

# Kamana Sewa Bikas Bank Limited

## Statement of Financial Position

As on Ashar End 2079

Particulars	This Quarter ending	Immediate Previous Year Ending (Audited)
<b>Assets</b>		
Cash and Cash Equivalent	5,949,089,247	4,401,235,416
Due from Nepal Rastra Bank	1,234,516,965	940,622,266
Placement with Bank and Financial Institutions	350,000,000	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	1,778,021,882	952,703,267
Loans and Advances to Customers	42,511,226,930	38,580,550,842
Investment Securities	6,259,815,273	4,972,529,625
Current Tax Assets	43,240,097	46,952,495
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	237,680,213	34,810,000
Property and Equipment	574,800,578	613,077,820
Goodwill and Intangible Assets	97,594,297	100,534,705
Deferred Tax Assets	55,980,917	28,379,326
Other Assets	260,287,090	633,508,463
<b>Total Assets</b>	<b>59,352,253,488</b>	<b>51,304,904,226</b>

Particulars	Current Year	Previous Year
<b>Liabilities</b>		
Due to Bank and Financial Institutions	4,303,589,712	1,106,024,820
Due to Nepal Rastra Bank	2,809,542,033	599,786,423
Derivative Financial Instruments	-	-
Deposits from Customers	46,261,302,055	44,200,605,720
Borrowings	-	-
Current Tax Liabilities	-	-
Provisions	28,704,028	25,824,308
Deferred Tax Liabilities	-	-
Other Liabilities	555,616,591	541,440,648
Debt Securities Issued	992,982,007	992,982,007
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>54,951,736,426</b>	<b>47,466,663,926</b>
<b>Equity</b>		
Share Capital	3,142,577,022	2,651,963,732
Share Premium	-	-
Retained Earnings	198,617,801	527,521,035
Reserves	1,059,322,239	658,755,534
<b>Total Equity Attributable to Equity Holders</b>	<b>4,400,517,062</b>	<b>3,838,240,300</b>
Non Controlling Interest	-	-
<b>Total Equity</b>	<b>4,400,517,062</b>	<b>3,838,240,300</b>
<b>Total Liabilities and Equity</b>	<b>59,352,253,488</b>	<b>51,304,904,226</b>
Net Assets Value per share	140.03	144.73

# Kamana Sewa Bikas Bank Limited

## Statement of Profit or Loss

For the year ended Ashar End 2079

Particulars	Current Year		Corresponding Previous Year (Audited)	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	1,750,790,194	5,797,228,545	1,154,052,547	4,090,314,629
Interest Expense	1,180,386,218	3,843,097,813	695,460,705	2,554,044,452
<b>Net Interest Income</b>	<b>570,403,975</b>	<b>1,954,130,732</b>	<b>458,591,842</b>	<b>1,536,270,177</b>
Fee and Commission Income	73,042,029	302,927,492	102,174,655	338,368,753
Fee and Commission Expense	4,072,531	13,516,556	3,771,663	7,366,778
<b>Net Fee and Commission Income</b>	<b>68,969,498</b>	<b>289,410,935</b>	<b>98,402,992</b>	<b>331,001,974</b>
<b>Net Interest, Fee and Commission Income</b>	<b>639,373,473</b>	<b>2,243,541,667</b>	<b>556,994,834</b>	<b>1,867,272,151</b>
Net Trading Income	34,331	95,047	18,989	44,822
Other Operating Income	4,291,953	31,525,138	(9,223,167)	267,326,680
<b>Total Operating Income</b>	<b>643,699,758</b>	<b>2,275,161,851</b>	<b>547,790,656</b>	<b>2,134,643,653</b>
Impairment Charge / (Reversal) for Loans and Other Lossess	156,863,072	299,781,089	244,529,441	272,112,605
<b>Net Operating Income</b>	<b>486,836,685</b>	<b>1,975,380,762</b>	<b>303,261,215</b>	<b>1,862,531,047</b>
<b>Operating Expense</b>				
Personnel Expenses	182,618,186	641,270,263	184,977,099	623,457,603
Other Operating Expenses	93,033,861	319,418,806	62,926,651	262,564,924
Depreciation & Amortisation	30,552,496	113,297,548	32,339,588	116,124,379
<b>Operating Profit</b>	<b>180,632,142</b>	<b>901,394,147</b>	<b>23,017,877</b>	<b>860,384,141</b>
Non Operating Income	-	-	-	-
Non Operating Expense	-	-	2,143,348	2,143,348
<b>Profit Before Income Tax</b>	<b>180,632,142</b>	<b>901,394,147</b>	<b>20,874,529</b>	<b>858,240,793</b>
Income Tax Expense				
Current Tax	54,189,643	270,418,244	18,354,143	269,564,022
Deferred Tax	-	-	(9,498,969)	(9,498,969)
<b>Profit for the Period</b>	<b>126,442,500</b>	<b>630,975,903</b>	<b>12,019,355</b>	<b>598,175,740</b>
<b>Profit Attributable to:</b>				
Equity-holders of the Bank	126,442,500	630,975,903	12,019,355	598,175,740
Non-Controlling Interest	-	-	-	-
<b>Profit for the Period</b>	<b>126,442,500</b>	<b>630,975,903</b>	<b>12,019,355</b>	<b>598,175,740</b>

