

समृद्धिमा दरिलो साथ



२३ औं वार्षिक प्रतिवेदन
२०६९/८०



संक्षिप्त वार्षिक आर्थिक विवरण आ.व.२०७८/८०

(मिति २०८०/९०/२८ गते हुने तेर्सौ वार्षिक साधारण सभाको प्रयोजनको लाई)

आदरणीय शेयरधनी महानुभावहरु

कूमारी बैंक लिमिटेडको तेर्सौ वार्षिक साधारण सभाको प्रयोजनको लाई २०८० साल आषाढ मसान्तसरनको वासलात, नाफा नोकसान हिसाब, नाफा नोकसान बाँडफाँड हिसाब लगायत कारोबारको सिंहावलोकन निरनानुसार रहेको व्याहोरा यस संक्षिप्त आर्थिक विवरण मार्फत जानकारी जाराउँदछौं ।

(क) गत वर्षको कारोबारको सिंहावलोकन :

बैंकले आफ्नो वितीय कारोबार शुरु गरेको तेर्सौ आर्थिक वर्ष पुरा गरेको छ । समिक्षा आ.व. २०७९/८० र अधिल्लो आ.व. २०८०/७९ मा गरेको वितीय उपलब्धिहरु र कारोबारको तुलनात्मक अवस्था निरनानुसार रहेको छ ।

(रु.)

क्र.सं.	विवरण	आर्थिक वर्ष		फरक	
		२०७८/७९	२०७९/८०	रकम	प्रतिशत
१	पुँजी तथा जटोडा कोष	२९,००२,११५,९९७	३५,३१४,८०९,८८६	१४,३१२,६८५,८८९	६८.१५%
२	निक्षेप	१७६,७६७,६६५,५५६	३१६,०४७,०५४,५२७	१३९,२७९,३८८,१७	७८.७९%
३	कर्जा सापठ तथा विल्स खरीद	१५८,४०९,१११,११८	२८०,६११,६१४,७६९	१२२,२८२,४२२,७७	७७.११%
४	जमानतहरु	१४,०३६,४४८,२७९	३६,१६२,८५४,८४०	२२,१२६,४०६,५६१	१५७.६४%
५	कूल सञ्चालन आरदानी	७,९४९,१५५,६६१	९३,०५७,६७७,०२९	५,११६,५२१,३२८	६४.४३%
६	कूल सञ्चालन रसर्च	३,५५१,५७९,७६३	३,९६०,२२६,२७९	४२८,६४६,५१६	१२.०७%
७	कर्जा नोकसानी व्यवस्था अधिको सञ्चालन मुनाफा	४,३८९,५७५,९२८	९,०७७,४५०,७४९	४,६८७,८७४,८२२	१०६.८०%
८	बोनश तथा कर व्यवस्था पाइको नाफा (नोकसान)	२,५७९,८०९,८३२	५७७,९२९,६९१	(२,०६९,८८८,२२१)	-७९.९२%
९	निष्कृय कर्जा (%)	१.११	४.९६	३.८५	३४८.६०%
१०	कूल शारण सञ्चाल	११७	३०२	१०५	५३.३०%
११	शारण रहित बैंकिङ सेवा केन्द्र	४८	६३	१५	३१.२५%
१२	एटिएम (ATM)	१११	३०७	११६	६०.७३%
१३	डेबिट कार्ड	२७७,४८७	४६८,६७३	२४५,१८६	११२.७४%
१४	क्रेडिट कार्ड	७,८०८	२२,९७४	१५,१६६	११४.२४%
१५	मोबाइल बैंकिङ सेवा	७७२,०९१	१,३९७,९८६	६२५,८९५	८१.०६%
१६	बचत खाता संख्या	१,११३,९८८	२,२४०,९५०	१,१२६,९६२	१०१.९६%

(स) विगत वर्षहरुको वित्तीय परिसूचकतात्रको समीक्षा :

बैंकको विगत ५ वर्षको वित्तीय थलक:

