



Unaudited Financial Results (Quarterly)

As at end of the Fourth Quarter (31/03/2070) of the Fiscal Year 2069/70 (2012/2013) Rs in '000

S.No.	Particulars	This Quarter Ending Ashar 31, 2070 July 15, 2013		Previous Quarter Ending Chaitra 31, 2069 April 13, 2013		Corresponding Previous Year Quarter Ending Ashar 31, 2069 July 15, 2012	
		Group	NMB Bank	Group	NMB Bank	Group	NMB Bank
1	Total Capital and Liabilities(1.1 to 1.7)	25,134,941	25,125,985	23,198,574	23,099,413	19,046,281	19,011,028
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	634,979	624,080	531,846	528,877	272,755	266,914
1.3	Debtenture and Bond	-	-	-	-	-	-
1.4	Borrowings	-	-	100,000	100,000	-	-
1.5	Deposits(a+b)	21,949,115	22,185,527	19,492,079	19,640,858	15,965,434	15,982,555
a.	Domestic Currency	20,372,687	20,609,100	18,154,330	18,303,109	14,758,027	14,775,148
b.	Foreign Currency	1,576,427	1,576,427	1,337,749	1,337,749	1,207,407	1,207,407
1.6	Income Tax Liabilities	4,166	-	117,819	113,653	27,934	23,765
1.7	Other Liabilities	546,681	316,378	956,830	716,026	780,158	737,794
2	Total Assets (2.1 to 2.7)	25,134,941	25,125,985	23,198,574	23,099,413	19,046,281	19,011,028
2.1	Cash and Bank Balance	5,761,547	5,746,328	2,442,187	2,270,442	3,610,840	3,566,897
2.2	Money at Call and Short Notice	26,059	26,059	125,574	189,409	20,912	20,912
2.3	Investments	2,217,368	2,245,514	3,667,177	3,695,323	2,418,324	2,442,763
2.4	Loans and Advances (Net)	16,491,044	16,491,044	15,894,233	15,894,233	12,468,479	12,468,479
a.	Real Estate Loan	1,126,088	1,126,088	1,188,803	1,188,803	1,303,008	1,303,008
1.	Residential Real Estate Loan (Except personal Home Loan upto Rs. 10 Million)	448,139	448,139	337,534	337,534	263,117	263,117
2.	Business Complex & Residential Apartment Construction Loan	230,626	230,626	302,860	302,860	411,396	411,396
3.	Income generating Commercial Complex Loan	-	-	-	-	-	-
4.	Other Real Estate Loan (including Land purchase & plotting)	447,323	447,323	548,409	548,409	628,495	628,495
b.	Personal Home Loan of Rs. 10 Million or Less	1,636,288	1,636,288	1,409,590	1,409,590	875,228	875,228
c.	Margin Type Loan	254,048	254,048	292,180	292,180	275,528	275,528
d.	Term Loan	2,558,427	2,558,427	2,417,162	2,417,162	1,740,844	1,740,844
e.	Overdraft Loan/TR Loan/WC Loan	5,355,316	5,355,316	5,434,006	5,434,006	3,080,966	3,080,966
f.	Others	5,560,877	5,560,877	5,152,492	5,152,492	5,192,905	5,192,905
2.5	Fixed Assets (Net)	351,860	344,625	345,353	338,256	287,730	279,479
2.6	Non Banking Assets (Net)	-	-	57,811	57,811	-	-
2.7	Other Assets	287,062	272,414	666,239	653,939	239,995	232,498
3	Profit and Loss Account	Upto this Quarter		Upto previous Quarter		Upto corresponding Previous Year Quarter	
3.1	Interest Income	1,837,998	1,831,121	1,329,677	1,324,666	1,718,201	1,705,833
3.2	Interest Expenses	1,075,648	1,077,803	766,953	767,702	1,255,186	1,256,257
A.	Net Interest Income (3.1-3.2)	762,350	753,318	562,724	556,964	463,015	449,576
3.3	Fees, Commission and Discount	52,727	52,727	37,715	33,656	45,741	37,775
3.4	Other Operating Income	66,515	56,355	44,478	44,478	54,055	54,055
3.5	Foreign Exchange Gain/Loss (Net)	64,539	64,539	51,655	51,655	50,127	50,127
B.	Total Operating Income(A+3.3+3.4+3.5)	946,131	926,939	696,572	686,752	612,938	591,533
3.6	Staff Expenses	132,048	127,355	94,821	92,176	97,075	92,443
3.7	Other Operating Expenses	192,659	189,457	137,978	135,344	161,784	159,678
C.	Operating Profit Before Provision (B.-3.6-3.7)	621,424	610,127	463,773	459,233	354,079	339,412
3.8	Provision for Possible Loss	130,832	130,832	109,160	109,160	279,327	279,327
D.	Operating Profit (C.-3.8)	490,592	479,294	354,613	350,072	74,752	60,085
3.9	Non-Operating income/Expenses (Net)	5,368	7,235	2,970	5,924	2,987	8,653
3.10	Write Back of Provision for Possible Loss	59,389	59,389	61,053	61,053	16,275	16,275
E.	Profit from Regular Activities(D+3.9+3.10)	555,349	545,919	418,637	417,050	94,015	85,013
3.11	Extraordinary Income/Expenses (Net)	(419)	(419)	(322)	(322)	2,126	2,126
F.	Profit before Bonus and Taxes(E.+3.11)	554,930	545,500	418,315	416,728	96,141	87,139
3.12	Provision for Staff Bonus	50,448	49,591	38,029	37,884	8,545	7,922
3.13	Provision for tax	137,873	135,515	114,086	113,653	25,323	23,765
G.	Net Profit/Loss(F.-3.12-3.13)	366,609	360,394	266,200	265,190	62,273	55,452
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	12.68%	12.68%	12.84%	12.84%	14.66%	14.66%
4.2	Non Performing Loan(NPL) to Total Loan	1.80%	1.80%	1.90%	1.90%	2.45%	2.45%
4.3	Total Loan Loss Provision to Total NPL	135.60%	135.60%	129.13%	129.13%	130.01%	130.01%
4.4	Cost of Funds	6.14%	6.14%	6.95%	6.95%	9.02%	9.02%
4.5	CD Ratio (Calculated as per NRB Directives)	68.70%	68.70%	76.71%	76.71%	65.76%	65.76%
4.6	Base Rate	9.55%	9.55%	9.32%	9.32%	NA	NA
Additional Information							
	Average Yield	10.35%	10.35%	11.44%	11.44%	12.58%	12.58%
	Net Interest Spread	4.21%	4.21%	4.49%	4.49%	3.56%	3.56%
	Return on Equity (Annualized)	15.86%	15.86%	15.60%	15.60%	2.41%	2.41%
	Return on Assets (Annualized)	1.66%	1.66%	1.73%	1.73%	0.32%	0.32%

