

Welcome to Kumari Culture...

Where

professionals are at your personal service,
we just don't do business, we provide solutions,
we love to listen to our customers and
we preserve our existence with social responsibilities.



कुमारी बैंक लिमिटेड

KUMARI BANK LIMITED

सबैका लागि, सबैका लागि

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Introduction

Kumari Bank Limited started its banking operations from 3 April 2001 (21 Chaitra 2057 BS) as the fifteenth commercial bank in Nepal. Since its inception, Kumari Bank has been providing competitive and modern banking services to all Nepali consumers, and has stood as one of the most trusted banks in Nepal with paid up capital of Rs. 1,603,800,000 of which 70% is contributed from promoters and the rest 30% from the public.

Kumari Bank Limited has extended its services far and wide across the nation with 29 points of representations – 20 outside the Kathmandu valley and 9 inside the valley. Kumari Bank has become one of the flexible banking service providers with a wide-range of modern banking services together with the latest and lucrative banking services like E-banking and SMS banking. With changing times, technological advances have made their way into Kumari Bank's internal system – modern Globus (T24) Software, developed by Temenos NV, Switzerland and arrangement of centralized database system – enabling the customers with not just prompt and easily accessible services but equally confident secured transaction from any branch of Kumari Bank. With these systems, customers of Kumari Bank can access to its services anywhere, everywhere.

Kumari Bank has been providing banking services in all 365 days of the year, and with extended banking hours up to 7 pm. Customers can make utility bill payments, online remit services, inward and outward remittance and other banking services just according to their requirement.

Kumari Bank has received national and international recognitions. The bank has been recognized for its innovative services conjoined with enhanced customer value via transparent business practices, professional management, corporate governance and total quality management. The mission of Kumari Bank is to provide quality services to all Nepalese – and whilst doing so, serve the customers to fulfill their needs, offer modernized banking services, bring innovative packages, newer and competitive banking products, and keep up with the global line of banking discoveries.

Mission

Our mission is to deliver innovative products and services to our customers, use these innovative products to achieve financial inclusion, and do so by exemplifying good corporate governance, proactive risk management practices, and superior corporate social responsibility.

Vision

Our vision is to be the preferred financial partner to our customers, a center of career growth to our employees, and to maximize our shareholders' value, while contributing to our nation's financial sector and to its economic welfare.

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Professionals are at
Your Personal Service.



Chairman's Message



Dear Shareholders,

As the chairman of the bank, I am pleased to announce that your bank has successfully completed 12 years of operation in the Nepalese market amidst various challenges in the banking sector. Besides the issues like political instability, frequent strikes and blockades, untimely budget disclosure, limited investment opportunities and long hours of power cuts, your bank has put up a good show throughout this FY. Going forward, we will continue our approach of prudence and consolidation while addressing opportunities, revenue growth, managing costs, increasing profit and EPS thus maximizing shareholder's values.

Robust return to the shareholders and customer satisfaction form an essential pre-requisition to sustainable business growth. Hence, your bank is always committed to achieve the goals set thereof, at the same time, equally dedicated to serving the customers efficiently by providing solutions to the challenges and the opportunities. I assure you that your bank will remain focused on good corporate governance and excellent management thus adding on to the overall progress.

I would personally like to thank the management team for their perseverance, the Board of Directors for their constant guidance and encouragement, the shareholders for their trust and support, each and every staff members for fulfilling their responsibilities, the regulatory bodies for their constant advice and support and the central bank for their cooperation, guidance and support.

With best wishes to you and your family members,

Happy New Year 2070.

Mr. Noor Pratap J.B. Rana

Chairman



Board of **Directors**

From the 1st Column

Mr. Noor Pratap J.B. Rana Chairman
Prof. Dr. Rajan Bahadur Poudel Director
Dr. Shova Kant Dhakal Director
Shree Uttam Prasad Bhattarai Director

From the 2nd Column

Shree Naresh Dugar Director
Shree Amir Pratap J.B. Rana Director
Shree Rishi Agrawal Director
Shree Rashindra Bahadur Malla Director

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We Love to Listen to Our Customers.



Director's Report

Respected Shareholders,

On behalf of the Board of Directors, we would like to welcome all the shareholders to the twelfth Annual General Meeting of Kumari Bank Ltd. We are delighted to present you this bank's financial status, its achievement and future prospects in this twelfth Annual General Meeting. From its inception, this bank has been achieving continuous progress through modern banking technology and practices. In the days to come, we shall continuously put in effort to deliver our best services. We take your suggestions as our course of action so that the bank can be more successful and sustained. We take your permission to present you with the achievements attained in the fiscal year 2068/69.

1. A holistic view of the transactions in the past years

Table 1: Financial look at the bank's past 5 years' performance

	Amount in Rs. million				
Fiscal year	064/65	065/66	066/67	067/68	068/69
Particulars					
Paid-up Capital	1,070.00	1,186.09	1,306.01	1,603.80	1,603.80
Deposit	12,780.15	15,710.93	17,432.25	16,986.28	21,985.20
Loan	11,522.38	14,795.26	14,966.08	14,926.23	18,101.34
Fixed Asset (Net)	222.00	247.83	285.64	306.28	277.27
Interest Income	957.25	1,374.72	1,871.07	2,251.79	2,441.58
Interest Expense	498.73	816.20	1188.92	1,566.55	1,622.49
Net Interest Income	458.51	558.52	682.15	685.24	819.09
Other Income	108.12	157.85	164.35	190.06	203.88
Other Expense	237.71	302.49	345.36	380.93	406.84
Operating Profit before loan loss provision	328.91	413.89	501.14	494.38	616.13
Net Profit/(Loss)	174.93	261.44	316.54	251.24	275.50

Looking at the performance of the past 5 years, it is evident that the bank has had a significant increment in this financial business. In the past years, the bank has had a good deposit collection and had increased the area of loan and to cope up with increased financial transaction, bank had increased the capital as well. The bank has been able to increase its profit along with its balance sheet size. A comparison between the fiscal year 2064/65 and the fiscal year 2068/69 shows that the net interest income has increased by 78.64%, other income by 88.57%, other expenses by 71.15%, operational profit before loan by 87.32% and Net Profit by 57.49%, with the experiences gained from the past, the bank shall strive to perform better in the days to come.

2. Reviewing national/international economy: International Monetary Fund has estimated that the economic growth in the year 2012 is to be at around 3.5%. The world economy has not improved as expected, Europe's loan crisis, natural calamities in Japan, the slack in economical increment even of new economics, increment in petroleum price internationally, and the economic stagnancy in European real estate show the estimate that even in the year to come, the world production rate would not increase. Even when the economic situation of America is at a gradually improving state, the cost control of World economics along with financial stabilization still present risks. World Economics has moved towards improvement but with persistent risks, most of the nations have readied themselves for safe policy.



According to the data from Nepal Rastra Bank, the annual economic increment rate of developed countries in 2011 was 1.6%, but for 2012, that would just be 1.4%. It has been estimated that the American economics will rise from 1.7% (previous year) to 2.0% this year, while the production from Euro region will decrease from 1.5% (previous year) to 0.3% in 2012. In developing countries, the annual increment was 6.2%, which has now been estimated to be 5.6% in 2012. The Indian economy rose up to 7.1% in 2011, but would go down to 6.1%, and the Chinese economy attained 9.2% growth in 2011 where by it was able to attain only 8.0% of growth in 2012.

The world economy has little effect on Nepali economy, but the economic increment of Nepal itself is really low. During the analysis period of Nepal Government, the economic growth was targeted to be 5.5% but the initial estimate has shown that the gross production in the basic cost has only been 4.6%. In the previous fiscal year, the industrial production increased by 2.9%, which during the analysis period fixed at 1.7% only. With stagnancy in real estate business, the construction has also decreased by 0.1%, whose increment was 4.8% in the previous year. Small businesses have, however, increased their economic rate by 3.8% during the analysis period, which was 1.2% in the previous year. In the previous fiscal year: 2068/69, the cost based on consumer cost was at an average rate of 9.6%, which during the first 10 months is only 7.5% this year.

In the fiscal year 2068/69 the net internal loan was targeted to reach 13.7%, but in 11 months this percentage has increased just by 6.0%. In the 11 months of the fiscal year 2068/69, the loan from the private sector of banking sector has increased by 11.6%, and estimated percentage increment by the end of the year is 12.5%. In the previous year, during the first 11 months, the increment of private sector loan was 14.5%. In the 11 months of analysis period, the deposit mobilization of commercial banks increased by 20.4%. In the same time period of the previous year, the deposit mobilization increment rate of commercial bank was 4.8%. In this time period, the remittance income and service export increased significantly; there was some swiftness in economic activities making the deposit mobilization positive. In the 11 months of fiscal year 2068/69 the loan and investment of commercial banks increased by 16.9%. In the fiscal year 2068/69 the liquidity of banks and financial institutions are satisfactory. Especially because of external transactions like export, remittance income, gross service income and capital transfer income has increase significantly, the deposit mobilization of development banks and commercial banks has continually increased compared to loan disbursement, and also because the government expenditure increased during the end of the fiscal year – the liquidity has been made easy. Also, during the analysis period, the economic increment improved and the policies to bring informal financial transactions to financial systems have also helped increase the deposits of commercial banks. During the analysis period, since the positive Balance of Payment in saving could be sustained, gross foreign asset increased significantly so the forex was high.

In the fiscal year 2068/69 due to the increment in deposit mobilization, the liquidity of banks and financial institutions were made easy hence both the short term and long term interest rates were low compared to the previous year. According to that, the 91 day treasury bills' average interest rate dropped from 7.4% to 1.3% in FY 2068/69. Also, the inter-bank average interest rate between commercial banks dropped from 8.4% to 1.3% in the FY 2068/69.

According to the data of Ashadh End 2069, published by Nepal Rastra Bank, there are 32 A category, 88 B category, 69 C and 23 D category, altogether there are 212 bank & financial institutions.

Review of the Bank's operations in FY 2068/69:

National/International economic growth was not that easy during the review year. Just like the economic state from the past few years, the past year was also not the positive. Nations' political instability, energy crisis, declining real estate business and in share transaction, and others made the banking business drop low. But even with grim conditions, in the FY 2068/69, the bank has met with some significant successes.



Analyzing the financial statement of review period, the bank has continually grown – because of which, compared to the previous FY, the bank's size has grown by 22.64% reaching Rs. 25.13 billion.

A. Capital management: By the end of FY 2069/70, the total primary capital has to reach Rs. 2 billion (according to Nepal Rastra bank) – of which the bank has paid-up capital of Rs. 1.60 billion and supplementary capital of Rs. 761 million, making the total primary capital Rs. 2.36 billion. Also, the capital adequacy has to be a minimum of 10%, of which, by the end of review period, the total capital adequacy is 12.20%.

B. Deposit: Compared to the last FY, the increment in deposits is high. The deposits have increased to 29.43% making the total deposit of Rs. 21.98 billion. Positive signs in the economic activities during the review period like: growth in BOP, budget disclosure on time, increment in remittance income, increment in export and increment of US dollar compared to NPR., and others – have helped increase the national currency deposit and winning the trust of depositors.

Table 2: Comparative State of deposits:

Deposit	FY 2068/69	% of total deposits	Figures in million	
			FY 067/68	% of total deposits
Current	1,135	5.16	929	5.47
Savings	5,887	26.78	6,551	38.57
Call	5,805	26.4	2,852	16.79
Fixed	9,158	41.66	6,655	39.18
Total	21,985	100	16,987	100

C. Lending and its management: In FY 2067/68, the bank's total loan was Rs. 14.92 billion, while at the end of review year, it increased by 21.27% reaching Rs. 18.10 billion. Even as the deposit has increased, the ratio of loan and deposit was too high, and thus during the review year, the loan has been increased carefully. The bank has distinguished its lending into personal loans, education loans, small business loans, organizational loans and development projects loan. During the review period, inactive loan was 2.21%, but the gross inactive loan ratio was only 0.51%. The bank suffered from the low movement in real estate, just like other banks. Because of this, the inactive loan has increased. We would like to inform you that we shall regulate these loans in the days to come.

In FY 2067/68 the loans of real estate amounted to Rs. 2.93 billion, which the bank brought down by 12.49% to Rs. 2.56 billion. Nepal Rastra Bank directed real estate loan to be dropped down to 25% by the end of FY 2069/70, which the bank has already made it to 14.37% by the end of FY 2068/69. All the commercial banks in Nepal have been able to bring down the percentage only by 0.78%, and the decline of 12.49% has been taken positively. Real estate loan to any bank has started becoming more risky. In this context, the bank's management is working vigorously to minimize the risk of real estate loans.

D. Investment: In accordance with the bank's objective of getting returns from the overall resources by maintaining balanced liquidity, the bank has given continuity to its policy of investing in Nepal Government and Nepal Rastra Bank's risk free securities (treasury bills, development bond). The bank has been carefully investing in local and international market and various organizations' share and bonds. The bank has invested Rs. 2.24 billion in NG's treasuring bills making the total investment of the bank to be Rs. 2.94 billion by the end of FY 2068/69.



E. Profit: During the review period, the bank has gained significant growth in both loans and deposits. Because of the nation's improving liquidity, the deposits' interest rate has decreased compared to the last FY. Due to this, the bank's net interest income raised by 19.53% compared to the previous FY. Since Nepal Rastra Bank brought in new ordinances regarding fee and commission, during the review period, the bank's earning from these were only 4.13%. The increment in dollar's price during the review period made a positive impact, the forex earning increased by 20.39%.

The policy to reduce the expenses continued during the review period as well, because of which, the administrative expenses could be cut down compared to the previous year. It is rather a challenging thing to safeguard the manpower and bring improvement in them when there are so many banks and financial institutions in the market. Because of this factor, during the review period, the salary provided to the officers has increased and the manpower expenses have thus increased by 15.41%. According to this, the net operation expenses have reached a total of 6.80% during the review period.

Operating Profit before loan loss increased by 24.63% during the review period but because of decline in real estate business, the net loan loss management increased by 86.93% - which hampered in the bonus structure for the officers and the profit before taxation reaching up to 9.74% only. By this, the bank's net profit during the review period came out to be only 9.66% increment.

F. Contribution to Government Revenue: The bank has already paid Rs. 112 million as corporate tax to the government during this year's review period in comparison the entire FY 2067/68 when Rs. 120 million was paid in tax.

G. Products and Services: The bank has continually expanded services beneficial for the customers during the review period. The bank has introduced NTC ADSL payment system from the bank itself. This service facilitates the customers to pay for NTC ADSL services from any branch of Kumari bank, via Kumari Mobile Cash or internet banking as well. Also, the customers can make bill payments for NTC Prepaid Recharge Card, Worldlink Recharge Card, NTC Postpaid Bill, NTC Landline Bill, Ncell Postpaid Bill, and others.

The bank has also introduced online shopping facility via internet. For example, the customers can make purchases from Bhatbhateni online.com website from the comfort of their homes, and if the purchase is over Rs. 5,000, the delivery is for free. The option 'Checkout using Kumari' in the website facilitates the customers to make such purchase and bill payment.

The bank also has an understanding with Prabhu Money Transfer so that remittance service is provided to the customers via 29 branches of the bank. The customers can receive money from anywhere in the world through the bank's branch.

The bank has been introducing newest and the most modern products and services since its inception. Technologically sound and modern services have helped the bank reach a respectable position in the financial market. The bank is evermore resilient to bring newer services and added features for easier access of the products to people.

Our products and service areas encompass education loan, exports-imports business, hybrid loan, remittanceservice, and various types of deposit services and others as well. Products that are introduced to cope up with the market competition like, Visa Electron Debit Card, Internet Banking, eSewa, SMS Banking, Kumari Mobile Cash, and others have been very popular. Visa Electron, Dollar Debit cards can



be accessed via VISA network in Nepal, India and any other part of the world. Along with this, the bank was worked on the remittance field, making agreements with various remittance service providers, and to make the service even better and faster, Kumari Remit software has been introduced for effective transactions.

H. Branch and Network Expansion: Keeping the overall state of the country and the financial field in mind, the bank has not established any new branches, but for market expansion, the bank has installed 4 ATMs. We would like to inform that as the country's economic conditions starts escalating, we shall initiate the branch expansion process. To this day, the bank has a total of 29 branches and 37 ATMs.

I. Corporate governance: Banks and financial institutions are public organizations not only operated with shareholders' funds but also through institutional and public deposits. This means that moral character and good corporate governance are two extremely sensitive issues that the bank takes into account. Being aware that good corporate governance is the guiding path of the bank's operations, the board of directors is consistently giving effort to conduct its activities according to the same, and to develop strong and transparent good corporate governance also in other activities of the bank.

J. Risk Management: A separate risk management sub-committee has been established to identify, monitor and protect the bank from potential risks associated with different activities of the bank. Policies and regulations have also been formed and implemented to manage the numerous risks associated with banking activities as well as other potential risks. The bank has taken the policy to make the internal control system more effective and efficient by properly managing the bank's loans, operations, market and other risks. The bank has executive management that formulates required policies, regulations, and documentation related to loan management, customer recognition, stress test and daily transactions activities.

a. Loan Risks Management: To manage loan risks, the bank has taken up a policy to determine the loan risk segments and invest in the least risky segment. And, the bank has given priority to concentrated risk minimization.

b. Operating Risks Management: All activities related to the bank's operations are based on given policies and guidelines and clearly stated work ethics and implementation. Because of this, we are confident that operating risks are being managed well.

c. Liquidity Risk Management: Considering the scenario of liquidity crunch in the past years and the risk associated with it, bank has focussed on stable deposit mobilization. The bank has followed the policy to invest in riskless liquid assets like treasury bills, and development bonds sanctioned by Nepal Rastra Bank, to keep a balanced liquidity and to make profits from all the sources.

d. Market Risk Management: The bank has made policies and devised working methods to monitor the foreign exchange situation to minimize risks associated with fluctuations in foreign currency exchange rates. Similarly, arrangements have also been made for formulating the necessary policies and regulation by regular monitoring market interest rates.



K. Corporate Social Responsibility: The bank is aware of its social responsibilities along with this professional intent as well. In the review year, the bank provided scholarship to children via HOPAD Child and Women Promotion Society (NGO). Also, during the Hindu festivities of Teej, celebrated by women, the bank provided free health check-up camp at the Pashupatinath temple. Conserving our culture is our responsibility. With this regard, the bank made provisions in cash and T-shirts (kind) to the sponsors of Kumari Jatra.

L. Committees and sub-committees appointed by Board of Directors

According to popular law and the policies made under bank's authority, the following committees and sub-committees are in place:

a. Audit committee: In accordance with Section 164 of the Company Act, an audit committee was in place comprising of Directors Naresh Dugar and bank's internal audit chief member under the convenorship of Non-executive Director Prof. Rajan Bahadur Paudel. The bank's internal audit division reports directly to this committee.

b. Human resource sub-committee: To guide management in selection of able employees, recruitment, appointments, skill development and related services/facilities, and other such matters, a human resource sub-committee comprising of director Rashindra Bahadur Malla under the convenorship of Dr. Shobha Kant Dhakal is in place.

c. Risk management committee: To correctly identify and eradicate the risks of the bank, a committee comprising of director Prof. Rajan Bahadur Paudel & director Rishi Agrawal is in place that formulates policies, regulations for the same.

Such committees and sub-committees appointed by the board of directors have been conducting their activities within the premises set by the Board, Company Act 2063 and in accordance to the Nepal Rastra Bank's directives. This committees and sub-committees' work, duties and authority and the convenors and members of the stated committees and sub-committees have not been provided with any additional reimbursements and facilities except for meeting allowances.

d. Other management level committees: Besides the above mentioned committees and sub-committees appointed by the Board of Directors, the following have also been conducting their activities under convenorship of the CEO in order to implement the bank's activities more effectively: management committee, asset and liability management committee, labor relations, pricing committee, HR committee, discipline and performance review committee, and bad loans recovery committee.

M. Human resource: Executives/officers play the key role for the overall development of any bank. The bank human resource policy appoints able and professional officers while recruiting and to increase the efficiency, professional ability, managerial techniques and productivity of the officers, the bank provides national and international level training as well. The bank is currently focused to increase the efficiency of the manpower and bring in new techniques, so that in the days to come, the ratio between risk and result is balanced. The bank continually amends the Executive Service Terms, 2064 so that the administration of the bank is always effective. Also, the bank's executive organizational structure is reviewed and new structure is put in its place so that the operation becomes more effective even so often. At the end of the review period, 327 officers are working in the bank. During the review period, our officers were involved in various sporting and social activities as well.



3. Current year's achievements and programs: These are the financial status of the current year (till the end of Ashwin month).

Achievements:

Table No. 3, current year's (till first trimester) financial glimpse:

Titles	2069 Ashwin month's end	2068 Ashwin month's end	Amount in Rs. million	
			Change (Rs.)	Change %
Paid-up Capital	1,603.80	1,603.80	0	0
Deposit	22,542.70	18,006.63	4,536.07	25.19
Loans and Advances	19,015.38	15,881.95	3,133.43	19.73
Fixed Assets	264.65	297.27	(32.62)	(10.97)
Interest Income	603.84	557.25	46.97	8.36
Interest Expense	392.04	390.41	1.62	0.42
Net Interest Income	211.80	166.84	44.97	26.95
Other Income	60.48	47.23	13.25	28.06
Other Expense	102.67	94.96	7.71	8.12
Operating Profit/(Loss) before the loan loss provision	169.62	119.11	50.51	42.41
Net Profit/(Loss)	19.96	42.33	(22.36)	(52.83)

By the end of Ashwin month's of current FY, the bank has increased its transactions successfully. By this year's Ashwin month, the bank has increased its deposit collection by 25.19% and loan percentage by 19.73%. During this duration, the interest income increased by 8.36% and interest expenses increased by a low percentage of 0.42% making the net interest income increase by 26.95%. Bank's other expenses have increased by 8.12%. The bank's operating profit before loss has increased significantly by 42.41%. But due to the slow real estate market, a negative impact has been incurred in the bank's profit as the net profit of the bank has dropped down by 52.83%.

