



Tangal, P.O. Box 21128, Kathmandu, Tel; 01-4443077, SWIFT: KMBLNPKA

**Interim Financial Statements of the FY 2075/76**  
**Condensed Consolidated Statement of Financial Position**  
**As at Fourth Quarter (16 July 2019) of the Fiscal Year 2018/19**

Amount in NPR

Particulars	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending	This Quarter Ending	Immediate Previous Year Ending
<b>Assets</b>				
Cash and Cash Equivalents	8,823,890,014	3,780,643,820	8,821,135,632	3,780,643,820
Due from Nepal Rastra Bank	3,580,514,349	5,582,760,819	3,580,514,349	5,582,760,819
Placement with Bank and Financial Institutions	384,382,797	714,095,685	384,382,797	714,095,685
Derivative Financial Instruments	143,288,455	-	143,288,455	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	3,066,054,519	1,778,934,583	3,066,054,519	1,778,934,583
Loans and Advances to Customers	73,120,310,169	60,596,575,817	73,120,310,169	60,596,575,817
Investment Securities	9,301,568,177	8,802,903,890	9,121,568,177	8,802,903,890
Current Tax Assets	16,114,389	113,783,100	16,114,389	113,783,100
Investment in Subsidiaries	-	-	200,000,000	200,000,000
Investment in Associates	68,240,600	44,567,797	20,000,000	20,000,000
Investment Property	88,422,015	134,171,003	88,422,015	134,171,003
Property and Equipment	661,726,420	434,304,421	661,726,420	434,304,421
Goodwill and Intangible Assets	97,393,607	110,453,429	97,393,607	110,453,429
Deferred Tax Assets	47,804,087	-	47,804,087	-
Other Assets	889,934,146	454,639,100	887,967,863	454,924,100
<b>Total Assets</b>	<b>100,289,643,743</b>	<b>82,547,833,464</b>	<b>100,256,682,479</b>	<b>82,723,550,667</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	12,146,455,539	9,904,187,331	12,168,482,092	10,104,187,331
Due to Nepal Rastra Bank	1,433,248,037	539,557,578	1,433,248,037	539,557,578
Derivative Financial Instruments	-	6,111,249	-	6,111,249
Deposits from Customers	73,201,353,705	59,546,335,519	73,201,353,705	59,546,335,519
Borrowings	-	-	-	-
Current Tax Liabilities	-	-	-	-
Provisions	2,231,750	2,231,750	2,231,750	2,231,750
Deferred Tax Liabilities	-	20,755,147	-	20,755,147
Other Liabilities	1,585,598,313	1,963,702,048	1,583,823,271	1,963,673,797
Debt Securities Issued	-	-	-	-
Subordinated Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>88,368,887,344</b>	<b>71,982,880,622</b>	<b>88,389,138,853</b>	<b>72,182,852,371</b>
<b>Equity</b>				
Share Capital	8,685,573,112	7,163,394,973	8,685,573,112	7,163,394,973
Share Premium	54,803,159	54,803,159	54,803,159	54,803,159
Retained Earnings	1,030,669,117	1,551,893,608	977,456,343	1,527,639,061
Reserves	2,149,711,011	1,794,861,101	2,149,711,011	1,794,861,101
<b>Total Equity Attributable to Equity Holders</b>	<b>11,920,756,400</b>	<b>10,564,952,842</b>	<b>11,867,543,626</b>	<b>10,540,698,296</b>
Non Controlling Interest	-	-	-	-
<b>Total Equity</b>	<b>11,920,756,400</b>	<b>10,564,952,842</b>	<b>11,867,543,626</b>	<b>10,540,698,296</b>
<b>Total Liabilities and Equity</b>	<b>100,289,643,743</b>	<b>82,547,833,464</b>	<b>100,256,682,479</b>	<b>82,723,550,667</b>



## Statement of Distributable Profit or Loss

Amount in NPR

<b>Net Profit for the period end Ashad 2076 quarter</b>	<b>1,334,046,290</b>
<b>1. Appropriations</b>	
<i><b>1.1 Profit required to be appropriated to statutory reserve</b></i>	
a. General Reserve	(266,809,258)
b. Capital Redemption Reserve	-
c. Exchange Fluctuation Fund	(5,498,558)
d. Corporate Social Responsibility Fund	(207,682)
e. Employees Training Fund	2,516,200
f. Other	(10,000,000)
<i><b>1.2 Profit required to be transfer to Regulatory Reserve</b></i>	
a. Transfer to Regulatory Reserve	
b. Transfer from Regulatory Reserve	(86,950,249)
<b>Distributable Profit / (Loss)</b>	<b>967,096,744</b>

## Ratios as per NRB

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Capital fund to RWA		12.07%		13.93%		12.07%		13.93%
Non-performing loan (NPL) to total loan		0.97%		1.01%		0.97%		1.01%
Total loan loss provision to Total NPL		182.22%		177.12%		182.22%		177.12%
Cost of Funds	8.35%		8.25%		8.35%		8.25%	-
Credit to Deposit Ratio	78.32%		76.54%		78.32%		76.54%	-
Base Rate	10.82%		11.60%		10.82%		11.60%	-
Interest Rate Spread	3.54%		3.37%		3.54%	-	3.37%	-