रकम रु. दश लाखमा

रकम	०७५/७६	०७६/७७	०७७/७८	०७८/७९	०७९/८०
चुक्ता पूँजी	८,६८५.५७	१२,५२०.०४	१३,८७८.४७	१४,७१.१८	२६,२२५.८६
निक्षेप	८४,४०३.३४	१२४,२२०.०३	१५७,१७७.८६	१८,२९२.१९	३२५,२८०.६३
कर्जा, सापठी तथा अधिविकर्ष	७६,५८४.७७	११५,१३३.९८	१४३,७७२.००	१५९,४४४.१३	२८९,३८७.६०
लगानी	९,३४१.५६	१७,६६०.६३	२३,०७२.९६	२३,४२०.०९	४४,४८१.६१
स्थिर सम्पति (खुद)	७५९.४९	१,५९०.९०	१,४५६.१३	१,३४१.१९	२,७०४.५२
कुल सम्पति	१०५,३११.८८	१४५,९७१.९४	१८९,७१२.४०	२१२,१०८.४३	३८०,५२४.७९
खुद ब्याज आरदानी	२,८२९.९५	३,५७३.१९	५,०७७.५१	६,२१७.१६	११,०६६.१८
अन्य आरदानी	८०९.८१	९००.०८	१,६३३.८८	१,७२३.९८	१,९९९.५०
सञ्चालन खर्च	१,६५३.६४	२,२८९.५८	३,१११.३८	३,५५७.५६	३,९८०.२३
कर्जा नोक्सानी व्यवस्था अधिको सञ्चालन नापा/(नोक्सान)	१,९९४.२६	२,१४७.८६	३,४८१.०७	४,३६९.५७	९,९९७.४५
खुद मुनाफा	१,२३०.३७	१,१५८.५०	१,९७०.७३	२,५७९.८०	५९७.९२
निष्कृत्य कर्जा अनुपात (%)	१.०१	१.३९	०.९६	१.११	४.९६

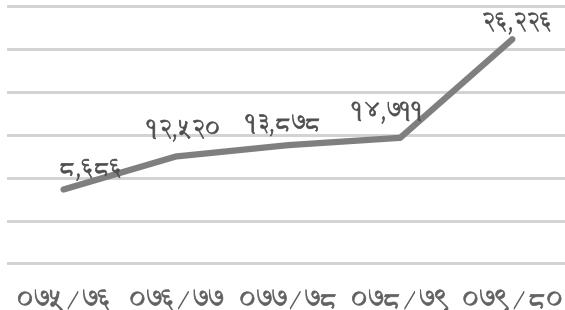
बैंकको विगतका वर्षहरुको वित्तीय परिसूचकहरु सकारात्मक, व्यवस्थित तथा प्रगति उन्मुख रहेका छन् । तत वर्षको शुरु देखि नेपालको बैंकिङ बजारमा देखिएको दबाब र आर्थिक क्रियाकलापमा संकुचन आई बैंकको निष्कृत्य सम्पतिहरुको बृद्धि र सोको व्यवस्थापनमा चूनौति थापिएको छ । बैंकको व्यापार व्यवसायहरु जोखिमको उचित भूल्यांकन गर्दै सीमित दरमा बृद्धि भैरहेको छ । आ.व. २०७९/८० मा कुमारी बैंक लि. र नेपाल ट्रोडिट एट कर्कस बैंक लि. एक आपसमा मर्जर भई २०७९/०९/१७ बाट एकीकृत कारोबार शुरू भएको थिए । नेपालको वित्तीय बजार, राजनैतिक मानोल, उद्योगाधन्दा आदिको अवस्थामा अप्रत्यासित रूपमा उतार घाडाव आइरहने भएकाले हामीले सधै नै हामी व्यापार व्यवसायमा सन्तुलित तथा दिग्गो बृद्धि गर्दै भएको अवधारणा बनाउदै आएका छौं ।

आ.व. २०७८/७९ को तुलनामा आ.व. २०७९/८० मा कर्जा, निक्षेप तथा लगानी क्रमशः ८७.५० प्रतिशत, ७७.७२ प्रतिशत र ८९.७३ प्रतिशतले बृद्धि भई रु. २ रुप्य ८९ अर्ब ३२ करोड, रु. ३ रुप्य १५ अर्ब ८८ करोड र रु. ४४ अर्ब ८८ करोड पुऱ्ण गएको छ । यसैगरी खुद ब्याज आरदानी ७०.७७ प्रतिशतले बृद्धि भई रु. १.११ अर्ब ०७ करोड पुऱ्णको छ । आ.व. २०७९/८० मा कर्जा नोक्सानी व्यवस्था अधिको सञ्चालन मुनाफा १००.६६ प्रतिशतले बृद्धि भई रु. १.३८ अर्ब ५८ करोड हुन पुऱ्णको छ । यस प्रकारले आ. व. २०७८/७९ मा रु. २ अर्ब ५८ करोड रहेको खुद मुनाफा आ.व. २०७९/८० मा ७०.७२ प्रतिशतले घटेर रु. ५२ करोड पुऱ्ण गएको छ ।

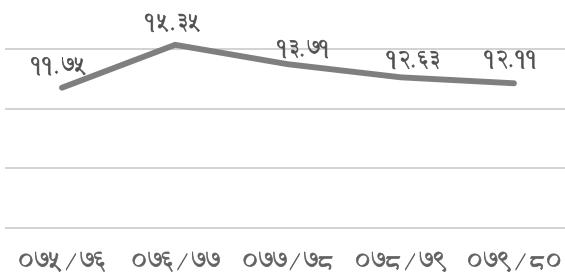
बैंकको विगत पाँच वर्षको केहि प्रमुख वित्तीय परिसूचकहरूको रेखा चित्र यस प्रकार रहेको छ ।