Programs:

To make the bank more efficient, the bank has planned to increase the potential of its assets, bring changes to deposit structure, increase officers' productivity and also introduce quality services for the benefit of people. The bank has also planned to fulfill the financial requirements of customers by developing newer and more modern services, to bring in financially deprived population into the circle of banking, disburse loans to small industries and thus controlling the risk factor and above all, contribute to the economic development of the nation. The bank has further programs to extend its branches keeping the nation's current status in mind, to provide Kumari Mobile Cash service banking services via telephonic services to those areas where the banking transactions are not possible, to provide competitive banking services via newer technological advances, to study the prospects of merging or being merged to a bank or financial institution via Nepal Rastra Bank's approval and with shareholders' suggestion, discussion and proposition to tackle the challenges in the banking sector, and other such programs.

4. Bank's industrial and business relations: The bank has been maintaining cordial relationships with all concerned industrial and professional bodies and is committed to continue doing so in the future as well, in the process, making use of the same in the Bank's favor.



5. Changes in Board of Directors and the reasons: During the review FY, the elected director from the founding shareholders – Shivratan Sharada resigned citing the reasons of his deteriorating health conditions and personal work, for which, founder Naresh Dugar substituted for the rest of the year. Also, another founding director Min Bahadur Gurung also resigned because of his personal reasons, which was then approved when Uttam Prashad Bhattarai took over his place. We request the approval of both of the newly instated members. We extend gratitudes to the previous directors for their support and also extend support to the newly appointed members. The bank would also like to inform that on 2 Magh 2069, the meeting held between the Board of Directors has appointed Noor Pratap J.B. Rana, an active member and chief founding shareholder and director of the bank as the chairperson of the board. We believe that the bank will be able to reach new height under his supervision.

6. Major issues affecting business: Unstable government, stagnant economical condition, declining peace and security and the creation of competition as a result of increase in number of service providers, low real estate business, etc.

7. Board of Directors' responses to the auditor's report: Except for normal comments concerning the bank's regular business, no especially negative comments have been observed in the audit report. Instructions have also been given to the management to implement the suggestions and advice of the audit report. Because the financial details of FY 068/69 were accepted by Nepal Rastra bank on 2069/09/06, the received comments and instructions have been included in the annual report.

8. Dividend Declaration: As per the declaration from the meeting held between the Board of Directors on 13 Mangsir 2069, 7% dividend has been proposed for FY 2068/69, which we request for your approval.

9. Forfeited shares: In the reported year, no shares have been forfeited.

10. Progress of the bank and its subsidiary companies: The progress of the bank has been presented under various headings in this report. The bank does not have any subsidiary companies.

11. Major businesses conducted by the bank and its subsidiary companies in FY 2068/69 and any important changes in business activities: The bank does not have any subsidiary companies.

12. Important information provided by valued shareholder: None.

13. Details of share holding by the company's directors and office-bearers in the previous FY and information provided by them about their involvement in the trading of company shares, if any: No information as such.

14. Information about any agreements concerning the bank that service the self-interest of any director or people close to them: None.

15. Details about re-purchase of shares: None.

16. Details about Internal Control System: There is a separate department to maintain the bank's internal control systems. This department is always active to minimize risks associated with the Bank's loans, operations and market risks. Monitoring of the effectiveness of the internal control systems is done on a regular basis by the Audit Department while conducting its regular audit.



17. Details of the Bank's total operating costs: The Bank's operating costs in FY 2068/69 were as follows:

Staff expenses: Rs. 19,42,95,522

Other operating costs: Rs. 21,25,42,554

Detailed description of the bank's total operating costs has been stated in Annexure 4.23 and 4.24 of the Annual Report.

18. Information about audit committee: According to the Company Act, Section 164, the audit committee is comprised of Directors Naresh Dugar and bank's internal audit head as member under the conernorship of Non-Executive Director Prof. Rajan Bahadur Paudel. This committee has had 13 sittings in FY 2068/69. Members of this committee have been provided with meeting allowance at par with other Board Members. This committee's activities are conducted in accordance with Nepal Rastra Bank's directives and Company Act regulations. No serious remarks on the Bank's operations have been observed in the internal audit report. The audit committee has been conducting regular monitoring of the internal control systems and regularly providing suggestions concerning implementation to the management besides providing information on the same to the board of directors. The bank's internal audit department reports directly to the audit committee.

19. Information about any cash balance to be paid to the Bank by Director, Managing Director, Chief Executive Officer, Bank's Promoters or their close relatives or firm associated with them, company or organization: None.

20. Details about salaries, allowances and facilities provided to directors, managing director, CEO and other executives:

a. Directors: The bank's directors are paid meeting allowances for taking part in meetings of committees and sub-committees as set up according to applicable rules at the rate of Rs. 10,000 to the chairperson and Rs. 8,000 to the members. Also, Rs. 2,000 per month is being provided for media and daily newspapers. The bank has not provided the directors with any other facilities than the above. In FY 2068/69, Rs. 18,30,000 (in words, Rs. 1.83 million) has been paid as meeting and media allowances to the directors.

b. Annual Salary, Allowances and services for CEO and other executives/managers

Table No. 4

S. No.	Salary and services	Amount in NPR.	
		CEO	Managers
1.	Salary	28,96,552	2,21,79,723
2.	Allowances	21,24,138	59,60,313
3.	Provident Fund	2,89,655	22,17,972
4.	Vehicle maintenance	-	5,33,147
5.	Medical Treatment	1,40,548	15,85,105
6.	Dashain Allowance	6,00,000	23,31,740
7.	Annual Leave	-	18,64,315
8.	Payment against accumulated leave	31,15,293	17,31,101
9.	Insurance	1,84,501	14,62,823
10.	Bonus and Welfare	34,20,000	85,76,706
11.	Donation	-	32,99,867
12.	Water, Telephone and Electricity	51,379	-
13.	Existing Allowance	-	3,56,712
	Total	1,28,22,066	5,20,99,524

Note: The salary for the CEO shown is of the then CEO Radhesh Pant (from 1 Shrawan 2068 BS to 25



Mangsir 2068) and in the managers' expenses of Rs. 33,62,170 has been included for Acting CEO, Udaya Krishna Upadhyay, from 26 Mangsir 2068 to the end of Asadh 2069.

Other than the above mentioned salary and allowances, the CEO and other managers are also provided with:

1. Vehicle along with driver, fuel, and repair and maintenance to the CEO; vehicle loan, driver, fuel, and repair and maintenance to DGM and AGM and vehicle loan, fuel, and repair expenses according to the bank's policy on transportation vehicles to other management office bearers.
2. Home and real estate loans/personal loans to all permanent office bearers as per the bank's staff service regulations.
3. Journals and telephone facilities as per the bank's human resource policy.

21. Dividend yet to be taken by shareholders: Out of 12% cash dividend distributed in the fiscal year 2066/67, the share holders are yet to collect the remaining amount of Rs. 78,06,419 from the distributed cash dividend till Ashadh end 2069.

22. Details of asset sales and purchases as per Section 141 of the Company Act, 2063: None

23. Details of business with associated companies as per Section 175 of the Company Act, 2063: None

24. Any other information necessary to be revealed in the Directors Report as per the Company Act, 2063, and applicable laws: None

25. Other information: None

Vote of Thanks

We would like to extend our heartfelt gratitude to respected shareholders, customers, executives from Nepal Rastra Bank, Office of Company Registrar, Nepal Securities Board, Nepal Stock Exchange Ltd., general public and all other concerned who have continuously provided their support, encouragement and guidance. We would also like to thank our statutory auditors Mr. GP Rajbahak and Company for conducting the audit on time and providing the bank with realistic professional advice. In addition, we wish to thank the bank's management and staff members for considering the bank's progress to be their own by providing dedicated services. Finally, by incorporating as its main principle the fact that bank and its customers are two sides of the same coin, and that it is due to our customers' affection and trust that the bank has succeeded in reaching its present position. We offer our heartfelt gratitude to them with the promise to be still more committed to increase our strong relationship with our customers in the future.

Thank you,

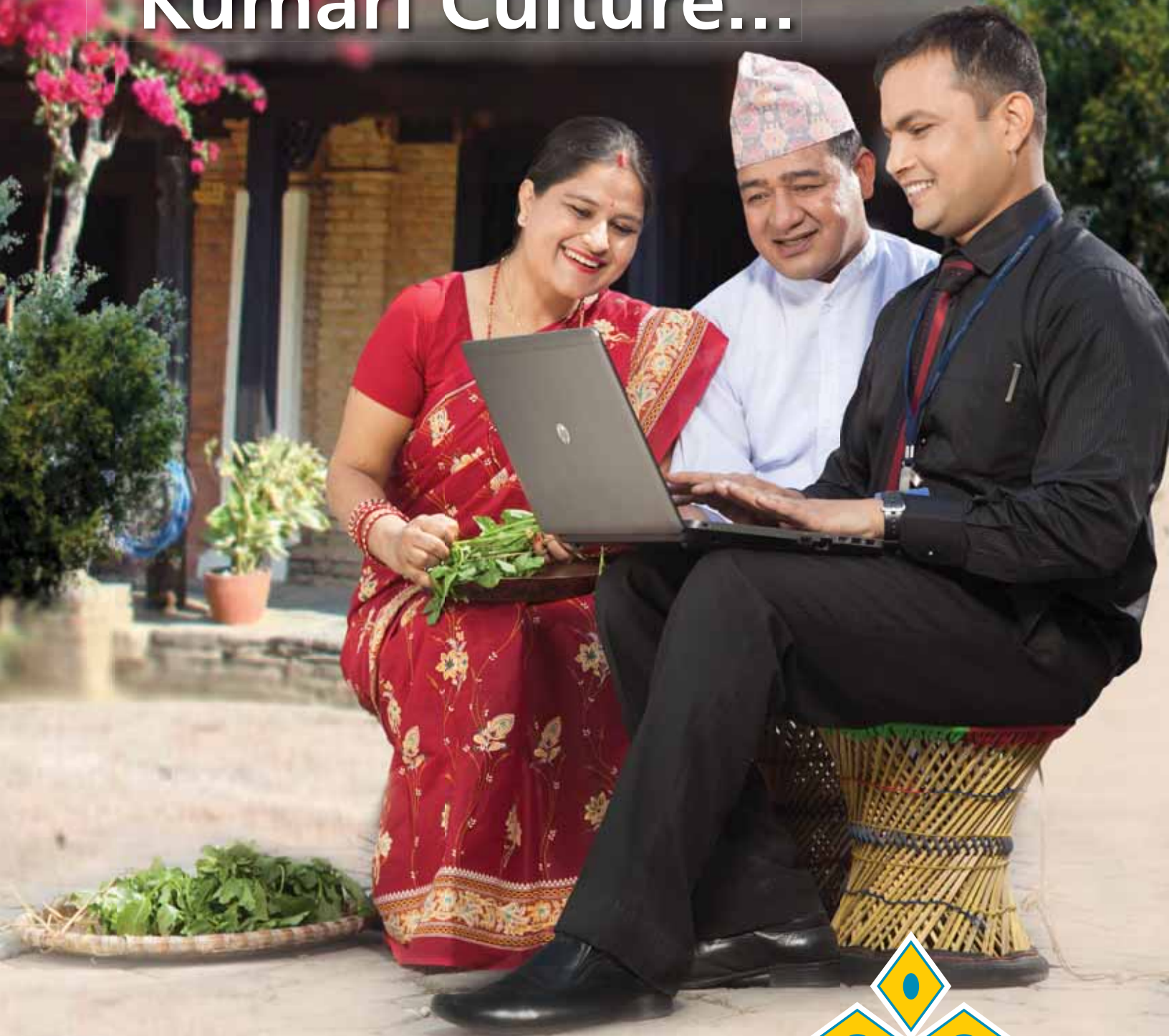
On behalf of the Board of Directors

Noor Pratap J.B. Rana
(Chairman)

Prof. Dr. Rajan Bahadur Paudel
(Director)

Date: 2069/10/02

Welcome to Kumari Culture...



We Just Don't Do Business,
We Provide Solutions.





CEO's Message



Dear Shareholders,

I am privileged to be leading Kumari Bank at this juncture on your behalf. I am fully aware of the responsibilities and the trust you have bestowed upon me and the management team to lead the bank. I can assure you that our prime focus shall be in delivering best results and take the bank to a new height.

Here, I would like to mention that your bank has been able to increase its deposit portfolio by 29.43 percent totaling 21.98 billion and loan portfolio by 21.27 percent totaling 18.10 billion in the Fiscal Year 2068/69. The Net Profit increased by 9.66 percent compared to last FY. The data till end of Poush in the current FY reveals that the bank is able to collect 23.42 billion deposits and sanction 19.17 billion loans which is a growth by 17 percent and 15 percent compared to the figures of same period last FY. Similarly, we are adding more and more new services in technology and will be providing new banking experience through upgraded technologies under KBL e-banking to all our customers.

We have been able to increase our business through Kumari Remit and we aim to expand our agent network to 1500 by this Fiscal year 2069/70. We have had tie-ups with renowned international and national companies. Presently we are providing quality service through 29 points of representations and 37 ATMs throughout the country.

Kumari Bank has remained committed to strengthen Corporate Social Responsibility (CSR) as a result of which we have been providing sponsorships to the under privileged children from rural parts of Nepal. In the health sector, we are conducting health camps focussing on those areas deprived of good medical facilities. Besides, the bank is contributing to number of CSR activities related to education, health and environment.

As in the past years, we will continue to elevate the bank's stature through the expertise and dedication of our staff members, constant guidance and support from the board, encouragement from our shareholders and support from the central bank and the valued customers.

I would also like to mention here that recently, Mr. Noor Pratap J.B. Rana has been positioned as the Chairman of the bank who in the past had shouldered the chairmanship of the bank for a long time.

On behalf of Kumari bank, I would like to thank our valued shareholders, regulatory bodies, NRB, customers, employees and well-wishers who are the essence of what we do, for their constant support.

Thank you
Mr. Udaya Krishna Upadhyay
Acting CEO

Management Team

From Left Standing

Mr. Binod N. Shrestha, Branch Manager (Putalisadak Branch)
Mr. Ajit P. Bhattarai, Head-Operations & Logistics
Mr. Narayan P. Bhujju, Head-Information Technology
Mr. Bikas Khanal Head-Corporate Credit & Branch Manager (Durbar Marg)
Mr. Rajesh Shrestha, Head-Retail Credit & Branch Manager (New Road)

From Left Seated

Mr. Narendra P. Chhatkuli, Head-Legal & Compliance, Company Secretary
Mr. Geha N. Dhungana, Chief Credit Officer
Mr. Udaya K. Upadhyay, Acting Chief Executive Officer
Mr. Suresh K. Karna Chief Process Re-Engineering Officer
Mr. Tika Ram Chapagain, Chief Marketing Officer



Ashish Bhattarai, Head - Human Resources | **Bishwa Mani Regmi**, Branch Manager - Kumaripati |
Ishor Gurung, Head - SME | **Mridul Mainali**, Head - Credit Risk Management |
Nirmal K. Khatiwada, Head - Finance, Planning & MIS | **Pankaj SJB Rana**, Head - Card |
Parmeshwar Pant, Head - Treasury & Correspondent Banking | **Prabin Jha**, Relationship Manager - Corporate Credit |
Rena Rijal, Head - Institutional Banking & Remittance | **Sanjeeb Sainju**, Branch Manager - Birgunj |
Sipa Regmi, Head - Marketing & Corporate Communication | **Yemi Karki**, Relationship Manager - Corporate Credit |
Ambar Bhattacharya, Branch Manager - Biratnagar | **Bibha Shrestha**, Asst. Manager - Human Resources |
Bishwas Aryal, Relationship Manager - Putalisadak Branch | **Dinesh Nidhi Tiwari**, Head - Recovery |
Milan Kuinkel, Relationship Manager - Kumaripati | **Namita Shakya**, Head - Branch Operations |
Niraj Rai, Head - Internal Audit | **Prajwal Pant**, Head - Transaction Marketing, Education & Consumer Loan |
Rosita Shah, Relationship Manager - Putalisadak Branch |
Shreeyukta Thapaliya Pandey, Relationship Manager - Corporate Credit |
Smriti Joshi, Relationship Manager - Putalisadak Branch | **Sudarshan Jung Rana**, Branch Manager - Nepalgunj |
Vishal Rauniyar, Head - Credit Administration & Compliance |



Product Review

Kumari Big Savings Khata

Kumari Big Savings Khata as the name suggests, provides higher rate of interest & additional banking benefits.



Kumari Smart Bachat Khata

Kumari Smart Bachat Khata offers account opening facility at Zero balance. We believe in providing banking access to all hence this is a very suitable account for everyone.



50 Plus Savings

As the name suggests, this saving account is targeted to all the individuals of 50 years and above. Interest rate is calculated on daily balance and provided on quarterly basis. There are attractive features associated with this account like special privilege counter service, 25% discount on locker, ATM debit card, Internet/ Mobile banking facilities etc.



Subha Laxmi Savings

This saving account is especially designed for the women of 16 years and above. Attractive interest rate on daily balance is provided to the women to encourage savings. Besides, number of other features like 50% discount in locker, ATM debit card, accidental death insurance and internet / mobile banking facilities to name a few are offered to the customers.



Twinkle Star Savings

Twinkle Star Savings is a saving account targeted to the children 16 years and below. This is an ideal account for children to inculcate saving habit from a very young age. Account holders are offered interest on daily balance. Children receive special gifts for maintaining their account with Kumari Bank and are eligible for special discount on education loan as per the bank's rule.



Kumari Remit

Kumari Remit was introduced in the year 2007 with the formation of Central Remittance Department which incorporates both international as well as domestic remittance. At present, we are associated with several renowned international & national service partners like:



- AI - Zaman Exchange W.LL, Qatar
- Wall Street W.LL, UAE
- Remit Master Sdn. Bhd, Malaysia
- Xpress Money Service, UAE
- Instant Cash, UAE
- Unistream Money Transfer (Unistream Commercial Bank) Russia
- Contact NG (Russlav Bank) Russia
- Online Nepal Remittance Service Pvt. Ltd.

We are planning on expanding our agent network to 1500 within this Fiscal Year 2069/70. We are using web based online software which can be accessed only with the installation of Digital Certificate. The software has online chat option with the admin group user. This is the first of its kind in remittance software with the facility of chat option within the software. The software also has SMS notification/ confirmation to remitter for both international and domestic remittance with real time auto generated system.

Welcome to Kumari Culture...



We Preserve Our Existence with
Social Responsibilities





Customer's Voice

Ambe Steels Pvt. Ltd.



Mr. Shobhakar Neupane (Chairman cum Managing Director)

Kumari Bank has been our leading bank from the date of our company's establishment. We have received good cooperation from the bank in swift execution of banking operation and are proud to be associated with Kumari Bank. The bank has played imperative role of financial collaborator in growing our business. Kumari Bank has great potential to achieve much more in future for mutual beneficial relationship. I wish Kumari Bank the best for future endeavors and hope its success takes a new height.

MM Polymers Pvt. Ltd.



Mr. Suyesh Pyakurel (Managing Director)

We have 8 years of relationship with Kumari Bank and we consider Kumari Bank to be our financial partner through thick and thin. Ours is a three decade old company involved in manufacturing all type of plastic containers with more than 200 different range of products. We export almost 35% of our products to various states in INDIA. Recently, we have been certified as No 1 supplier by Bisleri, West Bengal. Kumari Bank has the professionalism in terms of understanding their client and the bank has always shown prompt cooperation in all business endeavors including day to day operations. Based on our relationship with the bank, we are sure our future bonding will further strengthen. Our best wishes are with Kumari Bank for greater success ahead.

Eng. Mina Tripathy Limbu

I happened to know Kumari Bank through website as I was in a dilemma where to open a bank account. Just then I found my answer and Kumari bank offered all that I was looking for. I am happy with bank's services as the staff members are very cooperative, tactful and are willing to help their customers all the time. So far, My experience banking with Kumari Bank has been convenient and I shall recommend my near and dear ones to bank with KBL. However, I would want to suggest the bank to open up more branches in future and keep up the good work and excel even further. My best wishes and good luck for future endeavors.



Mr. Anand Shah Rauniar

General Manager, Interstate Multi-Modal Transport Pvt. Ltd.

I have been banking with Kumari Bank Limited from the very inception of the bank. I have experienced good partnership being associated with the bank. Kumari bank has a dedicated team of staff members who are always cheerful and prompt in action. I am fortunate to receive personalized and quality service from the bank. I maintain personal and group accounts with Kumari bank and from both perspectives I have had good experiences so far. As the saying goes "Good management is the key to success for any organization", I believe Kumari Bank also works on the same principle. With Kumari bank, my past has remained good, my present is good and hoping my future will be equally good too. Best wishes for the future!





INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KUMARI BANK LIMITED

We have audited the accompanying financial statements of **Kumari Bank Limited** (hereinafter referred to as 'the Bank'), that comprises of Balance Sheet as at July 15, 2012 (*Ashadh 31, 2069*) and the related Profit & Loss Account, Cash Flow and Changes in Equity Statements for the year then ended.

The preparation & fair presentation of these financial statements are the responsibility of the bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Standards of Auditing and relevant practices. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination on a *test basis*, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Based on our examination of the financial statements as aforesaid, we report that:

1. We have obtained all the information and explanations required for the purpose of our audit.
2. The Balance Sheet, Profit & Loss Account, Cash Flow Statement and the Schedules thereto are presented in conformity with the formats prescribed by Nepal Rastra Bank and are in agreement with the books of accounts maintained by the Bank.
3. The accounts and records of the Bank have been maintained as required by law and practice.
4. Returns received from the branch offices of the Bank were adequate for the purpose of our audit though the statements are independently not audited.
5. The capital fund, risk bearing fund and the provisions for possible impairment of assets of the bank are adequate considering the Directives issued by Nepal Rastra Bank.

6. To the best of our information and according to the explanation given to us and from our examination of the books of accounts of the Bank, we have not come across any case where the Board or Directors or any office bearer of the Bank have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Bank and violated Directives issued by Nepal Rastra Bank or acted in a manner, as would jeopardize the interest and security of the Bank, its shareholders and its depositors.

7. The business of the Bank has been conducted satisfactorily and operated within its jurisdiction and has been functioning as per NRB Directives.

