21 January 2025

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 second quarter ended on 13 January 2025.

Thank you,

Yours Sincerely,

KUMARI BANK LTD. CORPORATE OFFICE

.....

Authorized Signature
For Kumari Bank Ltd.

युवा पलायन रोक्न देशभित्रै रोजगारी सृजना गर्नुपर्छ: नेपाल

काठमाडौं (रासस)- नेपाल कम्युनिष्ट पार्टी (एकीकृत मसाल)को अध्यक्ष एवं पूर्वप्रधानमन्त्री माधवकुमार नेपालले मुलुकबाट युवाशक्ति पलायन हुन नदिन देशभित्रै रोजगारीका अवसर सृजना गर्नुपर्ने बताएका छन् ।

पार्टी निकट पेसागत महासङ्घद्वारा आइतबार आयोजित महाधिवेशनात्मक कार्यशालाको उद्घाटन गर्दै अध्यक्ष नेपालले युवा जनशक्ति दैनिक हजारौंको सङ्ख्यामा रोजगारीका लागि विदेश पलायन भइरहेको त्यसलाई रोक्न एक रोजगार प्राधिकरण स्थापना गर्नुपर्नेमा जोड दिए । रोजगारीको अवसर सृजना गर्न औद्योगिकरणको खाँचो औंल्याउँदै उनले त्यसका लागि कृषि, ऊर्जा, पर्यटन तथा पूर्वाधार निर्माणका क्षेत्रमा सरकारले लगानी वृद्धि गर्नुपर्ने बताए ।

नेपालले प्रत्येक वर्ष उत्पादन हुने शैक्षिक जनशक्तिको वास्तविक तथ्याङ्क अद्यावधिक गरी श्रम बजार व्यवस्थित गर्नुपर्ने बताए ।

अध्यक्ष नेपालले श्रमिक कामदारलाई कानुनबमोजिम सामाजिक सुरक्षा अनिवार्य रूपमा उपलब्ध गराउन ट्रेड युनियनको भूमिका महत्वपूर्ण हुने बताए । मुलुकमा विकास तथा समृद्धि कायम गर्न समाजवादी अर्थव्यवस्थाको कार्यान्वयन गर्नुपर्नेमा उनले जोड दिए ।

Interim Financial Statements of the FY 2081/82

Condensed Consolidated Statement of Financial Position

As on Second Quarter (13th 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
Assets				
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	28,159,091,418	23,198,446,753	28,159,091,418
Placement with Bank and Financial Institutions	12,991,267,643	1,422,914,007	12,991,267,643	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	12,952,721,071	10,745,446,714	12,952,721,071	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	81,670,314,467	66,354,899,186	81,670,314,467	66,354,899,186
Current Tax Assets	3,280,692,488	2,595,083,170	3,280,692,488	2,595,083,170
Investment in Subsidiaries	-	-	600,000,000	600,000,000
Investment in Associates	1,612,217,141	1,573,635,400	1,765,017,506	1,765,017,506
Investment Property	2,667,380,969	1,913,183,766	2,667,380,969	1,913,183,766
Property and Equipment	2,237,597,128	2,303,390,144	2,189,132,935	2,293,213,275
Goodwill and Intangible Assets	204,859,512	225,205,280	200,628,424	219,588,225
Deferred Tax Assets	133,097,854	105,787,226	136,150,602	108,629,781
Other Assets	8,302,926,650	7,394,732,733	7,968,832,938	7,753,840,426
Total Assets	437,721,934,987	409,938,440,217	436,747,675,412	409,452,881,793
Liabilities				
Due to Bank and Financial Institutions	19,082,428,684	14,311,349,530	19,134,419,748	14,712,409,183
Due to Nepal Rastra Bank	4,497,233,566	3,779,500,000	4,497,233,566	3,779,500,000
Derivative Financial Instruments	2,713,045,398	350,040,393	2,713,045,398	350,040,393
Deposits from Customers	348,749,107,851	333,111,422,485	348,749,107,851	333,111,422,485
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	-	-	-	-
Total Liabilities	402,182,057,973	374,607,090,104	401,732,960,781	374,649,882,371
Equity				
Share Capital	26,225,861,340	26,225,861,340	26,225,861,340	26,225,861,340
Share Premium	-	-	-	-
Retained Earnings	(5,978,569,394)	(4,862,110,672)	(6,477,685,754)	(5,367,424,480)
Reserves	15,292,585,076	13,967,599,446	15,766,549,045	13,944,762,562
Total Equity Attributable to Equity Holders	35,539,877,015	35,331,350,113	35,014,714,631	34,803,199,422
Non-Controlling Interest	-	-	-	-
Total Equity	35,539,877,015	35,331,350,113	35,014,714,631	34,803,199,422
Total Liabilities and Equity	437,721,934,987	409,938,440,217	436,747,675,412	409,452,881,793