### Earnings per Share

Basic Earnings per Share	20.08	22.56
Diluted Earnings per Share	20.08	22.56

1. Above Financial Statements are prepared in accordance with Nepal Financial Reporting Standard (NFRS) as per NRB directive.
2. Previous year figures have been regrouped, rearranged and re-stated wherever necessary.
3. If the statutory and Supervisory authority notify any remarks to change the unaudited statement of financial position and statement of profit or loss could be changed accordingly.
4. Detail Interim Financial Reports are pulished in [www.kamanasewabank.com](http://www.kamanasewabank.com)

# Kamana Sewa Bikas Bank Limited

## Statement of Other Comprehensive Income

For the year ended Ashar End 2079

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter(YTD)	This Quarter	Upto This Quarter(YTD)
<b>Profit for the year</b>	<b>126,442,500</b>	<b>630,975,903</b>	<b>12,019,355.00</b>	<b>598,175,740</b>
<b>Other Comprehensive Income, Net of Income Tax</b>				
<b>a) Items that will not be reclassified to profit or loss</b>				
Gains/(losses) from investment in equity instruments measured at fair value	(27,367,373)	(85,780,296)	<b>59,501,014.00</b>	61,726,394
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	<b>(2,787,237.00)</b>	(2,787,237)
Income tax relating to above items	8,210,212	25,734,089	<b>(17,014,133.10)</b>	(17,681,747.10)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>(19,157,161)</b>	<b>(60,046,207)</b>	<b>39,699,643.90</b>	<b>41,257,410</b>
<b>b) Items that are or may be reclassified to profit or loss</b>				
Gains/(losses) on cash flow hedge	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-
Income tax relating to above items	-	-	-	-
Reclassify to profit or loss	-	-	-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Share of other comprehensive income of associate accounted as per equity method</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive Income for the year, Net of Income Tax</b>	<b>(19,157,161)</b>	<b>(60,046,207)</b>	<b>39,699,644</b>	<b>41,257,410</b>
<b>Total Comprehensive Income for the Period</b>	<b>107,285,338</b>	<b>570,929,695</b>	<b>51,718,999</b>	<b>639,433,150</b>
Total Comprehensive Income attributable to:				
Equity-Holders of the Bank	107,285,338	570,929,695	51,718,999	639,433,150
Non-Controlling Interest	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>107,285,338</b>	<b>570,929,695</b>	<b>51,718,999</b>	<b>639,433,150</b>

**Kamana Sewa Bikas Bank Limited**  
**Statement of Distributable Profit or Loss**

For the year ended Ashar End 2079  
(As per NRB Regulation)

<b>Particulars</b>	<b>Current Year</b>
<b>Opening balance in retained earnings</b>	<b>527,521,035</b>
Adjustment/Restatement	27,348,404
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>630,975,903</b>
<b><u>Appropriations:</u></b>	
a. General reserve	(126,195,181)
b. Foreign exchange fluctuation fund	(443,694)
c. Capital redemption reserve	
d. Corporate social responsibility fund	(6,309,759)
e. Employees' training fund	-
f. Other	
>Investment adjustment reserve	-
>Deferred Tax	-
>Bonus Share	(490,613,290)
>Cash dividend	(25,822,171)
>Merger	-
>CSR Expenses	-
>Training expense	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>536,461,247</b>
<b><u>Regulatory adjustment :</u></b>	
a. Interest receivable (-)/previous accrued interest received (+)	(124,254,915)
b. Other (+/-)	(213,588,531)
<b>Distributable Profit or (Loss)</b>	<b>198,617,801</b>

## Kamana Sewa Bikas Bank Limited

### Ratio as per NRB Directive

As on Ashar End 2079

	Current Year	Corresponding Previous Year
	Upto This Quarter(YTD)	Upto This Quarter(YTD)
Particulars		
Capital Fund to RWA	13.28%	13.78%
Non-Performing Loan (NPL) to Total Loan	2.45%	1.50%
Total Loan Loss Provision to Total NPL	109.99%	126.47%
Cost of Funds	8.85%	6.31%
Credit to Deposit Ratio (CD)	88.48%	87.26%
Base Rate	11.05%	8.38%
Interest Rate Spread	4.81%	4.20%

**Notes:**

1. 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.
2. Loans and advances are presented net of Loan Impairments. Loans and advances also include interest receivable on loan.
3. Actuarial valuation of gratuity and leave and gratuity is done in annual basis only.
4. The above figures are subject to change if directed by the regulatory authority or external audit.
5. Figures has been rearranged and regrouped wherever necessary.
6. 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.
7. The interim unaudited financial statement has been updated in the Bank's website [www.kamanasewabank.com](http://www.kamanasewabank.com).

**Additional Disclosure as per**  
**Securities Registration and Issue Regulation, 2073 (Rule 26(1), Annexure 14)**  
**4<sup>th</sup> Quarter Report Fiscal Year 2078/79**

**1. Financial Statement**

a. 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.

b. Key financial indicators and ratios

Earnings Per Share	20.08
Price Earnings Ratio (P/E Ratio)	17.43
Net worth Per Share	140.03
Liquidity Ratio	23.30%
Total Assets per share	1,888.65
Capital Adequacy Ratio	13.28%

**2. Management Analysis**

a. The bank has registered NPR 63.09 million in net profit.

b. 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**

a. Case filed against the bank

There were no major cases except those arising during the normal course of the bank's business

b. 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

c. 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**

a. 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.

b. Maximum, minimum, closing price, total traded days and total share transacted during the quarter  
(Source [www.nepalstock.com](http://www.nepalstock.com))

Maximum Price	464	Total Days Transacted	65 Days
Minimum Price	296.1	Total Share Transacted	1,919,597 Shares
Closing Price	349.9	Total Transactions	Nrs. 709,188,535.90

## 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.