8. In our opinion and to the best of our information and according to the explanation given to us, the said financial statements read together with the Principal Accounting Policies (*Schedule 32*) and Notes to Accounts (*Schedule 33*), give a true and fair view, in all material respects -

~ in case of Balance Sheet, of the state of affairs of the Bank as at July 15, 2012 (*Ashadh 31, 2069*),

~ in case of Profit & Loss Account, of the operating results of the Bank for the year ended on that date, and

~ in case of Cash Flow and Changes in Equity Statements, the cash flows and changes in equity of the Bank for the year ended on that date,

in accordance with Nepal Accounting Standards so far as applicable in compliance with the prevailing laws and comply with the directives from Nepal Rastra Bank, Banks and Financial Institutions Act, 2063 and Company Act, 2063.



Ranjeev Shrestha

CA. Ranjeev Shrestha
Partner
G. P. Rajbahak & Co.
Chartered Accountants

Date: December 07, 2012
Place: Kathmandu





Kumari Bank Limited

Balance Sheet

As at Ashad end 2069 (15 July 2012)

Capital and Liabilities	Schedule	Current Year (Rs.)	Previous Year (Rs.)
1. Share Capital	4.1	1,603,800,000	1,603,800,000
2. Reserves and Funds	4.2	773,275,338	610,036,668
3. Debentures & Bonds	4.3	400,000,000	400,000,000
4. Borrowing Outstanding	4.4	5,403,000	660,925,000
5. Deposit Liabilities	4.5	21,985,198,276	16,986,279,457
6. Bills Payable	4.6	20,698,657	8,118,121
7. Proposed Dividend Payable	-	112,266,000	6,581,717
8. Income Tax Liabilities	-	-	-
9. Other Liabilities	4.7	230,759,700	216,044,346
Total Capital and Liabilities		25,131,400,971	20,491,785,309

Assets	Schedule	Current Year (Rs.)	Previous Year (Rs.)
1. Cash Balance	4.8	584,140,254	524,780,914
2. Balance with Nepal Rastra Bank	4.9	2,862,923,783	526,948,923
3. Balance with Banks/Financial Institution	4.10	275,563,556	116,794,497
4. Money at Call and Short Notice	4.11	321,243,141	451,520,000
5. Investment	4.12	2,940,556,674	3,533,622,908
6. Loans, Advances and Bills Purchase	4.13	17,614,348,989	14,626,073,558
7. Fixed Assets	4.14	277,268,923	306,276,829
8. Non Banking Assets	4.15	-	-
9. Other Assets	4.16	255,355,651	405,767,680
Total Assets		25,131,400,971	20,491,785,309

Contingent Liabilities	Schedule 4.17
Directors' Declaration	Schedule 4.29
Statement of Capital Fund	Schedule 4.30 (A)
Statement of Risk Weighted Assets	Schedule 4.30 (B)
Principal Indicators	Schedule 4.31
Significant Accounting Policies	Schedule 4.32
Notes to Accounts	Schedule 4.33

Schedules 4.1 to 4.17 and 4.32-4.35 form an integral part of the Balance Sheet.

Udaya K Upadhyay
Acting Chief Executive Officer

Nirmal K. Khatriwada
Head – Finance, Planning and MIS

Date: 07 December, 2012
Place- Durbar Marg

Noor Pratap J.B. Rana
Chairman

Dr. Shobha Kant Dhakal
Director

Naresh Dugar
Director

Rishi Agrawal
Director

Prof. Dr. Rajan B. Paudel
Director

Uttam P. Bhattarai
Director

Amir Pratap J.B. Rana
Director

Rashindra B. Malla
Director

CA. Ranjeev Shrestha
Partner
G.P. Rajbahak & Co.
Chartered Accountants



KUMARI BANK LIMITED

Profit and Loss Account

From 1st Shrawan 2068 to 31 Asadh 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Schedule	Current Year (Rs.)	Previous Year (Rs.)
1. Interest Income	4.18	2,441,580,226	2,251,791,724
2. Interest Expense	4.19	1,622,491,760	1,566,551,598
Net Interest Income		819,088,466	685,240,127
3. Commission and Discount	4.20	110,865,509	99,707,633
4. Other Operating Income	4.21	48,812,311	53,635,577
5. Exchange Fluctuation Income	4.22	44,205,749	36,719,340
Total Operating Income		1,022,972,035	875,302,677
6. Staff Expenses	4.23	194,295,522	168,351,843
7. Other Operating Expense	4.24	212,542,554	212,575,805
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit before Provision for Possible Losses		616,133,959	494,375,030
9. Provision for Possible Losses	4.25	187,044,796	113,779,647
Operating Profit		429,089,163	380,595,383
10. Non Operating Income /(Expense)	4.26	3,477,443	269,502
11. Loan Loss Provision Written Back	4.27	133,156	13,787,709
Profit from Regular Activities		432,699,762	394,652,594
12. Profit/Loss from Extra-ordinary Activities	4.28	-	(342,296)
Net profit after Considering All Activities		432,699,762	394,310,298
13. Provision for Staff Bonus		39,336,342	35,846,391
14. Provision for Income Tax		117,858,750	107,226,938
* Current Year's		116,808,100	100,032,524
* Upto Previous year		-	3,023,417
* Deferred Tax		1,050,650	4,170,997
Net Profit/Loss		275,504,670	251,236,970

Schedule 4.18 to 4.28 and 4.32- 4.35 form an integral part of Profit and Loss Account

Udaya K Upadhyay
Acting Chief Executive Officer

Nirmal K. Khatiwada
Head – Finance, Planning and MIS

Date: 07 December, 2012
Place- Durbar Marg

Noor Pratap J.B. Rana
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Director

Prof. Dr. Rajan B. Paudel
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Director

Rashindra B. Malla
Director

CA. Ranjeev Shrestha
Partner
G.P. Rajbahak & Co.
Chartered Accountants



KUMARI BANK LIMITED

Profit and Loss Appropriation Account

From 1st Shrawan 2068 to 31 Asadh 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Schedule	Current Year (Rs.)	Previous Year (Rs.)
Income			
1. Accumulated Profit up to Last Year		2,903,170	20,674,649
2. This Year's Profit		275,504,670	251,236,970
3. Exchange Fluctuation Fund		-	-
Total		278,407,840	271,911,619
Expenses			
1. Accumulated Loss up to Last Year		-	-
2. Current Year's Loss		-	-
3. General Reserve Fund		55,100,934	50,247,394
4. Contingent Reserve		-	-
5. Institution Development Fund		-	-
6. Dividend Equalization Fund		-	-
7. Staff Related Reserves		-	-
8. Proposed Dividend		112,266,000	6,581,717
9. Issue of Proposed Bonus Shares		-	118,800,000
10. Special Reserve Fund		-	-
11. Exchange Fluctuation Fund		2,894,750	2,520,334
12. Bond Redemption Reserve Fund		95,000,000	95,000,000
13. Capital Adjustment Fund		-	-
14. Previous Year's Tax Adjustment		-	-
15. Deferred Tax Fund		(1,050,650)	(4,170,997)
16. Investment Adjustment Reserve		-	30,000
Total		264,211,033	269,008,449
17. Accumulated Profit/(Loss)		14,196,807	2,903,170

Udaya K Upadhyay
Acting Chief Executive Officer

Nirmal K. Khatiwada
Head – Finance, Planning and MIS

Date: 07 December, 2012
Place- Durbar Marg

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CA. Ranjeev Shrestha
Partner

G.P. Rajbahak & Co.
Chartered Accountants

KUMARI BANK LIMITED

Statement of Changes in Equity

From 1st Shrawan 2068 to 31 Ashad 2069 (from 17 July 2011 to 15 July 2012)

Particulars	Share Capital	" Accumulated Profit/Loss "	General Reserve Fund	Capital Reserve Fund	Share Premium	Exchange Fluctuation Fund	Deferred Tax Fund	Other Reserve & Fund	Total Amount (Rs.)
Opening Balance	1,603,800,000	2,903,170	285,691,881	-	4,438,289	8,901,752	3,071,576	305,030,000	2,213,836,668
Adjustments		11,293,637	55,100,934			2,894,750	(1,050,650)	95,000,000	163,238,670
Net Profit for the Period	-	275,504,670	-	-	-	-	-	-	275,504,670
Transfer to General Reserve	-	(55,100,934)	55,100,934	-	-	-	-	-	-
Capital Adjustment Fund	-	-	-	-	-	-	-	-	-
Declaration of Dividend	-	(112,266,000)	-	-	-	-	-	-	(112,266,000)
Exchange Fluctuation Fund	-	(2,894,750)	-	-	-	2,894,750	-	-	-
Right Share Issued	-	-	-	-	-	-	-	-	-
Issue of Bonus Share	-	-	-	-	-	-	-	-	-
Proposed Bonus Share	-	-	-	-	-	-	-	-	-
Debenture Redemption Reserve	-	(95,000,000)	-	-	-	-	-	95,000,000	-
Previous Year tax Adjustment	-	-	-	-	-	-	-	-	-
Deferred Tax Fund	-	1,050,650	-	-	-	-	(1,050,650)	-	-
Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-	-	-
Closing Balance	1,603,800,000	14,196,807	340,792,815	-	4,438,289	11,796,502	2,020,925	400,030,000	2,377,075,339

Udaya K Upadhyay
Acting Chief Executive Officer

Nirmal K. Khatiwada
Head – Finance, Planning and MIS

Date: 07 December, 2012
Place- Durbar Marg

Noor Pratap J.B. Rana
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Director

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Director

Rashindra B. Malla
Director

CA. Ranjeev Shrestha
Partner
G.P. Rajbanshi & Co.
Chartered Accountants



KUMARI BANK LIMITED

Cash Flow Statement

From 1st Shrawan 2068 to 31 Ashad 2069 (from 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
(A). Cash Flow from Operating Activities	3,037,995,278	(1,612,873,550)
1. Cash Received	2,604,155,708	2,364,030,115
1.1 Interest Income	2,405,462,882	2,172,440,798
1.2 Commission and Discount Income	154,266,971	100,608,275
1.3 Income from Foreign Exchange Transaction	44,205,749	36,719,340
1.4 Recovery of Loan Written off	-	-
1.5 Other Income	220,106	54,261,703
2. Cash Payment	(2,014,224,759)	(1,999,601,261)
2.1 Interest Expenses	(1,557,914,778)	(1,525,812,231)
2.2 Staff Expenses	(193,419,988)	(168,351,843)
2.3 Office Overhead Expenses	(149,779,120)	(182,936,244)
2.4 Income Tax Paid	(113,110,873)	(122,500,944)
2.5 Other Expenses	-	-
Cash Flow before Changes in Working Capital	2,448,064,328	(1,977,302,404)
Increase / (Decrease) of Current Assets	(2,189,210,745)	(1,543,309,624)
1. (Increase)/Decrease in Money at Call and Short Notice	130,276,859	(331,520,000)
2. (Increase)/Decrease in Short Term Investment	693,786,060	(1,213,911,647)
3. (Increase)/Decrease in Loans, Advances and Bills Purchase	(3,175,187,070)	39,846,984
4. (Increase)/Decrease in Other Assets	161,913,406	(37,724,962)
Increase / (Decrease) of Current Liabilities	4,637,275,073	(433,992,780)
1. Increase/(Decrease) in Deposits	4,998,918,819	(445,973,576)
2. Increase/(Decrease) in Certificates of Deposits	-	-
3. Increase/(Decrease) in Short Term Borrowings	(271,522,000)	267,285,464
4. Increase/(Decrease) in Other Liabilities	(90,121,746)	(255,304,668)
(B) Cash Flow from Investment Activities	(99,892,018)	(89,753,783)
1. (Increase)/Decrease in Long-term Investment	(100,719,826)	(21,365,498)
2. (Increase)/Decrease in Fixed Assets	(20,100,406)	(86,823,710)
3. Interest income from Long Term Investment	20,445,310	18,435,425
4. Dividend Income	482,904	-
5. Others	-	-
(C) Cash Flow from Financing Activities	(384,000,000)	147,322,369
1. Increase/(Decrease) in Long term Borrowings (Bonds, Debentures etc)	-	-
2. Increase/(Decrease) in Share Capital	-	183,422,369
3. Increase/(Decrease) in Other Liabilities	-	-
4. Increase/(Decrease) in Refinance/Facilities received from NRB	(384,000,000)	(36,100,000)
(D) Income/Loss from Change in Exchange Rate in Cash & Bank Balances	-	-
(E) This Year's Cash Flow from All Activities	2,554,103,260	(1,555,304,964)
(F) Opening Balance of Cash and Bank Balances	1,168,524,334	2,723,829,298
(G) Closing Balance of Cash and Bank Balances	3,722,627,593	1,168,524,334



KUMARI BANK LIMITED

Share Capital and Ownership

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Share Capital		
1.1 Authorized Capital	2,000,000,000	1,600,000,000
a) 20,000,000 Ordinary Shares of Rs. 100 each	2,000,000,000	1,600,000,000
b)Non-redeemable Preference Shares of Rs..... each	-	-
c)Redeemable Preference Shares of Rs..... each	-	-
1.2 Issued Capital	1,603,800,000	1,485,000,000
a) 16,038,000 Ordinary Shares of Rs. 100 each	1,603,800,000	1,485,000,000
b)Non-redeemable Preference Shares of Rs..... each	-	-
c)Redeemable Preference Shares of Rs..... each	-	-
1.3 Paid Up Capital	1,603,800,000	1,485,000,000
a) 16,038,000 Ordinary Shares of Rs.100 each	1,603,800,000	1,485,000,000
b)Non-redeemable Preference Shares of Rs..... each	-	-
c)Redeemable Preference Shares of Rs..... each	-	-
1.4 Proposed Bonus Share	-	118,800,000
1.5 Calls in Advance	-	-
1.6 Total (1.3 + 1.4 + 1.5)	1,603,800,000	1,603,800,000

Share Ownership

End of Ashad 2069 (15 July 2012)

Particulars		Current Year	Previous Year	
A. Local Shareholders	%	Amount (Rs.)	Amount (Rs.)	%
1.1 Government of Nepal	-	-	-	-
1.2 "A" Class Licensed Institution	-	-	-	-
1.3 Other Licensed Institutions	-	-	-	-
1.4 Other Institutions	2.29	36,681,900	30,568,800	2.06
1.5 General Public	97.71	1,567,118,100	1,454,431,200	97.94
1.6 Others	-	-	-	-
B. Foreign Shareholders				
Total	100	1,603,800,000	1,485,000,000	100



LIST OF SHAREHOLDERS

HOLDING SHARE CAPITAL OF 0.5% OR MORE

31 Ashad 2069 (15 July 2012)

SN	Name of the Shareholder	Current Year		Last Year	
		%	Share Capital in NPR.	%	Share Capital in NPR.
1	NOOR PRATAP J.B. RANA	6.50	104,247,000	6.50	96,525,000
2	LAXMAN SHRESTHA	5.60	89,877,600	5.60	83,220,000
3	AMIR PRATAP J. B. RANA	5.06	81,152,200	5.06	75,140,900
4	SABITRI GURUNG	4.00	64,152,000	4.00	59,400,000
5	GAURAB AGRAWAL	3.53	56,568,500	3.53	52,378,300
6	RISHI AGRAWAL	2.40	38,491,200	2.40	35,640,000
7	RAJENDRA PRASAD SHRESTHA	2.10	33,615,000	2.10	31,125,000
8	BIDHYA KRISHNA SHRESTHA	1.83	29,403,000	1.83	27,225,000
9	GOVINDA DAS SHRESTHA	1.50	24,057,000	1.50	22,275,000
10	MAHABIR PRASAD GOEL	1.32	21,170,100	1.32	19,601,900
11	YAGYA PRATAP RANA	1.31	21,057,800	1.31	19,498,000
12	SANTOSH KUMAR LAMA	1.23	19,674,300	1.23	18,216,900
13	MANJU TAPARIA	1.01	16,186,300	1.01	14,987,300
14	BHIM KRISHNA UDAS	1.00	16,038,000	1.00	14,850,000
15	PHURBA BANGDEL LAMA	1.00	16,038,000	1.00	14,850,000
16	ANIL DAS SHRESTHA	1.00	16,038,000	1.00	14,850,000
17	SANTOO SHRESTHA	1.00	16,038,000	1.00	14,850,000
18	JANUKI KUMARI J. B. RANA	1.00	16,038,000	1.00	14,850,000
19	SANJAY LAMA	0.99	15,930,000	0.99	14,750,000
20	ANTOO SHRESTHA	0.97	15,631,900	0.97	14,474,000
21	ANUPAM RATHI	0.90	14,434,200	0.90	13,365,000
22	SHIVA SHANKER AGRAWAL	0.88	14,049,200	0.88	13,008,500
23	KUMUD KUMAR DUGAD	0.85	13,676,900	0.85	12,663,800
24	NIRMAL PRADHAN	0.83	13,350,700	0.84	12,418,200
25	SHREE NIWAS SHARDA	0.78	12,509,600	0.78	11,583,000
26	CIT CITIZEN UNIT SCHENE	0.75	12,028,500	0.75	11,137,500
27	ATMARAM MURARKA	0.70	11,226,600	0.70	10,395,000
28	PRADEEP KUMAR MURARKA	0.70	11,226,600	0.70	10,395,000
29	PASHUPATI MURARKA	0.70	11,226,600	0.70	10,395,000
30	NARESH DUGAD	0.70	11,226,600	0.70	10,395,000
31	BIKASH DUGAD	0.70	11,226,600	0.70	10,395,000
32	JAGADISH PRASAD CHAUDHARY	0.60	9,622,800	0.60	8,910,000
33	SHARMILA ARYAL	0.60	9,622,800	0.60	8,910,000
34	DEV KISHAN MUDANDA	0.60	9,622,800	0.60	8,910,000
35	PRAVA LAXMI RANA	0.59	9,408,900	0.59	8,712,000
36	VIDUSHI RANA	0.58	9,302,000	0.58	8,613,000
37	JAMUNA MAHESWORI RATHI	0.55	8,888,600	0.55	8,180,400
38	RITA K.C.	0.52	8,415,700	0.52	7,792,400
39	SANDEEP LAMA	0.50	8,019,000	0.50	7,425,000
40	UTTAM PRASAD BHATTARAI	0.50	8,019,000	0.50	7,425,000
41	RAKSHYA PAHADI	0.50	8,019,000	0.50	7,425,000
42	SURENDRA BHANDARI	0.50	8,019,000	0.50	7,425,000
43	GANGA AMATYA	0.50	8,019,000	0.50	7,425,000



KUMARI BANK LIMITED

Reserves and Funds

End of Ashad 2069 (15 July 2012)

Particulars	Current Year Rs.	Previous Year Rs.
1. General/Statutory Reserve Fund	340,792,815	285,691,881
2. Capital Reserve Fund	-	-
3. Capital Redemption Fund	-	-
4. Capital Adjustment Fund	-	-
5. Other Reserve & Funds	402,050,925	308,101,576
a. Contingent Reserve	-	-
b. Institution Development Fund	-	-
c. Dividend Equalization Fund	-	-
d. Special Reserve Fund	-	-
e. Assets Revaluation Fund	-	-
f. Deferred Tax Reserve	2,020,925	3,071,576
g. Other Free Fund	-	-
h. Other Reserve Fund	-	-
i. Investment Adjustment Reserve	30,000	30,000
j. Bond Redemption Reserve	400,000,000	305,000,000
6. Accumulated Profit/Loss	14,196,807	2,903,170
7. Exchange Fluctuation Fund	11,796,502	8,901,752
8. Share Premium	4,438,289	4,438,289
Total	773,275,338	610,036,668



Schedule 4.3

KUMARI BANK LIMITED**Debenture and Bond**

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. 8 % "KBL Bond 2070" of Rs. 1,000 each Issued on June 06, 2008 and to be matured on June 08, 2013 (Outstanding Balance of Redemption Reserve Rs.400,000,000)	400,000,000	400,000,000
2.% Bond/Debentures of Rs.....each Issued on and to be matured on (Outstanding balance of Redemption Reserve Rs.....)	-	-
3.	-	-
Total (1+2+3)	400,000,000	400,000,000

Note - Bank has not pledged any of its assets while raising fund through KBL Bond 2070.

Schedule 4.4

KUMARI BANK LIMITED**Outstanding Loan (Borrowings)**

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. Domestic		
1. Government of Nepal	-	-
2. Nepal Rastra Bank	-	384,000,000
3. Repo Obligations	-	-
4. Inter Bank and Financial Institutions	5,403,000	276,925,000
5. Other Organized Institutions	-	-
6. Others	-	-
Total (A)	5,403,000	660,925,000
B. Foreign		
1. Banks	-	-
2. Others	-	-
Total (B)	-	-
Total (A+B)	5,403,000	660,925,000



KUMARI BANK LIMITED

Deposit Liabilities

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Non-Interest Bearing Accounts		
A. Current Deposit	988,551,735	792,369,508
1. Local Currency	965,538,980	733,140,044
1.1 Government of Nepal		
1.2 "A" Class Licensed Institutions	69,250,000	51,703,000
1.3 Other Licensed Financial Institutions	49,639,000	25,546,000
1.4 Other Organized Institutions	583,046,873	528,762,199
1.5 Individuals	263,603,107	127,128,845
1.6 Others	-	-
2. Foreign Currency	23,012,755	59,229,464
2.1 Government of Nepal		-
2.2 "A" Class Licensed Institutions		-
2.3 Other Licensed Financial Institutions	853,000	1,080,000
2.4 Other Organized Institutions	6,417,000	-
2.5 Individuals	15,742,755	58,149,464
2.6 Others		-
B. Margin Deposits	141,540,720	131,629,394
1. Employees Guarantee		
2. Guarantee Margin	55,574,415	55,606,995
3. Margin on Letter of Credit	85,966,304	76,022,399
C. Others	5,093,575	4,588,650
1. Local Currency	5,093,575	4,588,650
1.1 Financial Institutions		-
1.2 Other Organized Institutions		-
1.3 Individuals	5,093,575	4,588,650
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts (1)	1,135,186,030	928,587,552



Continued...

