

Unaudited Financial Result for 4th quarter FY 2077-78

Statement of Financial Position As on 31st Ashadh 2078			
Particulars	Current Year	Previous Year (Audited)	
Assets			
Cash and Cash Equivalent	4,401,235,416	1,710,904,134	
Due from Nepal Rastra Bank	940,622,266	1,074,761,475	
Placement with Bank and Financial Institutions	-	-	
Derivative Financial Instruments	-	-	
Other Trading Assets	-	-	
Loans and Advances to BFs	1,007,500,000	976,661,206	
Loans and Advances to Customers	38,829,183,314	25,926,018,015	
Investment Securities	4,967,854,215	5,759,416,102	
Current Tax Assets	316,044,517	87,202,509	
Investment in Subsidiaries	-	-	
Investment in Associates	-	-	
Investment Property	34,810,000	9,610,000	
Property and Equipment	701,419,005	651,717,685	
Goodwill and Intangible Assets	12,363,147	10,393,228	
Deferred Tax Assets	36,562,104	36,562,104	
Other Assets	497,434,056	378,465,414	
Total Assets	51,745,028,041	36,621,711,872	
Liabilities			
Due to Bank and Financial Institutions	846,504,019	1,061,544,497	
Due to Nepal Rastra Bank	599,786,423	-	
Derivative Financial Instruments	-	-	
Deposits from Customers	44,450,166,682	31,905,976,624	
Borrowings	-	-	
Current Tax Liabilities	300,103,029	-	
Provisions	39,567,498	23,030,661	
Deferred Tax Liabilities	-	-	
Other Liabilities	567,703,659	427,103,403	
Debt Securities Issued	1,000,000,000	-	
Subordinated Liabilities	-	-	
Total Liabilities	47,803,831,310	33,417,655,184	
Equity			
Share Capital	2,651,963,732	2,540,195,352	
Share Premium	-	-	
Retained Earnings	444,883,643	119,709,086	
Reserves	844,349,357	544,152,249	
Total Equity Attributable to Equity Holders	3,941,196,731	3,204,056,688	
Non-Controlling Interest	-	-	
Total Equity	3,941,196,731	3,204,056,688	
Total Liabilities and Equity	51,745,028,041	36,621,711,872	

Statement of Profit or Loss For the period ending 31st Ashadh 2078				
Particulars	Current Year		Previous Year (Audited)	
	This Quarter	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest Income	1,110,125,999	4,046,388,080	938,980,856	3,530,982,785
Interest Expense	697,478,698	2,556,062,445	648,975,427	2,383,849,804
Net Interest Income	412,647,301	1,490,325,636	290,005,429	1,147,132,980
Fee and Commission Income	39,695,143	275,889,242	59,868,018	222,223,205
Fee and Commission Expense	1,475,618	5,070,733	417,420	1,733,025
Net Fee and Commission Income	38,219,526	270,818,509	59,450,598	220,490,180
Net Interest, Fee and Commission Income	450,866,827	1,761,144,145	349,456,028	1,367,623,161
Net Trading Income	18,988	44,822	9,908	51,791
Other Operating Income	41,337,628	78,248,463	(23,861,202)	8,761,057
Total Operating Income	492,223,443	1,839,437,429	325,604,734	1,376,436,099
Impairment Charge/ (Reversal) for Loans and Other Losses	111,748,355	139,331,519	198,064,451	315,711,475
Net Operating Income	380,475,088	1,700,105,910	127,540,282	1,060,724,534
Operating Expense				
Personnel Expenses	160,621,438	599,101,942	141,568,475	489,363,223
Other Operating Expenses	69,414,049	269,052,323	97,839,044	316,262,277
Depreciation & Amortisation	28,528,967	112,313,758	28,800,897	89,368,495
Operating Profit	121,910,634	719,637,687	(140,668,135)	165,730,539
Non-Operating Income	48,046,978	287,685,988	(1,444,869)	-
Non-Operating Expense	6,980,445	6,980,445	1,623,481	1,623,481
Profit Before Income Tax	162,977,167	1,000,343,430	(143,736,485)	164,107,058
Income Tax Expense	-	-	-	-
Current Tax	48,893,150	300,103,029	(38,975,514)	53,377,549
Deferred Tax	-	-	(8,989,819)	(8,989,819)
Profit for the Period	114,084,017	700,240,401	(95,771,152)	119,719,328
Profit Attributable to:				
Equity-holders of the Bank	114,084,017	700,240,401	(95,771,152)	119,719,328
Non-Controlling Interest	-	-	-	-
Profit for the Period	114,084,017	700,240,401	(95,771,152)	119,719,328
Earnings per Share				
Basic Earnings per Share	-	26.40	-	4.71
Diluted Earnings per Share	-	26.40	-	4.71

Statement of Other Comprehensive Income For the period ending 31st Ashadh 2078				
Particulars	Current Year		Previous Year (Audited)	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year	114,084,016	700,240,401	(95,771,152)	119,719,328
Other Comprehensive Income, Net of Income Tax	-	-	-	-
a) Items that will not be reclassified to profit or loss				
Gains/(losses) from investment in equity instruments measured at fair value	(2,462,416)	(237,035)	61,994,146	9,475,437
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	4,196,574	4,196,574
Income tax relating to above items	738,725	71,111	(19,857,216)	(4,101,603)
Net other comprehensive income that will not be reclassified to profit or loss	(1,723,691)	(165,925)	46,333,504	9,570,408
Other Comprehensive Income for the year, Net of Income Tax	(1,723,691)	(165,925)	46,333,504	9,570,408
Total Comprehensive Income for the Period	112,360,325	700,074,476	(49,437,648)	129,289,736
Total Comprehensive Income attributable to:				
Equity-Holders of the Bank	112,360,325	700,074,476	(49,437,648)	129,289,736
Non-Controlling Interest	-	-	-	-
Total Comprehensive Income for the Period	112,360,325	700,074,476	(49,437,648)	129,289,736

