



Unaudited Financial Results (Quarterly)

As at end of the 3rd Quarter (31/12/2069) of the Fiscal Year 2069/70 (2012/2013)

Rs in '000

S.No.	Particulars	This Quarter Ending Chaitra 31, 2069 April 13, 2013		Previous Quarter Ending Poush 29, 2069 January 13, 2013		Corresponding Previous Year Quarter Ending Chaitra 30, 2068 April 12, 2012	
		Group	NMB Bank	Group	NMB Bank	Group	NMB Bank
1	Total Capital and Liabilities(1.1 to 1.7)	23,198,574	23,099,413	20,390,356	20,292,402	17,856,626	17,823,703
1.1	Paid Up Capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
1.2	Reserve and Surplus	531,846	528,877	430,871	429,258	281,830	278,208
1.3	Debenture and Bond	-	-	-	-	-	-
1.4	Borrowings	100,000	100,000	-	-	-	-
1.5	Deposits(a+b)	19,492,079	19,640,858	17,049,764	17,052,368	14,913,361	14,915,357
	a.Domestic Currency	18,154,330	18,303,109	16,121,894	16,124,498	13,558,904	13,560,900
	b.Foreign Currency	1,337,749	1,337,749	927,869	927,869	1,354,457	1,354,457
1.6	Income Tax Liabilities	117,819	113,653	75,126	70,959	32,034	28,605
1.7	Other Liabilities	956,830	716,026	834,595	739,816	629,401	601,532
2	Total Assets (2.1 to 2.7)	23,198,574	23,099,413	20,390,356	20,292,402	17,856,626	17,823,703
2.1	Cash and Bank Balance	2,442,187	2,270,442	2,090,881	1,984,822	2,750,026	2,675,934
2.2	Money at Call and Short Notice	125,574	189,409	72,521	74,593	329,448	329,448
2.3	Investments	3,667,177	3,695,323	2,523,350	2,546,289	1,795,416	1,854,376
2.4	Loans and Advances(Gross)(a+b+c+d+e+f)	15,894,233	15,894,233	14,771,461	14,771,461	12,356,273	12,356,273
	a.Real Estate Loan	1,188,803	1,188,803	1,276,540	1,276,540	1,351,972	1,351,972
	1. Residential Real Estate Loan(Except personal Home Loan upto Rs. 10 Million)	337,534	337,534	318,784	318,784	255,791	255,791
	2. Business Complex & Residential Apartment Construction Loan	302,860	302,860	331,623	331,623	485,197	485,197
	3. Income generating Commercial Complex Loan	-	-	-	-	-	-
	4. Other Real Estate Loan (Including Land purchase & plotting)	548,409	548,409	626,134	626,134	610,984	610,984
	b. Personal Home Loan of Rs. 10 Million or Less	1,409,590	1,409,590	1,141,297	1,141,297	848,472	848,472
	c. Margin Type Loan	292,180	292,180	314,305	314,305	293,971	293,971
	d. Term Loan	2,417,162	2,417,162	2,263,920	2,263,920	1,602,095	1,602,095
	e. Overdraft Loan/ TR Loan/ WC Loan	5,434,006	5,434,006	4,951,078	4,951,078	3,867,672	3,867,672
	f. Others	5,152,492	5,152,492	4,824,320	4,824,320	4,392,091	4,392,091
2.5	Fixed Assets	345,353	338,256	301,308	293,807	322,296	313,714
2.6	Non Banking Assets	57,811	57,811	57,811	57,811	2,610	2,610