रकम रु. दश लाखला

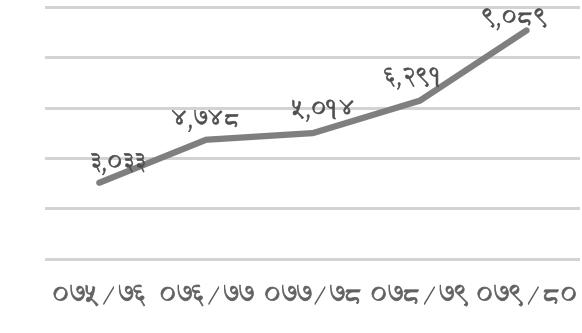
चुक्ता पुँजी



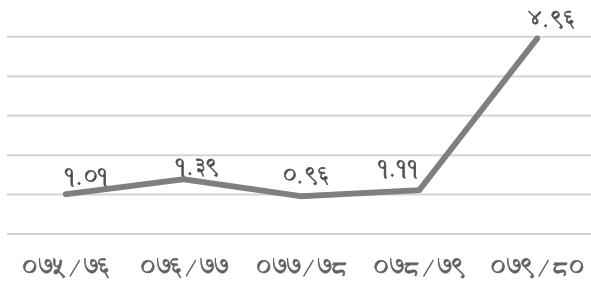
पुँजी कोष अनुपात (%)



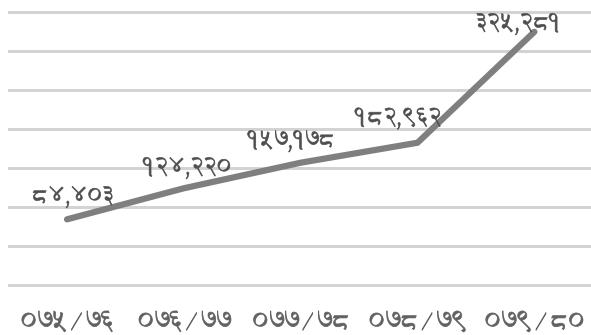
जगेडा तथा कोषहरू



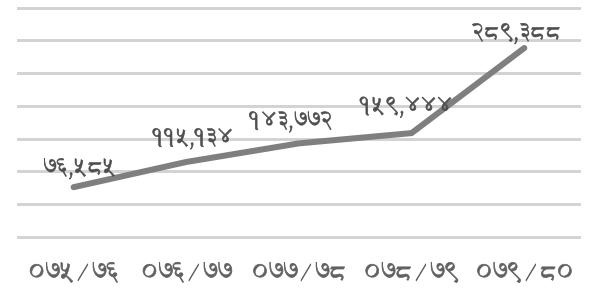
निष्कृय कर्जा अनुपात (%)