KUMARI BANK LIMITED

Deposit Liabilities

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
2. Interest Bearing Accounts		
A. Saving Deposits	5,887,118,793	6,551,422,131
1. Local Currency	5,834,437,984	6,441,550,960
1.1 Organized Institutions	23,429,000	34,630,000
1.2 Individuals	5,811,008,984	6,406,920,960
1.3 Others	-	-
2. Foreign Currency	52,680,810	109,871,172
2.1 Organized Institutions	103,000	82,000
2.2 Individuals	52,577,810	109,789,172
2.3 Others	-	-
B. Fixed Deposits	9,158,053,731	6,654,664,032
1. Local Currency	8,442,143,256	6,005,868,272
1.1 Organized Institutions	5,979,926,000	4,890,522,000
1.2 Individuals	2,462,217,256	1,115,346,272
1.3 Others	-	-
2. Foreign Currency	715,910,475	648,795,760
2.1 Organized Institutions	88,250,000	356,000,000
2.2 Individuals	627,660,475	292,795,760
2.3 Others	-	-
C. Call Deposits	5,804,839,722	2,851,605,742
1. Local Currency	5,768,970,199	2,823,906,365
1.1 "A" Class Licensed Institutions	-	51,758
1.2 Other Licensed Financial Institutions	2,297,887,000	907,567,242
1.3 Other Organized Institutions	3,043,277,857	1,843,708,807
1.4 Individuals	427,805,343	72,578,558
1.5 Others	-	-
2. Foreign Currency	35,869,523	27,699,377
2.1 "A" Class Licensed Institutions	-	-
2.2 Other Licensed Financial Institutions	-	202,000
2.3 Other Organized Institutions	-	-
2.4 Individuals	35,869,523	27,497,377
2.5 Others	-	-
D. Certificate of Deposit	-	-
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts (2)	20,850,012,246	16,057,691,905
Total Deposits (1 + 2)	21,985,198,276	16,986,279,457



KUMARI BANK LIMITED

Bills Payable

End of Ashad 2069 (15 July 2012)

Schedule 4.6

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Local Currency	16,669,697	5,365,271
2. Foreign Currency	4,028,961	2,752,849
Total	20,698,657	8,118,121

KUMARI BANK LIMITED

Other Liabilities

End of Ashad 2069 (15 July 2012)

Schedule 4.7

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Pension/Gratuity Fund	-	-
2. Employees Provident Fund	-	-
3. Employees Welfare Fund	12,355	73,351
4. Provision for Staff Bonus	39,336,342	35,846,391
5. Interest Payable on Deposits	49,460,614	39,249,267
6. Interest Payable on Borrowings	15,116,368	16,478,917
7. Unearned Discount and Commission	7,062,196	900,642
8. Sundry Creditors	35,793,603	31,775,023
9. Branch Reconciliation Account	-	-
10. Deferred Tax Liability	-	-
11. Dividend Payable	7,806,419	11,490,972
12. Others	76,171,803	80,229,785
a. Audit Fees	367,272	424,264
b. Others	75,804,532	79,805,521
Total	230,759,700	216,044,346



Schedule 4.8

KUMARI BANK LIMITED

Cash Balance

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Local Currency (Including Coins)	574,461,413	505,897,160
2. Foreign Currency	9,678,841	18,883,754
Total	584,140,254	524,780,914

Schedule 4.9

KUMARI BANK LIMITED

Balance with Nepal Rastra Bank

End of Ashad 2069 (15 July 2012)

Particulars	Local Currency	Foreign Currency in equivalent Rs.			Current Year Total (Rs.)	Previous Year (Rs.)
		INR	Convertible FCY	Total		
1. Nepal Rastra Bank					2,862,923,783	526,948,923
a. Current Account	2,856,093,181		6,830,602	6,830,602	2,862,923,783	526,948,923
b. Other Account	-	-	-	-	-	-



Schedule 4.10

KUMARI BANK LIMITED

Balance with Banks/Financial Institution

End of Ashad 2069 (15 July 2012)

Particulars	Local Currency	INR.	Foreign Currency in Rupee equivalent Convertible FCY	Total	Current Year (Rs.)	Previous Year (Rs.)
1. Local Licensed Institutions	119,471,696	-	1,786,240	1,786,240	121,257,936	25,406,583
a. Current Account	119,471,696	-	1,786,240	1,786,240	121,257,936	25,406,583
b. Other Account	-	-	-	-	-	-
2. Foreign Banks	-	72,643,726	81,661,894	154,305,620	154,305,620	91,387,913
a. Current Account	-	72,643,726	81,661,894	154,305,620	154,305,620	91,387,913
b. Other Account	-	-	-	-	-	-
Total	119,471,696	72,643,726	83,448,134	156,091,860	275,563,556	116,794,497

Note: Total balance for which the confirmations are received from respective Banks is NPR. 334,390,467.34

Schedule 4.11

KUMARI BANK LIMITED

Money at Call and Short Notice

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Local Currency	-	230,800,000
2. Foreign Currency	321,243,141	220,720,000
TOTAL	321,243,141	451,520,000



KUMARI BANK LIMITED

Investment

End of Ashad 2069 (15 July 2012)

Particulars	Purpose		Current Year (Rs.)	Previous Year (Rs.)
	Trading	Other		
1. Treasury Bills of Nepal Government	-	2,244,985,335	2,244,985,335	2,577,192,260
2. Saving Certificate of Nepal Government	-	-	-	-
3. Other Bonds of Nepal Government	-	329,633,174	329,633,174	228,913,348
4. Nepal Rastra Bank Bonds	-	-	-	-
5. Foreign Bonds	-	-	-	-
6. Local Licensed Institutions	-	77,767,665	77,767,665	433,536,800
7. Foreign Banks	-	264,750,000	264,750,000	270,560,000
8. Shares of Organized Institutions	-	6,435,500	6,435,500	6,435,500
9. Bonds and Debentures in Organized Institutions	-	16,985,000	16,985,000	16,985,000
10. Other Investment	-	-	-	-
Total Investment	-	2,940,556,674	2,940,556,674	3,533,622,908
Provision	-	-	-	-
Net Investment	-	2,940,556,674	2,940,556,674	3,533,622,908

KUMARI BANK LIMITED

Investment in Shares, Debentures and Bonds

End of Ashad 2069 (15 July 2012)

Schedule 4.12 (A)

Particulars	Par value (Rs.)	Market Value (Rs.)	Provision (Rs.)	Current Year (Rs.)	Previous Year (Rs.)
1. Investment in Shares	6,435,500	-	-	6,435,500	6,435,500
1.1 Credit Information Centre Limited	1,235,500	-	-	1,235,500	1,235,500
25,416 Ordinary Shares of Rs. 100 each, fully paid					
Primary Shares 3530 Kitta of Rs. 100 each					
Right Shares 8825 Kitta of Rs. 100 each					
Bonus Shares 13,061 Kitta of Rs. 100 each					
1.2 Nepal Clearing House Limited	2,500,000	-	-	2,500,000	2,500,000
100% of committed equity of Rs. 2,500,000					
1.3 National Banking Training Institute	1,200,000	-	-	1,200,000	1,200,000
100% of committed equity					
1.4 National Micro Finance Bank Limited	1,500,000	-	-	1,500,000	1,500,000
10% committed equity					
2. Investment in Debentures and Bonds	16,985,000	-	-	16,985,000	16,985,000
2.1 Nepal Electricity Authority, Electricity Bond	16,985,000	-	-	16,985,000	16,985,000
7.75 Percent 16,985 Bonds of Rs. 1,000 each					
maturity on 14 Chaitra 2069					
Total Investment	23,420,500	-	-	23,420,500	23,420,500
3. Provision for Loss					
3.1 Up to previous year	-	-	-	-	-
3.2 Change in current year	-	-	-	-	-
Total Provision	-	-	-	-	-
Net Investment	23,420,500	-	-	23,420,500	23,420,500

KUMARI BANK LIMITED**Investment** Held for Trading

End of Ashad 2069 (15 July 2012)

Particulars	Par Value	Last Market Price (A)	Current Market Price (B)	This Year Gain / Loss (B-C)	Previous Year Gain / Loss (Rs.)	Remarks
1. Treasury Bill of Nepal Government	-	-	-	-	-	
2. Saving Bond of Nepal Government	-	-	-	-	-	
3. Other Bond of Nepal Government	-	-	-	-	-	
4. NRB Bond	-	-	-	-	-	
5. Foreign Bond	-	-	-	-	-	
6. Shares of Domestic Licensed Institutions	-	-	-	-	-	
7. Debenture & Bonds of Domestic Licensed Institutions	-	-	-	-	-	
8. Shares, Debentures & Bonds of Domestic Institutions	-	-	-	-	-	
9. Placement in Foreign Banks	-	-	-	-	-	
10. Interbank Lending	-	-	-	-	-	
11. Other Investments	-	-	-	-	-	
Total Investment	-	-	-	-	-	





Schedule 4.12.2

KUMARI BANK LIMITED

Investment Held to Maturity

End of Ashad 2069 (15 July 2012)

Particulars	Par Value (A)	Cumulative Loss (B)	Current Year Loss (C)	This Year Gain / Loss (A-B-C)	Previous Year Gain / Loss (Rs.)	Remarks
1. Treasury Bill of Nepal Government	2,244,985,335	-	-	-	-	
2. Saving Bond of Nepal Government	-	-	-	-	-	
3. Other Bond of Nepal Government	329,633,174	-	-	-	-	
4. NRB Bond	-	-	-	-	-	
5. Foreign Bond	-	-	-	-	-	
6. Shares of Local Licensed Institutions	-	-	-	-	-	
7. Debenture & Bonds of Local Licensed Institutions	-	-	-	-	-	
8. Shares, Debentures & Bonds of Local Organised Bodies	16,985,000	-	-	-	-	NEA Bond
9. Placement in Foreign Banks	264,750,000	-	-	-	-	
10. Other Investments	77,767,665	-	-	-	-	Local Placements
Total Investment	2,934,121,174	-	-	-	-	

KUMARI BANK LIMITED

Investment Available for Sale

End of Ashad 2069 (15 July 2012)

Particulars	Par Value (A)	Closing Market Price (A)	Prevailing Market Price (B)	Current Year Adjustment Reserve (B - A)	Previous Year Gain / Loss (Rs.)	Remarks
1. Treasury Bill of Nepal Government	-	-	-	-	-	
2. Saving Bond of Nepal Government	-	-	-	-	-	
3. Other Bond of Nepal Government	-	-	-	-	-	
4. NRB Bond	-	-	-	-	-	
5. Foreign Bond	-	-	-	-	-	
6. Shares of Domestic Licensed Institutions	-	-	-	-	-	
7. Debenture & Bonds of Domestic Licensed Institutions	-	-	-	-	-	
8. Shares, Debentures & Bonds of Domestic Corporate Bodies	6,435,500	-	-	-	-	Shares Not listed
9. Placement in Foreign Banks	-	-	-	-	-	
10. Other Investments	-	-	-	-	-	
Total Investment	6,435,500	-	-	-	-	





KUMARI BANK LIMITED

Classification of Loans, Advances and Bills Purchased & Provision

End of Ashad 2069 (15 July 2012)

Particulars	Loans & Advances				Bills Purchased/Discounted			Current Year (Rs.)	Previous Year (Rs.)	
	Domestic		Other	Foreign	Total	Domestic	Foreign			Total
	Priority Sector									
	Insured	Uninsured								
1. Performing Loan	-	621,140,671	17,011,308,877	-	17,632,449,549	53,062,300	15,864,682	68,926,982	17,701,376,531	14,758,337,115
1.1 Pass	-	621,140,671	17,011,308,877	-	17,632,449,549	53,062,300	15,864,682	68,926,982	17,701,376,531	14,758,337,115
2. Non-Performing Loan	-	664,706	399,295,793	-	399,960,499	-	-	-	399,960,499	167,895,925
2.1 Restructured	-	-	2,605,984	-	2,605,984	-	-	-	2,605,984	3,671,229
2.2 Sub-Standard	-	-	43,198,828	-	43,198,828	-	-	-	43,198,828	9,906,418
2.3 Doubtful	-	-	110,613,730	-	110,613,730	-	-	-	110,613,730	9,355,352
2.4 Loss	-	664,706	242,877,251	-	243,541,957	-	-	-	243,541,957	144,962,926
A. Total Loan	-	621,805,378	17,410,604,670	-	18,032,410,048	53,062,300	15,864,682	68,926,982	18,101,337,031	14,926,233,040
3. Loan Loss Provision	-	-	-	-	-	-	-	-	-	-
3.1 Pass	-	6,211,407	170,113,089	-	176,324,495	530,623	158,647	689,270	177,013,765	147,583,371
3.2 Restructured	-	-	325,748	-	325,748	-	-	-	325,748	458,904
3.3 Sub-Standard	-	-	10,799,707	-	10,799,707	-	-	-	10,799,707	2,476,604
3.4 Doubtful	-	-	55,306,865	-	55,306,865	-	-	-	55,306,865	4,677,676
3.5 Loss	-	664,706	242,877,251	-	243,541,957	-	-	-	243,541,957	144,962,926
B. Total Provisioning	-	6,876,113	479,422,659	-	486,298,773	530,623	158,647	689,270	486,988,042	300,159,481
4. Provisioning up to previous year	-	-	-	-	-	-	-	-	-	-
4.1 Pass	-	4,655,038	142,648,363	-	147,303,400	106,950	173,021	279,971	147,583,371	148,866,373
4.2 Restructured	-	-	458,904	-	458,904	-	-	-	458,904	491,572
4.3 Sub-Standard	-	-	2,476,604	-	2,476,604	-	-	-	2,476,604	2,537,128
4.4 Doubtful	-	-	4,677,676	-	4,677,676	-	-	-	4,677,676	17,089,191
4.5 Loss	-	864,656	144,098,270	-	144,962,926	-	-	-	144,962,926	31,183,279
C. Total provision till last year	-	5,519,694	294,359,816	-	299,879,511	106,950	173,021	279,971	300,159,481	200,167,544
D. Written Back from last year provision	-	-	-	-	-	-	-	-	(133,156)	(13,787,709)
E. Additional Provision in this year	-	-	-	-	-	-	-	-	186,961,717	113,779,647
Change in this year	-	-	-	-	-	-	-	-	186,828,561	99,991,938
Net Loan (A-B)	-	614,929,265	16,931,182,011	-	17,546,111,276	52,531,677	15,706,036	68,237,713	17,614,348,988	14,626,073,558

**KUMARI BANK LTD****Security for Loan Advances and Bills Purchased**

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. Secured	18,101,337,031	14,926,233,040
1. Against Security of Movable/Immovable Assets	16,865,800,131	14,043,760,659
2. Against Guarantee of Local Licensed Institutions		
3. Against Government Guarantee	146,702,428	146,702,428
4. Against Guarantee of Internationally Rated Bank	-	
5. Against Security of Export Documents	-	
6. Against Security of Fixed Deposit Receipts	230,384,745	103,199,278
a. Own FDR	230,384,745	103,199,278
b. FDR of Other Licensed Institutions	-	
7. Against Security of Government Bonds	-	
8. Against Counter Guarantee	-	
9. Against Personal Guarantee	-	
10. Against Other Securities	858,449,726	632,570,675
B. Unsecured	-	-
Total	18,101,337,031	14,926,233,040

Fixed Assets

End of Ashad 2069 (15 July 2012)

Schedule 4.14

Particulars	ASSETS		Current Year (Rs.)			Previous Year (Rs.)
	Building	Vehicles	Machinery	Office Equipment	Others	
1. Cost Price						
a. Previous Year's Balance	4,814,041	89,129,266		269,834,838	34,371,157	398,149,303
b. Addition This Year		11,134,700		11,865,053	8,724,465	31,724,218
c. Revaluation/Write Back This Year						-
d. This Year Sold		11,899,563		1,689,501		13,589,064
e. This Year Write Off	-	-	-	-	-	-
Total Cost (a + b + c-d-e)	4,814,041	88,364,403	-	280,010,391	43,095,622	416,284,457
2. Depreciation						
a. Up to previous year	1,023,677	37,290,748		160,690,441	21,355,082	220,359,948
b. For this year	189,518	11,184,167		27,919,700	5,422,786	44,716,171
c. Depreciation on Revaluation/Write off	-	-	-	-	-	-
d. Depreciation Adjustment/Add back	-	(7,985,355)		(1,371,220)	-	(9,356,575)
Total Depreciation (a + b + c-d)	1,213,195	40,489,560	-	187,238,921	26,777,868	255,719,545
3. Book Value (WDV*) (1-2)	3,600,846	47,874,843	-	92,771,470	16,317,754	160,564,913
4. Land	-	-	-	-	-	85,593,635
5. Capital Work In Progress (pending Capitalization)	-	-	-	-	-	261,369
6. Leasehold Assets	-	-	-	-	-	30,849,006
Total (3 + 4 + 5 + 6)						277,268,923
						306,276,829

Leasehold details	Current Year (Rs.)
opening value - gross	92,351,584
accum depn up to last year	49,981,288
net opening value	42,370,296
addition during the year	2,036,361
depn during the year	13,557,650
balance at the end of the year	30,849,006

KUMARI BANK LIMITED

Non Banking Assets

End of Ashad 2069 (15 July 2012)

Name & Address of Borrower or Party	Acquired Date of Non Banking Asset	Total Amount of Non Banking Asset	Provision for loss	Net Non Banking Asset (Rs.)	Previous Year (Rs.)
			Percent	Amount (Rs.)	
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Grand Total		-	-	-	-



Schedule 4.16

KUMARI BANK LIMITED

Other Assets

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Stock of Stationery	3,202,036	3,627,537
2. Income receivable on Investment	15,672,035	31,657,940
3. Accrued Interest Receivable on Loan	-	29,257,561
Accrued Interest Receivable on Loan	184,004,856	113,335,907
Less: Interest Suspense Account	(184,004,856)	(84,078,346)
4. Commission Receivable	-	-
5. Sundry Debtors	13,957,697	29,172,342
6. Staff Loan & Advances	145,639,351	143,692,955
7. Pre Payments	19,059,687	14,034,410
8. Cash in Transit	-	-
9. Other Transit items (including Cheques)	-	-
10. Drafts payment without notice	-	-
11. Expenses not written off	-	-
12. Branch Reconciliation Account	-	-
13. Deferred Tax Assets	2,020,925	3,071,576
14. Others	55,803,919	151,253,359
a. Advance Tax	29,038,231	32,674,426
b. Others	26,765,688	118,578,933
Total	255,355,651	405,767,680

Schedule 4.16(A)

KUMARI BANK LIMITED

Other Assets (Additional Statement)

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)				Previous Year (Rs.)
	Up to 1 Year	1 to 3 Year	Above 3 Years	Total	
1. Accrued Interest Receivable on Loan	132,739,096	26,535,313	24,730,447	184,004,856	113,335,907
2. Drafts Payment without notice	-	-	-	-	-
3. Branch Reconciliation Account	-	-	-	-	-
4. Domestic/Foreign Agency Account	-	-	-	-	-

**KUMARI BANK LIMITED****Contingent Liabilities**

End of Ashad 2069 (15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Claims Lodged but not accepted by the Institution	-	-
2. Letter of Credit (Full Amount)	1,024,772,267	573,152,717
a. Maturity period up to 6 months	951,249,068	404,249,712
b. Maturity period more than 6 months	73,523,199	168,903,005
3. Rediscounted Bills	-	-
4. Unmatured Guarantees/Bonds	677,886,868	557,267,477
a. Bid Bonds	34,888,900	14,359,619
b. Performance Bonds	642,997,968	542,907,858
c. Other Guarantee/Bonds	-	-
5. Unpaid Shares Investment	13,500,000	13,500,000
6. Outstanding of Forward Exchange Contract Liabilities	310,022,489	404,874,906
7. Bills under Collection	-	-
8. Acceptance & Endorsement	510,383,784	505,664,899
9. Underwriting Commitment	-	-
10. Irrevocable Loan Commitment	1,165,380,134	828,105,327
11. Guarantees against Counter Guarantee of Internationally Rated Banks	-	-
12. Advance Payment Guarantee	131,962,678	117,364,614
13. Financial Guarantee for loan disbursement	-	-
14. Contingent Liabilities on Income Tax	2,494,080	-
15. Others	-	-



KUMARI BANK LIMITED

Interest Income

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. On Loans, Advances and Overdraft	2,218,622,951	2,052,375,446
1. Loans & Advances	831,876,975	1,046,617,733
2. Overdraft	1,386,745,976	1,005,757,713
B. On Investment	212,074,062	153,426,902
1. Government Securities	210,757,724	152,110,565
a. Treasury Bills	191,628,752	134,991,477
b. Development Bonds	19,128,972	17,119,088
c. National Saving Certificates	-	-
2. Foreign Debt Papers	-	-
a.	-	-
b.	-	-
3. Nepal Rastra Bank Bonds	-	-
4. Debenture & Bonds	1,316,338	1,316,338
5. Interest on Interbank Investment	-	-
a. Bank/ Financial Institutions	-	-
b. Other Institutions	-	-
C. On Agency Balances	693,762	183,725
1. Domestic Banks/ Financial Institutions	-	52,243
2. Foreign Banks	693,762	131,482
D. On Money at Call and Short Notice	10,189,451	45,805,651
1. Domestic Banks/Financial Institutions	5,650,464	40,919,148
2. Foreign Banks	4,538,987	4,886,503
E. On Others	-	-
1. Certificate of Deposits	-	-
2. Inter-Bank/ Financial Institution Loan	-	-
3. Others	-	-
Total	2,441,580,226	2,251,791,724

**KUMARI BANK LIMITED****Interest Expenses**

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. On Deposit Liabilities	1,576,486,718	1,469,833,667
1. Fixed Deposits	874,689,080	718,295,152
1.1 Local Currency	850,599,945	702,367,287
1.2 Foreign Currency	24,089,135	15,927,864
2. Saving Deposits	329,281,022	523,122,431
2.1 Local Currency	328,062,185	521,138,209
2.2 Foreign Currency	1,218,836	1,984,223
3. Call Deposits	372,516,616	228,416,084
3.1 Local Currency	371,786,981	227,770,436
3.2 Foreign Currency	729,635	645,648
4. Certificate of Deposits	-	-
B. On Borrowings	46,005,042	96,717,931
1. Debentures & Bonds	32,000,000	32,000,000
2. Loan from Nepal Rastra Bank	-	-
3. Inter Bank /Financial Institutions Borrowing	14,005,042	64,717,931
4. Other Organized Institution	-	-
5. Other Loans	-	-
C. On Others	-	-
1.	-	-
2.	-	-
Total	1,622,491,760	1,566,551,598



