24 October 2024

Nepal Stock Exchange
Singha Durbar Plaza, Kathmandu
Nepal

Re: Quarterly Unaudited Financial Results

Dear Sir,

Please find enclosed Quarterly Unaudited Financial Results of the bank as on first quarter ended on 16 October 2024.

Thank you,

Yours Sincerely,

.....
Authorized Signature
For Kumari Bank Ltd.

KUMARI BANK LTD. CORPORATE OFFICE

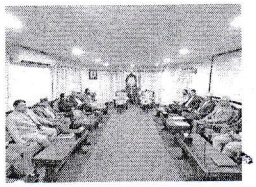
विधायिकी कार्यमा संसदीय समितिलाई सक्रिय बनाइने

नयाँ पत्रिका

बजेट अधिवेशन अन्त्य भएदेखि नै उच्च संसदीय समितिलाई विधायिकी कार्यमा सक्रिय गराउन संसद्का पदाधिकारी सहमत भएका छन्। सभामुख देवराज घिमिरेले मंगलबार बोलाएको समिति सभापति र राष्ट्रिय दलका प्रमुख सचेतक र सचेतकको बैठक समिति सक्रिय बनाएर विचाराधीन विधेयक टुग्याउने निष्कर्षमा पुगेको हो। यसका लागि पदाधिकारीले आ-आफ्नो तहबाट भूमिका खेल्ने प्रतिबद्धता जनाएका छन्।

२१ भदौंमा अधिवेशन अन्त्य भएपछि विपत् र चाडपर्व देखाएर समिति बैठक बसेका छैनन्। प्रतिनिधिसभाका समितिमा १५ र राष्ट्रिय सभाका समितिमा चार गरी १९ विधेयक विचाराधीन छन्। सरकारले हिउँदे अधिवेशनको तयारी गरिरहँदा समितिमा विधेयक अड्केर सदनका लागि बिजनेस नै छैन। समितिमा लामो समय विधेयक रोकिएर बिजनेसविहीन हुने परिस्थिति बनेपछि सभामुख घिमिरेले सभापति र सचेतकहरूसँग छलफल गरेका हुन्।

छलफलमा सभामुख घिमिरेले अब बन्ने पाँचौं अधिवेशनमा सबै विधेयक पास गरेर पेस गर्न निर्देशन नै दिएका थिए। गहन र जटिल खालका विशेष ध्यान दिन उनले ध्यानाकर्षण गराएका थिए। 'खानेपानी शिक्षा र निजामतीसम्बन्धी विधेयक जटिल टेक्निएका छन्। तुवै विधेयक संघीयता कार्यान्वयनसँग सम्बन्धित पनि छन्। संविधान सभाबाकको चर्चा भइरहेका बेला संसद्ले संघीयता कार्यान्वयनसँग सम्बन्धित विधेयक नै बनाएको छैन। समयक्रममा अझिते हामी त्यो दायित्वमा छौं,' घिमिरेले भने।



घिमिरेले विधेयकका जटिल प्रावधान के-के छन् भन्ने छुट्याउनुपर्ने उनको भनाइ थियो। 'जटिल छन् भनेर मात्रै हुँदैन। कुन-कुन विषय जटिल छन्, त्यसमा सभामुखले के मध्यस्थता गर्ने हो म तयार छु,' उनले भने, 'समितिका सभापति, कानुनमन्त्री र विधागीय मन्त्री बसेर छलफल गर्नुहोस्। समितिको बैठकमा घनीभूत छलफल गर्नुहोस्। शीर्ष नेताहरूसँग, प्रमुख राजनीतिक दलहरूसँग सहमति गर्नुपर्ने विषयमा मैले सहयोग गर्छु।'

छलफलमा समिति सभापतिहरूले बैठकका लागि कोरम नपुग्दा समितिको विधायिकी कार्य प्रभावित हुन पुगेको गुनासो गरेका थिए। 'सबै समितिको साझा समस्या कोरम नपुग्ने भन्ने आएको छ। अधिवेशन सकिएपछि संसदहरू क्षेत्रतिर लामुहुन्छ। कोरम पुगिरहेको छैन। बैठक बस्न अप्ठेरो छ,' उद्योग समिति सभापति अब्दुल खानले भने।