2.7	Other Assets	666,239	653,939	573,024	563,620	300,557	291,348
3	Profit and Loss Account	Upto this Quarter	Upto previous Quarter	Upto corresponding Previous Year Quarter			
3.1	Interest Income	1,329,677	1,324,666	862,062	859,282	1,265,179	1,265,179
3.2	Interest Expenses	766,953	767,702	506,414	506,428	940,512	940,761
	A. Net Interest Income (3.1-3.2)	562,724	556,964	355,648	352,854	324,667	324,418
3.3	Fees, Commission and Discount	37,715	33,656	23,563	20,286	40,450	28,125
3.4	Other Operating Income	44,478	44,478	29,500	29,500	41,086	41,443
3.5	Foreign Exchange Gain/Loss (Net)	51,655	51,655	47,701	47,701	45,504	45,504
	B.Total Operating Income(A+3.3+3.4+3.5)	696,572	686,752	456,413	450,342	451,707	439,490
3.6	Staff Expenses	94,821	92,176	62,176	60,008	72,936	69,670
3.7	Other Operating Expenses	137,978	135,344	86,217	84,501	122,976	117,627
	C.Operating Profit Before Provision (B.-3.6-3.7)	463,773	459,233	308,020	305,832	255,794	252,193
3.8	Provision for Possible Loss	109,160	109,160	71,523	71,523	170,472	170,472
	D.Operating Profit (C.-3.8)	354,613	350,072	236,497	234,309	85,322	81,721
3.9	Non-Operating Income/Expenses(Net)	2,970	5,924	3,024	4,982	8,282	8,282
3.10	Write Back of Provision for Possible Loss	61,053	61,053	20,893	20,893	12,757	12,757
	E. Profit from Regular Activities(D+3.9+3.10)	418,637	417,050	260,414	260,185	106,362	102,760
3.11	Extraordinary Income/Expenses(Net)	(322)	(322)	-	-	2,126	2,126
	F. Profit before Bonus and Taxes(E.+3.11)	418,315	416,728	260,414	260,185	108,487	104,886
3.12	Provision for Staff Bonus	38,029	37,884	23,674	23,653	9,862	9,535
3.13	Provision for tax	114,086	113,653	71,022	70,959	29,424	28,605
	G. Net Profit/Loss(F.-3.12-3.13)	266,200	265,190	165,718	165,572	69,201	66,746
4	Ratios	At the end of This Quarter	At the end of Previous Quarter	At the end of Corresponding Previous Year Quarter			
4.1	Capital Fund to RWA	12.84%	12.84%	13.38%	13.38%	14.57%	14.57%
4.2	Non Performing Loan(NPL) to Total Loan	1.90%	1.90%	1.82%	1.82%	2.77%	2.77%
4.3	Total Loan Loss Provision to Total NPL	129.13%	129.13%	145.51%	145.51%	84.40%	84.40%
4.4	Cost of Funds	6.95%	6.95%	6.44%	6.44%	9.28%	9.28%
4.5	CD Ratio (Calculated as per NRB Directives)	76.71%	76.71%	77.06%	77.06%	74.16%	74.16%
4.6	Base Rate	9.32%	9.32%	9.32%	9.32%	NA	NA
Additional Information							
	Average Yield (Local Currency)	11.44%	11.44%	10.54%	10.54%	12.77%	12.77%
	Net Interest Spread	4.49%	4.49%	4.10%	4.10%	3.49%	3.49%
	Return on Equity (Annualized)	15.60%	15.60%	14.42%	14.42%	3.86%	3.86%
	Return on Assets (Annualized)	1.73%	1.73%	1.67%	1.67%	0.52%	0.52%

