



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

**Interim Financial Statements of the FY 2080/81**  
**Condensed Consolidated Statement of Financial Position**  
**As on Third Quarter (12<sup>th</sup> April 2024) of the Fiscal Year 2023/24**

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	13,200,187,960	19,929,337,199	13,173,607,568	19,921,482,766
Due from Nepal Rastra Bank	18,674,486,330	13,460,944,529	18,674,486,330	13,460,944,529
Placement with Bank and Financial Institutions	10,600,128,555	7,771,445,793	10,600,128,555	7,771,445,793
Derivative Financial Instruments	86,040,705	184,833,645	86,040,705	184,833,645
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	10,481,850,219	9,754,306,460	10,481,850,219	9,754,306,460
Loans and Advances to Customers	274,532,315,147	270,937,308,309	274,532,315,147	270,937,308,309
Investment Securities	50,209,970,347	43,107,904,409	49,792,813,691	42,696,595,043
Current Tax Assets	1,611,441,858	1,395,257,170	1,609,716,217	1,389,772,126
Investment in Subsidiaries	-	-	600,000,000	600,000,000
Investment in Associates	1,570,686,684	1,544,898,131	1,185,017,596	1,185,017,596
Investment Property	1,908,253,983	1,263,212,752	1,908,253,983	1,263,212,752
Property and Equipment	2,384,045,986	2,529,802,227	2,360,102,289	2,515,854,003
Goodwill and Intangible Assets	230,997,417	191,175,099	225,088,544	188,670,059
Deferred Tax Assets	116,734,359	63,919,161	116,734,359	63,033,290
Other Assets	8,208,435,272	8,622,678,231	8,090,986,697	8,592,310,272
<b>Total Assets</b>	<b>393,815,574,820</b>	<b>380,757,023,115</b>	<b>393,437,141,901</b>	<b>380,524,786,643</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	12,784,429,127	8,632,950,928	13,206,548,516	9,233,574,989
Due to Nepal Rastra Bank	1,585,200,000	1,496,500,000	1,585,200,000	1,496,500,000
Derivative Financial Instruments	106,161,606	170,104,982	106,161,606	170,104,982
Deposits from Customers	318,862,108,287	316,047,054,527	318,862,108,287	316,047,054,527
Borrowings	4,143,272,950	2,645,517,880	4,143,272,950	2,645,517,880
Current Tax Liabilities	-	-	-	-
Provisions	3,000,000	3,000,000	3,000,000	3,000,000
Deferred Tax Liabilities	-	-	-	-
Other Liabilities	6,036,747,426	7,023,487,286	5,692,076,448	6,626,257,729
Debt Securities Issued	13,987,500,412	8,987,974,650	13,987,500,412	8,987,974,650
Subordinated Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>357,508,419,809</b>	<b>345,006,590,253</b>	<b>357,585,868,220</b>	<b>345,209,984,757</b>
<b>Equity</b>				
Share Capital	26,225,861,340	26,225,861,340	26,225,861,340	26,225,861,340
Share Premium	-	-	-	-
Retained Earnings	(3,767,870,209)	(1,780,150,026)	(4,205,229,319)	(2,202,909,147)
Reserves	13,849,163,879	11,304,721,548	13,830,641,660	11,291,849,693
<b>Total Equity Attributable to Equity Holders</b>	<b>36,307,155,011</b>	<b>35,750,432,862</b>	<b>35,851,273,681</b>	<b>35,314,801,886</b>
Non-Controlling Interest	-	-	-	-
<b>Total Equity</b>	<b>36,307,155,011</b>	<b>35,750,432,862</b>	<b>35,851,273,681</b>	<b>35,314,801,886</b>
<b>Total Liabilities and Equity</b>	<b>393,815,574,820</b>	<b>380,757,023,115</b>	<b>393,437,141,901</b>	<b>380,524,786,643</b>



**Statement of Distributable Profit or Loss**  
**For the Quarter end of Chaitra 2080**  
**(As per NRB Regulation)**

Amount in NPR

	Current Year Upto this Qtr YTD	Previous Year Corresponding Qtr YTD
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>1,052,794,525</b>	<b>1,820,295,527</b>
<b><u>Appropriations:</u></b>		
<i>a. General reserve</i>	(210,558,905)	(364,059,105)
<i>b. Foreign exchange fluctuation fund</i>	(5,269,265)	(6,815,794)
<i>c. Capital redemption reserve</i>	(333,333,333)	(250,000,000)
<i>d. Corporate social responsibility fund</i>	(5,104,574)	(8,755,919)
<i>e. Employees' training fund</i>	(19,728,775)	828,831
<i>f. Other</i>	-	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>478,799,673</b>	<b>1,191,493,539</b>
<b><u>Regulatory adjustment :</u></b>		
<i>a. Interest receivable (-)/previous accrued interest received (+)</i>	(1,520,634,486)	(1,203,524,320)
<i>b. Short loan loss provision in accounts (-)/reversal (+)</i>	-	-
<i>c. Short provision for possible losses on investment (-)/reversal (+)</i>	(125,302,499)	(37,753,155)
<i>d. Short loan loss provision on Non Banking Assets (-)/reversal (+)</i>	(406,375,979)	21,124,052
<i>e. Deferred tax assets recognised (-)/ reversal (+)</i>	-	-
<i>f. Goodwill recognised (-)/ impairment of Goodwill (+)</i>	-	-
<i>g. Bargain purchase gain recognised (-)/reversal (+)</i>	-	-
<i>h. Actuarial loss recognised (-)/reversal (+)</i>	-	-
<i>i. Other (+/-) Fair Value Gain</i>	-	-
<i>j. Other (+/-) Interest Capitalization</i>	-	-
<b>Net Profit for the quarter ended Chaitra 2080 available for distribution</b>	<b>(1,573,513,291)</b>	<b>(28,659,885)</b>
<b>Opening Retained Earnings as on Shrawan 2080</b>	<b>(2,202,909,143)</b>	<b>1,871,411,345</b>
Adjustment:	(428,806,885)	(1,367,248)
<b><u>Distribution:</u></b>		
<i>Bonus Shares Issued</i>	-	-
<i>Cash Dividend Paid</i>	-	(1,838,897,916)
<b>Total Distributable Profit or (Loss) as on quarter ended Chaitra 2080</b>	<b>(4,205,229,319)</b>	<b>2,486,297</b>
<b>Annualised Distributable Profit/Loss per share</b>	<b>(18.03)</b>	<b>0.01</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		11.72%		12.90%		11.72%		12.90%
Non-performing loan (NPL) to Total Loan		4.95%		3.97%		4.95%		3.97%
Net Non-performing loan to Total loan		0.38%		1.42%		0.38%		1.42%
Total loan loss provision to Total NPL		135.99%		103.71%		135.99%		103.71%
Cost of Funds	7.58%		8.95%		7.58%		8.95%	
Credit to Deposit Ratio	85.36%		89.69%		85.36%		89.69%	
Base Rate (FTM)	9.63%		10.93%		9.63%		10.93%	
Interest Rate Spread (FTM)	3.97%		5.19%		3.97%		5.19%	

