



कुमारी बैंक लिमिटेड

KUMARI BANK LIMITED

सबैका लागि, सबैका लागि

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

**Interim Financial Statements of the FY 2081/82**

**Condensed Consolidated Statement of Financial Position**

**As on Second Quarter (13<sup>th</sup> January 2025) of the Fiscal Year 2024/25**

*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	10,819,171,715	19,628,921,035	10,526,221,723	19,581,636,193
Due from Nepal Rastra Bank	23,198,446,753	28,158,091,418	23,198,446,753	28,158,091,418
Placement with Bank and Financial Institutions	12,991,287,643	1,422,914,007	12,991,287,643	1,422,914,007
Derivative Financial Instruments	2,577,018,183	346,539,668	2,577,018,183	346,539,668
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	12,952,721,671	10,745,446,714	12,952,721,671	10,745,446,714
Loans and Advances to Customers	275,094,222,483	268,431,270,470	275,094,222,483	268,431,270,470
Investment Securities	81,670,314,407	65,054,699,186	81,221,933,284	64,635,154,603
Current Tax Assets	3,260,492,488	2,585,083,170	3,258,680,318	2,577,355,650
Investment in Subsidiaries	-	-	600,000,000	600,000,000
Investment in Associates	1,612,397,541	1,593,685,400	1,165,017,596	1,165,017,596
Investment Property	2,667,380,959	1,913,183,766	2,667,380,959	1,913,183,766
Property and Equipment	2,237,597,128	2,333,380,144	2,189,132,835	2,294,213,275
Goodwill and Intangible Assets	204,859,512	225,205,280	200,628,424	219,588,225
Deferred Tax Assets	133,097,854	105,287,225	136,150,602	108,629,781
Other Assets	8,302,926,650	7,394,732,733	7,968,832,938	7,253,840,426
<b>Total Assets</b>	<b>437,721,934,987</b>	<b>409,938,440,217</b>	<b>436,747,675,412</b>	<b>409,452,881,793</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	19,082,428,584	14,311,349,530	19,134,413,748	14,717,409,163
Due to Nepal Rastra Bank	4,407,233,566	3,729,500,000	4,407,233,566	3,729,500,000
Derivative Financial Instruments	2,713,045,388	350,040,393	2,713,045,388	350,040,393
Deposits from Customers	348,749,107,851	333,111,322,485	348,749,107,851	333,111,322,485
Borrowings	1,385,325,253	1,340,593,579	1,385,325,253	1,340,593,579
Current Tax Liabilities	-	-	-	-
Provisions	3,000,000	3,000,000	3,000,000	3,000,000
Deferred Tax Liabilities	-	-	-	-
Other Liabilities	11,860,162,000	7,780,823,659	11,359,079,646	7,417,356,293
Debt Securities Issued	13,981,755,330	13,980,460,457	13,981,755,330	13,980,460,457
Subordinated Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>402,182,057,973</b>	<b>374,607,090,104</b>	<b>401,732,960,781</b>	<b>374,649,682,371</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	(5,978,569,396)	(4,862,110,672)	(6,477,695,754)	(5,367,424,480)
Reserves	15,292,585,070	13,967,599,446	15,266,549,045	13,944,762,562
<b>Total Equity Attributable to Equity Holders</b>	<b>35,539,877,015</b>	<b>35,331,350,113</b>	<b>35,014,714,631</b>	<b>34,803,199,422</b>
Non-Controlling Interest	-	-	-	-
<b>Total Equity</b>	<b>35,539,877,015</b>	<b>35,331,350,113</b>	<b>35,014,714,631</b>	<b>34,803,199,422</b>
<b>Total Liabilities and Equity</b>	<b>437,721,934,987</b>	<b>409,938,440,217</b>	<b>436,747,675,412</b>	<b>409,452,881,793</b>