बैठक बस्दा चिया नास्ताका समेत समितिलाई अप्ठेरो रहेको र सरोकारवाला र सांसद्लाई दिन सक्ने अवस्था नरहेको पनि सभापतिहरूले राखेका थिए। 'बैठक चलाउन चिया-खाजा नै छैन। क्षेत्राधिकारको ठाउँमा अनुगमन गर्न पनि बजेट छैन। यो विषय साझा रूपमा उठेको छ। भ्रमण भत्ता नियमावली परिमार्जन गर्नुपर्छ भन्ने साझा धारणा बनेको छ,' अर्थ समिति सभापति सन्तोष चालिसेले भने। छलफलमा सभापति चालिसेले आव ०८१/८२ को प्रिजेट छलफलका क्रममा होटेल सोल्टीमा बसेको बैठकको लागत भुक्तानी नभएकोमा आक्रोश पोखेका थिए।

Interim Financial Statements of the FY 2081/82

As on First Quarter (16th October 2024) of the Fiscal Year 2024/25

Condensed Consolidated Statement of Financial Position

As on First Quarter (16th October 2024) 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
Assets				
Cash and Cash Equivalents	19,368,369,357	19,837,171,208	19,317,493,135	19,789,939,262
Due from Nepal Rastra Bank	14,160,982,426	28,158,091,418	14,160,982,426	28,158,091,418
Placement with Bank and Financial Institutions	1,452,139,722	1,226,134,738	1,452,139,722	1,226,134,738
Derivative Financial Instruments	2,433,670,597	346,539,668	2,433,670,597	346,539,668
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	12,261,806,652	10,745,446,714	12,261,806,652	10,745,446,714
Loans and Advances to Customers	283,964,475,648	273,201,068,586	283,964,475,648	273,201,068,586
Investment Securities	95,826,032,744	65,245,668,502	95,296,709,218	64,827,728,825
Current Tax Assets	2,203,536,599	1,936,852,179	2,201,565,025	1,926,599,932
Investment in Subsidiaries	-	-	600,000,000	600,000,000
Investment in Associates	1,637,201,601	1,612,382,456	1,185,017,596	1,185,017,596
Investment Property	2,612,074,942	1,913,183,766	2,612,074,942	1,913,183,766
Property and Equipment	2,314,779,226	2,317,296,843	2,265,427,116	2,294,091,498
Goodwill and Intangible Assets	214,131,436	224,379,345	209,595,901	215,586,225
Deferred Tax Assets	63,502,380	135,598,027	63,502,380	135,598,027
Other Assets	6,470,203,342	6,225,018,524	6,213,808,163	6,052,723,316
Total Assets	**444,963,009,175**	**413,124,831,974**	**444,238,268,520**	**412,621,751,572**
Liabilities				
Due to Bank and Financial Institutions	28,353,393,892	14,311,231,315	28,684,617,674	14,717,409,163
Due to Nepal Rastra Bank	2,704,700,000	3,729,500,000	2,704,700,000	3,729,500,000
Derivative Financial Instruments	2,434,683,860	350,040,393	2,434,683,860	350,040,393
Deposits from Customers	347,204,528,505	333,111,322,485	347,204,528,505	333,111,322,485
Borrowings	1,348,377,451	1,339,985,482	1,348,377,451	1,339,985,482
Current Tax Liabilities	-	-	-	-
Provisions	3,000,000	3,000,000	3,000,000	3,000,000
Deferred Tax Liabilities	-	-	-	-
Other Liabilities	10,006,792,845	8,663,960,352	9,522,136,444	8,280,831,389
Debt Securities Issued	13,988,584,856	13,988,423,885	13,988,584,856	13,988,423,885
Subordinated Liabilities	-	-	-	-
Total Liabilities	**406,044,061,408**	**375,497,463,912**	**405,890,628,789**	**375,520,512,797**
Equity				
Share Capital	26,225,861,340	26,225,861,340	26,225,861,340	26,225,861,340
Share Premium	-	-	-	-
Retained Earnings	(2,762,861,667)	(3,283,673,061)	(3,328,424,671)	(3,788,998,254)
Reserves	15,475,948,093	14,685,179,783	15,450,203,061	14,664,375,689
Total Equity Attributable to Equity Holders	**38,938,947,767**	**37,627,368,062**	**38,347,639,731**	**37,101,238,775**
Non-Controlling Interest	-	-	-	-
Total Equity	**38,938,947,767**	**37,627,368,062**	**38,347,639,731**	**37,101,238,775**
Total Liabilities and Equity	**444,983,009,175**	**413,124,831,974**	**444,238,268,520**	**412,621,751,572**