### Notes to the Interim Financial Statements

- Above figures are prepared in accordance with Nepal Financial Reporting Standards subject to change upon otherwise directions of Statutory Auditor and/or Regulatory Authorities.
- Group represents the Bank and its wholly owned subsidiary Kumari Capital Limited and an Associate National Microfinance Bittiya Sanstha Limited.
- The NFRS reporting has been complied by adopting appropriate accounting judgment, those having potential material impact on the financial statements and had made appropriate judgment in making accounting estimates.
- Figures have been regrouped and rearranged wherever necessary.
- Loan and Advances include interest receivables and are presented net of impairment charges.
- Personnel Expenses include employment bonus provision calculated at 10 percent of profit and amortization of prepayment amount of subsidized loans provided to the employees of the bank.
- Interest income on loans and advances to customers are shown on accrual basis
- The detail Interim report has been published in the Bank's website [www.kumaribank.com](http://www.kumaribank.com)

### Publication of Information as Required by Securities Registration and Issuance Regulation 2073 (Related to Sub Rule (1) of Rule 26)

#### 1. Major Financial Indicators (annualized fig.)

- |   |                                    |
|---|------------------------------------|
| 1. Earnings per Share – 15.36               | 2. Market Price per Share – Rs.220 |
| 3. Price Earnings Ratio (P/E ratio) – 14.32 | 4. Net Worth per Share – Rs.137    |
| 5. Liquidity Ratio – 23.17                  |                                    |

#### 2. Management Analysis:

- The bank has been continuously pioneering in introducing new products and re-innovating its existing products and services as per the market needs.
- The bank has been focusing on cost management, diversified investments, technological up gradation, optimum utilization of resources and automation of work.
- The deposits from customers have increased by 22.93% and loans & advances to BFIs and Customers in total have increased by 22.14% in this quarter with reference to the last year corresponding quarter end.
- The bank has formulated strategic plan to widen the branch network, along with broadening the electronic banking and digitization of the bank transactions. Currently, the bank has branch network of 99 branches all over the country with 3 extension counters; also the bank has currently setup 3 Branchless Banking units (BLBs).

#### 3. Details Regarding Legal Actions

- Case filed by or to Kumari Bank Ltd. during the quarter –
  - Apart from the case related to credit recovery in the normal course of business operation, no other cases were file by or to Kumari Bank Ltd. during the quarter.
- Case filed by or against the promoter or director of Kumari Bank Ltd. regarding disobedience of prevailing law or commission of criminal offence –
  - No such information has been received
- Case filed against any Promoter or Director of Kumari Bank Ltd. regarding commission of financial crime –
  - No such information has been received

#### 4. Analysis of Share Transaction of Organized Institutions

- Management's view on share transactions of Kumari Bank Ltd. at Securities Market :  
Since the price of the stock is determined by open market operation, the management's view is neutral in this regard.
- Maximum, minimum and closing price of shares including total transactions and transacted days during the quarter  
Max. Price - Rs. 269 Min. Price - Rs. 208 Closing Price - Rs. 220 Total no. of Transactions – 7502 Transacted Day - 64 days

#### 5. Problems and Challenges

##### Internal

- Attaining reasonable level of cost of operation.
- Retention of qualified and trained human resources.
- Improving operational efficiencies to minimize inherent risks.

### **External**

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

### **Strategy to Overcome Problems & Challenges**

- a. Continually renovating and diversifying the product & services to meet the changing need of the customers.
- b. Utilizing the assets in as much as high yield and low risk investment sector.
- c. Re-pricing of its interest sensitive assets and liabilities as per liquidity position of the market.
- d. Understanding the expectations and motivating factors of employees in order to retain them; providing intense training for enhancement of skills and knowledge.
- e. Proper Risk Management on operational, market, business and other risk segments.
- f. Better cost management practices with high focus on operational efficiency through innovation and process reengineering.

### **6. Corporate Governance**

In order to increase the standard of corporate governance, following actions has been initiated by the bank:

- a. The Board of Directors of the bank is the top most body responsible and accountable to ensure that the bank has embraced superior standard of corporate governance. Further, various sub-committees of the Board including the Audit Committee, continuously review the activities of various areas of the Bank and provide direction and support where necessary.
- b. Clear demarcation has been made in the Bank between various conflicting areas of the Bank like Credit, Risk and Operations, with each unit being headed by senior personnel directly accountable to the CEO.
- c. Management Committee chaired by the CEO and comprising of heads of key units of the bank, meets on a regular basis to assess the performance of the Bank and take key decisions. Similarly, committees like Asset Liability Committee, Risk Management Committee, and Recovery Committee etc meet at regular intervals to critically review performance and initiate proactive actions.

### **7. Particulars relating to Annexure – 16 of Securities Registration and Issuance Regulation, 2073**

In the current quarter the AGM of the bank for the FY 2073-74 and 2074-75 conducted on 26<sup>th</sup> Baisakh 2076, and election for BOD held on 31<sup>st</sup> Jestha 2076.

### **8. Declaration by CEO**

I hereby declare that the data and information provided in this report is true, complete, and factual to the extent of my knowledge. No attempt has been made to misguide the investors. I personally take the responsibility and accountability regarding the truthfulness of the information provided in the report as of quarter end.