



## Unaudited Financial Results (Quarterly)

As at Second Quarter (14-Jan-2014) of the Fiscal Year 2013/2014

Rs '000

S.N.	Particulars	30.09.2070/ 14.01.2014 This Quarter Ending	31.06.2070/ 17.10.2013 Previous Quarter Ending	29.09.2069/13.01.2013 Corresponding Previous Year Quarter Ending
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>31,338,482</b>	<b>29,676,201</b>	<b>27,403,974</b>
1.1	Paid Up Capital	1,603,800	1,603,800	1,603,800
1.2	Reserve and Surplus	1,127,739	1,112,426	982,658
1.3	Debtenture and Bond	-	-	400,000
1.4	Borrowings	-	-	-
1.5	<b>Deposits (a-b)</b>	<b>27,401,862</b>	<b>25,899,464</b>	<b>23,423,355</b>
	a. Domestic Currency	26,042,627	24,587,552	22,418,279
	b. Foreign Currency	1,359,235	1,311,912	1,005,076
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,205,081	1,060,511	994,161
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>31,338,482</b>	<b>29,676,201</b>	<b>27,403,974</b>
2.1	Cash & Bank Balance	4,159,605	3,608,702	2,586,509
2.2	Money at Call and Short Notice	749,814	584,170	884,584
2.3	Investments	4,326,349	4,084,998	4,070,401
2.4	<b>Loans and Advances (a+b+c+d+e+f)</b>	<b>21,510,540</b>	<b>20,864,134</b>	<b>19,175,278</b>
	a.Real Estate Loan	2,105,606	2,128,398	2,395,155
	1. Residential Real Estate Loan	126,798	128,118	130,779
	2. Business Complex & Residential Apartment Construction Loan	616,005	610,411	558,485
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	1,362,803	1,389,869	1,705,891
	b. Personal Home Loan of Rs. 1 Crore or Less	1,672,134	1,585,392	1,569,849
	c.Margin Type Loan	261,777	262,264	252,259
	d.Term Loan	3,892,531	3,686,493	3,059,696
	e.Overdraft Loan/TR Loan/WC Loan	11,911,286	11,864,276	10,714,437
	f. Others	1,667,206	1,337,311	1,183,882
2.5	Fixed Assets	246,774	251,785	276,846
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	345,400	282,412	410,356
<b>3</b>	<b>Profit and Loss Account</b>	<b>Upto This Quarter</b>	<b>Upto This Quarter</b>	<b>Corresponding Previous Year Quarter Ending</b>
3.1	Interest Income	1,167,345	583,183	1,175,406
3.2	Interest Expenses	815,550	425,549	743,917
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>351,795</b>	<b>157,634</b>	<b>431,489</b>
3.3	Fees, Commission and Discount	101,739	47,934	60,828
3.4	Other Operating Income	22,602	10,525	24,713
3.5	Foreign Exchange Gain/ Loss (Net)	41,405	20,004	26,882
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>517,541</b>	<b>236,097</b>	<b>543,912</b>
3.6	Staff Expenses	113,030	55,344	100,228
3.7	Other Operating Expenses	107,449	51,885	105,505
	<b>C. Operating Profit Before Provision (B.- 3.6-3.7)</b>	<b>297,062</b>	<b>128,868</b>	<b>338,179</b>
3.8	Provision for Possible Losses	210,215	62,689	226,944
	<b>D. Operating Profit (C-3.8)</b>	<b>86,847</b>	<b>66,179</b>	<b>111,235</b>
3.9	Non Operating Income/Expenses (Net)	379	255	49
3.1	Write Back of Provision for Possible Loss	9,849	6,579	41,327
	<b>E. Profit from Regular Activities (D+3.9+3.10)</b>	<b>97,075</b>	<b>73,013</b>	<b>152,611</b>
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	<b>F. Profit before Bonus and Taxes ( E. + 3.11)</b>	<b>97,075</b>	<b>73,013</b>	<b>152,611</b>
3.12	Provision for Staff Bonus	8,825	6,638	13,874
3.13	Provision for Tax	26,475	19,913	41,621
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>61,775</b>	<b>46,462</b>	<b>97,116</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	11.82%	11.92%	11.61%
4.2	Non Performing Loan (NPL) to Total Loan	4.26%	3.59%	4.38%
4.3	Total Loan Loss Provision to Total NPL	103.70%	107.67%	79.43%
4.4	Cost of Funds (annualized - LCY)	6.33%	6.55%	6.76%
4.5	Credit to Deposit Ratio (as per NRB directives)	74.79%	76.45%	77.07%
4.6	Base Rate (FTM)	9.01%	9.61%	9.92%
4.7	Average Interest Rate Spread (as per NRB directives)	5.67%		
<b>Additional Information (year to date annualized fig.)</b>				
	Total Yield (LCY)	9.45%	9.41%	10.69%
	Spread (LCY)	3.11%	2.86%	3.93%
	Return on Assets (ROA) (Rolling Avg)	0.87%	1.12%	1.36%
	Return on Equity (ROE) (Rolling Avg)	9.65%	12.14%	14.38%

