

Unaudited Financial Results (Quarterly)

As at First Quarter (17 Oct 2015) of the Fiscal Year 2015/16

Rs '000

S.N.	Particulars	30.06.2072/17.10.2015 This Quarter Ending	31.03.2072/16.07.2015 Previous Quarter Ending	31.06.2071/17.10.2014 Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	39,297,809	38,186,723	34,068,956
1.1	Paid Up Capital	2,431,682	2,431,682	2,431,682
1.2	Reserve and Surplus	974,325	887,658	567,761
1.3	Debtenture and Bond	-	-	-
1.4	Borrowings	-	328,000	122,570
1.5	Deposits (a+b)	34,738,471	33,421,911	29,640,596
	a. Domestic Currency	33,701,994	32,542,064	28,574,517
	b. Foreign Currency	1,036,477	879,847	1,066,079
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,153,332	1,117,472	1,306,348
2	Total Assets (2.1 to 2.7)	39,297,809	38,186,723	34,068,956
2.1	Cash & Bank Balance	4,419,590	4,990,975	3,689,544
2.2	Money at Call and Short Notice	1,363,606	436,881	619,920
2.3	Investments	5,424,691	4,862,590	5,355,091
2.4	Loans and Advances (a+b+c+d+e+f)	27,467,481	27,070,390	23,846,139
	a. Real Estate Loan	1,851,582	2,010,181	2,061,639
	1. Residential Real Estate Loan	521,783	491,529	288,986
	2. Business Complex & Residential Apartment Construction Loan	297,914	373,819	617,044
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	1,031,885	1,144,833	1,155,609
	b. Personal Home Loan of Rs. 1 Crore or Less	2,994,002	2,885,047	2,091,108
	c. Margin Type Loan	815,532	852,523	675,447
	d. Term Loan	5,982,064	5,542,243	4,560,239
	e. Overdraft Loan/TR Loan/WC Loan	14,358,524	14,311,637	13,092,357
	f. Others	1,465,778	1,468,760	1,365,349
2.5	Fixed Assets	263,518	259,399	228,075
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	358,923	566,487	330,187
3	Profit and Loss Account	Upto This Quarter End	Previous Quarter Ending	Corresponding Previous Year Quarter End
3.1	Interest Income	607,161	2,405,354	545,070
3.2	Interest Expenses	429,247	1,507,365	365,292
	A. Net Interest Income (3.1-3.2)	177,914	897,989	179,779
3.3	Fees, Commission and Discount	40,422	154,645	42,413
3.4	Other Operating Income	15,272	47,403	10,223
3.5	Foreign Exchange Gain/ Loss (Net)	29,604	95,251	19,576
	B. Total Operating Income (A.+3.3+3.4+3.5)	263,213	1,195,288	251,990
3.6	Staff Expenses	71,708	284,347	64,046
3.7	Other Operating Expenses	54,916	254,368	54,482
	C. Operating Profit Before Provision (B.- 3.6-3.7)	136,589	656,573	133,462
3.8	Provision for Possible Losses	71,807	314,732	91,022
	D. Operating Profit (C-3.8)	64,783	341,840	42,440
3.9	Non Operating Income/Expenses (Net)	139	(6,892)	1,023
3.10	Write Back of Provision for Possible Loss	11,579	221,752	8,137
	E. Profit from Regular Activities (D+3.9+3.10)	76,501	556,700	51,600
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	F. Profit before Bonus and Taxes (E. + 3.11)	76,501	556,700	51,600
3.12	Provision for Staff Bonus	6,955	50,609	4,691
3.13	Provision for Tax	20,864	153,357	14,073
	G. Net Profit/Loss (F.-3.12-3.13)	48,682	352,734	32,836
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	11.34%	11.12%	11.29%
4.2	Non Performing Loan (NPL) to Total Loan	2.91%	2.76%	4.38%
4.3	Total Loan Loss Provision to Total NPL	111.25%	115.31%	95.01%
4.4	Cost of Funds (annualized - LCY)	4.89%	5.00%	5.03%
4.5	Credit to Deposit Ratio (as per NRB directives)	74.13%	74.66%	75.62%
4.6	Base Rate (FTM)	7.54%	8.66%	8.33%
4.7	Average Interest Rate Spread (as per NRB directives)	3.47%	3.11%	3.73%
	Total Yield (LCY)	7.29%	8.17%	7.84%
	Spread (LCY)	2.40%	3.16%	2.81%
	Return on Equity (ROE) (Rolling Avg)	11.26%	11.12%	11.38%
	Return on Assets (ROA) (Rolling Avg)	1.00%	0.99%	1.02%

Note: Figures regrouped as & where necessary.

Due interest as of Aswin end 2072 that is recovered by the end of Kartik end 2072 has been recognized as interest income for the period of 1st quarter of FY 2072/73 as per NRB circular.

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

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

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

1. Major Financial Indicators (annualized fig.)

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|--|--------------------------------------|
| 1. Earnings Per Share (Rolling Avg.) – Npr 15.16 | 2. Market Price per Share – Npr. 440 |
| 3. Price Earnings Ratio (P/E ratio) – 29.03 | 4. Net Worth per Share– 140.07 |
| 5. Liquidity Ratio – 32.19 | |

2. Management Analysis:

Under the review period, the bank worked upon increasing its deposit size and quality lending. The bank will continue putting extra effort on risk management and sustainable growth of profitability. Besides, it will be focusing on increasing its fee-based income from its balance sheet and off balance sheet exposure. Further, efficient utilization of its resources will be given due consideration for keeping its operating cost low.

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.520 Min. Price - Rs.369 Closing Price - Rs.440 Total no. of Transactions - 4010 Transacted Day - 56 days

5. Problems and Challenges

- Unfavourable economic and political activities of the country.
- 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.

6. 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 Advisory Committee, chaired by the ACEO and comprising of heads of key units of the bank, meets on a monthly basis to assess the performance of the Bank and take key decisions. Similarly, committees like Asset Liability Committee, Risk Management Committee, Recovery Committee etc meet at regular intervals to critically review performance and initiate proactive actions.

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

- No such Information

b. 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 17 Oct 2015.