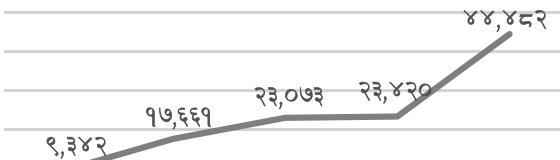
निक्षेप



कर्जा तथा सापटी

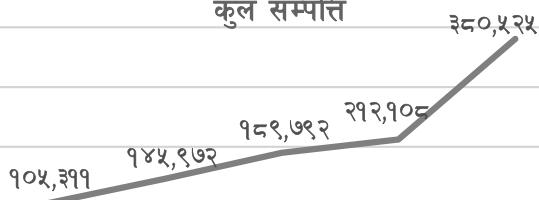


लगानी



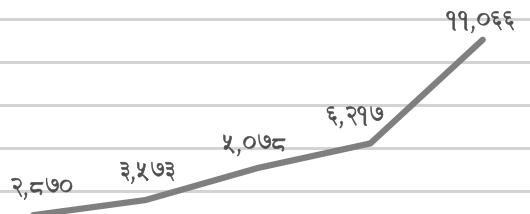
०७५/७६ ०७६/७७ ०७७/७८ ०७८/७९ ०७९/८०

कुल सम्पत्ति



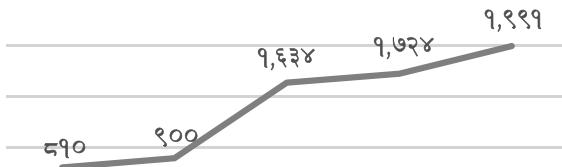
०७५/७६ ०७६/७७ ०७७/७८ ०७८/७९ ०७९/८०

खुद व्याज आमदानी



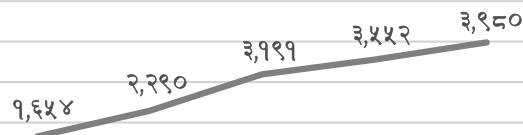
०७५/७६ ०७६/७७ ०७७/७८ ०७८/७९ ०७९/८०

अन्य आमदानी



०७५/७६ ०७६/७७ ०७७/७८ ०७८/७९ ०७९/८०

सञ्चालन खर्च

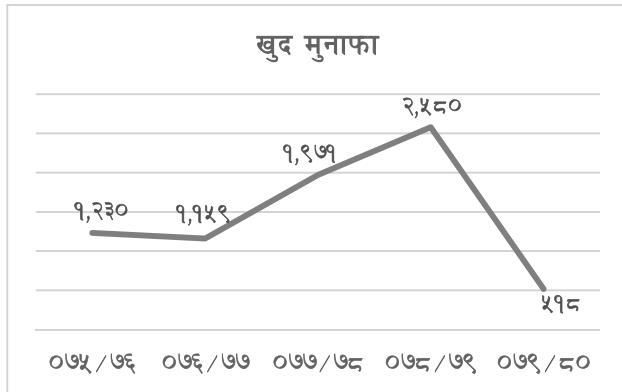


०७५/७६ ०७६/७७ ०७७/७८ ०७८/७९ ०७९/८०

कर्जा नोक्सानी व्यवस्था अधिको सञ्चालन नाफा/(नोक्सान)



०७५/७६ ०७६/७७ ०७७/७८ ०७८/७९ ०७९/८०



(ज) प्रतिवेदन तथार भएको मितिसळम चालु वर्षको उपलब्धि :

चालु आर्थिक वर्षको असोज २०८० मसान्तमा गत आ.व.आषाढ मसान्तको तुलनामा निक्षेप तर्फ रु.५ अर्ब ६४ करोड (९.८८%)ले बढिए भई रु.३ रख्ब २१ अर्ब ६८ करोड पुगेको छ भने कर्जा साप्ठ तर्फ रु.५ अर्ब ३४ करोड (९.१०%) ले बढिए भई रु.२ रख्ब ८६ अर्ब ३ करोड पुगेको छ । त्यसैगरी कर्मचारी बोनश तथा आयकर अधिको सञ्चालन मुनाफा रु. ४८ करोड ७० लाख रहेको छ ।

(घ) अविष्यमा गर्नु पर्ने कुराको सञ्चालन संचालक समितिको घारणा :

चालु आर्थिक वर्ष तथा अविष्यमा सञ्चालन गरिने बैंकको योजना तथा कार्यक्रमहरूको संक्षिप्त विवरण निरनानुसार रहेको छ :

- वित्तीय बजारको अवस्थाको सहि आंकलन गरी यसको रणनीतिक रूपमा व्यवस्थापन गर्ने ।
- निष्कृत कर्जाहरूको व्यवस्थापन र असुलीलाई उच्च प्राथमिकतामा राख्ने ।
- देशमा उद्यमशीलताको विकास गरी युवा रोजगारको प्रवर्द्धन मार्फत युवा जनशक्तिलाई स्वदेशमै आत्मनिर्भर बनाउन प्रयास गर्ने ।
- कारोबार बढाउने मुख्य श्रोत निक्षेप संकलन भएकोले निक्षेप बढाउन र औसत व्याजदरमा कमी ल्याउन निक्षेपका नयाँ योजनाहरू तर्जुमा गरी व्यापार प्रवर्द्धनका लागि ग्राहकहरूलाई आकर्षित गर्ने ।
- निक्षेपका नयाँ योजनाहरू तर्जुमा गरी कार्यान्वयन गर्ने र व्यक्तिगत निक्षेपकर्ताहरूको आधार बढिए गर्दै लैजाने नीतिलाई निरन्तरतरा दिने ।
- कर्जा लगानीमा विविधकरण गरी जोखिमलाई न्यूनिकरण गर्ने ।
- कर्जाको गुणस्तर सुधार गर्दै लैजाने र कर्जा विस्तार गर्दा साना कर्जामा लगानी बढिए गर्दै जाने नीति लिने ।
- गैरब्याज आरदानी (Non Interest Income) का नयाँ स्रोतहरू पहिचान गरी बैंकको मुनाफामा बढिए गर्ने ।
- व्यवसायको दायरा बढिए गरी कर्जालाई आकर्षित गरी छिटो छिटो र सुरक्षित लगानी गर्ने ।
- कर्मचारीहरूलाई उत्पादनमुलक एवं व्यवसायिक तालिम दिई ग्राहकहरूलाई छिटो र छिटो सेवा प्रदान गर्नका लागि कर्मचारीहरूको क्षमता विकास गर्ने ।