Notes: 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 216.41 Million with the Bank as of July 15, 2013 and total interest earnings from the said accounts was NPR 2.15 Million. The Bank has

received payments of various dates for service level agreement, rental agreement and registrar to shares which have 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 15/07/2013)
Earnings Per Share (annualized)	NPR 18.02
Price Earnings Ratio (annualized)	13.98 times
Assets per Share	NPR 1085.13
Net-worth per Share	NPR 131.20
Liquidity Ratio	34.47%

Maximum Price NPR 311

Minimum Price NPR 237

Closing Price NPR 252

Trading number 3,208

Days of trading 229

2. Management Analysis

a) The Bank, during the fiscal year 2012/13 posted a net profit of NPR 360 Million. Overall increase in business volume, incremental revenue from FX related products and better returns in investment portfolio and has been the key attributing factors for the significant growth in profitability during the period.

b) Whist, overall deposits volume increased by about 13% compared to the preceding quarter to NPR 22,185 Million, Risk Assets volume of the Bank stands at NPR 16,904 Million (gross) as at the end of the Quarter.

c) 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 34.47% and 12.84% respectively. Assets quality of the Bank continued to remain sound and overall NPA level has improved to 1.80% from 2.45% in the preceding year.

d) There were no significant incidents during the period which have had negative impact on the reserve, profit or cash flow position of the Bank.

e) 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

a. Case filed by or against the organized institution during the quarter
No material cases except for regular cases of debt recovery.

b. 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.

c. Case relating to the commission of financial crime filed against any Promoter or Director
No such information has been received by the Bank.

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 operators determines the market price and transaction of the Bank's shares, the Bank Management is neutral on the ruling share price of the Bank.

5. 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.