

S.N.	Particulars	30.12.2017/13.04.2018 This Quarter Ending	30.09.2017/14.01.2018 Previous Quarter Ending	31.12.2017/13.04.2017 Corresponding Previous Year Quarter Ending
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>74,476,420</b>	<b>68,389,870</b>	<b>45,714,495</b>
1.1	Paid Up Capital	5,969,496	5,969,496	3,265,992
1.2	Reserve and Surplus	2,812,200	2,590,947	1,143,499
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	1,467,594	323,776	1,076,648
1.5	<b>Deposits (a+b)</b>	<b>61,841,742</b>	<b>57,680,957</b>	<b>39,035,512</b>
	a. Domestic Currency	60,954,990	55,802,100	37,194,165
	b. Foreign Currency	886,752	1,878,858	1,841,347
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	2,385,387	1,824,693	1,192,845
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>74,476,420</b>	<b>68,389,870</b>	<b>45,714,495</b>
2.1	Cash & Bank Balance	5,947,140	6,052,852	4,245,482
2.2	Money at Call and Short Notice	-	763,518	51,500
2.3	Investments	9,705,127	8,529,835	6,078,162
2.4	<b>Loans and Advances (a+b+c+d+e+f)</b>	<b>56,849,368</b>	<b>50,924,405</b>	<b>34,486,276</b>
	a. Real Estate Loan	1,869,055	1,967,246	1,713,733
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs. 1.5 crore).	504,684	541,713	623,838
	2. Business Complex & Residential Apartment Construction Loan	289,113	285,572	289,702
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	1,075,258	1,139,961	800,193
	b. Personal Home Loan of Rs. 1.5 Crore or Less	5,682,039	6,034,839	3,851,707
	c. Margin Type Loan	1,062,378	1,447,878	1,098,128
	d. Term Loan	10,693,576	10,667,480	7,513,473
	e. Overdraft Loan/TR Loan/WC Loan	18,482,565	24,573,224	17,660,881
	f. Others	19,059,754	6,233,738	2,648,354
2.5	Fixed Assets	406,744	380,439	260,305
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	1,568,041	1,738,820	592,770
<b>3</b>	<b>Profit and Loss Account</b>	<b>Upto This Quarter End</b>	<b>Upto Previous Quarter End</b>	<b>Corresponding Previous Year Quarter End</b>
3.1	Interest Income	4,686,942	2,932,188	2,334,466
3.2	Interest Expenses	3,345,250	2,110,517	1,520,680
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>1,341,692</b>	<b>821,671</b>	<b>813,786</b>
3.3	Fees, Commission and Discount	215,752	144,324	150,380
3.4	Other Operating Income	59,795	36,747	54,752
3.5	Foreign Exchange Gain/ Loss (Net)	117,164	74,228	72,872
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>1,734,402</b>	<b>1,076,971</b>	<b>1,091,790</b>
3.6	Staff Expenses	411,370	295,959	251,873
3.7	Other Operating Expenses	301,081	194,344	195,809
	<b>C. Operating Profit Before Provision (B.- 3.6-3.7)</b>	<b>1,021,952</b>	<b>586,668</b>	<b>644,108</b>
3.8	Provision for Possible Losses	169,081	109,832	135,646
	<b>D. Operating Profit (C-3.8)</b>	<b>852,870</b>	<b>476,836</b>	<b>508,463</b>
3.9	Non Operating Income/Expenses (Net)	32,192	30,365	5,876
3.10	Write Back of Provision for Possible Loss	223,857	247,408	76,356
	<b>E. Profit from Regular Activities (D+3.9+3.10)</b>	<b>1,108,919</b>	<b>754,610</b>	<b>590,695</b>
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	<b>F. Profit before Bonus and Taxes (E. + 3.11)</b>	<b>1,108,919</b>	<b>754,610</b>	<b>590,695</b>
3.1	Provision for Staff Bonus	100,811	68,601	53,700
3.1	Provision for Tax	302,432	205,803	161,099
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>705,676</b>	<b>480,206</b>	<b>375,897</b>

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	14.09%	14.48%	11.45%
4.2	Non Performing Loan (NPL) to Total Loan	1.24%	1.61%	1.26%
4.3	Total Loan Loss Provision to Total NPL	152.57%	119.74%	170.55%
4.4	Cost of Funds (annualized - LCY)	8.67%	7.83%	5.32%
4.5	Credit to Deposit Ratio (as per NRB directives)	78.69%	76.82%	74.01%
4.6	Base Rate	11.62%	11.17%	10.30%
4.7	Average Interest Rate Spread (as per NRB directives)	3.20%	2.80%	3.08%
<b>Additional Information</b> (year to date annualized fig.)				
	Total Yield (LCY)	12.07%	10.66%	8.22%
	Spread (LCY)	3.39%	2.83%	2.89%
	Return on Equity (ROE)	10.71%	11.22%	17.31%
	Return on Assets (ROA)	1.26%	1.40%	1.62%

**Note:**

Figures are regrouped and rearranged as & where necessary. Previous Quarter Loan Loss Provision and writeback of loan loss provision are regrouped and rearranged.

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 2073 (Related to Sub Rule (1) of Rule 26)**

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

- |   |                                    |
|---|------------------------------------|
| 1. Earnings per Share – 15.76               | 2. Market Price per Share – 250.00 |
| 3. Price Earnings Ratio (P/E ratio) – 15.86 | 4. Net Worth per Share – 147.11    |
| 5. Liquidity Ratio – 22.84                  |                                    |

**2. Management Analysis:**

- The bank has been continuously pioneering in introducing new products and re-innovating its existing as per the market needs.
- The bank has been focusing on cost management, diversified investments, technological up gradation, optimum utilization of resources and automation of work.
- The deposit and loans & advances have increased by 7.21% and 11.63% in this quarter with reference to the last quarter end. The asset size of the bank has reached 74 billion in this quarter.

**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. 290.00      Min. Price - Rs. 219.00      Closing Price - Rs. 250.00      Total no. of Transactions – 4679  
Transacted Day - 56 days

**5. Problems and Challenges**

**Internal**

- Attaining reasonable level of cost of operation.
- Retention of qualified and trained human resources.
- Improving operational efficiencies to minimize inherent risks.

**External**

- Improving overhead efficiency.
- Intense competition from banks and financial institutions with increasing capital and thereby business capacity.
- High cost deposits. Challenge to pass on cost growth to revenue stream.

**Strategy to Overcome Problems & Challenges**

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

**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 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.
- 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 Committee chaired by the CEO 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**

- a. In the process of diversification of its existing operation the bank has established 100% subsidiary company which is under the process of getting license from SEBON.
- b. The Right Share issuance, which was approved by 16<sup>th</sup> AGM of the bank, is approved by SEBON for issuance, scheduled for public issuance from 28<sup>th</sup> Baisakh 2075.

**8. Declaration by 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 quarter end.