Schedule 4.20

KUMARI BANK LIMITED

Commission and Discount Income

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. Bills Purchase & Discount	1,817,225	1,241,617
1. Local	1,817,225	1,241,617
2. Foreign		
B. Commission	40,037,303	32,367,095
1. Letters of Credit	18,462,974	12,413,790
2. Guarantees	12,326,335	12,194,329
3. Collection Fees	1,032,487	1,165,798
4. Remittance Fees	8,215,508	6,593,178
5. Credit Card		
6. Share Underwriting/Issue		
7. Government Transactions		
8. E. Pra. Commission		
9. Exchange Fee		
C. Others	69,010,980	66,098,922
Total	110,865,509	99,707,633

Schedule 4.21

KUMARI BANK LIMITED

Other Operating Income

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Safe Deposit Lockers Rental	1,596,438	1,397,013
2. Issue & Renewals of Credit Cards		
3. Issue & Renewals of ATM Cards	34,731,728	32,931,728
4. Telex / T. T./ SWIFT	3,174,105	2,731,368
5. Service Charges	3,367,049	9,806,390
6. Renewal Fees		
7. Others	5,942,992	6,769,079
Total	48,812,311	53,635,577



Schedule 4.22

KUMARI BANK LIMITED**Exchange Fluctuation Gain/Loss**

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
a. From Revaluation	11,578,998	10,081,337
b. From Trading (except Exchange Fees)	32,626,750	26,638,003
Total Gain (Loss)	44,205,749	36,719,340

Schedule 4.23

KUMARI BANK LIMITED**Expenses Relating to Employees**

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Salary	86,127,017	76,490,726
2. Allowances	55,921,886	48,892,682
a. Normal Allowance	26,618,769	26,902,502
b. Inchargeship Allowance	154,345	143,800
c. Relocation Allowance	181,380	247,160
d. Outstation Allowance	3,152,936	2,380,947
e. Dashain Allowance	9,523,830	7,763,919
f. Vehicle Maintenance Allowance	533,147	531,917
g. Leave Fare Allowance	15,757,480	10,922,438
3. Contribution to Provident Fund	8,182,639	7,280,646
4. Training Expenses	1,403,620	1,342,184
5. Uniform	1,383,062	2,537,515
6. Medical	6,515,481	4,898,770
7. Insurance	5,536,727	3,516,682
8. Gratuity Provision	11,921,215	9,759,385
9. Others	17,303,875	13,633,253
a. Wages	7,079,728	5,818,415
b. Teller Risk Fund	824,958	1,023,120
c. Other Staff Benefits	3,541,973	2,600,285
d. Overtime	5,857,215	4,191,432
Total	194,295,522	168,351,843

**KUMARI BANK LIMITED****Other Operating Expenses**

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. House Rent	44,201,230	38,189,187
2. Electricity & Water	14,580,497	13,266,231
3. <u>Repair & Maintenance</u>	1,736,810	1,403,369
a. Building	351,303	427,075
b. Vehicles	1,385,506	976,294
c. Others	-	-
4. Insurance	7,743,339	3,485,427
5. Postage, Telex, Telephone & Fax	15,636,806	17,141,421
6. Office Equipment, Furniture and Repair	3,570,025	3,208,272
7. Travelling Allowances & Expenses	1,874,405	2,062,242
8. Stationery & Printing	5,208,108	5,903,846
9. Periodicals & Books	470,412	404,601
10. Advertisements	3,705,404	12,086,058
11. Legal Expenses	839,529	963,059
12. Donations	49,746	40,795
13. Expenses relating to Board of Directors	1,933,535	2,199,849
a. Meeting Fees	1,830,000	2,180,800
b. Other Expenses	103,535	19,049
14. Annual General Meeting Expenses	457,933	824,997
15. Expenses relating to Audit	785,298	424,264
a. Audit Fees	377,533	377,533
b. Other Expenses	407,765	46,731
16. Commission on Fund Transfer	-	-
17. Depreciation on Fixed Assets	58,273,823	66,160,321
18. Amortization of Pre-operating Expenses	-	-
19. Share Issue expenses	-	-
20. Technical Services Reimbursment	-	-
21. Entertainment Expenses	927,861	587,152
22. Written Off Expenses	-	-
23. Security Expenses	19,425,129	16,780,955
24. Credit Guarantee Premium	-	-
25. Commission & Discount	-	-
26. Others	31,122,666	27,443,760
a. Transport	7,836,684	6,974,352
b. Professional Fees	304,600	508,500
c. Public Relation Expenses	286,798	360,625
d. Correspondent Banking Charges	1,003,249	787,702
e. Fees and Taxes	18,554,535	16,206,384
f. Miscellaneous	1,099,833	732,851
g. Janitorial	2,036,967	1,873,345
Total	212,542,554	212,575,805



Schedule 4.25

KUMARI BANK LIMITED

Provision for Possible Losses

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Increase in Provision for Loan Loss	186,961,717	113,779,647
2. Increase in Provision for Loss on Investment	-	-
3. Provision for loss on Non-Banking Assets	-	-
4. Provision for Other Assets	83,079	-
Total	187,044,796	113,779,647

Schedule 4.26

KUMARI BANK LIMITED

Non-Operating Income / Loss

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Profit/ (Loss) on Sale of Investments	-	-
2. Profit/ (Loss) on Sale of Assets	2,794,651	6,247
3. Dividend	482,904	-
4. Subsidies received from Nepal Rastra Bank	-	-
a. Compensation for losses of specified branches	-	-
b. Interest Compensation	-	-
c. Exchange Counter	-	-
5. Others	199,888	263,255
Net Non-Operating Income (Loss)	3,477,443	269,502



Schedule 4.27

KUMARI BANK LIMITED

Write Back from Provision for Possible Losses

(Fiscal Year 2011/12)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Provision for Loan Loss Written Back	133,156	13,787,709
2. Provision against Non Banking Assets Written Back	-	-
3. Provision for Investment Written Back	-	-
4. Provision for other Assets Written Back	-	-
Total	133,156	13,787,709

Schedule 4.28

KUMARI BANK LIMITED

Income/ (Expenses) from Extra Ordinary Transactions

From 1st Shrawan 2068 to 31 Ashad 2069 (From 17 July 2011 to 15 July 2012)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
1. Recovery of Written Off Loan	-	-
2. Voluntary Retirement Expenses	-	-
3. Irrecoverable Loan Write Off (4.28 (A))	-	342,296
4. Other Expenses/Income	-	-
5.	-	-
Total	-	342,296

KUMARI BANK LIMITED**Statement of Loan Written-Off**

Fiscal Year 2068/69 (2011/12)

S.N.	Types of Loan	Written off Amount	Type of Security	Basis of Valuation of Collateral	Loan Approving Authority/ Level	Initiations Made for Recovery	Remarks
1							
2							
Total		-					





Schedule 4.29

KUMARI BANK LIMITED**Statement of Loans and Advances Extended to Directors/Chief Executive /Promoters/Employees and Shareholders**

31 Ashad 2069 (15 July 2012)

The Statement of amount, included under total amount of Bills Purchased and Discounted, Loans, Advances and Overdraft, provided to the Directors, Chief Executive, Promoters, Employees, Shareholders and the individual members of ' their undivided family' or against the guarantee of such person or to the organisation or, companies in which such individual are 'managing agent' are as follows:

Name of Promoter/Director/ Chief Executive	Outstanding up to Last Year		Recovered in Current Year		Additional Lending		Outstanding as of Ashad End 2067	
	Principal	Interest	Principal	Interest	in this year	Principal	Principal	Interest
A. Directors								
1.								
2.								
3.								
B. Chief Executive								
1.								
2.								
C. Promoters' Group								
D. Employee (Family Members' Company)								
E. Shareholder's Company								
Total								



KUMARI BANK LIMITED

Table of Capital Fund

End of Ashad 2069 (15 July 2012)

Rs in '000

1.1. RISK WEIGHTED EXPOSURES	This Year (Rs.)	Previous Year (Rs.)
a. Risk Weighted Exposure for Credit Risk	19,002,194	16,144,991
b. Risk Weighted Exposure for Operational Risk	1,222,618	1,099,005
c. Risk Weighted Exposure for Market Risk	102,370	92,294
Adjustments under Pillar II	20,327,182	17,336,291
Add: 3% of the total RWE due to non compliance to Disclosure Requirement		
Addition to RWE as per supervisory review (3%)	609,815	520,106
Add: ...% of Total Deposit due to Insufficient Liquid Assets		
Total Risk Weighted Exposure (After Bank's adjustment of Pillar II)	20,936,998	17,856,397
1.2. CAPITAL	Current Period	Previous Period
Core Capital (Tier I)	2,365,249	2,204,905
a. Paid Up Equity Share Capital	1,603,800	1,485,000
b. Irredeemable Non- cumulative Preference Share		
c. Share Premium	4,438	4,438
d. Proposed Bonus Equity Share	-	118,800
e. Statutory General Reserves	340,793	285,692
f. Retained Earnings/Loss till Previous Year	14,197	2,903
g. Un-audited current period profit/(loss)		
h. Bond Redemption Reserve	400,000	305,000
i. Capital Adjustment Reserve		
j. Dividend Equalization Reserves		
k. Capital Redemption Reserve		
l. Other free Reserve (Deferred Tax Fund)	2,021	3,072
m. Less: Goodwill		
n. Less: Miscellaneous Expenditure not written off		
o. Less: Investment in equity in licensed Financial Institutions		
o. Less: Investment in equity of institutions with financial interests		
p. Less: Investment in equity of institutions in excess of limits		
q. Less: Investments arising out of underwriting commitments		
r. Less: Reciprocal crossholdings		
s. Less: Other Deduction		
Adjustments under Pillar II		
Less: Shortfall in Provision		
Less: Loans & Facilities Extended to Related Parties & Restricted Lending		



Continued...

Supplementary Capital (Tier II)	188,840	251,515
a. Cumulative and/or Redemable Preference Share		
b. Subordinated term debt	-	95,000
c. Hybrid Capital Instruments		
d. General Loan Loss provision	177,014	147,583
e. Exchange Equalization Reserve	11,797	8,902
f. Investment Adjustment Reserve	30	30
g. Assets Revaluation Reserve		
h. Other Reserve		
Total Capital Fund (Tier I and Tier II)	2,554,089	2,456,420

1.3 CAPITAL ADEQUACY RATIOS	Current Period	Previous Period
Tier I Capital to Total Risk Weighted Exposure		
(After Bank's adjustment of Pillar II)	11.30	12.35
Tier I and Tier II Capital to Total Risk Weighted Exposure		
(After Bank's adjustment of Pillar II)	12.20	13.76



KUMARI BANK LIMITED

Credit Risk Exposures

End of Ashad 2069 (15 July 2012)

Rs. in '000

On Balance Sheet Exposures (A)	Gross Book Value (a)	Specific Provision (b)	Eligible CRM (c)	Net Value d=a-b-c	Current Year		Previous Year	
					Risk Weight (e)	Risk Weighted Exposures (f)=(d)*(e)	Net Value (d)=(a)-(b)-(c)	Risk Weighted Exposures (f)=(d)*(e)
Cash Balance	584,140			584,140	0%	-	524,781	-
Balance With Nepal Rastra Bank	2,862,924			2,862,924	0%	-	526,949	-
Investment in Nepalese Government Securities	2,574,619			2,574,619	0%	-	2,806,106	-
All Other Claims on Government of Nepal	146,702	-		146,702	0%	-	146,702	-
Investment in Nepal Rastra Bank Securities				-	0%	-		-
All Other Claims on Nepal Rastra Bank				-	0%	-		-
Claims in Foreign Government Securities (ECA rating 0-1)				-	0%	-		-
Claims in Foreign Government Securities (ECA rating 2)				-	20%	-		-
Claims in Foreign Government Securities (ECA rating 3)				-	50%	-		-
Claims in Foreign Government Securities (ECA rating 4-6)				-	100%	-		-
Claims in Foreign Government Securities (ECA rating 7)				-	150%	-		-
Claims On BIS, IMF, ECB, EC and Claims On Multilateral Development Banks(MDB's) Recognised By Standard Framework				-	0%	-		-
Claims on Other MDB's				-	100%	-		-
Claims on Public Sector Entity (ECA 0 - 1)				-	20%	-		-
Claims on Public Sector Entity (ECA - 2)				-	50%	-		-
Claims on Public Sector Entity (ECA 3-6)				-	100%	-		-
Claims on Public Sector Entity (ECA - 7)	16,985			16,985	150%	25,478	16,985	25,478
Claims on Domestic Banks that meet Capital Adequacy requirements	335,320			335,320	20%	67,064	685,807	137,161
Claims on Domestic Banks that do not meet Capital Adequacy Requirements	8,449			8,449	100%	8,449	3,936	3,936
Claims on Foreign Bank (ECA Rating 0- 1)	545,730			545,730	20%	109,146	530,393	106,079
Claims on Foreign Bank (ECA Rating - 2)				-	50%	-		-
Claims on Foreign Bank (ECA Rating 3-6)	65,313			65,313	100%	65,313	28,797	28,797
Claims on Foreign Bank (ECA Rating - 7)				-	150%	-		-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1 %above their respective regulatory capital requirement	(15,488)			(15,488)	20%	(3,098)	23,478	4,696
Claims on Domestic Corporates	10,225,565		60,155	10,165,410	100%	10,165,410	7,668,632	7,668,632
Claims on Foreign Corporates (ECA 0 - 1)				-	20%	-		-
Claims on Foreign Corporates (ECA - 2)				-	50%	-		-
Claims on Foreign Corporates (ECA 3-6)				-	100%	-		-
Claims on Foreign Corporates (ECA - 7)				-	150%	-		-
Regulatory Retail Portfolio (Not Overdue)	2,616,541		170,230	2,446,311	75%	1,834,733	1,968,478	1,476,358
Claims fulfilling all creterion of regulatory retail except granularity				-	100%	-		-
Claims secured by residential properties	1,438,147			1,438,147	60%	862,888	1,286,431	771,858
Claims not fully secured by residential properties				-	150%	-		-
Claims secured by residential properties (Overdue)	42,022	8,316		33,706	100%	33,706	4,277	4,277
Claims secured by Commercial real estate	2,083,249			2,083,249	100%	2,083,249	2,614,677	2,614,677
Past due claims (except for claims secured by residential properties)	841,633	301,659		539,974	150%	809,962	226,260	339,390
High Risk claims	707,478			707,478	150%	1,061,217	754,232	1,131,349
Investment in equity and other capital instruments of institutions listed in the stock exchange				-	100%	-		-
Investment in equity and other capital instruments of institutions not listed in the stock exchange	6,436			6,436	150%	9,653	6,436	9,653
Staff Loan secured by residential property	85,177			85,177	60%	51,106		
Interest Receivable/ Claim on government securities	36,624			36,624	0%	-	101,998	-
Cash in Transit and other cash items in the process of collection				-	20%	-		-
Other Assets (as per attachment)	1,224,810	813,988		410,823	100%	410,823	610,047	610,047
Total	26,432,377	1,123,962	230,385	25,078,030		17,595,099	20,535,401	14,932,387



Continued...

Schedule 4.30(B)

KUMARI BANK LIMITED

Credit Risk Exposures

End of Ashad 2069 (15 July 2012)

Off Balance Sheet Exposures (B)					Current Year		Previous Year	
	Gross Book Value (a)	Specific Provision (b)	Eligible CRM (c)	Net Value d=a-b-c	Risk Weight (e)	Risk Weighted Exposures (f)=(d)*(e)	Net Value (d)=(a)-(b)-(c)	Risk Weighted Exposures (f)=(d)*(e)
Revocable Commitments					0%	-		-
Bills Collection					0%	-		-
Forward Exchange Contract Liabilities	310,022			310,022	10%	31,002	404,875	40,487
LC Commitments With Original Maturity Up to 6 months domestic counterparty	951,249		42,744	908,505	20%	181,701	369,284	73,857
ECA Rating 0-1				-	20%	-		-
ECA Rating 2				-	50%	-		-
ECA Rating 3-6				-	100%	-		-
ECA Rating 7				-	150%	-		-
L C Commitments With Original Maturity over 6 months domestic counterparty	73,523		9,139	64,384	50%	32,192	163,972	81,986
ECA Rating 0-1				-	20%	-		-
ECA Rating 2				-	50%	-		-
ECA Rating 3-6				-	100%	-		-
ECA Rating 7				-	150%	-		-
Bid Bond, Performance Bond and Counter Guarantee Domestic Counterparty	677,887		59,135	618,752	50%	309,376	487,769	243,884
ECA Rating 0-1				-	20%	-		-
ECA Rating 2				-	50%	-		-
ECA Rating 3-6				-	100%	-		-
ECA Rating 7				-	150%	-		-
Underwriting commitments				-	50%	-		-
Lending of Bank's Securities or Posting of Securities as collateral				-	100%	-		-
Repurchase Agreements, Assets sale with recourse				-	100%	-		-
Advance Payment Guarantee	131,963		6,599	125,364	100%	125,364	113,709	113,709
Financial Guarantee				-	100%	-		-
Acceptance and Endorsements	510,384		31,994	478,390	100%	478,390	479,559	479,559
Unpaid portion of Partly paid shares and securities	13,500			13,500	100%	13,500	13,500	13,500
Irrevocable Credit Commitments (short term)	1,165,380			1,165,380	20%	233,076	828,105	165,621
Irrevocable Credit Commitments (long term)				-	50%	-	-	-
Other Contingent Liabilities	2,494			2,494	100%	2,494.08	-	-
Unpaid Guarantee Claims	-			-	200%	-	-	-
Total	3,836,402	-	149,611	3,686,791		1,407,095	2,860,773	1,212,604
Total RWE for Credit Risk before Adjustment (A + B)	30,268,779	1,123,962	379,996	28,764,821	-	19,002,194	23,396,174	16,144,991
Adjustment under Pillar II								
Add:10% of the loan & facilities in excess of Single Obligor Limits								
Add:1% of the contract (sale) value in case of the sale of credit with recourse								
Total RWE for Credit Risk	30,268,779	1,123,962	379,996	28,764,821		19,002,194	23,396,174	16,144,991



KUMARI BANK LIMITED

Eligible Amount of Credit Risk Mitigation (CRM)

End of Ashad 2069 (15 July 2012)

Rs. in '000										
Credit exposures	Deposits with bank a	Deposits with other banks/ FI b	Gold c	Govt.& NRB Securities (d)	G'tee of Govt.of Nepal (e)	Sec/ G'tee of other Sovereigns (f)	G'tee of Dom-estic Banks (g)	G'tees of MDBs (h)	Sec/ G'tee of Foreign Banks (i)	Total
On Balance Sheet Credit exposures										
Claims on Foreign government and Central Bank (ECA-2)										-
Claims on Foreign government and Central Bank (ECA-3)										-
Claims on Foreign government and Central Bank (ECA-4-6)										-
Claims on Foreign government and Central Bank (ECA-7)										-
Claim on Other Multilateral Development Banks										-
Claims on Public Sector Entity(ECA-0-1)										-
Claims on Public Sector Entity(ECA-2)										-
Claims on Public Sector Entity(ECA-3-6)										-
Claims on Public Sector Entity(ECA -7)										-
Claims on domestic banks that meet capital adequacy requirement										-
Claims on domestic banks that do not meet capital adequacy requirement										-
Claims to a Foreign bank (ECA Rating 0-1)										-
Claims to a Foreign bank(ECA Rating 2)										-
Claims to a Foreign bank(ECA Rating 3-6)										-
Claims to a Foreign bank(ECA Rating 7)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1 % above their respective regulatory capital requirement										-
Claims on Domestic Corporates	60,155									60,155
Claims on Foreign Corporates (ECA 0-1)										-
Claims on Foreign Corporates (ECA 2)										-
Claims on Foreign Corporates (ECA 3-6)										-
Claims on Foreign Corporates (ECA 7)										-
Regulatory Retail Portfolio (Not Overdue)	170,230									170,230
Claims fulfilling all creterion of regulatory retail except granularity										-



Continued...

Schedule 4.30(C)

KUMARI BANK LIMITED

Eligible Amount of Credit Risk Mitigation (CRM)

End of Ashad 2069 (15 July 2012)

Rs. in '000										Total
Credit exposures	Deposits with bank a	Deposits with other banks/ FI b	Gold c	Govt. & NRB Securities (d)	G'tee of Govt. of Nepal (e)	Sec/ G'tee of other Sovereigns (f)	G'tee of Domestic Banks (g)	G'tees of MDBs (h)	Sec/ G'tee of Foreign Banks (i)	Total
Claims secured by residential properties										-
Claims not fully secured by residential properties										-
Claims secured by residential properties (Overdue)										-
Claims secured by commercial real estate										-
Past due claims(except for claim secured by residential properties)										-
High Risk Claims										-
Investment in equity and other capital instruments of institutions listed in the stock exchange										-
Investment in equity and other capital instruments of institutions not listed in the stock exchange										-
Other Assets (as per attachment)		-	-							-
TOTAL	230,385		-	-	-	-	-	-	-	230,385
Off Balance Sheet Exposures										
Forward Exchange Contract Liabilities										
LC Commitments With Original Maturity										
Up to 6 months domestic counterparty	42,744									42,744
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating 2)										-
foreign counterparty (ECA Rating 3-6)										-
foreign counterparty (ECA Rating 7)										-
L C Commitments With Original Maturity Over 6 months										
domestic counterparty	9,139									9,139
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating 2)										-
foreign counterparty (ECA Rating 3-6)										-
foreign counterparty (ECA Rating 7)										-
Bid Bond and Performance Bond (Domestic)	59,135									59,135
foreign counterparty (ECA Rating 0-1)										-
foreign counterparty (ECA Rating 2)										-
foreign counterparty (ECA Rating 3-6)										-



Continued...

