



Unaudited Financial Results (Quarterly)

As at Third Quarter (13-Apr-2014) of the Fiscal Year 2013/2014

Rs '000

S.N.	Particulars	30.12.2070/ 13.04.2014 This Quarter Ending	30.09.2070/ 14.01.2014 Previous Quarter Ending	31.12.2069/13.04.2013 Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	31,916,218	31,338,482	27,937,617
1.1	Paid Up Capital	1,603,800	1,603,800	1,603,800
1.2	Reserve and Surplus	1,258,353	1,127,739	941,520
1.3	Debenture and Bond	-	-	400,000
1.4	Borrowings	288,000	-	-
1.5	Deposits (a-b)	27,424,123	27,401,861	23,923,568
	a. Domestic Currency	26,138,510	26,042,627	22,818,833
	b. Foreign Currency	1,285,613	1,359,235	1,104,735
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,341,941	1,205,082	1,068,730
2	Total Assets (2.1 to 2.7)	31,916,218	31,338,482	27,937,617
2.1	Cash & Bank Balance	3,526,890	4,159,605	2,817,093
2.2	Money at Call and Short Notice	1,590,182	749,814	827,619
2.3	Investments	3,891,224	4,326,349	3,944,511
2.4	Loans and Advances (a+b+c+d+e+f)	22,331,275	21,510,541	19,761,617
	a. Real Estate Loan	2,050,679	2,105,607	2,311,052
	1. Residential Real Estate Loan	143,689	126,798	129,687
	2. Business Complex & Residential Apartment Construction Loan	616,711	616,005	575,882
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	1,290,279	1,362,803	1,605,483
	b. Personal Home Loan of Rs. 1 Crore or Less	1,757,776	1,672,134	1,621,862
	c. Margin Type Loan	298,867	261,777	318,554
	d. Term Loan	4,120,950	3,892,531	3,174,814
	e. Overdraft Loan/TR Loan/WC Loan	12,556,227	11,911,286	11,102,883
	f. Others	1,546,775	1,667,206	1,232,452
2.5	Fixed Assets	237,080	246,774	266,914
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	339,566	345,400	319,864
3	Profit and Loss Account	Upto This Quarter End	Upto Previous Quarter End	Corresponding Previous Year Quarter End
3.1	Interest Income	1,779,860	1,167,345	1,788,145
3.2	Interest Expenses	1,192,733	815,550	1,094,530
	A. Net Interest Income (3.1-3.2)	587,127	351,795	693,616
3.3	Fees, Commission and Discount	144,687	101,739	94,012
3.4	Other Operating Income	42,099	22,602	35,359
3.5	Foreign Exchange Gain/ Loss (Net)	66,217	41,405	41,142
	B. Total Operating Income (A.+3.3+3.4+3.5)	840,130	517,541	864,128
3.6	Staff Expenses	168,092	113,030	154,588
3.7	Other Operating Expenses	168,838	107,449	162,590
	C. Operating Profit Before Provision (B.- 3.6-3.7)	503,200	297,062	546,950
3.8	Provision for Possible Losses	240,754	210,215	283,220
	D. Operating Profit (C-3.8)	262,445	86,848	263,731
3.9	Non Operating Income/Expenses (Net)	3,458	379	328
3.10	Write Back of Provision for Possible Loss	36,423	9,849	326
	E. Profit from Regular Activities (D+3.9+3.10)	302,326	97,075	264,384
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	F. Profit before Bonus and Taxes (E. + 3.11)	302,326	97,075	264,384
3.12	Provision for Staff Bonus	27,484	8,825	24,035
3.13	Provision for Tax	82,453	26,475	72,105
	G. Net Profit/Loss (F.-3.12-3.13)	192,389	61,775	168,244
4	Ratios	At the End of This Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund To RWA	11.73%	11.82%	11.61%
4.2	Non Performing Loan (NPL) to Total Loan	3.69%	4.26%	4.83%
4.3	Total Loan Loss Provision to Total NPL	115.68%	103.70%	80.14%
4.4	Cost of Funds (annualized - LCY)	6.17%	6.33%	6.60%
4.5	Credit to Deposit Ratio (as per NRB directives)	77.10%	74.79%	77.95%
4.6	Base Rate (FTM)	8.50%	9.01%	10.00%
4.7	Average Interest Rate Spread (as per NRB directives)	5.17%	5.67%	
Additional Information (year to date annualized fig.)				
	Total Yield (LCY)	9.45%	9.45%	10.68%
	Spread (LCY)	3.28%	3.11%	4.08%
	Return on Assets (ROA) (Rolling Avg)	1.04%	0.87%	1.33%
	Return on Equity (ROE) (Rolling Avg)	11.57%	9.65%	14.25%

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 19.81 | 2. Market Price per Share – Npr. 422 |
| 3. Price Earnings Ratio (P/E ratio) – 21.30 | 4. Net Worth per Share – Npr. 178.46 |
| 5. Liquidity Ratio – 32.76 | |

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. –
- No such information has been received
- 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.600 | Min. Price - Rs.420 | Closing Price - Rs.422 | Total no. of Transaction - 2471 | Transacted Day - 55 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. No such information.

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 13 Apr 2014.