

Unaudited Financial Results (Quarterly)

As at Fourth Quarter (16 Jul 2015) of the Fiscal Year 2014/15

Rs '000

S.N.	Particulars	31.03.2012 /16.07.2015 This Quarter Ending	30.12.2011 /13.04.2015 Previous Quarter Ending	32.03.2011/16.07.2014 Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	38,186,723	35,789,691	31,930,990
1.1	Paid Up Capital	2,431,682	2,431,682	2,431,682
1.2	Reserve and Surplus	887,658	786,272	534,924
1.3	Debtenture and Bond	-	-	-
1.4	Borrowings	328,000	2,456	201,952
1.5	Deposits (a+b)	33,421,911	31,224,317	27,578,376
	a. Domestic Currency	32,542,064	30,346,488	26,503,880
	b. Foreign Currency	879,847	877,829	1,074,496
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	1,117,472	1,344,964	1,184,056
2	Total Assets (2.1 to 2.7)	38,186,723	35,789,691	31,930,990
2.1	Cash & Bank Balance	4,990,975	2,871,899	4,895,685
2.2	Money at Call and Short Notice	436,881	879,040	507,478
2.3	Investments	4,862,590	4,520,963	3,164,626
2.4	Loans and Advances (a+b+c+d+e+f)	27,070,390	26,699,294	22,808,503
	a. Real Estate Loan	2,010,181	2,036,179	2,040,879
	1. Residential Real Estate Loan	491,529	419,746	234,772
	2. Business Complex & Residential Apartment Construction Loan	373,819	502,372	617,892
	3. Income Generating Commercial Complex Loan	-	-	-
	4. Other Real Estate loan	1,144,833	1,114,062	1,188,215
	b. Personal Home Loan of Rs. 1 Crore or Less	2,885,047	2,667,011	1,948,109
	c. Margin Type Loan	852,523	854,582	538,887
	d. Term Loan	5,542,243	5,221,304	4,399,845
	e. Overdraft Loan/TR Loan/WC Loan	14,311,637	14,597,365	12,624,206
	f. Others	1,468,760	1,322,852	1,256,576
2.5	Fixed Assets	259,399	241,982	235,776
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	566,487	576,513	318,921
3	Profit and Loss Account	Upto This Quarter End	Previous Quarter Ending	Corresponding Previous Year Quarter End
3.1	Interest Income	2,405,354	1,742,797	2,410,784
3.2	Interest Expenses	1,507,365	1,072,107	1,575,312
	A. Net Interest Income (3.1-3.2)	897,989	670,690	835,473
3.3	Fees, Commission and Discount	154,645	121,753	188,725
3.4	Other Operating Income	47,403	32,777	56,945
3.5	Foreign Exchange Gain/ Loss (Net)	95,251	71,343	85,155
	B. Total Operating Income (A.+3.3+3.4+3.5)	1,195,288	896,563	1,166,298
3.6	Staff Expenses	284,347	206,281	221,701
3.7	Other Operating Expenses	254,368	175,975	240,121
	C. Operating Profit Before Provision (B.- 3.6-3.7)	656,573	514,307	704,476
3.8	Provision for Possible Losses	314,732	198,341	236,312
	D. Operating Profit (C-3.8)	341,840	315,967	468,165
3.9	Non Operating Income/Expenses (Net)	(6,892)	(8,087)	2,540
3.10	Write Back of Provision for Possible Loss	221,752	87,095	76,151
	E. Profit from Regular Activities (D+3.9+3.10)	556,700	394,975	546,856
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	F. Profit before Bonus and Taxes (E. + 3.11)	556,700	394,975	546,856
3.12	Provision for Staff Bonus	50,609	35,907	49,714
3.13	Provision for Tax	153,357	107,720	155,487
	G. Net Profit/Loss (F.-3.12-3.13)	352,734	251,348	341,655
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	11.12%	10.98%	11.92%
4.2	Non Performing Loan (NPL) to Total Loan	2.76%	3.98%	3.19%
4.3	Total Loan Loss Provision to Total NPL	115.31%	94.31%	125.41%
4.4	Cost of Funds (annualized - LCY)	5.00%	4.91%	6.03%
4.5	Credit to Deposit Ratio (as per NRB directives)	74.66%	79.63%	77.37%
4.6	Base Rate (FTM)	8.66%	8.10%	8.86%
4.7	Average Interest Rate Spread (as per NRB directives)	3.11%	3.22%	3.62%
Additional Information (year to date annualized fig.)				
	Total Yield (LCY)	8.17%	8.10%	9.42%
	Spread (LCY)	3.16%	3.19%	3.40%
	Return on Equity (ROE) (Rolling Avg)	11.12%	12.99%	12.13%
	Return on Assets (ROA) (Rolling Avg)	0.99%	1.18%	1.09%

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.

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 14.51 | 2. Market Price per Share – Npr. 395 |
| 3. Price Earnings Ratio (P/E ratio) – 27.23 | 4. Net Worth per Share– 136.50 |
| 5. Liquidity Ratio – 29.43 | |

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

- a. Case filed by or to Kumari Bank Ltd. during the quarter –
- Except for the case related to credit recovery in the normal course of business operation, no other cases that could lead to financial obligation on the part of the bank were observed.
- b. Case filed by or against the promoter or director of Kumari Bank Ltd. regarding disobedience of prevailing law or commission of criminal offence –
- No such information has been received
- c. Case filed against any Promoter or Director of Kumari Bank Ltd. regarding commission of financial crime –
- No such information has been received

4. Analysis of Share Transaction of Organized Institutions

- a. Management's view on share transactions of Kumari Bank Ltd. at Securities Market :
- Since the price of the stock is determined by open market operation, the management's view is neutral in this regard.
- b. Maximum, minimum and closing price of shares including total transactions and transacted days during the quarter
- | | | | | |
|---------------------|---------------------|------------------------|----------------------------------|--------------------------|
| Max. Price - Rs.420 | Min. Price - Rs.295 | Closing Price - Rs.395 | Total no. of Transactions - 1134 | Transacted Day - 45 days |
|---------------------|---------------------|------------------------|----------------------------------|--------------------------|

5. Problems and Challenges

- a. Slow economic activity of the country.
- b. Unexpected fluctuation in market liquidity
- c. Intense competition due to too many players in the market.
- d. Difficulty in retention of qualified manpower.

Strategy to Overcome Problems & Challenges

- a. Continually renovating the product & services to meet the changing need of the customers.
- b. Re-pricing of its interest sensitive assets and liabilities as per liquidity position of the market.
- c. Utilizing the assets in as much as high yield and low risk investment sector.
- d. 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:

- a. 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.
- 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 Advisory Committee, chaired by the CEO 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

- a. 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 16 Jul 2015.