Condensed Consolidated Statement of Profit or Loss

For the Second Quarter Ended (13th January 2025) 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	7,705,892,900	16,356,265,903	9,781,897,705	20,405,727,447	7,696,250,073	16,337,670,485	9,763,320,494	20,386,156,589
Interest Expense	5,188,541,829	11,023,091,842	7,079,093,109	14,641,741,575	5,189,541,829	11,023,106,093	7,079,092,109	14,641,756,027
Net Interest Income	2,516,551,071	5,333,114,261	2,702,804,596	5,763,985,871	2,507,718,244	5,313,964,312	2,683,427,385	5,725,399,562
Fee and Commission Income	751,365,577	1,440,996,109	559,239,468	1,268,842,565	751,365,577	1,440,996,109	559,239,468	1,268,842,565
Fee and Commission Expense	88,840,561	170,270,864	82,386,718	161,980,563	88,840,561	170,270,864	82,386,718	161,980,563
Net fee and commission income	662,525,011	1,270,719,245	476,852,750	1,103,862,000	662,525,011	1,270,719,245	476,852,750	1,103,862,000
Net interest, fee and commission income	3,179,076,082	6,603,833,506	3,178,857,346	6,867,847,871	3,170,243,255	6,584,683,557	3,160,280,135	6,829,261,562
Net trading income	64,957,387	148,974,462	68,450,694	214,425,588	64,957,387	148,974,462	68,450,694	214,425,588
Other operating income	57,601,036	478,765,551	62,193,563	385,446,953	121,941,716	349,959,172	28,732,822	210,393,174
Total operating income	3,301,634,505	7,231,573,519	3,329,501,623	7,467,720,412	3,357,142,339	7,083,617,190	3,277,483,451	7,254,080,325
Impairment charge/ (reversal) for Loans and other losses	2,642,452,810	3,273,141,913	582,936,919	2,766,076,557	2,642,452,810	3,273,141,913	582,936,919	2,766,076,557
Net operating income	659,381,695	3,958,431,605	2,746,564,705	4,701,643,855	714,689,529	3,810,475,276	2,694,546,533	4,488,003,767
Operating expense								
Personnel expenses	1,040,456,995	2,102,785,304	1,147,130,356	2,019,806,223	1,028,217,578	2,133,103,370	1,136,306,581	1,997,805,453
Other operating expenses	333,017,655	589,172,647	305,810,604	690,171,865	319,181,152	554,503,332	298,468,870	584,613,767
Depreciation & Amortization	197,026,924	402,282,622	203,887,376	413,606,341	195,435,788	399,307,482	202,905,956	411,886,628
Operating Profit	(911,120,079)	804,191,033	1,089,736,285	1,687,999,426	(828,144,989)	721,561,092	1,056,865,205	1,493,517,919
Non-operating income	11,965,238	19,030,087	20,340,493	11,964,238	19,029,087	12,035,192	13,694,038	
Non-operating expense	50,172,568	50,172,568	604,450	604,750	50,172,568	50,172,568	604,450	604,750
Profit before income tax	(949,328,409)	773,048,552	1,089,131,835	1,722,841,169	(866,353,319)	690,418,611	1,068,296,347	1,506,607,708
Income tax expense	(58,124,793)	433,670,337	474,881,312	658,402,628	(63,905,996)	414,688,153	465,019,896	639,366,230
Current Tax	(54,285,403)	440,021,398	474,881,312	658,402,628	(63,905,996)	414,688,153	465,019,896	639,366,230
Deferred Tax	(3,839,328)	(6,343,062)						
Profit/(loss) for the period	(891,203,618)	339,370,215	614,250,523	1,064,438,540	(802,447,323)	275,730,458	603,276,359	867,211,479
Condensed Consolidated Statement of Comprehensive Income								
Profit/(loss) for the period	(891,203,618)	339,370,215	614,250,523	1,064,438,540	(802,447,323)	275,730,458	603,276,359	867,211,479
Other Comprehensive Income	(232,438,425)	(64,215,240)	(65,522,721)	(103,764,732)	(232,438,425)	(64,215,240)	(65,522,721)	(103,764,732)
Total Comprehensive Income for the period	(1,123,642,043)	275,154,966	548,727,802	960,643,808	(1,034,885,748)	211,515,209	537,753,637	763,416,747
Basic earnings per share		2.59		8.12		2.10		6.61
Diluted earnings per share		2.59		8.12		2.10		6.61
Profit attributable to:								
Equity holders of the Bank	(1,123,642,043)	275,154,966	548,727,802	960,643,808	(1,034,885,748)	211,515,209	537,753,637	763,416,747
Non-controlling interest								