- डिजिटल बैंकिंगको क्षेत्रमा विकसित नविनतम् प्रविधिलाई अस क्षेत्रमा बढ्दो जोखिमको पक्षलाई समेत विचार गरी आवश्यकता अनुसार लाग्नु गर्ने र बैंकको आन्तरिक प्रणाली लगायत सेवा सुविधालाई यथासमर्भ डिजिटल माध्यममा परिणत गर्ने ।
- ग्राहकको सुरक्षालाई अळे मजबूत बनाउन र नयाँ सेवा सुविधा थप गर्नका लागि कोन्ट्रोल बैंकिंग प्रणाली - फिनाकल सषट्टेयरलाई अद्यावधिक गर्ने ।
- बैंकको आन्तरिक नियन्त्रण प्रणाली, जोखिम व्यवस्थापन, अनुपालना तथा संस्थागत सुशासनलाई अळे बढी सुदूर गर्ने ।
- सहायक कर्मचारीहरूको कारोबारको आकार बढिका लागि विशेष दृश्यान दिने ।
- संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत विभिन्न थप कार्यक्रमहरु सञ्चालन गर्ने र बैंकलाई समाजको जिरामेवार संस्थाको रूपमा परिवित गराउँदै बैंकको Brand लाई थप सबल बनाउने ।

(क) आ.व.२०७९/८० ना बैंकको मुख्य वित्तीय छलकहरु निर्णयानुसार रहेको छ :

वासलात

२०८० साल आषाढ ३१ जाते समय

विवरण	यस वर्ष रु.	गत वर्ष रु.
पुँजी तथा दायित्व		
शेयर पुँजी	२६,२२५,८६१,३४०	१४,७११,१८३,३२६
जगेडा तथा कोषहरु	९,०८८,९४०,५४६	६,२९०,९३२,६७१
ऋणपत्र तथा वण्ड	-	-
तिर्न बाँकी कर्जा सापठ	-	-
निक्षेप दायित्व	३१६,०४७,०५४,५२७	१७६,७६७,६६५,५५६
भृकानी दिनु पर्ने विलहरु	११,०९९,६९६	६,२९८,५२२
प्रस्तावित लाभांश	-	१,८३८,८९७,९९६
आयकर दायित्व	-	-
अन्य दायित्व	२९,१५१,८३०,५३५	१३,५४०,७४६,६२१
कुल पुँजी तथा दायित्व	३८०,५२४,७८६,६४३	२१३,१५५,८२४,६११
सम्पत्ति		
नगद मौज्दात	१७,८१,४२८,३८२	९,४७७,१९६,५४२
नेपाल राष्ट्र बैंकमा रहेको मौज्दात	१३,४६०,९४४,५२९	५,४७५,३१०,६९१
बैंक/वित्तीय संस्थामा रहेको मौज्दात	७,७३७,४४५,७९३	१,९४९,४७६,८५८
माग तथा अल्प सूचनामा प्राप्त हुने रकम	२,१००,०५४,३८४	८,१३२,७५५,८४९
लगानी	४४,४८१,६१२,६३९	२३,४२०,१०३,१७९
कर्जा सापठ तथा विल खरीद	२८०,६९१,६१४,७६९	१५८,४०९,१९९,९९८
स्थीर सम्पत्ति	२,७०४,५२४,०६१	१,३४३,१९५,७७०
गैर बैंकिंग सम्पत्ति	१,२६३,२१२,७५२	१४४,४११,११४
अन्य सम्पत्ति	१०,२२९,९४९,३३४	४,८०६,१६१,७४०
कुल सम्पत्ति	३८०,५२४,७८६,६४३	२१३,१५५,८२४,६११

