



कुमारी बैंक लिमिटेड

KUMARI BANK LIMITED

सबैका लागि, सबैका लागि

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Unaudited Financial Results (Quarterly)

As at Second Quarter (14 Jan 2018) of the Fiscal Year 2017/18

As per NRB Directive form no. 9.14

Rs '000

S.N.	Particulars	30.09.2074/14.01.2018 This Quarter Ending	31.06.2074/17.10.2017 Previous Quarter Ending	29.09.2073/13.01.2017 Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	68,389,870	65,928,070	46,932,977
1.1	Paid Up Capital	5,969,496	5,969,496	2,699,167
1.2	Reserve and Surplus	2,590,947	2,224,562	1,643,566
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	323,776	352,655	1,107,335
1.5	Deposits (a+b)	57,680,957	54,648,930	39,946,389
	a. Domestic Currency	55,802,100	52,807,153	38,122,917
	b. Foreign Currency	1,878,858	1,841,777	1,823,472
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,824,693	2,732,428	1,536,520
2	Total Assets (2.1 to 2.7)	68,389,870	65,928,070	46,932,977
2.1	Cash & Bank Balance	6,052,852	6,536,196	5,310,483
2.2	Money at Call and Short Notice	763,518	600,000	532,750
2.3	Investments	8,529,835	8,891,013	6,144,928
2.4	Loans and Advances (a+b+c+d+e+f)	50,924,405	47,471,234	33,659,893
	a.Real Estate Loan	1,967,246	2,202,302	1,793,235
	1. Residential Real Estate Loan	541,713	725,171	616,186
	2. Business Complex & Residential Apartment Construction Loan	285,572	287,136	289,885
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	1,139,961	1,189,995	887,164
	b. Personal Home Loan of Rs. 1.5 Crore or Less	6,034,839	5,635,862	3,880,871
	c.Margin Type Loan	1,447,878	1,535,105	1,167,563
	d.Term Loan	10,667,480	9,513,121	7,481,530
	e.Overdraft Loan/TR Loan/WC Loan	24,573,224	22,427,042	16,870,420
	f. Others	6,233,738	6,157,803	2,466,275
2.5	Fixed Assets	380,439	386,619	257,081
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	1,738,820	2,043,009	1,027,841
3	Profit and Loss Account	Up to This Quarter End	Up to This Quarter End	Corresponding Previous Year Quarter End
3.1	Interest Income	2,932,188	1,416,602	1,441,067
3.2	Interest Expenses	2,110,517	1,059,856	886,024
	A. Net Interest Income (3.1-3.2)	821,671	356,747	555,043
3.3	Fees, Commission and Discount	144,324	61,369	104,753
3.4	Other Operating Income	36,747	19,564	33,916
3.5	Foreign Exchange Gain/ Loss (Net)	74,228	34,801	49,304
	B. Total Operating Income (A.+3.3+3.4+3.5)	1,076,971	472,482	743,016
3.6	Staff Expenses	295,959	155,589	160,266
3.7	Other Operating Expenses	194,344	89,488	125,506
	C. Operating Profit Before Provision (B.- 3.6-3.7)	586,668	227,405	457,243
3.8	Provision for Possible Losses	241,082	149,821	97,844
	D. Operating Profit (C-3.8)	345,586	77,584	359,399
3.9	Non Operating Income/Expenses (Net)	30,365	1,492	4,320
3.10	Write Back of Provision for Possible Loss	378,659	97,076	75,263
	E. Profit from Regular Activities (D+3.9+3.10)	754,610	176,151	438,982
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	F. Profit before Bonus and Taxes (E. + 3.11)	754,610	176,151	438,982
3.12	Provision for Staff Bonus	68,601	16,014	39,907
3.13	Provision for Tax	205,803	48,041	119,722
	G. Net Profit/Loss (F.-3.12-3.13)	480,206	112,096	279,352
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	14.48%	15.25%	11.47%
4.2	Non Performing Loan (NPL) to Total Loan	1.61%	1.97%	1.14%
4.3	Total Loan Loss Provision to Total NPL	119.74%	125.91%	182.58%
4.4	Cost of Funds (annualized - LCY)	7.83%	7.75%	4.70%
4.5	Credit to Deposit Ratio (as per NRB directives)	76.82%	77.59%	77.37%
4.6	Base Rate	11.17%	11.15%	8.07%
4.7	Average Interest Rate Spread (as per NRB directives)	2.80%	3.27%	3.04%
Additional Information (year to date annualized fig.)				
	Total Yield (LCY)	10.66%	10.33%	7.68%
	Spread (LCY)	2.83%	2.58%	2.98%
	Return on Equity (ROE)	11.22%	5.47%	18.48%
	Return on Assets (ROA)	1.40%	0.68%	1.71%

Note:

Figures are 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 2073 (Related to Sub Rule (1) of Rule 26)

1. Major Financial Indicators (annualized fig.)

- | | |
|---|------------------------------------|
| 1. Earnings per Share – 16.09 | 2. Market Price per Share – 285.00 |
| 3. Price Earnings Ratio (P/E ratio) – 17.71 | 4. Net Worth per Share – 143.40 |
| 5. Liquidity Ratio – 26.35 | |

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 5.55% and 7.27% in this quarter with reference to the last quarter end. The asset size of the bank has reached 68 billion in this quarter.

3. Details Regarding Legal Actions

- a. 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.
- 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. 320.00 Min. Price - Rs. 279.00 Closing Price - Rs. 285.00 Total no. of Transactions – 3675 Transacted Day - 57 days

5. Problems and Challenges

Internal

- a. Attaining reasonable level of cost of operation.
b. Retention of qualified and trained human resources.

External

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

Strategy to Overcome Problems & Challenges

- a. Continually renovating and diversifying the product & services to meet the changing need of the customers.
b. Utilizing the assets in as much as high yield and low risk investment sector.
c. Re-pricing of its interest sensitive assets and liabilities as per liquidity position of the market.
d. Understanding the expectations and motivating factors of employees in order to retain them.
e. 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.

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.