

## Unaudited Financial Results (Quarterly)

As at Fourth Quarter (16 Jul-2014) of the Fiscal Year 2013/2014

Rs '000

S.N.	Particulars	32.03.2071/16.07 .2014 This Quarter Ending	30.12.2070/13.04.2 014 Previous Quarter Ending	31.03.2070/15.07.2013 Corresponding Previous Year Quarter Ending
1	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>31,932,433</b>	<b>31,903,160</b>	<b>28,973,041</b>
1.1	Paid Up Capital	1,828,332	1,828,332	1,828,332
1.2	Reserve and Surplus	1,169,283	1,020,764	828,374
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	201,952	288,000	-
1.5	<b>Deposits (a+b)</b>	<b>27,578,376</b>	<b>27,424,123</b>	<b>25,318,569</b>
	a. Domestic Currency	26,503,880	26,138,510	24,102,282
	b. Foreign Currency	1,074,496	1,285,613	1,216,287
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,154,490	1,341,941	997,766
2	<b>Total Assets (2.1 to 2.7)</b>	<b>31,932,433</b>	<b>31,903,160</b>	<b>28,973,041</b>
2.1	Cash & Bank Balance	4,895,685	3,526,890	3,406,883
2.2	Money at Call and Short Notice	507,478	1,590,182	753,410
2.3	Investments	3,164,626	3,891,224	4,135,142
2.4	<b>Loans and Advances (a+b+c+d+e+f)</b>	<b>22,808,503</b>	<b>22,331,275</b>	<b>20,119,789</b>
	a. Real Estate Loan	2,040,879	2,050,679	2,185,842
	1. Residential Real Estate Loan	234,772	143,689	127,538
	2. Business Complex & Residential Apartment Construction Loan	617,892	616,711	590,274
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	1,188,215	1,290,279	1,468,030
	b. Personal Home Loan of Rs. 1 Crore or Less	1,948,109	1,757,776	1,637,162
	c. Margin Type Loan	538,887	298,867	338,866
	d. Term Loan	4,399,845	4,120,950	3,251,548
	e. Overdraft Loan/TR Loan/WC Loan	12,624,206	12,556,227	11,324,489
	f. Others	1,256,576	1,546,775	1,381,882
2.5	Fixed Assets	235,769	237,080	255,865
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	320,371	326,509	301,952
3	<b>Profit and Loss Account</b>	<b>Upto This Quarter End</b>	<b>Upto This Quarter End</b>	<b>Corresponding Previous Year Quarter End</b>
3.1	Interest Income	2,410,762	1,779,860	2,464,307
3.2	Interest Expenses	1,575,312	1,192,733	1,486,282
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>835,450</b>	<b>587,127</b>	<b>978,025</b>
3.3	Fees, Commission and Discount	188,725	144,687	138,200
3.4	Other Operating Income	56,647	42,099	41,862
3.5	Foreign Exchange Gain/ Loss (Net)	85,155	66,217	56,993
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>1,165,977</b>	<b>840,130</b>	<b>1,215,080</b>
3.6	Staff Expenses	221,653	168,092	203,805
3.7	Other Operating Expenses	240,594	168,838	230,470
	<b>C. Operating Profit Before Provision (B.- 3.6-3.7)</b>	<b>703,730</b>	<b>503,200</b>	<b>780,805</b>
3.8	Provision for Possible Losses	234,437	240,754	314,619
	<b>D. Operating Profit (C-3.8)</b>	<b>469,293</b>	<b>262,445</b>	<b>466,186</b>
3.9	Non Operating Income/Expenses (Net)	2,556	1,579	(11,134)
3.10	Write Back of Provision for Possible Loss	72,191	38,302	5,259
	<b>E. Profit from Regular Activities (D+3.9+3.10)</b>	<b>544,040</b>	<b>302,326</b>	<b>460,311</b>
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	<b>F. Profit before Bonus and Taxes ( E. + 3.11)</b>	<b>544,040</b>	<b>302,326</b>	<b>460,311</b>
3.12	Provision for Staff Bonus	49,458	27,484	41,846
3.13	Provision for Tax	153,673	82,453	127,016
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>340,909</b>	<b>192,389</b>	<b>291,448</b>
4	<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	11.92%	11.73%	12.17%
4.2	Non Performing Loan (NPL) to Total Loan	3.19%	3.69%	2.89%
4.3	Total Loan Loss Provision to Total NPL	125.41%	115.68%	128.94%
4.4	Cost of Funds (annualized - LCY)	6.03%	6.17%	6.61%
4.5	Credit to Deposit Ratio (as per NRB directives)	77.37%	77.10%	75.26%
4.6	Base Rate (FTM)	8.86%	8.50%	10.36%
4.7	Average Interest Rate Spread (as per NRB directives)	3.62%	5.17%	
<b>Additional Information (year to date annualized fig.)</b>				
	Total Yield (LCY)	9.42%	9.45%	10.82%
	Spread (LCY)	3.40%	3.28%	4.21%
	Return on Assets (ROA) (Rolling Avg)	1.09%	1.04%	1.05%
	Return on Equity (ROE) (Rolling Avg)	12.07%	11.56%	11.32%

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 18.65 | 2. Market Price per Share – Npr. 536.00 |
| 3. Price Earnings Ratio (P/E ratio) – 28.75      | 4. Net Worth per Share – Npr. 163.95    |
| 5. Liquidity Ratio – 29.81                       |   |

**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. –
  - Mr. Prazol Raj Pant has filed a case for certiorari and mandamus in Supreme 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.568    Min. Price - Rs.383    Closing Price - Rs.536    Total no. of Transaction - 1588    Transacted Day - 62 days

**5. Problems and Challenges**

- a. Slow economic activity 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. 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 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 16 Jul 2014.