Schedule 4.30(C)

KUMARI BANK LIMITED

Eligible Amount of Credit Risk Mitigation (CRM)

End of Ashad 2069 (15 July 2012)

Rs. in '000										
Credit exposures	Deposit with bank a	Deposits with other banks/ FI b	Gold C	Govt.& NRB Securities (d)	G'tee of Govt.of Nepal (e)	Sec/ G'tee of other Sovereigns (f)	G'tee of Domestic Banks (g)	G'tees of MDBs (h)	Sec/ G'tee of Foreign Banks (i)	Total
foreign counterparty (ECA Rating 7)										-
Underwriting commitments										-
Lending of Bank's Securities or Posting of Securities as collateral										-
Repurchase Agreements, Assets salewith resource										-
Advance Payment Guarantee	6,599									6,599
Financial Guarantee										-
Acceptances and Endorsements	31,994									31,994
Unpaid portion of partly paid shares and securities										-
Irrevocable Credit Commitments										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Other Contingent Liabilities										-
TOTAL	149,611	-	-	-	-	-	-	-	-	149,611
GRAND TOTAL	379,996	-	-	-	-	-	-	-	-	379,996

**KUMARI BANK LIMITED****Risk Weight Exposure** for Operational Risk

End of Ashad 2069 (15 July 2012)

Rs in '000

Particular	Year 1 (2008/09)	Year 2 (2009/10)	Year 3 (2010/11)	Previous year
Net Interest Income	558,520	682,148	685,240	
Commission and Discount income	79,104	97,653	99,708	
Other Operating Income	19,747	28,771	53,636	
Exchange Fluctuation Income	41,295	37,925	36,719	
Addititonal Interest Suspense during the period	15,777	20,034	(11,038)	
Total Gross Income (a)	714,442	866,530	864,264	
Alfa (b)	15%	15%	15%	15%
Fixed Percentage of Gross Income {C= (axb)}	107,166	129,980	129,640	
Capital Requirement for operational risk (d) (average of c)	122,262			109,901
Risk Weight (reciprocal of capital requirement of 10 %)				
in times (e)	10			10
Equivalent Risk Weight Exposure {f=(dxe)}	1,222,618			1,099,005



KUMARI BANK LIMITED

Risk Weight Exposure for Market Risk

End of Ashad 2069 (15 July 2012)

Rs in '000

S.No	Currency	Open Position (FCY)	Open Position (NPR.)	Relevant Open Position	Previous Year
1	INR	47,596	76,190	76,190	80,083
2	USD	1,278	112,774	112,774	38,865
3	EUR	13	1,452	1,452	15,326
4	GBP	10	1,346	1,346	26,336
5	CHF	-	-	-	105
6	AUD	67	6,051	6,051	7,238
7	CAD	5	401	401	104
8	SGD	5	351	351	364
9	JPY	2,253	2,507	2,507	10,213
10	SEK	1	8	8	11
11	DKK	44	633	633	1,504
12	HKD	3	37	37	159
13	SAR	75	1,764	1,764	1,748
14	QAR	17	399	399	853
15	CNY	6	86	86	36
16	MYR	10	279	279	781
17	THB	15	41	41	50
18	AED	17	405	405	770
19	KRW	231	17	17	43
Total Open Position (a)				204,741	184,589
Fixed Percentage (b)				5%	5%
Capital Charge for Market Risk [c=(aXb)]				10,237	9,229
Risk Weight (reciprocal of capital requirement of 10%) in times (d)				10	10
Equivalent Risk Weight Exposure {e=(cXd)}				102,370	92,294

KUMARI BANK LIMITED

PRINCIPAL INDICATORS

(For 8 years)

Schedule 4.31

Particulars	Indicators	F. Y. 2005/06	F. Y. 2006/07	F. Y. 2007/08	F. Y. 2008/09	F. Y. 2009/10	F. Y. 2010/11	F. Y. 2011/12
1. Net Profit/Gross Income	%	15.52%	19.61%	16.18%	16.54%	15.32%	10.23%	10.40%
2. Earnings Per Share	Rs.	16.59	22.70	16.35	22.04	24.24	15.67	17.18
3. Market Value per Share	Rs.	443	830	1,005	700	468	266	242
4. Price Earning Ratio	Ratio	26.71	36.56	61.47	31.76	19.31	16.98	14.09
5. Dividend (including bonus) on share capital	%	21.05%	21.05%	10.53%	10.58%	12.00%	8.44%	0.00%
6. Cash Dividend on Share Capital	%	1.05%	1.05%	0.53	0.55	12.00%	0.44%	7.00%
7. Interest Income/Loans & Advances	%	5.89%	7.63%	7.61%	8.34%	11.58%	13.75%	12.26%
8. Employee Expenses/Total Operating Expenses	%	12.32%	17.22%	15.66%	10.37%	9.24%	8.64%	9.57%
9. Interest Expenses on Total Deposit and Borrowings	%	4.20%	3.69%	3.87%	5.10%	6.51%	8.14%	8.20%
10. Exchange Fluctuation Gain/Gross Income	%	3.95%	2.34%	3.87%	3.73%	1.84%	1.49%	1.67%
11. Staff Bonus/ Total Employee Expenses	%	24.59%	25.08%	22.32%	24.04%	31.93%	21.29%	20.25%
12. Net Profit/Loans & Advances	%	1.48%	1.88%	1.52%	1.77%	2.12%	1.68%	1.52%
13. Net Profit/ Total Assets	%	1.15%	1.43%	1.16%	1.41%	1.59%	1.23%	1.10%
14. Total Credit/Deposit	%	90.20%	85.84%	90.20%	94.17%	79.45%	87.87%	82.33%
15. Total Operating Expenses/Total Assets	%	5.39%	4.83%	4.90%	6.03%	7.55%	9.51%	8.07%
16. Adequacy of Capital Fund on Risk Weightage								
Assets								
a. Core Capital	%	11.28%	10.26%	10.40%	9.08%	10.29%	12.35%	11.30%
b. Supplementary Capital	%	1.08%	0.96%	4.01%	2.47%	2.05%	1.41%	
c. Total Capital Fund	%	12.36%	11.22%	14.41%	11.56	12.34%	13.76%	12.20%
17. Liquidity (GRR)	Ratio	2.71%	3.65%	1.91%	7.13%	8.02%	5.74%	13.52%
18. Non Performing Loans/Total Loans	%	0.92%	0.73%	1.32%	0.44%	0.50%	1.12%	2.21%
19. Weighted Average Interest Rate Spread	%	4.58%	4.67%	4.30%	4.17%	3.28%	3.92%	4.27%
20. Book Net worth Per Share	Rs.	149	137	128	137	137	138	148
21. Total Shares	Number	6,250,000	7,500,000	10,700,000	11,860,992	13,060,159	16,038,000	16,038,000
22. Total Employees	Number	177	212	256	260	364	347	327
23. Others								



Kumari Bank Limited

Significant Accounting Policies

Financial Year 17 July 2011 to 15 July 2012 (1 Shrawan 2068 to 31 Ashad 2069)

1. General Information

Kumari Bank Limited (the "Bank") is a public limited company, incorporated on 10 December 1999 and domiciled in Nepal. The address of its registered office is Durbarmarg, Kathmandu, Nepal. The Bank is listed with Nepal Stock Exchange Limited.

The Bank carries out commercial banking activities in Nepal under license from Nepal Rastra Bank (the central bank of Nepal) as Class "A" licensed institution.

2. Date of Authorization of Financial Statement

The Financial Statements for the year ended on 15 July 2012 is approved by Board of Directors (BOD) of the Bank on 07 December 2012.

3. Summary of Significant Accounting Policies

The Significant accounting policies applied in the preparation of the financial statements of the bank are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Statement of Compliance

The financial statements have been prepared in accordance with Nepal Accounting Standards (NAS) issued by the Nepal Accounting Standard Board (NASB) except for exceptions as mentioned below, generally accepted accounting principles, and the provisions of Bank and Financial Institution Act, 2063, directives issued by Nepal Rastra Bank and the Company Act, 2063.

3.2 Basis of Preparation

The financial statements have been prepared under the historical cost convention. Use of certain critical accounting estimates and exercise judgement in the process of applying the Bank's accounting policies have been done, wherever required, in conformity with NAS and generally accepted accounting principles.

3.3 Interest Income

Interest income on loans and advances is recognised on cash basis as per the directive issued by NRB, which is not in accordance with Nepal Accounting Standards.

Interest for the moratorium period on some term loans as stated in point no 23 of **Notes to Accounts** has been recognised as income after capitalising it on loans which is in accordance with NRB approval.

Interest income on investments is recognised on accrual basis provided that premium on government bonds has been netted off against its interest income.

3.4 Commission Income

Guarantee commission up to NPR. 100,000 is recognised as commission income on cash basis. Commission income on guarantee covering more than one fiscal year and commission amount above NPR.100,000 is booked on accrual basis.

Other commission incomes are recognised as income on accrual basis.

3.5 Dividend Income

Dividend is recognised as income when the bank's right to receive payment is established. It is recognised as income at net of withholding tax.

3.6 Foreign Exchange Incomes

- i. Foreign currency assets and liabilities as at the Balance Sheet date have been translated at the mid rate (average of buying and selling rate) of exchange rates prevalent as on the Balance Sheet date.
- ii. Foreign currency trading gain/loss realised in the foreign currency transactions is accounted for on the date of transaction and based on transaction rate.
- iii. Revaluation gain arising due to fluctuation in exchange rate of foreign currencies is accounted for and shown as "Revaluation Gain/Loss". Amount equivalent to 25% of revaluation gain of the current year is ap propriated to Exchange Fluctuation Reserve as per directive issued by Nepal Rastra Bank.



3.7 Interest Expenses

Interest expense on deposit liabilities, bonds and borrowings are accounted for on accrual basis.

3.8 Loans and Advances, Overdraft and Bills Purchased

Loans and advances, overdrafts and bills purchased include direct finance provided to the customers as per the Bank's policy and product papers such as bank overdrafts, personal loans, term loans, hire purchase finance and loans to deprived sectors. All the loans are subject to regular review and are graded according to the level of credit risk and classified as per NRB Directives. Loans and advances, overdraft and bills purchased are stated net of loan loss provisions in the Balance Sheet.

3.9 Staff Loans

Staff loan has been provided as per the bank's policy and shown under the head 'Other Assets' as per NRB Directives.

3.10 Loan Loss Provision

Provision is made for possible losses on loans and advances, overdraft and bills purchase at 1% to 100% in accordance with the directives issued by NRB.

3.11 Loans & Advances Write off

Unrecoverable loans and advances are written off in accordance with the by-laws of the Bank approved by Bank's BOD and NRB.

Amounts recovered against loans written off in earlier years are recognized as income in the year of recovery.

3.12 Investments

Investments in Government Securities are valued at cost. Placements with maturity period up to 7 days and more than 7 days are classified as money at call and investments respectively.

Investment in shares, debenture and bonds are valued at cost or market value, whichever is lower. Necessary reserves for certain investments have been created as per NRB directive.

3.13 Fixed Assets and Depreciation

- Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of individual asset item.
- Below mentioned fixed assets are depreciated on Straight Line Method at the rates mentioned below -

<i>Asset</i>	<i>Rate</i>
Computer Software	20%
Leasehold Office	20%
Leasehold Staff	20%

- Depreciation on newly acquired fixed assets is charged from the next month of booking. Depreciation of an asset ceases when it is derecognised at the time of its disposal.
- Depreciation on below mentioned assets is charged on the basis of diminishing value method at the rates mentioned below -

<i>Asset</i>	<i>Rate</i>
Buildings	5%
Office Equipments	25%
Plant & Machineries	25%
Furniture & Fixtures (Wooden & Metal)	25%
Computer	25%
Vehicles Office	20%
Vehicles Staff	20%

- Assets costing more than NRs. 10,000 and/or having useful life more than 1 year are booked under fixed assets.

3.14 Amortisation of Software Cost and Leasehold Assets

- Computer software are capitalised on cost incurred to acquire specific software. Bank amortises such cost over a period of useful life, estimated as 5 years from the date of acquisition.
- Leasehold properties are capitalised on the basis of cost directly incidental to set up such assets. Such assets are amortised over the period of 5 years.

3.15 Lease Rental

The lease agreements entered into by the Bank for office buildings are operating lease agreements. The total payments made under operating leases are charged to Rent Expenses in the profit and loss account.

3.16 Employee Retirement Benefits

The Bank has schemes of retirement benefits namely Provident Fund and Gratuity Fund. Provision for expenses on account of Provident and Gratuity Funds is made on accrual basis with the amount of liabilities computed by the bank in accordance



with its applicable schemes. Contributions to retirement fund are made on a regular basis as per its rules and regulations.

3.17 Income Tax

a. Current Income Tax

Provision for current income tax is made in accordance with the provisions of the prevailing Income Tax Act, 2058 and Rules as amended.

b. Deferred Income Tax

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. It is determined using tax rates (and laws) that have been enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

3.18 Stationery

Stationery purchased for consumption is charged as expense at the time and based on volume of consumption.

3.19 Non-banking Assets

Non-banking Asset is booked at lower of market price or principle outstanding, on the day before booking and provision for the asset has been made as per NRB directive. The Bank has no non-banking asset as on Ashad end 2069.

3.20 Provisions and Contingent Liabilities

The Bank creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.21 Staff Bonus

Provision for staff bonus is made as per the NRB Directive.



Kumari Bank Limited

Notes to Accounts

Financial Year 17 July 2011 to 15 July 2012 (1 Shrawan 2068 to 31 Ashad 2069)

1. Provision for staff bonus

Provision for staff bonus has been provided at 10% of net profit after deducting loan loss provision and bonus. This provision has been made as per NRB directive.

2. Staff Housing Fund

Staff Home Loan is provided as per the bank's policy. A separate housing fund has not been created in accordance with Labour Act, 2048.

3. General Reserve

As per the requirement of Nepal Rastra Bank, 20% of the current year's profit has been transferred to General Reserve.

4. Tax Settlement Outstanding / Contingent Liability

Tax reassessment by Large Tax Payers' Office has been completed up to the FY 2064/65. We have filed a case in Revenue Tribunal against tax assessment order for the FY 2063/64, decision of which has not yet come. Against tax assessment order for the FY 2064/65, a case has been filed for Administrative Review. Contingent liability for tax assessment for the FY 2063/64 has been provided.

5. Gratuity Expenses

During the year, the Bank has provided NPR. 11,921,215 (Previous Year NPR. 9,759,385) on account of gratuity.

6. Dividend and Bonus

Board meeting of the bank held on 13 Mangsir 2069 has decided to propose 7% cash dividend to the equity shareholders of the bank.

7. Unpaid Dividend

Out of total cash dividend proposed in FY 2066/67 which was distributed in FY 2067/68, cash dividend of NPR. 7,806,419 is still payable because shareholders have not yet intimated to collect the dividend.

8. Loan Disbursed, recovered and outstanding during the year.

The loan disbursed, recovered and outstanding during the year is given below:

NPR. In Million

Opening Balance	Total Disbursed	Total Settled	Outstanding
14,926	18,951	15,776	18,101

9. Summary of Changes in deposit during the year

Growth in deposits during the year is given below:

NPR. In Million

Particulars	This Year (Rs)	Previous Year (Rs)	Changes in amount
1) Current Deposit	994	797	197
a) Local Currency	971	738	233
b) Foreign Currency	23	59	(36)
2) Saving Deposit	5,887	6,551	(664)
a) Local Currency	5,834	6,442	(607)
b) Foreign Currency	53	110	(57)
3) Fixed Deposit	9,158	6,655	2,503
a) Local Currency	8,442	6,006	2,436
b) Foreign Currency	716	649	67
4) Call Deposit	5,805	2,852	2,953
a) Local Currency	5,769	2,824	2,945
b) Foreign Currency	36	28	8
5) Margin Deposit	142	132	10
a) Local Currency	142	132	10
b) Foreign Currency	-	-	-
Total Deposit	21,985	16,986	4,999

10. Weighted Average Interest Rate Spread

Particulars	Percentage
The weighted average yield rate on interest bearing assets for the year	12.47
The weighted average cost rate on interest bearing liability for the year	8.20
The weighted average interest rate spread	4.27



11. Summary of amortizable expenses yet to be written off

No such item.

12. Summary of concentration of exposure

No balance sheet and off balance sheet transaction have been highly concentrated to a single person, firm, organization or to a particular sector. Detail of highest exposure to a single person or organization is as follows:

Particulars	Total Exposure	NPR. In Million	
		Maximum concentration to a single customer	
		Amount	%
Loans & Advances	18,101	329	1.82
Deposits	21,985	2,784	12.66
Off Balance Sheet Items	2,345	216	9.21



13. Classification of Assets and Liabilities based on Maturity

NPR. In Million							
S.N.	Particulars	1-90 days	91-180 days	181-270 days	271-365 days	More than 1 year	Total
Assets							
1	Cash Balance	584	-	-	-	-	584
2	Balance with Banks & FIs	3,138	-	-	-	-	3,138
3	Investment in Foreign Banks	88	44	44	88	-	265
4	Call Money	321	-	-	-	-	321
5	Government Securities	393	443	361	1,048	330	2,575
6	Nepal Rastra Bank Bonds	-	-	-	-	-	-
7	Inter Bank & FI Lending	78	-	-	-	-	78
8	Loans & Advances	6,658	3,061	2,524	1,056	4,802	18,101
9	Interest Receivable	190	5	3	2	-	200
10	Reverse Repo	-	-	-	-	-	-
11	Acceptance Receivable	-	-	-	-	-	-
12	Payments under S.No. 20,21 & 22	963	30	3	83	1,110	2,189
13	Others	434	145	145	145	301	1,168
	Total (A)	12,847	3,727	3,080	2,422	6,543	28,619
Liabilities							
		-	-	-	-	-	-
14	Current Deposits	511	170	170	170	114	1,135
15	Saving Deposits (including call)	2,923	585	585	585	7,015	11,692
16	Fixed Deposits	2,092	2,266	2,174	2,149	477	9,158
17	Debentures/Bonds	-	-	-	400	-	400
18	Borrowings	5	-	-	-	-	5
	Call/Short Notice	5	-	-	-	-	5
	Inter-bank/Financial Institutions	-	-	-	-	-	-
	Refinance	-	-	-	-	-	-
	Others	-	-	-	-	-	-
19	Other Liabilities and Provisions	-	-	-	-	-	93
	Sundry Creditors	-	-	-	-	-	-
	Bills Payable	10	3	3	3	-	21
	Interest Payable	49	15	-	-	-	65
	Provisions	-	-	-	-	-	-
	Others	4	1	1	1	-	8
20	Acceptance Liabilities	417	10	4	35	4	471
21	Irrevocable Loan Commitment	175	248	248	248	248	1,165
22	Letter of Credit/Guarantee	1,143	342	233	109	58	1,885
23	Repo	-	-	-	-	-	-
24	Payable under s.no.11	-	-	-	-	-	-
25	Others	395	132	132	132	-	789
	Total (B)	7,725	3,772	3,550	3,832	7,915	26,794
	Net Financial Assets (A-B)	5,122	(45)	(470)	(1,410)	(1,372)	1,825
	Cumulative Net Financial Assets	12,746	5,077	4,607	3,197	1,825	-



14. Borrowings by the bank against the collateral of own assets

The bank has no such borrowings.

15. Related Parties

Key Management Personnel

Key Management Personnel of the Bank includes Chief Executive Officer and members of the Board of Directors of the Bank, as follows:

Mr. Noor Pratap J.B. Rana	-	Chairman (Promoter)
Prof. Dr. Rajan B. Paudel	-	Director (Professional)
Dr. Shobha Kant Dhakal	-	Director (Public)
Mr. Uttam P. Bhattarai	-	Director (Promoter)
Mr. Naresh Dugar	-	Director (Promoter)
Mr. Amir Pratap J.B Rana	-	Director (Promoter)
Mr. Rishi Agrawal	-	Director (Promoter)
Mr. Rashindra Bahadur Malla	-	Director (Public)
Mr. Udaya Krishna Upadhyay	-	Acting Chief Executive Officer

■ Compensation to then Key Management Personnel (CEO) of the Bank

	Amount in NPR.
Categories	Current Year
Short-term employee benefits	12,822,066
Signing bonus	-
Post-employment benefits	-
Other long-term benefits	-
Termination benefits	-
Share-based benefits	-
Total	12,822,066

In addition to the above, reimbursement of telephone bills and utilities of his residence, mobile bills and fuel for the vehicle has been made by the Bank. Because of his (Mr. Radhesh Pant) resignation that was approved by BOD on 26th Mangsir 2069 (12 Dec 2011), above compensation provided to then CEO covers the period from 1st Shrawan 2068 to 25th Mangsir 2068 only.

■ Transaction with Key Management Personnel (BOD) of the Bank

The following provides transactions between the Bank and then Key Management Personnel (Directors) of the Bank during the year -

	Amount in NPR.
Nature of Transaction	Current Year
Meeting Allowances	1,830,000
Other expenses	103,535
Total	1,933,535



16. Paid up Share Capital

Paid up share capital of the Bank has changed over the years as follows:

Fiscal Year	Cumulative Paid up Capital	Remarks
2057/58	350,000,000	
2058/59	350,000,000	
2059/60	350,000,000	
2060/61	500,000,000	Initial Public Offering of NPR. 150 million
2061/62	625,000,000	(4:1) Right share issue of NPR. 125 million
2062/63	750,000,000	Issue of Bonus share of NPR. 125 million
2063/64	900,000,000	Issue of Bonus Share of NPR. 150 million
2064/65	1,070,000,000	In the fiscal year 2063/64, the bank had issued right share of NPR. 180 million. Out of total issue, NPR. 170 million had been capitalized as on balance sheet date. Further NPR. 8.272 million had been capitalized as on signing date of financial statements.
2065/66	1,186,099,200	In the fiscal year 2064/65, the bank had issued 10 % bonus share and 15 % right share. 10 % bonus share had been capitalized as on balance sheet date.
2066/67	1,306,015,920	In the FY 2065/66, the bank had issued 10% bonus share including to those who were released from black list during the year. Further, right share of NPR. 1,080,000 issued on FY 2064/65 relating to blacklisted shareholders are included in current year's capital subsequent to their release from black list.
2067/68	1,603,800,000	In the FY 2067/68, the bank capitalized NPR. 178,200,000 share capital which was approved for issuance in fiscal year 2064-65. Further, the bank auctioned 7841 numbers of shares that include right and bonus shares of subsequent years relating to right share approved in FY 2064-65 but issued only in FY 2067-68. Bonus share at the rate of 8% (NPR. 118,800,000) had been proposed in the FY 2067/68.
2068/69	1,603,800,000	-

17. Sale of Land and Building

Bank has not sold its land or building during the year.