Statement of Distributable Profit or Loss

For the Quarter end of Poush 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	275,730,458	867,211,479
Appropriations:		
a. General reserve	(55,146,092)	(173,442,296)
b. Foreign exchange fluctuation fund	(2,803,783)	(4,034,890)
c. Capital redemption reserve	(526,833,333)	(165,605,667)
d. Corporate social responsibility fund	366,909	(6,043,477)
e. Employees' training fund	(29,440,591)	(17,561,475)
f. Other	-	-
Profit or (loss) before regulatory adjustment	(332,123,873)	499,482,675
Regulatory adjustment		
a. Interest receivable (+)/Interest accrued (-)	(238,787,920)	(1,548,771,655)
b. Short loan loss provision or accounting charge (-)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	164,215,240	103,764,732
d. Short loan loss provision on non-banking assets (-)/reversal (+)	(475,144,233)	(169,684,932)
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 (+/-) For Share Split	-	-
Net Profit for the quarter ended Poush 2081 available for distribution	(1,110,271,275)	(1,333,787,415)
Opening Retained Earnings as on Shrawan 2081	(5,367,424,480)	(2,202,909,143)
Adjustment	-	(235,136,275)
Distribution:		
Bonus Shares Issued	-	-
Cash Dividend Paid	-	-
Total Distributable Profit or (Loss) as on quarter ended Poush 2081	(6,477,695,755)	(3,771,834,833)
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		7.29%		8.03%		7.29%		8.03%
CET 1 Capital to RWA		7.29%		8.03%		7.29%		8.03%
Capital fund to RWA		11.72%		12.98%		11.72%		12.98%
Non-performing loan (NPL) to total loan		5.98%		4.97%		6.06%		4.97%
Total loan loss provision to total NPL		124.50%		180.70%		124.50%		180.70%
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 (if DM)	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

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 compiled by adopting appropriate accounting judgment, those having potential material impact on the financial statements and had made appropriate judgement in making accounting estimates.
4. 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 provisions.
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 (annualised 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**
   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. 235.5 Min. Price = Rs.207 Closing Price = Rs. 209 Total no. of Transactions = 45,178 Transacted Day = 90 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.

कुमारी बैंक लिमिटेड
KUMARI BANK LIMITED
सबैका लागि, सबैका लागि

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