



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 Fourth Quarter (15th July 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
Assets				
Cash and Cash Equivalents	19,837,171,208	19,929,337,199	19,789,939,262	19,921,482,766
Due from Nepal Rastra Bank	28,158,091,418	13,460,944,529	28,158,091,418	13,460,944,529
Placement with Bank and Financial Institutions	1,226,134,738	7,771,445,793	1,226,134,738	7,771,445,793
Derivative Financial Instruments	346,539,668	184,833,645	346,539,668	184,833,645
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	10,745,446,714	9,754,306,460	10,745,446,714	9,754,306,460
Loans and Advances to Customers	273,201,068,586	270,937,308,309	273,201,068,586	270,937,308,309
Investment Securities	65,245,668,502	43,107,904,409	64,827,728,825	42,696,595,043
Current Tax Assets	1,936,852,179	1,395,257,170	1,926,599,932	1,389,772,126
Investment in Subsidiaries	-	-	600,000,000	600,000,000
Investment in Associates	1,612,382,456	1,544,898,131	1,185,017,596	1,185,017,596
Investment Property	1,913,183,766	1,263,212,752	1,913,183,766	1,263,212,752
Property and Equipment	2,317,296,843	2,529,802,227	2,294,091,498	2,515,854,003
Goodwill and Intangible Assets	224,379,345	191,175,099	219,588,225	188,670,059
Deferred Tax Assets	135,598,027	63,919,161	135,598,027	63,033,290
Other Assets	6,225,018,524	8,622,678,231	6,052,723,316	8,592,310,273
Total Assets	413,124,831,974	380,757,023,115	412,621,751,572	380,524,786,643
Liabilities				
Due to Bank and Financial Institutions	14,311,231,315	8,632,950,928	14,717,409,163	9,233,574,989
Due to Nepal Rastra Bank	3,729,500,000	1,496,500,000	3,729,500,000	1,496,500,000
Derivative Financial Instruments	350,040,393	170,104,982	350,040,393	170,104,982
Deposits from Customers	333,111,322,485	316,047,054,527	333,111,322,485	316,047,054,527
Borrowings	1,339,985,482	2,645,517,880	1,339,985,482	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	8,663,960,352	7,023,487,286	8,280,831,389	6,626,257,729
Debt Securities Issued	13,988,423,885	8,987,974,650	13,988,423,885	8,987,974,650
Subordinated Liabilities	-	-	-	-
Total Liabilities	375,497,463,912	345,006,590,253	375,520,512,797	345,209,984,757
Equity				
Share Capital	26,225,861,340	26,225,861,340	26,225,861,340	26,225,861,340
Share Premium	-	-	-	-
Retained Earnings	(3,283,673,061)	(1,780,150,026)	(3,788,998,254)	(2,202,909,147)
Reserves	14,685,179,783	11,304,721,548	14,664,375,689	11,291,849,693
Total Equity Attributable to Equity Holders	37,627,368,062	35,750,432,862	37,101,238,775	35,314,801,886
Non-Controlling Interest	-	-	-	-
Total Equity	37,627,368,062	35,750,432,862	37,101,238,775	35,314,801,886
Total Liabilities and Equity	413,124,831,974	380,757,023,115	412,621,751,572	380,524,786,643

Condensed Consolidated Statement of Profit or Loss
For the Fourth Quarter Ended (15th July 2024) of the Fiscal Year 2023/24

