

Unaudited Financial Results (Quarterly)

As at Third Quarter (13 Apr 2015) of the Fiscal Year 2014/15

Rs '000

S.N.	Particulars	30.12.2071/ 13.04.2015 This Quarter Ending	30.09.2071/ 14.01.2015 Previous Quarter Ending	30.12.2070/13.04.2014 Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	35,789,691	34,375,221	31,903,160
1.1	Paid Up Capital	2,431,682	2,431,682	1,828,332
1.2	Reserve and Surplus	786,272	716,598	1,020,764
1.3	Debtenture and Bond	-	-	-
1.4	Borrowings	2,456	160,387	288,000
1.5	Deposits (a+b)	31,224,317	29,884,768	27,424,123
	a. Domestic Currency	30,346,488	29,254,073	26,138,510
	b. Foreign Currency	877,829	630,695	1,285,613
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,344,964	1,181,786	1,341,941
2	Total Assets (2.1 to 2.7)	35,789,691	34,375,221	31,903,160
2.1	Cash & Bank Balance	2,871,899	3,252,271	3,526,890
2.2	Money at Call and Short Notice	879,040	886,189	1,590,182
2.3	Investments	4,520,963	4,388,587	3,891,224
2.4	Loans and Advances (a+b+c+d+e+f)	26,699,294	25,289,247	22,331,275
	a. Real Estate Loan	2,036,179	2,106,112	2,050,679
	1. Residential Real Estate Loan	419,746	279,519	143,689
	2. Business Complex & Residential Apartment Construction Loan	502,372	632,392	616,711
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	1,114,062	1,194,201	1,290,279
	b. Personal Home Loan of Rs. 1 Crore or Less	2,667,011	2,354,131	1,757,776
	c. Margin Type Loan	854,582	739,049	298,867
	d. Term Loan	5,221,304	4,771,215	4,120,950
	e. Overdraft Loan/TR Loan/WC Loan	14,597,365	13,820,501	12,556,227
	f. Others	1,322,852	1,498,239	1,546,775
2.5	Fixed Assets	241,982	230,498	237,080
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	576,513	328,428	326,509
3	Profit and Loss Account	Upto This Quarter End	Upto Previous Quarter End	Corresponding Previous Year Quarter End
3.1	Interest Income	1,742,797	1,148,213	1,779,860
3.2	Interest Expenses	1,072,107	714,103	1,192,733
	A. Net Interest Income (3.1-3.2)	670,690	434,110	587,127
3.3	Fees, Commission and Discount	121,753	79,689	144,687
3.4	Other Operating Income	32,777	22,300	42,099
3.5	Foreign Exchange Gain/ Loss (Net)	71,343	37,341	66,217
	B. Total Operating Income (A.+3.3+3.4+3.5)	896,563	573,440	840,130
3.6	Staff Expenses	206,281	134,658	168,092
3.7	Other Operating Expenses	175,975	114,756	168,838
	C. Operating Profit Before Provision (B.- 3.6-3.7)	514,307	324,025	503,200
3.8	Provision for Possible Losses	198,341	96,348	240,754
	D. Operating Profit (C-3.8)	315,967	227,677	262,445
3.9	Non Operating Income/Expenses (Net)	(8,087)	1,267	1,579
3.10	Write Back of Provision for Possible Loss	87,095	56,544	38,302
	E. Profit from Regular Activities (D+3.9+3.10)	394,975	285,487	302,326
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	F. Profit before Bonus and Taxes (E. + 3.11)	394,975	285,487	302,326
3.12	Provision for Staff Bonus	35,907	25,953	27,484
3.13	Provision for Tax	107,720	77,860	82,453
	G. Net Profit/Loss (F.-3.12-3.13)	251,348	181,674	192,389
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	10.98%	11.33%	11.73%
4.2	Non Performing Loan (NPL) to Total Loan	3.98%	3.84%	3.69%
4.3	Total Loan Loss Provision to Total NPL	94.31%	97.87%	115.68%
4.4	Cost of Funds (annualized - LCY)	4.91%	4.92%	6.17%
4.5	Credit to Deposit Ratio (as per NRB directives)	79.63%	77.65%	77.10%
4.6	Base Rate (FTM)	8.10%	8.05%	8.50%
4.7	Average Interest Rate Spread (as per NRB directives)	3.22%	3.60%	5.17%
Additional Information (year to date annualized fig.)				
	Total Yield (LCY)	8.10%	8.14%	9.45%
	Spread (LCY)	3.19%	3.21%	3.28%
	Return on Equity (ROE) (Rolling Avg)	12.99%	15.43%	11.55%
	Return on Assets (ROA) (Rolling Avg)	1.18%	1.41%	1.04%

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.)

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|--|---|
| 1. Earnings Per Share (Rolling Avg.) – Npr 18.01 | 2. Market Price per Share – Npr. 380 |
| 3. Price Earnings Ratio (P/E ratio) – 137.41 | 4. Net Worth per Share (Rolling Avg.)– Npr 132.33 |
| 5. Liquidity Ratio – 25.54 | |

2. Management Analysis:

Under the review period, the bank worked upon increasing its deposit size and quality lending. The bank will continue 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 –
- Ms. Usha Chaudhari filed the cases relating to injunction, to void acceptance of transfer property in bank's name on account of Sarita Vaidya and fraud at Chitwan district court against the bank
 - Mr. Krishna Raj Paudel appealed the cases to void mortgaged deed (relating to Kula Devi Chaulagain) and fraud at Appellate court Hetauda regarding the defeated case from 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 transactions and transacted days during the quarter
Max. Price - Rs.437 Min. Price - Rs.368 Closing Price - Rs.380 Total no. of Transactions - 1486 Transacted Day - 66 days

5. Problems and Challenges

- a. Slow economic activity of the country.
- b. Unexpected fluctuation in market liquidity
- c. Intense competition due to too many players in the market.
- d. 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. Utilizing the assets in as much as high yield and low risk investment sector.
- 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 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 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, Recovery 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. The Board of Directors Meeting of the Bank has accepted the resignation of Mr. Uday Krishna Upadhyay from his position of Chief Executive Officer in the bank with effective from 1st April 2015 and assigned Mr. Rajib Giri as the Acting CEO of the Bank.

b. Declaration by Acting 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 2015.