



कुमारी बैंक लिमिटेड
KUMARI BANK LIMITED
 सबैका लागि, सबैका लागि

DurbarMarg, P.O. Box 21128, Kathmandu, Tel; 01-4221311, Fax: 01-4226644, SWIFT: KMBLNPKA

Unaudited Financial Results (Quarterly)

As at First Quarter (16 Oct 2016) of the Fiscal Year 2016/17
 As per NRB Directive form no. 9.14

Rs '000

S.N.	Particulars	30.06.2017/16.10.2016 This Quarter Ending	31.03.2017/15.07.2016 Previous Quarter Ending	30.06.2017/17.10.2015 Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	46,112,797	43,041,775	39,297,809
1.1	Paid Up Capital	2,699,167	2,699,167	2,431,682
1.2	Reserve and Surplus	1,501,686	1,388,260	974,325
1.3	Debenture and Bond	-	-	-
1.4	Borrowings	184,200	-	-
1.5	Deposits (a+b)	40,356,967	37,950,525	34,738,471
	a. Domestic Currency	38,462,475	36,569,097	33,701,994
	b. Foreign Currency	1,894,492	1,381,428	1,036,477
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,370,777	1,003,823	1,153,332
2	Total Assets (2.1 to 2.7)	46,112,797	43,041,775	39,297,809
2.1	Cash & Bank Balance	5,460,908	4,511,196	4,419,590
2.2	Money at Call and Short Notice	1,180,000	1,600,000	1,363,606
2.3	Investments	6,019,064	6,142,966	5,424,691
2.4	Loans and Advances (a+b+c+d+e+f)	32,411,102	30,111,445	27,467,481
	a. Real Estate Loan	1,817,722	1,720,735	1,851,582
	1. Residential Real Estate Loan	670,756	621,586	521,783
	2. Business Complex & Residential Apartment Construction Loan	281,192	278,533	297,914
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	865,774	820,616	1,031,885
	b. Personal Home Loan of Rs. 1 Crore or Less	3,704,126	3,421,760	2,994,002
	c. Margin Type Loan	1,257,095	993,761	815,532
	d. Term Loan	6,901,352	6,468,669	5,982,064
	e. Overdraft Loan/TR Loan/WC Loan	16,781,289	15,850,226	14,358,524
	f. Others	1,949,519	1,656,296	1,465,778
2.5	Fixed Assets	261,596	265,389	263,518
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	780,127	410,780	358,923
3	Profit and Loss Account	Upto This Quarter End	Previous Quarter Ending	Corresponding Previous Year Quarter End
3.1	Interest Income	674,901	2,692,489	607,161
3.2	Interest Expenses	412,377	1,517,056	429,247
	A. Net Interest Income (3.1-3.2)	262,524	1,175,433	177,914
3.3	Fees, Commission and Discount	51,702	166,752	40,422
3.4	Other Operating Income	16,997	62,706	15,272
3.5	Foreign Exchange Gain/ Loss (Net)	26,183	108,988	29,604
	B. Total Operating Income (A.+3.3+3.4+3.5)	357,407	1,513,879	263,213
3.6	Staff Expenses	79,971	316,477	71,708
3.7	Other Operating Expenses	59,767	261,230	54,916
	C. Operating Profit Before Provision (B.- 3.6-3.7)	217,670	936,172	136,589
3.8	Provision for Possible Losses	62,683	153,037	71,807
	D. Operating Profit (C-3.8)	154,987	783,135	64,783
3.9	Non Operating Income/Expenses (Net)	3,150	(31,791)	139
3.10	Write Back of Provision for Possible Loss	57,834	432,019	11,579
	E. Profit from Regular Activities (D+3.9+3.10)	215,971	1,183,362	76,501
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	F. Profit before Bonus and Taxes (E. + 3.11)	215,971	1,183,362	76,501
3.12	Provision for Staff Bonus	19,634	107,578	6,955
3.13	Provision for Tax	58,901	335,673	20,864
	G. Net Profit/Loss (F.-3.12-3.13)	137,436	740,111	48,682
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	11.33%	12.02%	11.34%
4.2	Non Performing Loan (NPL) to Total Loan	1.26%	1.11%	2.91%
4.3	Total Loan Loss Provision to Total NPL	164.93%	178.78%	111.25%
4.4	Cost of Funds (annualized - LCY)	4.38%	4.41%	4.89%
4.5	Credit to Deposit Ratio (as per NRB directives)	75.77%	74.31%	74.13%
4.6	Base Rate (FTM)	7.50%	7.15%	7.54%
4.7	Average Interest Rate Spread (as per NRB directives)	3.40%	3.70%	3.47%
Additional Information (year to date annualized fig.)				
	Total Yield (LCY)	7.26%	8.00%	7.29%
	Spread (LCY)	2.88%	3.59%	2.40%
	Return on Equity (ROE) (Rolling Avg)	21.30%	18.11%	12.52%
	Return on Assets (ROA) (Rolling Avg)	1.97%	1.72%	1.11%

Note: Figures regrouped as & where necessary.

Above figures may vary with the audited figures if modified by the external auditors or regulators.

Loans and Advances has been presented at gross value. Total Loan Loss Provision is included in Other Liabilities.

**Rolling Average

Publication of Information as Required by Securities Registration and Issuance Regulation 2065 (Related to Sub Rule (2) of Rule 22)

1. Major Financial Indicators (annualized fig.)

- | | |
|---|------------------------------------|
| 1. Earnings per Share – 31.49 | 2. Market Price per Share – 617.00 |
| 3. Price Earnings Ratio (P/E ratio) – 19.59 | 4. Net Worth per Share – 155.64 |
| 5. Liquidity Ratio – 28.52 | |

2. Management Analysis:

Under the review period, the main focus has been put on recovery along with portfolio consolidation. Overall financial indicators of the bank seem satisfactory and more improved.

3. Details Regarding Legal Actions

- Case filed by or to Kumari Bank Ltd. during the quarter –
 - Except for the case related to credit recovery in the normal course of business operation, no other cases that could lead to financial obligation on the part of the bank were observed.
- 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.640 Min. Price - Rs.353 Closing Price - Rs.617 Total no. of Transactions - 934 Transacted Day - 7 days

Problems and Challenges

- Unexpected fluctuation in market liquidity
- Intense competition due to too many players in the market.
- Difficulty in retention of qualified manpower.

Strategy to Overcome Problems & Challenges

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

5. Corporate Governance

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

- The Board of Directors of the bank is the topmost body responsible and accountable to ensure that the bank has embraced superior standard of corporate governance. Further, various sub-committees of the Board including the Audit Committee, continuously review the activities of various areas of the Bank and provide direction and support where necessary.
- 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 ACEO.
- Management Committee and Management Advisory Committee chaired by the ACEO 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.

6. Particulars relating to Annexure – 15 of Securities Registration and Issuance Regulation, 2065

- Kumari Bank Ltd. has signed a Memorandum of Understanding for acquiring Kasthamandap Development Bank Ltd., Paschimanchal Finance Co. Ltd., Mahakali Bikash Bank Ltd. and Kankre Bihar Bikash Bank Ltd. on 02 October 2016.
- Kumari Bank Ltd. has conducted special AGM on 14 November 2016 for raising capital by way of issuing right share of 50% on its current paid up capital. The special AGM has approved the right issuance proposal put by the bank.

c. Declaration by Acting CEO

I hereby declare that the data and information provided in this report is true, complete, and factual. No attempt has been made to misguide the investors. I personally take the responsibility and accountability regarding the truthfulness of the information provided in the report as of 16 October 2016.