Amount in NPR

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Interest income	9,143,921,876	38,746,406,747	11,051,471,170	34,182,585,595	9,132,774,915	38,682,343,441	11,029,770,190	34,112,242,309
Interest expense	6,570,709,554	27,695,465,133	7,440,086,181	23,046,049,178	6,570,709,554	27,695,479,584	7,440,707,782	23,046,063,629
Net interest income	2,573,212,323	11,050,941,614	3,611,384,988	11,136,536,417	2,562,065,361	10,986,863,857	3,589,062,409	11,066,178,679
Fee and commission income	616,534,668	2,437,046,816	620,026,422	1,784,927,771	616,534,668	2,437,046,816	620,026,422	1,784,927,771
Fee and commission expense	90,031,618	319,994,025	95,222,678	271,621,272	90,031,618	319,994,025	95,222,678	271,621,272
Net fee and commission income	526,503,050	2,117,052,791	524,803,743	1,513,306,498	526,503,050	2,117,052,791	524,803,743	1,513,306,498
Net interest, fee and commission Income	3,099,715,373	13,167,994,405	4,136,188,732	12,649,842,915	3,088,568,411	13,103,916,648	4,113,866,152	12,579,485,178
Net trading income	86,389,771	366,413,542	119,070,304	363,035,269	86,389,771	366,413,542	119,070,304	363,035,269
Other operating income	277,184,291	623,194,422	319,768	311,166,861	106,865,169	365,963,754	(33,911,403)	115,156,582
Total operating income	3,463,289,435	14,157,602,369	4,255,578,803	13,324,045,045	3,281,823,351	13,836,293,945	4,199,025,052	13,057,677,029
Impairment charge/ (reversal) for Loans and other losses	20,592,761	3,564,277,505	4,155,587,433	8,115,800,765	20,592,761	3,564,277,505	4,155,587,433	8,115,800,765
Net operating income	3,442,696,674	10,593,324,864	99,991,371	5,208,244,281	3,261,230,591	10,272,016,439	43,437,620	4,941,876,264
Operating expense							-	
Personnel expenses	1,162,860,350	4,453,517,949	294,336,172	2,240,532,864	1,147,340,697	4,405,590,832	283,920,983	2,209,820,636
Other operating expenses	253,731,125	1,151,548,296	362,327,021	1,043,203,430	240,244,362	1,111,286,272	351,761,121	1,019,946,662
Depreciation & Amortization	233,062,293	855,538,263	306,834,737	753,029,255	231,820,976	851,439,900	306,166,777	750,458,982
Operating Profit	1,793,042,906	4,132,720,356	(863,506,560)	1,171,478,732	1,641,824,557	3,903,699,435	(898,411,261)	961,649,985
Non-operating income	30,531,343	46,751,365	48,081,498	53,751,493	30,531,343	46,751,365	48,081,498	53,751,493
Non-operating expense	21,084,054	21,709,731	7,538,198	13,756,009	21,084,054	21,709,731	7,538,198	13,756,009
Profit before income tax	1,802,490,195	4,157,761,990	(822,963,260)	1,211,474,216	1,651,271,846	3,928,741,069	(857,867,960)	1,001,645,469
Income tax expense	407,393,281	1,655,408,750	(63,541,863)	513,451,327	395,853,960	1,620,528,658	(74,130,171)	483,723,858
Current Tax	503,061,681	1,751,077,151	(70,617,840)	506,375,350	495,381,554	1,720,056,252	(78,355,459)	479,498,570
Deferred Tax	(95,668,400)	(95,668,400)	7,075,978	7,075,978	(99,527,594)	(99,527,594)	4,225,288	4,225,288
Profit/(loss) for the period	1,395,096,914	2,502,353,240	(759,421,397)	698,022,889	1,255,417,886	2,308,212,411	(783,737,789)	517,921,611
Condensed Consolidated Statement of Comprehensive income								
Profit/(loss) for the period	1,395,096,914	2,502,353,240	(759,421,397)	698,022,889	1,255,417,886	2,308,212,411	(783,737,789)	517,921,611
Other Comprehensive income	188,215,826	62,913,328	404,693,800	366,940,646	188,215,826	62,913,328	404,693,800	366,940,646
Total Comprehensive income for the period	1,583,312,740	2,565,266,567	(354,727,597)	1,064,963,535	1,443,633,712	2,371,125,739	(379,043,989)	884,862,257
Basic earnings per share		9.54		2.66		8.80		1.97
Diluted earnings per share		9.54		2.66		8.80		1.97
Profit attributable to:								
Equity holders of the Bank	1,583,312,740	2,565,266,567	(354,727,597)	1,064,963,535	1,443,633,712	2,371,125,739	(379,043,989)	884,862,257
Non-controlling interest	-	-		-	-	-		-

Statement of Distributable Profit or Loss
For the Quarter end of Ashad 2081
(As per NRB Regulation)

