loan of Rs. 1 Crore or Less	3,851,707	3,880,871	3,169,019
	c.Margin Type Loan	1,098,128	1,167,563	865,979
	d.Term Loan	7,513,473	7,481,530	6,141,761
	e.Overdraft Loan/TR Loan/WC Loan	17,660,881	16,870,420	15,149,277
	f. Others	2,648,354	2,466,275	1,534,262
2.5	Fixed Assets	260,305	257,081	262,595
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	592,770	1,027,841	447,664
<b>3</b>	<b>Profit and Loss Account</b>	<b>Up to This Quarter End</b>	<b>Previous Quarter Ending</b>	<b>Corresponding Previous Year Quarter End</b>
3.1	Interest Income	2,334,466	1,441,067	1,897,429
3.2	Interest Expenses	1,520,680	886,024	1,146,949
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>813,786</b>	<b>555,043</b>	<b>750,480</b>
3.3	Fees, Commission and Discount	150,380	104,753	109,860
3.4	Other Operating Income	54,752	33,916	49,586
3.5	Foreign Exchange Gain/ Loss (Net)	72,872	49,304	81,092
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>1,091,790</b>	<b>743,016</b>	<b>991,018</b>
3.6	Staff Expenses	251,873	160,266	213,576
3.7	Other Operating Expenses	195,809	125,506	180,056
	<b>C. Operating Profit Before Provision (B.- 3.6-3.7)</b>	<b>644,108</b>	<b>457,243</b>	<b>597,385</b>
3.8	Provision for Possible Losses	135,646	97,844	159,190
	<b>D. Operating Profit (C-3.8)</b>	<b>508,463</b>	<b>359,399</b>	<b>438,195</b>
3.9	Non Operating Income/Expenses (Net)	5,876	4,320	(37,432)
3.10	Write Back of Provision for Possible Loss	76,356	75,263	157,068
	<b>E. Profit from Regular Activities (D+3.9+3.10)</b>	<b>590,695</b>	<b>438,982</b>	<b>557,831</b>
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	<b>F. Profit before Bonus and Taxes ( E. + 3.11)</b>	<b>590,695</b>	<b>438,982</b>	<b>557,831</b>
3.12	Provision for Staff Bonus	53,700	39,907	50,712
3.13	Provision for Tax	161,099	119,722	152,136
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>375,897</b>	<b>279,352</b>	<b>354,984</b>
<b>4</b>	<b>Ratios</b>	<b>At the End of This Quarter</b>	<b>At the End of Previous Quarter</b>	<b>At the End of Corresponding Previous Year Quarter</b>
4.1	Capital Fund To RWA	11.45%	11.47%	11.53%
4.2	Non Performing Loan (NPL) to Total Loan	1.26%	1.14%	2.03%
4.3	Total Loan Loss Provision to Total NPL	170.55%	182.58%	133.60%
4.4	Cost of Funds (annualized - LCY)	5.32%	4.70%	4.50%
4.5	Credit to Deposit Ratio (as per NRB directives)	74.01%	77.37%	76.95%
4.6	Base Rate (FTM)	10.30%	8.07%	6.76%
4.7	Average Interest Rate Spread (as per NRB directives)	3.08%	3.04%	4.02%
<b>Additional Information (year to date annualized fig.)</b>				
	Total Yield (LCY)	8.22%	7.68%	7.66%
	Spread (LCY)	2.89%	2.98%	3.16%
	Return on Equity (ROE) (Rolling Avg)	17.31%	19.29%	14.21%
	Return on Assets (ROA) (Rolling Avg)	1.62%	1.78%	1.27%

Note: Figures regrouped as & where necessary.

Above figures may vary with the audited figures if modified by the external auditors or regulators.

Loans and Advances has been presented at gross value. Total Loan Loss Provision is included in Other Liabilities.