Statement of Distributable Profit or Loss For the period ending 31st Ashadh 2078 (As per NRB Regulation)		
Particulars	Current Year	
Net profit or (loss) as per statement of profit or loss	700,240,401	
Add: Opening reserve	-	
Appropriations:		
a. General reserve	140,048,080	
b. Foreign exchange fluctuation fund	51,533	
c. Capital redemption reserve	7,002,404	
d. Corporate social responsibility fund	14,638,580	
e. Employees' training fund	-	
f. Other	-	
Profit or (loss) before regulatory adjustment	538,499,804	
Regulatory adjustment:		
a. Transfer to Regulatory Reserve	103,978,458	
b. Transfer from Regulatory Reserve	-	
Distributable Profit or (Loss)	434,521,346	

Ratio as per NRB Directive As on 31st Ashadh 2078			
Particulars	Current Year	Previous Year	Corresponding
Capital Fund to RWA	13.78%	-	14.00%
Non-Performing Loan(NPL) to Total Loan	1.50%	-	1.79%
Total Loan Loss Provision to Total NPL	126.47%	-	134.00%
Cost of Funds	6.31%	-	7.61%
Credit to Deposit Ratio (CCD)	80.37%	-	74.60%
Base Rate	8.38%	-	10.55%
Interest Rate Spread	4.20%	-	4.91%

- Notes:**
- Above financial statement is prepared in accordance with NRB Directives 4 and applicable Nepal Financial Reporting Standards (NFRS) issued by Institute of Chartered Accountants of Nepal.
 - Loans and advances are presented net of Loan Impairments. Loans and advances also include interest receivable on loan.
 - Actuarial valuation of gratuity and leave and gratuity is done in annual basis only.
 - The above figures are subject to change if directed by the regulatory authority or external audit.
 - Figures have been rearranged and regrouped wherever necessary.
 - There are no related party transactions for the quarter with related parties apart from BOD allowance to BOD members and salary and allowances to CEO.
 - The interim unaudited financial statement has been updated in the Bank's website www.kamanasewabank.com.

'प्रगतिको आधार, कामना सेवा सँग कारोबार'

Securities Registration and Issue Regulation, 2073 (Rule 26(1), Annexure 14) 4th Quarter Report Fiscal Year 2077/78

1. Financial Statement

- Statement of Financial Position and Statement of Profit and Loss as per Nepal Financial Reporting Standard: Published along with this report. There has been no transaction between related parties.
- Key financial indicators and ratios

Earnings Per Share	26.40
Price Earnings Ratio (P/E Ratio)	21.97
Net worth Per Share	148.61
Liquidity Ratio	22.10%
Total Assets per share	1,951.20
Capital Adequacy Ratio	13.78

2. Management Analysis

- The bank has registered NPR 700.240 million in net profit.
- There has been change in the bank's reserve, profit and liquidity position in line with the growth in business volume.

3. Details relating to legal action

- Case filed against the bank**
There were no major cases except those arising during the normal course of the bank's business
- Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or director of the bank**
No such information has been received
- Case relating to financial crime filed against any promoter or director**
No such information has been received

4. Analysis of share transaction and progress of the bank

- Management's view on share transaction of bank in the secondary market**
As the prices in the secondary market is determined by open share market operations, management view is neutral on this.
- Maximum, minimum, closing price, total traded days and total share transacted during the quarter (Source www.nepalstock.com)**

Maximum Price	663
Minimum Price	328
Closing Price	580
Total Days Transacted	65 Days
Total Share Transacted	13,698,857 Shares
Total Transactions	68,698 Transactions

5. Problems and challenges

Internal

- Recruitment and retention of quality manpower.
- Increasing cost of operation.
- Attraction of low cost deposit.
- Management of increased operational risk with the increase in business volume and number of branches.

External

- Adverse impact of COVID-19 on the national economy and sectors like travel & tourism, manufacturing, remittances, transportation, SMEs etc.
- Competitive banking business.
- Limited credit opportunities in productive sectors.
- High fluctuations in liquidity.

Strategy

- Focus on activities to cope and navigate through the impact of COVID-19.
- Identification of new possibilities for business development.
- Strong risk management approach and portfolio diversification.
- Reinforcement of prudent banking practices.
- Re-pricing of assets and liabilities keeping in view the market fluctuations.

6. Corporate Governance

The bank follows zero tolerance governance and compliance culture. It ensures absolute compliance of directives and guidelines issued by Nepal Rastra Bank. To ensure adequate compliance and risk management the bank has developed strong policy and procedural framework along with dedicated independent compliance, audit and risk management function. The board of directors, audit committee, risk management committee, human resource management committee, recruitment committee and all other management committee are committed to enforce highest standard of corporate governance within the bank.

7. Declaration by CEO

I hereby declare that the data and information provided in this report is true, complete and factual to the best of my knowledge. No any conscious attempt has been made to misguide the investors.