Condensed Consolidated Statement of Profit or Loss

For the First Quarter Ended (16th October 2024) of the Fiscal Year 2024/25

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	8,651,113,003	8,651,113,003	10,623,829,741	10,623,829,741	8,640,810,331	8,640,810,331	10,603,835,095	10,603,835,095
Interest expense	5,834,549,812	5,834,549,812	7,561,848,466	7,561,848,466	5,834,564,264	5,834,564,264	7,561,862,917	7,561,862,917
Net interest income	**2,816,563,190**	**2,816,563,190**	**3,061,981,275**	**3,061,981,275**	**2,806,246,068**	**2,806,246,068**	**3,041,972,177**	**3,041,972,177**
Fee and commission income	689,624,537	689,624,537	706,603,097	706,603,097	689,624,537	689,624,537	706,603,097	706,603,097
Fee and commission expense	81,430,303	81,430,303	79,593,847	79,593,847	81,430,303	81,430,303	79,593,847	79,593,847
Net fee and commission income	**608,194,234**	**608,194,234**	**627,009,250**	**627,009,250**	**608,194,234**	**608,194,234**	**627,009,250**	**627,009,250**
Net interest, fee and commission income	**3,424,757,424**	**3,424,757,424**	**3,688,990,525**	**3,688,990,525**	**3,414,440,302**	**3,414,440,302**	**3,668,981,427**	**3,668,981,427**
Net trading income	84,017,094	84,017,094	125,974,894	125,974,894	84,017,094	84,017,094	125,974,894	125,974,894
Other operating income	420,964,495	420,964,495	323,253,369	323,253,369	228,017,455	228,017,455	181,640,552	181,640,552
Total operating income	**3,929,739,014**	**3,929,739,014**	**4,138,218,788**	**4,138,218,788**	**3,726,474,851**	**3,726,474,851**	**3,976,596,873**	**3,976,596,873**
Impairment charge/ (reversal) for Loans and other losses	630,589,103	630,589,103	2,183,139,639	2,183,139,639	630,589,103	630,589,103	2,183,139,639	2,183,139,639
Net operating income	**3,299,049,911**	**3,299,049,911**	**1,955,079,150**	**1,955,079,150**	**3,095,785,748**	**3,095,785,748**	**1,793,457,235**	**1,793,457,235**
Operating expense								
Personnel expenses	1,122,328,309	1,122,328,309	872,735,867	872,735,867	1,106,885,793	1,106,885,793	861,678,951	861,678,951
Other operating expenses	256,154,792	256,154,792	294,361,171	294,361,171	235,322,180	235,322,180	286,144,897	286,144,897
Depreciation & Amortization	205,255,698	205,255,698	209,718,972	209,718,972	203,871,694	203,871,694	208,960,672	208,960,672
Operating Profit	**1,715,311,112**	**1,715,311,112**	**578,263,140**	**578,263,140**	**1,549,706,081**	**1,549,706,081**	**436,652,715**	**436,652,715**
Non-operating income	7,065,849	7,065,849	55,446,493	55,446,493	7,065,849	7,065,849	1,658,947	1,658,947
Non-operating expense	-	-	300	300	-	-	300	300
Profit before income tax	**1,722,376,961**	**1,722,376,961**	**633,709,333**	**633,709,333**	**1,556,771,930**	**1,556,771,930**	**438,311,362**	**438,311,362**
Income tax expense	491,803,128	491,803,128	183,521,316	183,521,316	478,594,149	478,594,149	174,376,242	174,376,242
Current Tax	494,306,862	494,306,862	183,521,316	183,521,316	478,594,149	478,594,149	174,376,242	174,376,242
Deferred Tax	(2,503,734)	(2,503,734)	-	-	-	-	-	-
Profit/(loss) for the period	**1,230,573,833**	**1,230,573,833**	**450,188,017**	**450,188,017**	**1,078,177,781**	**1,078,177,781**	**263,935,120**	**263,935,120**
Condensed Consolidated Statement of Comprehensive Income								
Profit/(loss) for the period	**1,230,573,833**	**1,230,573,833**	**450,188,017**	**450,188,017**	**1,078,177,781**	**1,078,177,781**	**263,935,120**	**263,935,120**
Other Comprehensive Income	168,223,176	168,223,176	(38,272,011)	(38,272,011)	168,223,176	168,223,176	(38,272,011)	(38,272,011)
Total Comprehensive Income for the period	**1,398,797,009**	**1,398,797,009**	**411,916,006**	**411,916,006**	**1,246,400,957**	**1,246,400,957**	**225,663,109**	**225,663,109**
Basic earnings per share		19.77		6.87		16.44		4.03
Diluted earnings per share		19.77		6.87		16.44		4.03
Profit attributable to:								
Equity holders of the Bank	**1,398,797,009**	**1,398,797,009**	**411,916,006**	**411,916,006**	**1,246,400,957**	**1,246,400,957**	**225,663,109**	**225,663,109**
Non-controlling interest	-	-	-	-	-	-	-	-