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.

**Publication of Information as Required by Securities Registration and Issuance Regulation 2065 (Related to Sub Rule (2) of Rule 22)**

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

- |  |                                      |
|--|--------------------------------------|
| 1. Earnings Per Share (Rolling Avg.) – Npr 16.05 | 2. Market Price per Share – Npr. 579 |
| 3. Price Earnings Ratio (P/E ratio) – 36.08      | 4. Net Worth per Share – Npr. 170.32 |
| 5. Liquidity Ratio – 30.46                       |                                      |

**2. Management Analysis:**

Under the review period, the bank worked upon increasing its deposit size and quality lending. In the coming days, the bank will be on putting extra effort on risk management and sustainable growth of profitability. Besides, it will be focusing on increasing its fee based income from its balance sheet and off balance sheet exposure. Further, efficient utilization of its resources will be given due consideration for keeping its operating cost low.

**3. Details Regarding Legal Actions**

- a. Case filed by or to Kumari Bank Ltd. during the quarter. –
  - Mrs Shubhadra Dahal has filed a case for void of mortgage deed and fraud in Kathmandu District court.
  - Mr. Krishna Raj Poudel has filed a case for fraud in Chitwan District court.
- b. 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
- c. 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**

- a. 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.
- b. Maximum, Minimum, and Closing price of shares including total transaction and transacted days during the quarter  
Max. Price - Rs.593    Min. Price - Rs.291    Closing Price - Rs.579    Total no. of Transaction - 3141    Transacted Day - 53 days

**5. Problems and Challenges**

- a. Dismal economic growth of the country.
- b. Intense competition due to too many players in the market.
- c. Difficulty in retention of qualified manpower.

**Strategy to Overcome Problems & Challenges**

- a. Continually renovating the product & services to meet the changing need of the customers.
- b. Re-pricing of its interest sensitive assets and liabilities as per liquidity position of the market.
- c. Reducing the real estate exposure of the bank and diverting the assets in the productive sector of the economy.
- d. 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:

- a. The Board of Directors of the bank is the topmost 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 workings of various areas of the Bank and provide direction and support where necessary.
- b. 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 CEO.
- c. Management Advisory Committee, chaired by the CEO and comprising of heads of key units of the bank, meets on a monthly basis to assess the performance of the Bank and take key decisions. Similarly, committees like Asset Liability Committee, Risk Management Committee etc meet at regular intervals to critically review performance and initiate proactive actions.

**7. Particulars relating to Annexure – 15 of Securities Registration and Issuance Regulation, 2065**

- a. Bank's AGM for the FY 2069/70 is not conducted within 6 months of the end of the FY due to decision as to proposed dividend not being finalized. Information in this regard has been rendered to SEBON on 29 Poush 2070.

**8. Declaration by CEO**

I hereby declare that the data and information provided in this report is true, complete, and factual. 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 14 Jan 2014.