नोपा नोकसान हिसाब

मिति २०७९ साल श्रावण १ गते देखि २०८० साल आषाढ मसान्तसरन

विवरण	यस वर्ष रु.	गत वर्ष रु.
ब्याज आरदानी	३४,११२,२४२,३०९	१८,३५५,१५९,२४१
ब्याज रवर्च	२३,०४६,०६३,६२९	१२,१३७,९९३,२४४
कुल ब्याज आरदानी	११,०६६,१७८,६७९	६,२१७,१६५,९९७
कमिशन तथा डिस्काउंट	१,५१३,३०६,४९८	-१८,१७२,५५८
अन्य सञ्चालन आरदानी	४६५,४५०,७२९	८८०,९६३,४४४
सठ्ही घटबढ आरदानी	१२,७४१,१२२	२४८५,२६१९,९
कुल सञ्चालन आरदानी	१३,०५७,६७७,०२९	७९४९,१५५,६९१
कर्मचारी रवर्च	२,०९८,५२६,६९५	१,९३३,६५५,२०८
अन्य सञ्चालन रवर्च	१,७७०,४०५,६४३	१,२१८,५११,८२९
सठ्ही घटबढ नोकसान	-	-
संभावित नोकसानी व्यवस्था अधिको सञ्चालन मुनाफा	१,१८,७४४,६९०	४,७८८,८८८,६५४
संभावित नोकसानी व्यवस्था	८,११५,८००,७६५	८१२,१००,२८७
सञ्चालन मुनाफा (नोकसान)	१,०७०,१४३,९२६	३,१७६,७८८,३६८
गैर सञ्चालन आरदानी/रवर्च	३९,११५,४८४	१६,३३८,८९७
संभावित नोकसानी व्यवस्थाबाट फिर्ता	-	-
नियमित कारोबारबाट मुनाफा (नोकसान)	१,११२,९३९,४१०	३,९९३,१२७,२६५
असामान्य कारोबार भएको आरदानी (रवर्च)	-	-
सम्पूर्ण कारोबार समावेश पछिको खुद मुनाफा (नोकसान)	१,११२,९३९,४१०	३,९९३,१२७,२६५
कर्मचारी बोनश व्यवस्था	१११,२९३,९४१	३९९,३१२,७२६
आयकर व्यवस्था	४८३,७२३,८५८	१,०१४,००४,७०६
यस वर्षको कर व्यवस्था	४७०,४९८,५७०	१,०२१,४२२,७३३
यस वर्षको स्थगन कर आरदानी/रवर्च	४,२२५,२८८	-१५,४९८,०२७
विगत वर्षसम्मको कर व्यवस्था	-	-
खुद नाफा (नोकसान)	५१७,९२९,६९१	२,५७९,८०९,८३२

नापा/नोकसान बाँडफाँड हिसाब

मिति २०७९ साल श्रावण १ गते देखि २०८० साल आषाढ मसान्तसरन

विवरण	यस वर्ष रु.	गत वर्ष रु.
आठदानी		
१. जत वर्षसरमको संचित मुगाफा	३२,५१३,४२५	९९,७९८,६७१
२. यस वर्षको मुगाफा	५९७,९२९,६९९	२,५७९,८०९,८३२
३. संस्थागत सामाजिक उत्तरदायित्व कोष	९,८५६,००१	-
४. नियाग्रक कोष	२३,६५८,५५०	८९,४२९,५४४
५. फेयर मूल्य कोष	४९,४६९,६६०	-
६. कर्मचारीहरुको दक्षता अभियुद्धि कोष	११,९६९,९६३	-
जर्ना	६३७,३८८,४११	२,७६९,०३८,०४६
खर्च		
१. घनसौरी मर्जरबाट थप संचित नोकसानी (९६ पुस, २०७९)	२,४००,१९,६२२	-
२. यस वर्षको नोकसान	-	-
३. साधारण जगेडाकोष	१०३,५८४,३२२	५९५,९६९,९६६
४. सटही घटबढ कोष	३,१८५,२८०	६,२१३,४२३
५. कर्मचारीहरुको दक्षता अभियुद्धि कोष	-	१६,३१९,८८४
६. प्रस्तावित लाभांश	-	१,८३८,८९७,९९६
७. संस्थागत सामाजिक उत्तरदायित्व कोष	-	२५,७९८,०९८
८. पुँजीगत जगेडा कोष	३३३,३३३,३३३	३३३,३३३,३३३
जर्ना	२,८४०,२९७,५५८	२,७३६,५२४,६२१
९६. सञ्चित मुगाफा/(नोकसान)	(२,२०२,९०९,१४७)	३२,५१३,४२५

- (च) लेखापरीक्षकको प्रतिवेदनमा बैंकको वार्षिक आर्थिक विवरण वारेना कुनै कैफियत देखिएको भए सोको विवरण : लेखापरीक्षकको प्रतिवेदनमा सामान्य कैफियत बाहेक गर्नीर प्रकृतिका कैफियत नरहेको ।
- (छ) कर्पनी ऐन, २०६३ को दफा ८४ अनुसार तथार गारिएको यस संक्षिप्त आर्थिक विवरण बैंकको वार्षिक आर्थिक विवरण तथा संचालक समितिको प्रतिवेदनको संक्षिप्त विवरण मात्र हो ।

(ज) आर्थिक विवरणको विषयमा लेखापरीक्षकको नठतव्य :

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUMARI BANK LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kumari Bank Limited and its subsidiaries (collectively referred to as the "Group"), which comprises the consolidated statement of financial position as at Ashad 31, 2080 (corresponding to July 16, 2023), the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information prepared in accordance with Nepal Financial Reporting Standards.

In our opinion, the financial statement of the Bank and the consolidated financial statements of the Group present fairly, in all material respect, the financial position of the Bank and the Group as at Ashad 31, 2080 (July 16, 2023) and its financial performance, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flow statement for the year then ended in accordance with the Nepal Financial Reporting Standards.

