



Unaudited Financial Results (Quarterly)

As at Third Quarter (30/12/2068) of the Fiscal Year 2068/69 (2011/2012)

Rs in '000

S.No	Particulars	This Quarter Ending 30th Chaitra 2068 12-Apr-12		Previous Quarter Ending 30th Poush 2068 14-Jan-12		Corresponding Previous Year Quarter Ending 31 Chaitra 2067 13- April-11
		Group	NMB Bank	Group	NMB Bank	
1	Total Capital and Liabilities(1.1 to 1.7)	17,856,626	17,823,703	17,115,744	16,928,807	15,810,216
1.1	Paid Up Capital	2,000,000	2,000,000	2,000,000	2,000,000	1,651,650
1.2	Reserve and Surplus	281,830	278,208	268,797	266,179	336,679
1.3	Debtenture and Bond	-	-	-	-	-
1.4	Borrowings	-	-	-	-	412,500
1.5	Deposits(a+b)	14,913,361	14,915,357	14,129,405	14,130,973	12,932,313
	a.Domestic Currency	13,558,904	13,560,900	12,734,360	12,735,928	11,752,289
	b.Foreign Currency	1,354,457	1,354,457	1,395,045	1,395,045	1,180,024
1.6	Income Tax Liability	32,034	28,605	26,060	23,450	75,772
1.7	Other Liabilities	629,401	601,532	691,482	508,205	401,302
2	Total Assets (2.1 to 2.7)	17,856,626	17,823,703	17,115,744	16,928,807	15,810,216
2.1	Cash and Bank Balance	2,750,026	2,675,934	2,326,930	2,131,765	679,098
2.2	Money at Call and Short Notice	329,448	329,448	138,687	140,071	418,379
2.3	Investments	1,795,416	1,854,376	1,916,492	1,910,449	2,539,791
2.4	Loans and Advances (Gross)(a+b+c+d+e+f)	12,356,273	12,356,273	11,999,138	11,999,138	11,443,908
	a.Real Estate Loan	1,351,972	1,351,972	1,433,220	1,433,220	1,755,250
	1. Residential Real Estate Loan (Except personal Home Loan upto Rs. 10 Million)	255,791	255,791	256,080	256,080	186,913
	2. Business Complex & Residential Apartment Construction Loan	485,197	485,197	524,104	524,104	585,049
	3. Income generating Commercial Complex Loan	-	-	-	-	-
	4. Other Real Estate Loan(including Land purchase & plotting)	610,984	610,984	653,036	653,036	983,288
	b.Personal Home Loan of Rs. 10 Million or Less	848,472	848,472	805,324	805,324	719,566
	c. Margin Type Loan	293,971	293,971	323,565	323,565	455,206
	d. Term Loan	1,602,095	1,602,095	1,390,570	1,390,570	1,207,384
	e. Overdraft Loan/TR Loan/WC Loan	3,867,672	3,867,672	3,869,739	3,869,739	3,408,841
	f. Others	4,392,091	4,392,091	4,176,720	4,176,720	3,897,662
2.5	Fixed Assets	322,296	313,714	309,392	300,344	292,814
2.6	Non Banking Assets	2,610	2,610	2,610	2,610	-
2.7	Other Assets	300,557	291,348	422,495	444,430	436,226
3	Profit and Loss Account	Upto this Quarter	Upto previous Quarter	Upto this Quarter	Upto previous Quarter	Upto corresponding Previous Year Quarter
3.1	Interest Income	1,265,179	1,265,179	846,236	840,916	1,042,142
3.2	Interest Expenses	940,512	940,761	629,167	629,500	727,386
	A. Net Interest Income (3.1-3.2)	324,667	324,418	217,069	211,416	314,756
3.3	Fees, Commission and Discount	40,450	28,125	15,814	14,253	20,497
3.4	Other Operating Income	41,086	41,443	26,033	28,163	45,119
3.5	Foreign Exchange Gain/Loss (Net)	45,504	45,504	21,647	21,647	42,119
	B.Total Operating Income(A+3.3+3.4+3.5)	451,707	439,490	280,563	275,479	422,491
3.6	Staff Expenses	72,936	69,670	49,993	47,754	56,508
3.7	Other Operating Expenses	122,976	117,627	76,165	75,450	93,510
	C. Operating Profit Before Provision (B.-3.6-3.7)	255,794	252,193	154,405	152,275	272,473
3.8	Provision for Possible Loss	170,472	170,472	87,498	87,498	16,949
	D.Operating Profit (C.-3.8)	85,322	81,721	66,907	64,777	255,524
3.9	Non-Operating Income/Expenses(Net)	8,282	8,282	7,966	7,966	3,407
3.10	Write Back of Provision for Possible Loss	12,757	12,757	11,115	11,115	898
	E. Profit from Regular Activities(D+3.9+3.10)	106,362	102,760	85,988	83,858	259,829
3.11	Extraordinary Income/Expenses(Net)	2,126	2,126	2,126	2,126	18,000
	F. Profit before Bonus and Taxes(E.+3.11)	108,487	104,886	88,114	85,984	277,829
3.12	Provision for Staff Bonus	9,862	9,535	8,010	7,817	25,257
3.13	Provision for tax	29,424	28,605	23,934	23,450	75,772
	G. Net Profit/Loss(F.-3.12-3.13)	69,201	66,746	56,170	54,717	176,800
4	Ratios	At the end of This Quarter	At the end of Previous Quarter	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	14.57%	14.57%	15.38%	15.38%	14.49%
4.2	Non Performing Loan(NPL) to Total Loan	2.77%	2.77%	2.70%	2.70%	0.28%
4.3	Total Loan Loss Provision to Total NPL	84.40%	84.40%	64.29%	64.29%	443.24%
4.4	Cost of Funds	9.28%	9.28%	9.37%	9.37%	9.71%
4.5	CD Ratio (Calculated as per NRB Directives)	74.16%	74.16%	76.94%	76.94%	79.12%
	Additional Information					
	Average Yield (Local Currency)	12.77%	12.77%	12.71%	12.71%	12.30%
	Net Interest Spread	3.49%	3.49%	3.34%	3.34%	2.59%
	Return on Equity(Annualized)	3.86%	3.86%	4.58%	4.58%	12.86%
	Return on Assets(Annualized)	0.52%	0.52%	0.64%	0.64%	1.66%