Statement of Distributable Profit or Loss

For the Quarter end of Asoj 2081 (As per NRB Regulation)

Amount in NPR

Particulars	Bank	
	Current Year Upto this Qtr YTD	Previous Year Corresponding Qtr YTD
Net profit or (loss) as per statement of profit or loss	**1,078,177,781**	**263,935,120**
Appropriations:		
a. General reserve	(215,635,556)	(52,787,024)
b. Foreign exchange fluctuation fund	(1,580,967)	(2,370,495)
c. Capital redemption reserve	(250,416,667)	(83,333,333)
d. Corporate social responsibility fund	(10,032,094)	(2,112,351)
e. Employees' training fund	(17,031,829)	(11,647,339)
f. Other	-	-
Profit or (loss) befor regulatory adjustment	**573,480,668**	**111,684,377**
Regulatory adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(325,710)	(1,255,594,211)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	(58,272,011)
d. Short loan loss provision on Non-Banking Assets (-)/reversal (+)	(112,583,374)	(135,080,883)
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (+/-) Interest Capitalization	-	-
Net Profit for the quarter ended Asoj 2081 available for distribution	**460,573,585**	**(1,317,362,728)**
Opening Retained Earnings as on Shrawan 2081	**(3,788,998,255)**	**(848,305,972)**
Adjustment:	-	-
Distribution:		
Bonus Shares Issued	-	-
Cash Dividend Paid	-	-
Total Distributable Profit or (Loss) as on quarter ended Asoj 2081	**(3,328,424,671)**	**(2,165,668,700)**
Annualised Distributable Profit/Loss per share	-	-

Ratios as per NRB Directives

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		8.52%		8.21%		8.52%		8.21%
CET 1 Capital to RWA		8.52%		8.21%		8.52%		8.21%
Capital fund to RWA		12.41%		12.08%		12.41%		12.08%
Non-performing loan (NPL) to Total Loan		4.96%		4.89%		4.96%		4.89%
Total loan loss provision to Total NPL		135.62%		111.34%		135.62%		111.34%
Cost of Funds	5.75%		8.58%		5.75%		8.58%	
Credit to Deposit Ratio	82.88%		86.01%		82.88%		86.01%	
Base Rate (FTM)	7.48%		10.91%		7.48%		10.91%	
Interest Rate Spread	3.86%		4.30%		3.86%		4.30%	
Return on Equity	11.25%		2.85%		11.25%		2.85%	
Return on Assets	0.97%		0.27%		0.97%		0.27%	

Notes to the Interim Financial Statements

1. 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.
2. 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.
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 NFRS 9-Expected Credit Loss Related Guideline, 2024 issued by Nepal Rastra Bank.
5. Loan Administration Fees that are integral part of effective interest rate (EIR) is treated immaterial and not considered while calculating the Effective Interest Rate
6. 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.
7. 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.
8. Previous figures have been regrouped and restated wherever necessary.
9. 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 = 16.44
   2. Market Price per Share = Rs.237
   3. Price Earnings Ratio (P/E ratio) = 14.42
   4. Net Worth per Share = Rs.146.22
   5. Liquidity Ratio = 29.10
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. 272.9 Min. Price = Rs.150.7 Closing Price = Rs. 237 Total no. of Transactions = 139,131 Transacted Day = 57 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 digitalization 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.

कुमारी बैंक लिमिटेड
KUMARI BANK LIMITED
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