\*\*Rolling Average

**Publication of Information as Required by Securities Registration and Issuance Regulation 2073 (Related to Sub Rule (1) of Rule 26)**

**1. Major Financial Indicators (annualized fig.)**

- |                                             |                                    |
|---------------------------------------------|------------------------------------|
| 1. Earnings per Share – 24.64               | 2. Market Price per Share – 382.00 |
| 3. Price Earnings Ratio (P/E ratio) – 15.50 | 4. Net Worth per Share – 135.01    |
| 5. Liquidity Ratio – 24.32                  |                                    |

**2. Management Analysis:**

- Under the review period, both deposit and loan volume of the bank stood at NPR. 39,035 million and NPR.34,486 million respectively as on the third quarter end, registering a growth of 12.10% and 20.18% respectively as compared to the corresponding quarter of the previous year.
- The bank has achieved net profit of NPR. 375 million by the end of the third quarter, which is 5.89% growth as compared to corresponding quarter of previous year
- The bank has maintained its liquidity at 24.32 % and Capital Adequacy Ratio at 11.45%. The bank's NPL reduce by 37.96% in comparison to corresponding quarter of previous year, which stands at 1.26% as on the quarter end.
- Overall financial indicators of the bank are at comfortable level and on improving trend.

**3. Details Regarding Legal Actions**

- Case filed by or to Kumari Bank Ltd. during the quarter –
  - Except for the case related to credit recovery in the normal course of business operation, no other cases that could lead to financial obligation on the part of the bank were observed.
- Case filed by or against the promoter or director of Kumari Bank Ltd. regarding disobedience of prevailing law or commission of criminal offence –
  - No such information has been received
- Case filed against any Promoter or Director of Kumari Bank Ltd. regarding commission of financial crime –
  - No such information has been received

**4. Analysis of Share Transaction of Organized Institutions**

- Management's view on share transactions of Kumari Bank Ltd. at Securities Market :  
Since the price of the stock is determined by open market operation, the management's view is neutral in this regard.
- Maximum, minimum and closing price of shares including total transactions and transacted days during the quarter  
Max. Price - Rs.562 Min. Price - Rs.318 Closing Price - Rs.382 Total no. of Transactions - 7015 Transacted Day - 59 days

**5. Problems and Challenges**

**Internal**

- Attaining reasonable level of cost of operation
- Retention of qualified and trained human resources.

**External**

- Tight investable liquidity situation prevailing in the market leading to rising cost of acquiring deposits and challenge to pass on the same
- Intense competition from banks and financial institutions with increasing capital and thereby capacity.
- Unpredictable political scenario.

**Strategy to Overcome Problems & Challenges**

- Continually renovating and diversifying the product & services to meet the changing need of the customers.
- Re-pricing of its interest sensitive assets and liabilities as per liquidity position of the market.
- Utilizing the assets in as much as high yield and low risk investment sector.
- Better cost management practices with high focus on operational efficiency through innovation and process reengineering.
- Understanding the expectations and motivating factors of employees in order to retain them.

**6. Corporate Governance**

In order to increase the standard of corporate governance, following actions has been initiated by the bank:

- The Board of Directors of the bank is the top most body responsible and accountable to ensure that the bank has embraced superior standard of corporate governance. Further, various sub-committees of the Board including the Audit Committee, continuously review the activities of various areas of the Bank and provide direction and support where necessary.
- Clear demarcation has been made in the Bank between various conflicting areas of the Bank like Credit, Risk and Operations, with each unit being headed by senior personnel directly accountable to the ACEO.
- Management Committee and Management Advisory Committee chaired by the ACEO and comprising of heads of key units of the bank, meets on a regular basis to assess the performance of the Bank and take key decisions. Similarly, committees like Asset Liability Committee, Risk Management Committee, and Recovery Committee etc meet at regular intervals to critically review performance and initiate proactive actions.

**7. Particulars relating to Annexure – 16 of Securities Registration and Issuance Regulation, 2073**

- Kumari Bank Ltd. has signed a Memorandum of Understanding for acquiring Kasthamandap Development Bank Ltd., Paschimanchal Finance Co. Ltd., Mahakali Bikash Bank Ltd. and Kankre Bihar Bikash Bank Ltd. on 02 October 2016. Received approval letter of intent from Nepal Rastra Bank on 26 December 2017 and final approval process of acquisition, targeted to start joint operation by mid of Jestha 2074.
- Kumari Bank Ltd. has conducted special AGM on 14 November 2016 for raising capital by way of issuing right share of 50% of its current paid up capital. The special AGM has approved the right issuance proposal put by the bank. The Right share issuance is already concluded by Baisakh 10 2074.

**8. Declaration by Acting CEO**

I hereby declare that the data and information provided in this report is true, complete, and factual to the extent of my knowledge. No attempt has been made to misguide the investors. I personally take the responsibility and accountability regarding the truthfulness of the information provided in the report as of 13 April 2017.