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. Corresponding previous year quarter figures represents transaction of NMB Bank only.
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 now 100% owned by the Bank by investing further 30% of the capital, total investment summing up to NPR 100 Million. The Bank has entered into a Service level agreement with NMB Capital Ltd to provide various operational and strategic support. NMB Capital has paid a sum of NPR 200 thousand per month. The Bank has also provided office space to NMB Capital at the corporate office of the Bank for NPR 160 thousand per month.

The Bank has held call deposit and current deposit of NMB Capital amounting to NPR 1.99 Million as of April 12, 2012. NMB Capital earned interest of NPR 249 thousand on deposits with the Bank as of April 12, 2012. The Company is also appointed as Registrar to Shares of the Bank for a fee of NPR 300 thousand per annum.

All the contracts has been done on arms length basis.

The intra-group related figures have been excluded for presentation of the consolidated financial statement of the Group.

Disclosure as per Securities Registration and Issuance Regulation, 2065

1. Major Financial Highlights

	Based on Unaudited Financials (as at 12/04/2012)
Earnings Per Share	NPR 3.34 (NPR 4.45 annualized)
Price Earnings Ratio	50.04 times (37.53 times annualized)
Return on Total Assets	0.69% annualized
Net Worth Per Share	NPR 114
Liquidity Ratio	31%

Maximum Price	NPR 167.00
Minimum Price	NPR 144.00
Closing Price	NPR 167.00
Trading number	348
Days of Trading	50

5. Problems and Challenges

Internal problems and challenges

- Pressure on Interest Spread.
- 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.
- 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 Finance, 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.

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.