Basis for Opinion

We have conducted our audit in accordance with Nepal Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Institute of Chartered Accountant of Nepal's code of ethics for professional accountants (ICAN Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period and include most significant assessed risks of material misstatement (whether or not due to fraud) identified including those which has greatest effect on overall audit strategy, allocation of resources in the audit and directing effort of the engagement team. We have summarized below key audit matters, in descending order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed in the context of our audit of the consolidated financial statements as whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	
a. Impairment of Loans and Advances to Customers including Interest Income on Recognized Non-Performing Loans and Advances	
Total Loans and Advances to Customers:	NPR 267,103 million as on July 16, 2023 (NPR 156,411 million as on July 16, 2022)
Total Impairment:	NPR 16,165.65 million as on July 16, 2023 (NPR 3,648 as on July 16, 2022)
Total Impairment Charges:	NPR 8,115.8 million in FY 2022-23 (NPR 812 million in FY 2021-22)
Total Accrued Interest Income:	NPR 5,319.15 million in FY 2022-23 (NPR 758 million in FY 2021-22) out of Total Interest Income of NPR 34,112.34 million in FY 2022-23 (NPR 18,355 million in FY 2021-22).
Allowances for impairment of loans and advances to customers have been made based on incurred loss model, Nepal Rastra Bank (NRB) regulations, as applicable. The Bank is required to apply its judgment and estimation to determine allowances for impairment. In addition, assessment of allowances for impairment is important as it can provide for higher of the incurred loss model or NRB's directive.	We planned and tested the operating effectiveness of key controls established by the Bank to identify loss events and for determining the extent of provisioning required against non-performing loans and advances to customers.
	The testing of controls include testing of controls over correct identification and classification of non-performing loans and advances to customers on time-based criteria; control over statistical models used to calculate the incurred loss in accordance with incurred loss model; control over monitoring of loans and advances to customers with higher risk default; control



<p>The carrying value of the loans and advances to the customers can be materially misstated if the Bank's judgment and estimation are inappropriate.</p>	<p>over accurate computation and recording of provisions; and control over the governance and approval process related to provisions including continuous reassessment by the Bank's Management.</p>
<p>In addition to above, interest income on loans and advances to customers has been recognized on accrual basis calculated by the Bank's core banking system and following the interest income recognition Guidelines 2019 issued by NRB. Through accrual basis of income recognition is prescribed in general, the guidelines require suspension of interest recognition on accrual basis for loans and advances with overdue of more than 12 months whereas for loans and advances with overdue interest/installment for 3 to 12 months, interest recognition on accrual basis is limited based on result of collateral testing as specified. Given the lack of system capability to suspend interest recognition based on overdue status of loan and fair value of collateral as well as review of fair valuation of collateral on regular basis, manual intervention will be required in interest recognition process and hence create risk of improper application of the guidelines and determination of fair value of the collateral. This may, in turn, have effect on recognition of interest income of the bank.</p>	<p>We selected sample of loans and advances to customers, checked installments of repayments and tested classification of non-performing loans and advances to customers based on the number of days overdue; evaluated the Bank's assessment for classification of loans and advances to customers as performing and non-performing based on repayment pattern, documentation, inspection and through discussion with the Bank's Management; assessment of control over mortgage value of loans and advances to customers.</p>
<p>Considering the significance of the above matter to the financial statements, we have identified this as a key audit matter for the current year audit.</p>	<p>We selected sample of loans and advances to customers and independently performed and reassessed whether there was a need to classify loans and advances to customers as non-performing and compared our outcome to that prepared by the Bank and challenged various assumptions and judgments which were used by the Bank's Management.</p>
<p>b. Accounting for merger with erstwhile Nepal Credit and Commerce (NCC) Bank Limited</p>	<p>We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and NRB requirements relating to allowances for impairment on loans and advances and interest recognition, and considered to be acceptable.</p>
<p>During the year, the bank had merged with NCC Bank as set out in note no. 3.2(a) of the financial statement. Accounting for the acquisition has involved judgement in order to:</p> <ul style="list-style-type: none"> • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities and goodwill. <p>This is a material acquisition for the Bank and given the level of estimation, system update and judgement required, we considered it to be a key audit matter.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • We tested the completeness of the identified assets and liabilities acquired by bank, through discussions with the Bank. • We assessed the determination of fair value for assets and liabilities acquired and the methods used to value the underlying assets by: <ul style="list-style-type: none"> i. Studying the DDA reports issued by the appointed external specialist; ii. Evaluating the valuation report prepared by the appointed external valuers; • Evaluating the appropriateness of adequate disclosures in accordance with the applicable accounting standards.
<p>c. Information Technology System and Control impacting Financial Reporting in relation to the Bank</p> <p>The Bank's Information Technology environment is complex and involves a large number of independent and inter-dependent Information technology systems used in the Bank's operations for processing and recording a large volume of transactions at numerous locations. As a result, there is a high degree of reliance and dependency on such Information technology systems for the Bank's financial reporting process. Appropriate Information technology, general controls and application controls are required to ensure that such Information technology systems are able to process</p>	<p>In assessing the integrity of the information technology systems, we involved our information technology experts to obtain an understanding of the information technology infrastructure and systems relevant to the Bank's financial reporting process for evaluation and testing of information technology general controls and Information technology automated controls existing in such information technology systems.</p> <p>Access rights were tested over applications, operating systems, networks and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including</p>