18. KBL Bond 2070

Bank has issued KBL Bond 2070 worth NPR. 400 million in fiscal year 2064/65. For the redemption of the bond, Bond Redemption Reserve has been created on which NPR. 95 million is transferred in this year as per NRB instruction. After this transfer, total balance in this reserve is NPR. 400 million which is equivalent to the book value of the bond.

19. Deferred Tax

a. Component of Deferred Tax Assets

Particulars	As per financial statement	As per Income Tax act	Amount in NPR. Taxable temporary difference
Fixed assets base	191,151,745	197,169,529	6,017,784
Development Bond Carrying Amount	330,351,808	329,633,174	718,634
Total			6,736,418
Current Deferred Tax Asset			2,020,926
Opening Deferred Tax Asset			3,071,576
Adjusted Deferred Tax			1,050,650

Deferred tax is calculated considering the existing tax rate of 30%. As prescribed by NRB Directives, total deferred tax assets up to July 15, 2012 amounting Rs. 2,020,926 have been ear-marked as deferred tax reserve through Profit & Loss Appropriation.



b. Explanation of the relationship between tax expense and accounting profit

	Amount in NPR. Current Year
Accounting Profit	393,363,420
Tax at the applicable rate of 30%	118,009, 026
Tax effect of expenses/income that are not deductible / included in determining taxable profit	
Gain on sale of assets	(838,395)
Dividend income	(144,871)
Provision on account receivable not claimed in FY 2067/68	(20,328)
Donation	14,924
Differential depreciation (tax v/s accounting)	(427,846)
Amortization of bond premium	215,590
Total Adjustments	(1,200,926)
Adjusted Provision for Current Year Income Tax	116,808,100

20. Reconciliation Status

	NPR. In Million			
Particulars	Total Amount	Upto 1 Year	1 Year to 3 Years	More than 3 Years
Agency Accounts	7.11	5.17	1.94	-

21. Details of Software Application

	Amount in NPR.		
Opening Balance	Additions during the year	Amortization during the year	Closing Balance
13,016,075	8,724,465	5,422,786	16,317,754

22. Detail of interest accrual stopped

Following table exhibits list of customers whose interest accrual has been stopped –

Name of customer	Interest accrual stopped date	Interest during accrual stopped period
Nepe Unesco Club	July 17,2010	108,735.90
Rodden Enterprises P Ltd	April 08,2011	325,828.87
Shilu Housing & Developers P Ltd	March 02,2012	6,056,716.76
Tikaram Kandel	November 13,2009	181,985.20
Amrit Kumar Karki	September 1,2011	137,184.47

23. Interest Capitalisation

During the year the bank has recognised as interest income following amount of interest by capitalising it into loan after getting approval from NRB. These loans are the project loans interest on which were capitalised for moratorium period. Detail of such loans and interest recognised in FY 2068/69 by its capitalisation is as follows –

Customer name	Loan type	Interest capitalized
Ghorahi Cement (P) Ltd.	Term Loan	20,919,330
Electrocom and Research Center (P) Ltd.	Term Loan	6,010,811
Mailung Khola Hydropower Co. (P) Ltd.	Term Loan	980,742
Sanima Mai Hydropower (P) Ltd.	Term Loan	559,586
Total		28,470,469



24. Interest income recognised on deferred cash basis

Bank has not recognized interest income on deferred cash basis.

25. Staff Leave Encashment

Bank has not made any provision for unpaid leave encashment. As per the '*Personnel Policy Guideline*' of the Bank, staffs are entitled to encash accumulated unpaid leave on retirement. As per NAS 14, '*Employee Benefits*' (*Voluntary Compliance for now*) bank is required to account for such liability on accrual basis which has not been provisioned by the bank.

26. Non-banking assets (NBA) Disclosure

Bank has no NBA in FY 2068-69.

27. Capital Work in Progress (WIP)

Carrying amount of capital work-in-progress includes cost incurred for the soil testing work for building construction site at Naxal. As of the balance sheet date, the carrying amount of WIP is NPR. 261,369.

28. Change in Depreciation Computation Method

From the FY 2068/69, the bank has changed its methodology of computation of depreciation. In previous years, duration for which depreciation on fixed assets had to be charged was based on Nepalese Income Tax Act 2058. This method has been changed in the FY 2068/69 to comply with Nepal Accounting Standard. The impact of this change in the FY 2068/69 is NPR. 2,454,578.

29. Rounding off and Comparative Figures

Figures are rounded to nearest rupees. Previous year's figure has been regrouped or rearranged where necessary.

KUMARI BANK LIMITED

Statement of loan availed by bank's promoter/promoters' group from other bank and financial institutions by pledging their shares.

as on 31 Ashad 2069 (15 July 2012)

S.N.	Name of Promoter/ Shareholders under Promoters' Group	Shares under the ownership		Description of Loan		Remarks	
		Total no. of shares	Percentage of paid up capital	Name of other bank/financial institution from which loan has been taken	Loan amount (Rs.)		No. of shares pledged
1	SANDEEP LAMA	80,190	0.50	SIDDHARTHA BANK LIMITED	-	80,190	Pledged against the credit facilities availed by Mr. Phurba Bangdel Lama
2	SANJAY LAMA	159,300	0.99	SIDDHARTHA BANK LIMITED	8,954,964	159,300	52140 kitta shares has pledged against the credit facilities availed by Mr. Phurba Bangdel Lama & remaining share has pledged for credit facilities availed by Sanjay Lama
3	MISU SHRESTHA	53,887	0.34	GUHESHWORI MERCHANT BANKING AND FINANCE LIMITED INTERNATIONAL LEASING AND FINANCE LIMITED	5,047,658	30,240	N/A
				SHUBHALAXMI FINANCE LIMITED	-	6,048	Pledged against the credit facilities availed by Mr. Laxman Shrestha
					-	6,048	Total loan amount has provided against the shares of Madhav Kumar Basnet, Sunil Nand singh Pradhan and Misu Shrestha
4	RAJENDRA DAS SHRESTHA	32,076	0.20	CENTRAL FINANCE LIMITED GLOBLE IME BANK LIMITED	282,540 3,480,000	3,000 15,976	Shares has been sold by Globle IME bank limited through the auction and remains to receive the letter for release and transfer
				MACHHAPUCHHERE BANK LIMITED	-	7,160	N/A
5	BHIM KRISHNA UDAS	160,380	1.00	SANIMA BANK LIMITED	4,608,904	71,300	N/A
6	JANAK RAJ WAGLE	6,302	0.04	H & B DEVELOPMENT BANK LIMITED	73,396	2,000	N/A
7	SANTOSH KUMAR LAMA	196,743	1.23	SIDDHARTHA BANK LIMITED	-	81,000	Pledged against the credit facilities availed by Mr.Sanjay Lama and Phurba Wangdel Lama



Continued...

Schedule 4.34

KUMARI BANK LIMITED**Statement of loan availed by bank's promoter/promoters' group from other bank and financial institutions by pledging their shares.**

as on 31 Ashad 2069 (15 July 2012)

S.N.	Name of Promoter/ Shareholders under Promoters’ Group	Shares under the ownership		Description of Loan		Loan amount (Rs.)	No. of shares pledged	Remarks
		Total no. of shares	Percentage of paid up capital	Name of other bank/financial institution from which loan has been taken				
8	PHURBA BANGDEL LAMA	160,380	1.00	NABIL BANK LIMITED	-	20,000		Pledged as additional security against the credit facilities availed by Atlas International Relocation Pvt.Ltd.
				SIDDHARTHA BANK LIMITED		10,983,081	62,380	N/A
9	GOVINDA DAS SHRESTHA	240,570	1.50	LUMBINI BANK LIMITED	*47,253,997.9 #34,900,001.03		179,550	Pledged as additional security against the Credit Facilities availed by *Himalayan Travels & Tours Pvt.Ltd. and #Oriental Firm Pvt.Ltd.
				NABIL BANK LIMITED		83,700,420	43,200	Pledged as additional security against the credit facilities availed by Himalayan Travels & Tours Pvt.Ltd.
10	BIDHYA KRISHNA SHRESTHA	294,030	1.83	LUMBINI BANK LIMITED	*47,253,997.9 #34,900,001.03		100,670	Pledged as additional security against the Credit Facilities availed by *Himalayan Travels & Tours Pvt.Ltd. and #Oriental Firm Pvt.Ltd.
				PRIME COMMERCIAL BANK NEPAL LIMITED		18,306,243	101,780	N/A
				NABIL BANK LIMITED		83,700,420	69,800	Pledged as additional security against the credit facilities availed by Himalayan Travels & Tours Pvt.Ltd.
11	ANIL DAS SHRESTHA	160,380	1.00	LUMBINI BANK LIMITED	*47,253,997.9 #34,900,001.03		115,200	Pledged as additional security against the Credit Facilities availed by *Himalayan Travels & Tours Pvt.Ltd. and #Oriental Firm Pvt.Ltd.
				NABIL BANK LIMITED		83,700,420	20,800	Pledged as additional security against the credit facilities availed by Himalayan Travels & Tours Pvt.Ltd.

Continued...

Schedule 4.34

KUMARI BANK LIMITED

Statement of loan availed by bank's promoter/promoters' group from other bank and financial institutions by pledging their shares.

as on 31 Ashad 2069 (15 July 2012)

S.N.	Name of Promoter/ Shareholders under Promoters' Group	Shares under the ownership		Description of Loan		No. of shares pledged	Remarks
		Total no. of shares	Percentage of paid up capital	Name of other bank/financial institution from which loan has been taken	Loan amount (Rs.)		
12	LAXMAN SHRESTHA	898,776	5.60	GURKHA DEVELOPMENT BANK NEPAL LIMITED INTERNATIONAL LEASING AND FINANCE LIMITED PRUDENTIAL FINANCE LIMITED SIDDHARTHA BANK LIMITED SUPREME DEVELOPMENT BANK LIMITED GLOBE BANK LIMITED UNION FINANCE LIMITD	15,702,000 13,454,786 4,750,000 61,500,000 15,000,000 2,500,000 1,500,000	90,000 129,726 75,000 175,000 140,400 25,000 14,170	N/A N/A N/A Pledged as additional security N/A N/A N/A
13	ANTOO SHRESTHA	156,319	0.97	PRUDENTIAL FINANCE LIMITED GURKHA DEVELOPMENT BANK NEPAL LIMITED INTERNATIONAL LEASING AND FINANCE LIMITED SUPREME DEVELOPMENT BANK LIMITED GUHESHWORI MERCHANT BANKING AND FINANCE LIMITED SOCIAL DEVELOPMENT BANK LIMITED PRUDENTIAL FINANCE LIMITED SUBHALAXMI FINANCE LIMITED	4,800,000 2,900,000 - 3,000,000 1,400,000 2,500,000 250,000 3,000,000	39,000 19,500 8,424 20,000 32,868 25,000 2,880 9,000	N/A N/A Pledged against the credit facilities availed by Mr. Laxman Shrestha N/A N/A N/A N/A Total loan amount has provided against the shares of Madhav Kumar Basnet, Sunil Nand singh Pradhan and Misu Shrestha
14	SANTOO SHRESTHA	160,380	1.00				
15	SUNIL NANDA SINGH PRADHAN	16,038	0.10				



Continued...

Schedule 4.34

KUMARI BANK LIMITED**Statement of loan availed by bank's promoter/promoters' group from other bank and financial institutions by pledging their shares.**

as on 31 Ashad 2069 (15 July 2012)

S.N.	Name of Promoter/ Shareholders under Promoters' Group	Shares under the ownership		Description of Loan		Loan amount (Rs.)	No. of shares pledged	Remarks
		Total no. of shares	Percentage of paid up capital	Name of other bank/financial institution from which loan has been taken				
16	MADHAV KUMAR BASNET	16,038	0.10	SUBHALAXMI FINANCE LIMITED		3,000,000	9,000	Total loan amount has provided against the shares of Madhav Kumar Basnet, Sunil Nand singh Pradhan and Misu Shrestha
17	SHIVA SHANKAR AGRAWAL	140,492	0.88	NMB BANK LIMITED		-	25,518	Pledged against the credit facilities availed by Mr. Navin Agrawal
18	SOPHIE UPADHAYA	76,982	0.48	LUMBINI LEASING AND FINANCE COMPANY LIMITED		3,300,000	25,000	N/A
				CENTURY COMMERCIAL BANK LIMITED		8,340,807	8,200	Pledged as additional security against the credit facilities availed by Nepal Escort and engineering pvt.Ltd.
19	TARA RANA	16,038	0.10	SIDDHARTHA BANK LIMITED		1,140,000	16,038	N/A
20	KAMAL BIKRAM SINGH	6,415	0.04	NEPAL HOUSING AND MERCHANT FINANCE LIMITED		963,614	4,752	N/A
21	PEGI PANDEY	19,457	0.12	MANAKAMANA DEVELOPMENT BANK LIMITED		598,977	10,000	N/A
22	BIKRAM BIST	2,245	0.01	CLEAN ENERGY DEVELOPMENT BANK LIMITED		-	1,632	Pledged as security against the credit facilities availed by Rising Hydropwer pvt.Ltd.
23	SURENDRA BHANDARI	80,190	0.50	CLEAN ENERGY DEVELOPMENT BANK LIMITED		6,988,691	74,250	N/A
24	SITA GURUNG	48,114	0.30	HIMALAYAN BANK LIMITED		2,090,000	19,890	Pledged against the credit facilities availed by Mr. Ratna Bahadur Gurung
				SANIMA BANK LIMITED		1,591,828	24,660	N/A
25	RAJENDRA PRASAD SHRESTHA	336,150	2.10	SANIMA BANK LIMITED		7,602,488	117,600	This is the portion of credit limit provided only against the shares of Kumari Bank Limited
26	KANCHAN SHARMA	3,207	0.02	ICFC FINANCE LIMITED		265,428	3,207	This is the portion of credit limit provided only against the shares of Kumari Bank Limited

Continued...

Schedule 4.34

KUMARI BANK LIMITED

Statement of loan availed by bank's promoter/promoters' group from other bank and financial institutions by pledging their shares.

as on 31 Ashad 2069 (15 July 2012)

S.N.	Name of Promoter/ Shareholders under Promoters' Group	Shares under the ownership		Description of Loan		Loan amount (Rs.)	No. of shares pledged	Remarks
		Total no. of shares	Percentage of paid up capital	Name of other bank/financial institution from which loan has been taken				
27	ATMA RAM MURARKA	112,266	0.70	MACHHAPUCHHERE BANK LIMITED	-	-	63,000	Pledged against the credit facilities availed by Mr. Pashupati Murarka
28	PRADIP KUMAR MURARKA	112,266	0.70	MACHHAPUCHHERE BANK LIMITED	-	-	63,000	Pledged against the credit facilities availed by Mr. Pashupati Murarka
29	PASHUPATI MURARKA	112,266	0.70	MACHHAPUCHHERE BANK LIMITED	8,298,900		63,000	N/A
30	KUMUD KUMAR DUGAR	136,769	0.85	H & B DEVELOPMENT BANK LIMITED	446,557		120,269	N/A
31	BIKASH DUGAR	112,266	0.70	H & B DEVELOPMENT BANK LIMITED	-	-	112,266	Pledged against the credit facilities availed by Mr. Kumud Kumar Dugar
32	BACHHA RAJ TATER	64,152	0.40	NEPAL INDUSTRIAL AND COMMERCIAL BANK LIMITED	2,507,736		47,520	N/A
33	ANANDA KUMAR RUNGATA	48,114	0.30	NEPAL SBI BANK LIMITED	46,025,000		22,500	Pledged as additional security against the credit facilities Pledged as additional security against the credit facilities availed by Ananda Trade Concern
34	JEEVAN KUMAR AGRAWAL	32,076	0.20	SANIMA BANK LIMITED	1,620,025		26,136	This is the portion of credit limit provided only against the shares of Kumari Bank Limited
35	ASHOK KUMAR BAIDHYA	32,076	0.20	SANIMA BANK LIMITED	1,620,025		21,136	This is the portion of credit limit provided only against the shares of Kumari Bank Limited
36	JEEVAN NEPAL	32,076	0.20	BANK OF ASIA NEPAL LIMITED	1,641,282		24,166	N/A
37	NAVIN AGRAWAL	48,114	0.30	NMB BANK LIMITED	2,147,198		27,900	N/A
38	DEVAKI NANDAN AGRAWAL	51,321	0.32	NMB BANK LIMITED	-	-	34,560	Pledged against the credit facilities availed by Mr. Navin Agrawal
39	BALRAM NEUPANE	32,076	0.20	PRIME COMMERCIAL BANK NEPAL LIMITED	888,073		16,600	N/A
				SIDDHARTHA BANK LIMITED	378,000		5,000	This is the portion of credit limit provided only against the shares of Kumari Bank Limited





Continued...

Schedule 4.34

KUMARI BANK LIMITED

Statement of loan availed by bank's promoter/promoters' group from other bank and financial institutions by pledging their shares.

as on 31 Ashad 2069 (15 July 2012)

S.N.	Name of Promoter/ Shareholders under Promoters' Group	Shares under the ownership		Description of Loan		Loan amount (Rs.)	No. of shares pledged	Remarks
		Total no. of shares	Percentage of paid up capital	Name of other bank/financial institution from which loan has been taken				
40	GANGA AMATYA	80,190	0.50	PRIME COMMERCIAL BANK NEPAL LIMITED		4,567,076	38,090	Pledged against the credit facilities availed by Mr.Samir Kapil
41	NURA AMATYA	16,038	0.10	SUPREME DEVELOPMENT BANK LIMITED		-	10,318	Pledged against the credit facilities availed by Mr.Antoo Shrestha
42	BIJAY BAHADUR MANANDHAR	16,020	0.10	UNION FINANCE LIMITED		4,600,000	5,760	N/A
43	BHUWANESHORI PANT	56,453	0.35	ICFC FINANCE LIMITED		5,783,748	51,701	This is the portion of credit limit provided only against the shares of Kumari Bank Limited
44	BOBBY BIKRAM SINGH	12,830	0.08	INTERNATIONAL LEASING AND FINANCE LIMITED		-	9,504	Pledged as additional security against the credit facilities availed by Pradip Kumar Shrestha
Total		4,628,448	28.86			51,500,285	3,081,363	

Comparison of Unaudited and Audited Financial

Statement as of FY 2068/69

Schedule 4.35

S.N. Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	In %	
1 Total Capital and Liabilities (1.1 to 1.7)	25,615,166	25,618,389	3,224	0.01%	Reasons mentioned below
1.1 Paid Up Capital	1,603,800	1,603,800	-	0.00%	
1.2 Reserve and Surplus	885,658	773,275	(112,383)	-12.69%	Change in profit as mentioned below
1.3 Debenture and Bond	400,000	400,000	-	0.00%	
1.4 Borrowings	5,403	5,403	-	0.00%	
1.5 Deposits (a+b)	21,985,198	21,985,198	-	0.00%	
a. Domestic Currency	21,157,725	21,157,725	-	0.00%	
b. Foreign Currency	827,474	827,474	-	0.00%	
1.6 Income Tax Liability	-	-	-		
1.7 Other Liabilities	735,106	850,712	115,606	15.73%	Expenses adjustment and loan loss provision
2 Total Assets (2.1 to 2.7)	25,615,166	25,618,389	3,223	0.01%	
2.1 Cash & Bank Balance	3,722,628	3,722,628	(0)	0.00%	
2.2 Money at Call and Short Notice	321,243	321,243	(0)	0.00%	
2.3 Investments	2,940,557	2,940,557	-	0.00%	
2.4 Loans and Advances (a+b+c+d+e)	17,877,540	18,101,337	223,797	1.25%	Discounted bills purchase previously included under other assets
a Real Estate Loan	2,569,080	2,569,080	-	0.00%	
1. Residential Real Estate Loan	177,930	177,930	-	0.00%	
2. Business Complex & Residential Apartment Construction Loan	487,536	487,536	-	0.00%	
3. Income Generating Commercial Complex Loan	-	-	-		
4. Other Real Estate loan	1,903,615	1,903,615	-	0.00%	
b. Personal Home Loan of Rs.10 million	1,417,776	1,417,776	-	0.00%	
c. Margin Type Loan	266,060	266,060	-	0.00%	
d. Term Loan	2,921,659	2,921,659	-	0.00%	
e. Overdraft Loan/TR Loan/WC Loan	9,926,989	9,926,989	-	0.00%	
f. Others	775,977	999,773	223,797	28.84%	Discounted bills purchase previously included under other assets
2.5 Fixed Assets	274,814	277,269	2,455	0.89%	Depreciation adjustment

Rs. in 000'

Continued...