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

	<b>Amount in NPR</b>	
	<b>Current Year Upto this Qtr YTD</b>	<b>Previous Year Corresponding Qtr YTD</b>
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>275,730,458</b>	<b>867,211,479</b>
<b><u>Appropriations:</u></b>		
<i>a. General reserve</i>	(55,146,092)	(173,442,296)
<i>b. Foreign exchange fluctuation fund</i>	(2,803,283)	(4,034,890)
<i>c. Capital redemption reserve</i>	(520,833,333)	(166,666,667)
<i>d. Corporate social responsibility fund</i>	368,969	(6,043,477)
<i>e. Employees' training fund</i>	(29,440,591)	(17,561,475)
<i>f. Other (Investment adjustment reserve)</i>	-	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>(332,123,873)</b>	<b>499,462,675</b>
<b><u>Regulatory adjustment :</u></b>		
<i>a. Interest receivable (-)/previous accrued interest received (+)</i>	(238,787,920)	(1,548,771,055)
<i>b. Short loan loss provision in accounts (-)/reversal (+)</i>	-	-
<i>c. Short provision for possible losses on investment (-)/reversal (+)</i>	(64,215,249)	(103,794,732)
<i>d. Short loan loss provision on Non Banking Assets (-)/reversal (+)</i>	(475,144,233)	(180,684,302)
<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 (+/-) Interest Capitalization</i>	-	-
<b>Net Profit for the quarter ended Poush 2081 available for distribution</b>	<b>(1,110,271,275)</b>	<b>(1,333,787,415)</b>
<b>Opening Retained Earnings as on Shrawan 2081</b>	<b>(5,367,424,480)</b>	<b>(2,202,909,143)</b>
Adjustment:	-	(235,138,275)
<b><u>Distribution:</u></b>		
<i>Bonus Shares Issued</i>	-	-
<i>Cash Dividend Paid</i>	-	-
<b>Total Distributable Profit or (Loss) as on quarter ended Poush 2081</b>	<b>(6,477,695,755)</b>	<b>(3,771,834,833)</b>
<b>Annualised Distributable Profit/Loss per share</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)
Tier 1 Capital to RWA		7.23%		8.03%		7.23%		8.03%
CET 1 Capital to RWA		7.23%		8.03%		7.23%		8.03%
Capital fund to RWA		11.72%		12.08%		11.72%		12.08%
Non-performing loan (NPL) to total loan		6.96%		4.97%		6.96%		4.97%
Total loan loss provision to Total NPL		124.50%		130.70%		124.50%		130.70%
Cost of Funds	5.40%		7.91%		5.40%		7.91%	
Credit to Deposit Ratio	81.84%		85.19%		81.84%		85.19%	
Base Rate (FTM)	7.14%		10.28%		7.14%		10.28%	
Interest Rate Spread	3.51%		3.98%		3.51%		3.98%	
Return on Equity	1.57%		4.83%		1.57%		4.83%	
Return on Assets	0.13%		0.44%		0.13%		0.44%	

### Notes to the Interim Financial Statements

- Above figures are prepared in accordance with Nepal Financial Reporting Standards, Nepal Accounting Standard as issued by the Institute of Chartered Accountants of Nepal; subject to change upon otherwise directions of Statutory Auditor and Regulatory Authorities.
- Group represents the Bank and its wholly owned subsidiary Kumari Capital Ltd and KBL Securities Ltd; National Laghubitta Bittiya Sanstha Limited, First Microfinance Laghu Bitta Bittiya Sanstha Ltd, Mero Microfinance Laghubitta Bittiya Sanstha Ltd, Aviyan Laghubitta Bittiya Sanstha Ltd, Solar Farm Ltd, Avasar Equity Diversified Fund and Avasar Equity Ltd. 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.
- The financial statements were prepared in compliance with the Expected Credit Loss as per guidelines issued by NRB. The bank has taken impairment loss as per norms prescribed by NRB for loan loss provision.
- 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 as per NFRS 9-Expected Credit Loss Related Guideline, 2024 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 = 2.10                | 2. Market Price per Share = Rs.209 |
| 3. Price Earnings Ratio (P/E ratio) = 99.52 | 4. Net Worth per Share = Rs.133.51 |
| 5. Liquidity Ratio = 30.61                  |                                    |

#### 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

- 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.
- 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. 235.5 Min. Price = Rs.207 Closing Price = Rs. 209 Total no. of Transactions = 45,178 Transacted Day = 55 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.