### Notes to the Interim Financial Statements

- Above figures are prepared in accordance with Nepal Financial Reporting Standards, Nepal Accounting Standard including the carve-outs as issued by the Institute of Chartered Accountants of Nepal; subject to change upon otherwise directions of Statutory Auditor and/or Regulatory Authorities.
- Group represents the Bank and its wholly owned subsidiary Kumari Capital Ltd and KBL Securities Ltd; National Microfinance Bittiya Sanstha Limited, First Microfinance Laghu Bittiya Sanstha Ltd, Mero Microfinance Bittiya Sanstha Ltd, Sadhana Laghubitta Bittiya Sanstha Ltd , Aviyan Laghubitta Bittiya Sanstha Ltd, Solar Farm Ltd Avasar Equity Diversified Fund and Avasar Equity as Associates.
- 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.
- Loan and Advances include interest receivables and are presented net of impairment charges where impairment has been computed as higher of amount derived as per the norms prescribed by Nepal Rastra Bank and as per para 5 of Carve-Out Alternatives provided for Bank and Financial Institution under NFRS – 9, whichever is higher according to the carve out issued by Institute of Chartered Accountants of Nepal (ICAN).
- Loan Administration Fees that are integral part of effective interest rate (EIR) is treated immaterial and not considered while calculating the Effective Interest Rate
- 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 subject to interest recognition guideline issued by Nepal Rastra Bank.
- Previous figures have been regrouped and restated wherever necessary.
- 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 = 5.35                | 2. Market Price per Share = Rs.137.7 |
| 3. Price Earnings Ratio (P/E ratio) = 25.73 | 4. Net Worth per Share = Rs.136.52   |
| 5. Liquidity Ratio = 27.41                  |                                      |

#### 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, with focus on digital products and services.
- 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 0.89% and loans & advances to BFIs and Customers in total have increased by 1.54% in this quarter with reference to the last year.
- 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 302 branches all over the country with 50 extension counters; also the bank has currently setup 67 Branchless Banking units (BLBs).

### 3. Details Regarding Legal Actions

- a. 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.
- 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. 167 Min. Price = Rs.133.10 Closing Price = Rs. 137.70 Total no. of Transactions = 25,457 Transacted Day = 58 days

### 5. Problems and Challenges

#### Internal

- a. Attaining reasonable level of cost of operation.
- b. Retention of qualified and trained human resources with optimum level of efficiency.
- c. Improving operational efficiencies to minimize inherent risks.
- d. Management of Non-Performing Assets (NPA).

#### External

- a. Improving overhead efficiency.
- b. Intense competition from banks and financial institutions.
- c. Challenge to pass on cost growth to revenue stream.
- d. Post Pandemic situation is causing concerns and economic hardship for consumers, businesses and communities across the globe and thereby affecting overall business of banking.

#### Strategy to Overcome Problems & Challenges

- a. Continually renovating and diversifying the product & services to meet the changing need of the customers with digitization approach.
- b. Utilizing the assets in as much as high yield and low risk investment sector.
- c. Proper consolidation of business and work around solutions for generation of positive synergy post-merger.
- d. Proper Risk Management on operational, market, business and other risk segments.
- e. Better cost management practices with high focus on operational efficiency through innovation and process reengineering.
- f. Understanding the expectations and motivating factors of employees in order to retain them; providing intense training for enhancement of skills and knowledge.
- g. Re-pricing of its interest sensitive assets and liabilities as per liquidity position of the market.
- h. Digitalization of banking systems, stimulating and educating employees working on online platforms to make every banking service available online.
- i. Stringent Recovery process for managing Non-Performing Assets (NPA)

### 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 and Risk Management 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, 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

- Appointment of directors Mr. Amir Pratap J.B. Rana, Mr. Pashupati Murarka, Mr. Mahesh Prasad Pokhrel, Mr. Bijay Kumar Shrestha, Mr. Rajaram Khadka and Ms. Simran Agrawal effective from 11th February 2024 (i.e. 28<sup>th</sup> Magh 2080), elected on 23<sup>rd</sup> Annual General Meeting.

### 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.