<p>the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>The accuracy and reliability of the financial reporting process depends on the information technology systems and the related control environment, including: information technology general controls over user access management; and change management across applications, networks, databases, and operating systems; and information technology automated application controls.</p> <p>Due to the importance of the impact of the information technology systems and related control environment on the Bank's financial reporting process, we have identified testing of such information technology systems and related control environment as a key audit matter for the current year audit.</p>	<p>preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel.</p> <p>Other areas that were assessed under the information technology control environment, included password policies, security configurations, and controls around change management. Bank has hired information technology security service provider to regularly monitoring its system for any threat which we considered to be acceptable.</p>
d. Investment Valuation, Identification, and Impairment	
<p>Investment of the bank comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted securities. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and Directive number 8 of United NFRS Directive 2019. The investment in the government and NFRS bonds and T-bills has been done on Amortized cost and rest have been valued through Other Comprehensive Income. Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.</p> <p>Emphasis of Matter</p> <p>We draw attention to the note 5.1.2.a of the accompanying financial statements, which describes uncertainties due to overall adverse economy, a number of the loan assets have been significantly overdue which increases the credit risk of the bank. The bank has adopted various credit recovery and risk mitigation measures, including legal recourse to mitigate adverse credit risk, however, in our judgement such measures do not completely eliminate such credit risk and impact NPA of the bank. In our professional judgement such credit related risk is fundamental to the user's understanding of financial statements. Our audit opinion is not modified with respect to this matter.</p> <p>Information Other than the Consolidated Financial Statement and Auditors' Report Thereon</p> <p>The Bank's Management is responsible for other information. Other information comprises information included in the Management Letter, the Board of Directors and Chairman's Statement but does not include consolidated financial statements and our auditor's report thereon.</p> <p>Our opinion on the consolidated financial statements does not cover other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the consolidated financial statements, our responsibility is to read other information and, in doing so, consider whether other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work, we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p> <p>Other Matters</p> <p>We did not audit the financial statements and other financial information of subsidiaries Kumari Capital Limited and KBL Securities Limited, whose financial statements reflect total assets of NPR 871.89 million and NPR</p>	



200.71 million and net assets of NPR 475.25 million and NPR 200.5 million respectively as at Ashad 31, 2080 (corresponding to July 16, 2023) and total comprehensive income of NPR 68.53 million and NPR 0.45 million and net cash inflows of NPR 148.15 million and NPR 180.26 million respectively for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the financial statements in so far as it relates to the accounts and disclosures included in respect of this subsidiary, are based solely on the report of other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Nepal Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Nepal Standards on Auditing, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identified and assessed the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the Bank and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Concluded on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Bank's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and its subsidiaries to cease to continue as a going concern.
- Evaluated the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

We have obtained information and explanations asked for which, to best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, consolidated statements of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows, have been prepared in accordance with the procedure and format prescribed by Nepal Rastra Bank and are in agreement with the books of account maintained by the Bank. Proper books and records have been kept as per law, so far as it appears, from our examination of those books and records of the Bank and from the reports of the other auditors.

In our opinion, so far as it appears from our examination of the books, the Bank has maintained adequate capital funds and adequate provision for possible impairment of assets.

To the best of our information and according to explanations given to us and so far as it appears from our examination of the books of account of the Bank and the audit reports issued by other auditors necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employees of the Bank and its subsidiaries have acted contrary to the provisions of law or committed any misappropriation relating to the accounts or caused loss or damage to the Group or acted in a manner to jeopardize the interest and security of the Bank, its depositors and investors.

Pralhu Ram Bhandary, FCA
Senior Partner

Joshi & Bhandary
Chartered Accountants

Place: Kathmandu
Date: December 14, 2023
UDIN No:231217CA00030QqWE



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परिवार सुरक्षा
बचत खाता

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सम्मको बीमा सुरक्षा

हरेक परिस्थितीको लागि
खुशी साथ बचत गर्ने ।

For any queries and support,
Please call us at **01-5970499**

कुमारी बैंक लि. डिजिटल बैंकिङ
प्रणालीको प्रवर्द्धन गर्दछ ।



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सबैका लागि, सधैका लागि



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