Schedule 4.35

KUMARI BANK LIMITED**Comparison of Unaudited and Audited Financial**

Statement as of FY 2068/69

Rs. in 000'

S.N. Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In Amount	In %	
2.6 Non Banking Assets	-	-	-	0.00%	
2.7 Other Assets	478,384	255,356	(223,028)	-46.62%	Discounted bills purchase , incomes adjustment
3 Profit and Loss Account	Upto This Quarter	As per Audited Financial Statement	In Amount	In %	
3.1 Interest Income	2,441,571	2,441,580	9	0.00%	Interest income-investment adjustment
3.2 Interest Expense	1,622,492	1,622,492	-	0.00%	
A. Net Interest Income (3.1-3.2)	819,079	819,088	9	0.00%	Reason mentioned above
3.3 Fees, Commission and Discount	110,902	110,866	(37)	-0.03%	Credit Information Bureau charges
3.4 Other Operating Income	48,139	48,812	673	1.40%	Commission on National Saving Bond (NSB)
3.5 Foreign Exchange Gain/ Loss (Net)	44,206	44,206	-	0.00%	
B. Total Operating Income (A. + 3.3 + 3.4 + 3.5)	1,022,326	1,022,972	646	0.06%	Reason mentioned above
3.6 Staff Expenses	194,131	194,296	164.91	0.08%	Expenses provisions
3.7 Other Operating Expense	213,913	212,543	(1,370)	-0.64%	Depreciation adjustment and other expenses payables
C. Operating Profit Before Provision (B.- 3.6-3.7)	614,283	616,134	1,851	0.30%	Reasons mentioned above
3.8 Provision for Possible Losses	184,724	187,045	2,321	1.26%	LLP on discounted bills purchase and account receivables
D. Operating Profit (C-3.8)	429,559	429,089	(470)	-0.11%	Reasons mentioned above
3.9 Non Operating Income/Expense (Net)	3,427	3,477	50	1.46%	Expense reclassification
3.1 Write Back of Provision for Possible Loss	133	133	-	0.00%	
E. Profit from Regular Activities (D+3.9+3.10)	433,120	432,700	(420)	-0.10%	Reasons mentioned above
3.11 Extraordinary Income/Expense (Net)					
F. Profit before Bonus and Taxes (E. + 3.11)	433,120	432,700	(420)	-0.10%	Reasons mentioned above
3.12 Provision for Staff Bonus	39,375	39,336	(38)	-0.10%	Change in profit as mentioned above
3.13 Provision for Tax	118,124	117,859	(265)	-0.22%	Actual tax provision and deferred tax
G. Net Profit/Loss (F.-3.12-3.13)	275,622	275,505	(117)	-0.04%	All of above reasons



KUMARI BANK LIMITED

Unaudited Financial Results (Quarterly)

As at Fourth Quarter (15/July/2012) of the Fiscal Year 2011/2012

				Amount in Rs. '000
S.N.	Particulars	31.03.2069/ 15.07.2012 This Quarter Ending	30.12.2068/ 12.04.2012 Previous Quarter Ending	32.03.2068/ 16.07.2011 Corresponding Previous Year Quarter Ending
1.	Total Capital and Liabilities (1.1 to 1.7)	25,615,166	24,178,104	20,791,945
1.1	Paid Up Capital	1,603,800	1,603,800	1,603,800
1.2	Reserve and Surplus	885,658	696,001	610,037
1.3	Debenture and Bond	400,000	400,000	400,000
1.4	Borrowings	5,403	26,945	660,925
1.5	Deposits (a+b)	21,985,198	20,665,627	16,986,279
	a. Domestic Currency	21,157,725	19,871,175	16,140,684
	b. Foreign Currency	827,474	794,452	845,596
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	735,106	785,732	530,904
2	Total Assets (2.1 to 2.7)	25,615,166	24,178,104	20,791,945
2.1	Cash & Bank Balance	3,722,628	2,469,449	1,168,524
2.2	Money at Call and Short Notice	321,243	510,000	451,520
2.3	Investments	2,940,557	3,361,350	3,533,623
2.4	Loans and Advances (a+b+c+d+e+f)	17,877,540	16,822,933	14,926,233
	a.Real Estate Loan	2,569,080	2,683,275	2,935,598
	1. Residential Real Estate Loan	177,930	168,508	141,051
	2. Business Complex & Residential Apartment Construction Loan	487,536	521,617	562,928
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate Loan	1,903,615	1,993,150	2,231,620
	b. Personal Home Loan of Rs. 1 Crore or Less	1,417,776	1,392,289	1,168,913
	c.Margin Type Loan	266,060	305,499	259,802
	d.Term Loan	2,921,659	2,503,057	2,222,153
	e.Overdraft Loan/TR Loan/WC Loan	9,926,989	9,176,637	7,514,412
	f. Others	775,977	762,177	825,354
2.5	Fixed Assets	274,814	281,070	306,277
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	478,384	733,302	405,768



Continued...

Schedule 4 A

KUMARI BANK LIMITED

Unaudited Financial Results (Quarterly)

As at Fourth Quarter (15/July/2012) of the Fiscal Year 2011/2012

Amount in Rs. '000

S.N.	Particulars	31.03.2069/ 15.07.2012 This Quarter Ending	30.12.2068/ 12.04.2012 Previous Quarter Ending	32.03.2068/ 16.07.2011 Corresponding Previous Year Quarter Ending
3	Profit and Loss Account	Upto This Quarter	Upto Previous Quarter	Upto Corresponding Previous Year Quarter
3.1	Interest Income	2,441,571	1,740,570	2,251,792
3.2	Interest Expense	1,622,492	1,193,633	1,566,552
	A. Net Interest Income (3.1-3.2)	819,079	546,937	685,240
3.3	Fees, Commission and Discount	110,902	77,537	98,693
3.4	Other Operating Income	48,139	33,512	53,580
3.5	Foreign Exchange Gain/ Loss (Net)	44,206	33,203	36,719
	B. Total Operating Income (A. + 3.3 + 3.4 + 3.5)	1,022,326	691,189	874,233
3.6	Staff Expenses	194,131	146,826	168,352
3.7	Other Operating Expense	213,913	146,128	211,506
	C. Operating Profit Before Provision (B.- 3.6-3.7)	614,283	398,235	494,375
3.8	Provision for Possible Losses	184,724	266,634	113,780
	D. Operating Profit (C-3.8)	429,559	131,601	380,595
3.9	Non Operating Income/Expenses (Net)	3,427	3,358	270
3.10	Write Back of Provision for Possible Loss	133	127	13,788
	E. Profit from Regular Activities (D + 3.9 + 3.10)	433,120	135,087	394,653
3.11	Extraordinary Income/Expense (Net)	-	-	(342)
	F. Profit before Bonus and Taxes (E. + 3.11)	433,120	135,087	394,310
3.12	Provision for Staff Bonus	39,375	12,281	35,846
3.13	Provision for Tax	118,124	36,842	107,227
	G. Net Profit/Loss (F.-3.12-3.13)	275,622	85,964	251,237
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	13.27%	12.72%	13.76%
4.2	Non Performing Loan (NPL) to Total Loan	2.24%	4.46%	1.12%
4.3	Total Loan Loss Provision to Total NPL	121.20%	75.55%	154.81%
4.4	Cost of Funds (annualized - LCY)	8.43%	8.61%	9.56%
4.5	Credit to Deposit Ratio (as per NRB directives)	75.63%	75.91%	81.36%



KUMARI BANK LIMITED

Disclosure Under Basel II as at 15 July 2012

(For F/Y 2011/12)

Capital Structure and Capital Adequacy

Tier I Capital and a Breakdown of its Components

		Amount in Rs.
S.N.	Particular	Current Year
a	Paid Up Equity Share Capital	1,603,800,000
b	Irredeemable Non- cumulative preference share	-
c	Share premium	4,438,289
d	Proposed Bonus Equity Share	-
e	Statutory General Reserves	340,792,815
f	Retained Earnings	14,196,807
g	Un-audited current period profit (after all provision including tax)	-
h	Bond Redemption Reserve	400,000,000
i	Capital Adjustment Reserve	-
j	Dividend Equalization Reserves	-
k	Other free Reserve	2,020,925
Total Tier I Capital		2,365,248,836

Tier 2 Capital and a Breakdown of its Components

		Amount in Rs.
S.N.	Particular	Current Year
a	Cumulative and/or Reedemable Preference Share	-
b	Subordinated term debt	-
c	Hybrid Capital Instruments	-
d	General Loan Loss provision	177,013,765
e	Exchange Equalisation Reserve	11,796,502
f	Investment Adjustment Reserve	30,000
g	Assets Revaluation Reserve	-
h	Other Reserve (Deferred Tax Reserve)	-
Total of Tier 2 Capital		188,840,267



Continued...

KUMARI BANK LIMITED

Disclosure Under Basel II as at 15 July 2012

(For FY 2011/12)

Details of Subordinate Term Debt

Bond Name	KBL Bond 2070
Face Value	Rs. 400 million
Issued at	Par
Numbers of Bonds	400,000
Par Value per Bond	Rs. 1,000
Coupon Rate of Interest	8% per annum
Interest Payment	Semiannual basis
Period	5 years
Issued Date	06 June 2008 (FY 2007-08)
Maturity Date	08 June 2013 (FY 2012-13)
Amount Eligible for Tier I Capital	400,000,000
Amount Eligible for Tier II Capital	-
Redemption reserve created till the FY 2011/12	Rs. 400 million

Deductions from Capital:

The bank does not hold any amount as stipulated in the Capital Adequacy Framework that qualifies for deduction from Capital.

Total Qualifying Capital

		Amount in Rs.
S.N.	Particular	Current Year
a	Tier I Capital	2,365,248,836
b	Tier II Capital	188,840,267
	Total Capital Fund	2,554,089,104

Capital Adequacy Ratios

S.N.	Particular	Current Year (%)
a	Tier 1 Capital to total RWA	11.30
b	Total Capital Fund (Tier 1 + Tier 2) to Total RWA	12.20



Continued...

Bank's Internal Approach to Access Capital Adequacy

Bank's management regularly reviews Bank's Capital Adequacy. Plans and budgets are prepared on the basis of current and projected capital adequacy. Bank's plan and investment decision is based on at what level of capital adequacy it wants to remain at.

Main Features of Subordinated Term Debt

Bond Name	KBL Bond 2070
Face Value	Rs. 400 million
Issued at	Par
Numbers of Bonds	400,000
Par Value per Bond	Rs.1,000
Coupon Rate of Interest	8% per annum
Interest Payment	Semiannual basis
Period	5 years
Issued Date	06 June 2008 (FY 2007-08)
Maturity Date	08 June 2013 (FY 2012-13)
Holding Pattern	20% General Public 80% Private Placement
Listed/Unlisted	Listed
Calim in case of Liquidation	After depositors
Security	Unsecured
Conversion Features	No
Bond Trustee	Nepal Merchant Banking & Finance Limited
Issue Manager	Nepal Merchant Banking & Finance Limited

Risk weighted exposures for Credit Risk, Market Risk and Operational Risk

		Amount in Rs.
S.N.	Particular	Current Year
1	Risk Weighted Exposure for Credit Risk	19,002,193,811
2	Risk Weighted Exposure for Operational Risk	1,222,618,184
3	Risk Weighted Exposure for Market Risk	102,370,386

Risk weighted exposures under each of 11 categories of Credit Risk

		Amount in Rs.
S.N.	Particular	Current Year
1	Claims on government and central bank	-
2	Claims on other official entities	25,477,500
3	Claims on banks	246,874,027
4	Claims on corporate and securities firms	10,165,410,282
5	Claims on regulatory retail portfolio	1,834,733,450
6	Claims secured by residential properties	896,593,898
7	Claims secured by commercial real estate	2,083,249,040
8	Past due claims	809,961,501
9	High risk claims	1,061,217,100
10	Other Assets	471,582,443
11	Off balance sheet items	1,407,094,569
	Total	19,002,193,811



Continued...

Total risk weighted exposure calculation table -

		Amount in Rs.
S.N.	Particular	Current Year
1	Risk Weighted Exposure for Credit Risk	19,002,193,811
2	Risk Weighted Exposure for Operational Risk	1,222,618,184
3	Risk Weighted Exposure for Market Risk	102,370,386
	Total Risk Weighted Exposure	20,327,182,381
	Add: 3% of the total RWE due to non compliance to Disclosure Requirement	
	Addition to RWE as per supervisory review (3%)	609,815,471
	Add: ...% of Total Deposit due to Insufficient Liquid Assets	
	Total Risk Weighted Exposure (After Bank's adjustment of Pillar II)	20,936,997,852

Amount of NPAs (Non Performing Assets) both gross and net

Current Year's Amount in Rs.			
S.N.	Non Performing Assets	Gross Amount	Net Amount
1	Restructured / Rescheduled	2,605,984	2,280,236
2	Substandard	43,198,828	32,399,121
3	Doubtful	110,613,730	55,306,865
4	Loss	243,541,957	-
	Total	399,960,499	89,986,222

NPA Ratios

S.N.	Particulars	Current Year (%)
1	Gross NPA to gross advances	2.21%
2	Net NPA to net advances	0.51%

Movement of Non Performing Assets

Amount in Rs.			
S.N.	Non Performing Assets	Previous Year	Change
1	Restructured / Rescheduled	3,671,229	(1,065,244)
2	Substandard	9,906,418	33,292,410
3	Doubtful	9,355,352	101,258,378
4	Loss	144,962,926	98,579,031
	Total	167,895,925	232,064,574

Write Off of Loan and Interest Suspense

		Amount in Rs.
S.N.	Particular	Current Year
1	Loan Write Off	-
2	Interest Suspense Write Off	-



Continued...

Movement of Loan Loss Provision and Interest Suspense

				Amount in Rs.
S.N.	Particular	Previous Year	Change	Current Year
1	Loan Loss Provision	300,159,481	186,828,561	486,988,042
2	Interest Suspense	84,078,346	99,926,510	184,004,856

Details of additional loan loss provision

			Current year's amount in Rs.
S.N.	Loan Classification	Additional provision	
1	Good	29,430,394	
2	Restructured / Rescheduled	(133,156)	
3	Substandard	8,323,103	
4	Doubtful	50,629,189	
5	Loss	98,579,031	
Total		186,828,561	

Segregation of investment portfolio

			Amount in Rs.
S.N.	Investment category	Current Year	
1	Held for trading	-	
2	Held to maturity	2,934,121,174	
3	Available for sale	6,435,500	
Total		2,940,556,674	



Risk Management Function

Risk Assessment/Mitigation Practices at Kumari Bank Limited

Considering the need to establish effective Risk Management and Risk Mitigation practices at Kumari Bank Ltd, we have developed a system of continuous improvement of processes wherein each member of the Bank works towards balancing profitability with prudence. The system encompasses all banking functions from client interface, to back office operation, to the strategic decision formulated by the management committees and the Board of Directors. Each area has its own check and balance procedure to assess and mitigate risks involved. The practices thus observed are as follows:

KBL Organization Structure

The bank's lending approval authority is divided into two distinct units, namely Business and Risk Management. While the Business Unit concentrates more on optimum utility of assets, every lending decision of this Unit is re-assessed and revaluated by the Credit Risk Management Unit for final approval. The Credit Risk Management Unit applies its objective judgment on risk variables deemed appropriate in each instance of lending decision. For this purpose, the Credit Risk Management Unit has two distinct subunits, the Credit Risk Management Department, which facilitates final lending decision after duly adjusting risks as mitigated to an acceptable level, and the Credit Administration and Compliance Department, which evaluates the endorsed paperwork prior to actual sanction, and also after it.

Depending upon the volume of loans and the nature of risk associated, lending decision are subject to validation and approval by various levels of the hierarchy, in which some lending decision are to be approved by the General Manager, and other by even the Board of Directors as each case may require.

Risk Measurement Criteria and Mitigation Process

Credit risks are evaluated from the initial customer interface on an array of risk variables by the Credit Policy Guidelines of the Bank, as well as on the individual intuition of experienced

officers. As proposals are escalated for approval, judgmental and analytical criteria become broader and more conceptual.

Kumari Bank Ltd. uses the best practices in banking, to make its operation secure through a system of procedural crosschecking mechanism in each operational transaction. An Internal Audit Department, which also doubles as the Concurrent Audit Department system, continuously functions to alert bank personnel to the meticulousness required in handling operations in every functional department. A credit monitoring system is well established in the Bank, which periodically checks on credit quality, compliance, and level of risk exposure. This practice has created a continuous learning and improvement environment, and the Bank's efficiency goal has been to move towards the most prudent practices in the industry.

Types of eligible credit risk mitigants used and the benefits availed under CRM -

Particular	Eligible CRM
Deposit with Bank & Cash Margin	379,996,227



ATM Locations

INSIDE KATHMANDU VALLEY

Putalisadak ATM I

Kumari Bank Limited, Right to Main Entrance Gate

Putalisadak ATM II

Kumari Bank Limited, Right to Main Entrance Gate

Putalisadak ATM III

Kumari Bank Limited, Branch customer area

New Road ATM

Kumari Bank Limited

New Baneshwor ATM

New Baneshwor, Nava Durga Department Store

Ratna Park ATM

Nepal Electricity Authority Building

Thamel ATM

Fire Club Building

Kantipur Mall ATM

Kantipur Mall
Gongabu Buspark

Koteshwor ATM

Near Koteshwor Branch

Durbarmarg ATM

Kumari Bank Limited
Annapurna Complex ATM Lounge

Chuchepati ATM

Kumari Bank Limited
Chabahil Branch

Budhanilkantha ATM

Kumari Bank Limited

Old Baneshwor ATM

Kumari Bank Limited

Kumaripati ATM

Kumari Bank Limited

Naxal ATM

Opposite Police Head Quarter

Lazimpat ATM

Big Mart Building
(Way to Hotel Radisson)

Jhamsikhel ATM

8 Degrees Fine Dine & Venues
(opposite St. Mary's Bus Stop)

OUTSIDE KATHMANDU VALLEY

Bhairahawa ATM

Kumari Bank Limited, Bhairahawa Branch, Narayan Path
Bhairahawa

Pokhara ATM I

Chiple Dhunga, Pokhara, Kaski

Pokhara ATM II

Lakeside, Opposite to Lalupate Marga

Jhapa ATM

Kumari Bank Limited, Birtamode
Jhapa

Baglung ATM

Kumari Bank Limited, Mahendra Path, Baglung

Narayanghat ATM

Kumari Bank Limited,
Narayanghat Branch, Pulchowk,
Narayanghat

Biratnagar ATM

Kumari Bank Limited, Goshwara Road, Morang Byapaar Sangh Building, Biratnagar, Morang

Birgunj ATM I

Kumari Bank Limited, Adarsha Nagar, Birgunj, Parsa

Birgunj ATM II

National Medical College

Itahari ATM

Kumari Bank Limited, Pathivara Market, Dharan Road, Itahari, Sunsari

Urlabari ATM

Kumari Bank Limited, Urlabari, Morang

Butwal ATM

Infront of Kumari Bank Limited, Ram Mandir Line, Butwal

Nepalgunj ATM

Surkhet Road, Dhambhoji, Nepalgunj

Dhangadi ATM

Ratopul, Dhangadi, Kailali

Surkhet ATM

Birendra Nagar, Surkhet

Damauli ATM

Kumari Bank Limited, Damauli-2

Sauraha ATM

Bacchauli-2, Sauraha, Chitwan

Salyan ATM

Kumari Bank Limited, Khalanga, Salyan

Tulsipur ATM

B.P. Chowk, Tulsipur, Dang

Kawasoti ATM

Kumari Bank Limited, Sabhapati Chowk, Kawasoti



Kumari Bank Branches



Outside Kathmandu Valley

Biratnagar Branch

Biratnagar, Goshwara Road
Morang Byapaar Sangh Building
Mr. Ambar Bhattacharya

Tel: 021-537101
021-537103
Fax : 021-537105

Itahari Branch

Pathivara Market, Dharan Road,
Itahari

Mr. Dev Raj Nepal

Tel: 025-586661
025-586659
Fax: 025-586658

Birtamod Branch

Anarmani-3, Birtamode, Jhapa
Mr. Abhishek Adhikari

Tel: 023-541028
Fax: 023-543822

Urlabari Branch

Urlabari, Itahari Road
Mr. Akash Dahal

Tel: 021-541901
Fax: 021-541902

Birgunj Branch

Adarsha Nagar, Birgunj
Mr. Sanjeeb Sainju

Tel: 051-524812
051-524813
Fax: 051-521641

Dryport Branch

Birgunj

Mr. Bipallaw Kumar Karn

Tel: 051-590022
Fax: 051-590023

National Medical College

Birgunj (Extension Counter)
Tel: 051-621890

Pokhara Branch

Newroad, Pokhara

Mr. Bhupendra Khadka

Tel: 061-540266
061-540267
Fax: 061-541717

Damauli Branch

Damauli - 2, Tanahun

Mr. Ram Mani Adhikari

Tel: 065-561787
Fax: 065-561788

Baglung Branch

Baglung Municipality -2, Baglung

Mr. Deepak Mahat

Tel: 068-522472
068-522473
Fax: 068-522474

Butwal Branch

Butwal - 6, Shreeram Tower
Rammandir Line

Mr. Deepak Kumar Shrestha

Tel: 071-551546
071-551547
Fax: 071-551545

Bhairahawa Branch

Siddharthanagar - 8,
Bhairahawa, Rupandehi

Mr. Badri Kedar Shrestha

Tel: 071-521008
071-521009
Fax: 071-521000

Narayangadh Branch

Pulchowk, Narayangadh,
Chitwan

Mr. Purushottam Poudel

Tel: 056-571092
056-572091
Fax: 056-571090

Sauraha Branch

Bacchauli, Ward No. 2,
Sauraha, Chitwan

Mr. Ana Narayan Shrestha

Tel: 056-580491
Fax: 056-580490

Kawasoti Branch

Kawasoti Bazar, Nawalparasi

Mr. Nirmal Shahi

Tel: 078-540524
078-540525
Fax: 078-540526

Nepalgunj Branch

Surkhet Road, Dhambhoji
Nepalgunj

Mr. Sudarshan Jung Rana

Tel: 081-528062
081-528063
Fax: 081-528061



Inside Kathmandu Valley

Durbarmarg Branch

Durbarmarg, Kathmandu

Mr. Bikas Khanal

Tel: 01-4221311

01-4221314

Fax: 01-4226644

Putali Sadak Branch

Govinda Bhawan, Putali Sadak,
Kathmandu

Mr. Binod N. Shrestha

Tel: 01-4232112

01-4232113

Fax: 01-4231960

New Road Branch

Pratap Bhawan, New Road,
Kathmandu

Mr. Rajesh Shrestha

Tel: 01-4238388

01-4238385

Fax: 01-4238365

Kumaripati Branch

Kumaripati, Lalitpur

Mr. Bishwa Mani Regmi

Tel: 01-5556025

01-5556026

Fax: 01-5556027

Gongabu Branch

Kantipur Mall, Gongabu,
Kathmandu

Mr. Suvash Shrestha

Tel: 01-4385807

01-4385809

Fax: 01-4385644

Baneshwor Branch

Baburam Acharya Sadak

Old Baneshwor, Kathmandu

Ms. Kanchan Sharma

Tel: 01-4499322

Fax: 01-4497120

Chabahil Branch

Chuchepati, Chabahil, Kathmandu

Ms. Tripti Silwal

Tel: 01-4484434

Fax: 01-4490978

Koteshwor Branch

Koteshwor, Kathmandu

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Surkhet Branch

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Surkhet

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Tulsipur Branch

Tulsipur, Dang

Mr. Birendra Kunwar

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Salyan Branch

Khalanga, Salyan

Mr. Deepak Adhikari

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Notes:

This image shows a full page of blank handwriting practice paper. It features approximately 20 evenly spaced, horizontal light blue lines across the entire page. The background is a solid off-white color, providing a clean surface for writing practice. There are no margins, text, or other markings present.