	Amount in NPR	
	Current Year Upto this Qtr YTD	Previous Year Corresponding Qtr YTD
Net profit or (loss) as per statement of profit or loss	2,308,212,411	517,921,611
<u>Appropriations:</u>		
<i>a. General reserve</i>	(461,642,482)	(103,584,322)
<i>b. Foreign exchange fluctuation fund</i>	(2,879,296)	(3,185,280)
<i>c. Capital redemption reserve</i>	(1,416,666,667)	(333,333,333)
<i>d. Corporate social responsibility fund</i>	(7,197,252)	9,856,001
<i>e. Employees' training fund</i>	(16,212,633)	11,969,163
<i>f. Other</i>	-	-
Profit or (loss) befor regulatory adjustment	403,614,081	99,643,839
<u>Regulatory adjustment :</u>		
<i>a. Interest receivable (-)/previous accrued interest received (+)</i>	(1,024,195,030)	(90,127,347)
<i>b. Short loan loss provision in accounts (-)/reversal (+)</i>	-	-
<i>c. Short provision for possible losses on investment (-)/reversal (+)</i>	-	113,989,328
<i>d. Short loan loss provision on Non Banking Assets (-)/reversal (+)</i>	(409,481,739)	(82,509,550)
<i>e. Deferred tax assets recognised (-)/ reversal (+)</i>	99,527,594	17,890,708
<i>f. Goodwill recognised (-)/ impairment of Goodwill (+)</i>	-	-
<i>g. Bargain purchase gain recognised (-)/reversal (+)</i>	-	-
<i>h. Actuarial loss recognised (-)/reversal (+)</i>	-	87,306,813
<i>i. Other (+/-) Interest Capialization</i>	(26,742,508)	(22,891,403)
Net Profit for the quarter ended Ashad 2081 available for distribution	(957,277,602)	123,302,389
Opening Retained Earnings as on Shrawan 2080	(2,202,909,147)	(528,783,281)
Adjustment:	(628,811,505)	41,469,660
<u>Distribution:</u>		
<i>Bonus Shares Issued</i>	-	-
<i>Cash Dividend Paid</i>	-	(1,838,897,916)
Total Distributable Profit or (Loss) as on quarter ended Ashad 2081	(3,788,998,254)	(2,202,909,147)
Annualised Distributable Profit/Loss per share	-	-

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		12.26%		12.11%		12.26%		12.11%
Non-performing loan (NPL) to Total Loan		4.95%		4.96%		4.95%		4.96%
Total loan loss provision to Total NPL		137.13%		113.80%		137.13%		113.80%
Cost of Funds	6.74%		8.50%		6.74%		8.50%	
Credit to Deposit Ratio	81.48%		86.03%		81.48%		86.03%	
Base Rate (FTM)	8.89%		10.90%		8.89%		10.90%	
Interest Rate Spread (FTM)	3.95%		4.98%		3.95%		4.98%	

Notes to the Interim Financial Statements

1. 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.
2. 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 Ltd. as Associates.
3. 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.
4. 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, issued by Institute of Chartered Accountants of Nepal (ICAN).
5. With Reference to NRB Circular 1/081/82 dated 2081-04-14, the interest recovery upto Shrawan end 2081 can be recognized, however recovery upto Shrawan 15, 2081 is considered where the recovery recognition allowable as per circular shall be adopted in the audited annual financial statement of F.Y. 2080-81.
6. Loan Administration Fees that are integral part of effective interest rate (EIR) is treated immaterial and not considered while calculating the Effective Interest Rate
7. 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.
8. Interest income on loans and advances to customers are shown on accrual basis subject to interest recognition guideline issued by Nepal Rastra Bank.
9. Opening retained earnings adjustment is related to merger and right share premium related tax amounting to Rs. 581 million paid to tax authorities.
10. Previous figures have been regrouped and restated wherever necessary.
11. The detail Interim report has been published in the Bank's website 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 = 8.80 | 2. Market Price per Share = Rs.153.7 |
| 3. Price Earnings Ratio (P/E ratio) = 17.47 | 4. Net Worth per Share = Rs.141.47 |
| 5. Liquidity Ratio = 30.47 | |

2. Management Analysis:

- The bank is focusing on cost management, diversified investments, technological up gradation, optimum utilization of resources, recoveries of it's risk assets and automation of work.

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. 162 Min. Price = Rs.129.60 Closing Price = Rs. 153.70 Total no. of Transactions = 24,979 Transacted Day = 61 days

5. Problems and Challenges

Internal

- a. Attaining reasonable level of cost of operation.
- b. Improving operational efficiencies to minimize inherent risks & management of Non-Performing Assets.

External

- a. Improving overhead efficiency.
- b. 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 with digitization approach.
- b. Utilizing the assets in as much as high yield, low risk investment sector and stringent recovery process for managing Non-Performing Assets.

6. Corporate Governance

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

- a. Board including the Audit Committee, Risk Management Committee and other committees continuously review the activities of various areas of the Bank and provide direction and support where necessary.
- b. Management Committee (Asset Liability Committee, Risk 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

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

- No such reportable events occurred during the period.

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.