Note: 1. Above figures are subject to change from Supervisory Authority and External Audit.
2. Figures of previous periods have been regrouped wherever necessary as per NRB Directives.
3. Group represents NMB Bank Limited (NMB) and its subsidiary NMB Capital Ltd.
4. The intra-group related figures have been excluded for presentation of the financial statement of the Group.

Related Party Disclosure

NMB Capital Limited is wholly owned subsidiary company of the Bank with total Investment of NPR 100 Million.

NMB Capital has placed call deposits and current deposits amounting to NPR 148.78 Million with the Bank as of April 13, 2013 and total interest earnings from the said accounts was NPR 0.75 Million. The Bank has received payments of various dates for service level agreement, rental agreement and registrar to shares which has been excluded in Consolidated Financial Statement of the Group.

All the contracts have been done on arms length basis.

Disclosure as per Securities Registration and Issuance Regulation, 2065

1. Major Financial Highlights

	Based on Unaudited Financials (as at 13/01/2013)
Earnings per Share(annualized)	NPR 17.68
Price Earnings Ratio(annualized)	15.27 times
Assets per Share	NPR 992.12
Net-worth per Share	NPR 126.44
Liquidity Ratio	29.51%

2. Management Analysis

- The Bank, during the period, posted a net profit of NPR 265.19 Million recording an impressive growth of 297% vis-a-vis same period preceding year despite very challenging business conditions. Overall increase in business volume and better returns in investment portfolio due to overall increase in G-Sec rates has been the key attributing factors for the profitability growth.
- Whilst, overall deposits volume increased by about 15% compared to the preceding quarter to NPR 19,640 Million, Risk Assets volume of the Bank stands at NPR 15,894 Million as at the end of the Quarter.
- The Market has witnessed a reversal trend in liquidity scenario from the beginning of the quarter resulting increase in G-Sec rates as well as overall cost of deposits. The Bank continued to maintain very comfortable liquidity position despite the tight liquidity position in the market and also remained well capitalized with NLA and Capital Adequacy ratio at 29.51% and 12.84% respectively.
- There were no significant incidents during the period which have had negative impact on the reserve, profit or cash flow position of the Bank.
- The Bank has strong independent Risk and Control functions as well as policies in place that do not promote excessive risk taking.

3. Details of Legal Action

- Case filed by or against the organized institution during the quarter
No material cases except for regular cases of debt recovery.
- Case relating to disobedience of the prevailing laws or commission of the criminal offence filed by or against the Promoters or Directors of the Institution
No such information has been received by the Bank.
- Case relating to the commission of financial crime

4. Analysis of Share Transaction

Management view on share transactions of the Bank at securities market:
The Market continued improving trend during the period under review which had some positive impact on the Bank's share price in similar way. No extraordinary incident took place during the review period which could have a major impact on the Bank's share price. The Bank has disclosed and published all the information and data pertinent to Capital Market from time to time as per the prevailing disclosure norms and directives of Securities Board of Nepal (SEBON) and Nepal Rastra Bank. As the open market share operations determines the market price and transaction of the Bank's shares, the Bank Management is neutral on the ruling share price of the Bank.

Maximum Price	NPR 311.00
Minimum Price	NPR 241.00
Closing Price	NPR 270.00
Trading number	2,677
Days of Trading	168

5. Problems and Challenges

Internal problems and challenges

- Internal problems and challenges
- Sourcing and retention of quality manpower in the increased competitive market.
- Increasing cost of operations

External problems and challenges

- Unstable local socio-political situation, uncertainty on government policies /plan.
- Energy crisis and labor problem in industries.
- Highly competitive environment with limited opportunities.
- High volatility in FX Market.
- Highly volatile liquidity conditions.
- Lack of conducive business environment for investment.
- Uncertainty over global economic outlook.

Strategy

- Launch new products and services with special focus on non fund based income.
- Focus on SME, retail lending, Micro deposit opportunities and enhance Microfinance activities.
- Improve on technology platform to enhance product and service capabilities to meet the customer's changing banking needs.
- Continue to focus on Safe Growth through prudent risk management and compliance practices.
- Continue to focus on expansion of footprint at strategically important locations.
- Continue to implement Cost Management Strategy to closely monitor cost line and productivity.
- Focus on continuous process re-engineering so as to increase Operational Efficiency.
- Focus on introducing various human resource development plans.

6. Corporate Governance

- The Bank maintains high standard of Corporate Governance by maintaining strict compliance with laws, rules and regulations. Risk management, compliance, control and audit functions are accorded due priority in the Bank.
- The Bank has Audit Committee, Risk Management Committee, Asset and Liability Committee (ALCO), Human Resource Committee, Executive Committee and other sub-committees to ensure high level of standard on corporate governance.
- There are number of policies and procedures in place, including the Code of Conduct and Ethics to ensure highest level of compliance standard within the Bank.
- The Bank has a Corporate Governance Unit under Compliance Department to oversee matters related to corporate governance of the Bank at all levels.

7. Disclosure of the Chief Executive Officer

I am personally responsible for the correctness of the facts and figures disclosed in this report till date. Also, I hereby declare that to the extent of my knowledge, the facts and the figures disclosed in this report are correct and comprehensive and all the material information relevant to take proper investment decision for the investors are disclosed properly in this statement.