

Unaudited Financial Results (Quarterly)

As at end of the 3rd Quarter (30/12/2071) of the Fiscal Year 2071/72 (2014/2015)

Rs in '000

S.No	Particulars	This Quarter Ending Chaitra 30, 2071 April 13, 2015		Previous Quarter Ending Poush 30, 2071 January 14, 2015		Corresponding Previous Year Quarter Ending Chaitra 30, 2070 April 13, 2014	
		Group	NMB Bank	Group	NMB Bank	Group	NMB Bank
1	Total Capital and Liabilities(1.1 to 1.7)	37,721,608	37,581,114	32,570,030	32,445,633	28,377,332	28,305,129
1.1	Paid Up Capital	2,400,000	2,400,000	2,400,000	2,400,000	2,000,000	2,000,000
1.2	Reserve and Surplus	856,781	813,455	716,255	683,529	745,552	724,734
1.3	Debtenture and Bond	500,000	500,000	-	-	-	-
1.4	Borrowings	70,000	70,000	-	-	-	-
1.5	Deposits(a+b)	33,401,578	33,435,926	28,988,050	29,064,902	23,954,389	25,255,874
a.	Domestic Currency	30,101,083	30,135,430	25,906,165	25,983,018	21,647,117	22,948,602
b.	Foreign Currency	3,300,495	3,300,495	3,081,885	3,081,885	2,307,272	2,307,272
1.6	Income Tax Liabilities	14,477	-	14,477	-	6,320	-
1.7	Other Liabilities	478,771	361,734	451,249	297,201	1,671,071	324,521
2	Total Assets (2.1 to 2.7)	37,721,608	37,581,114	32,570,030	32,445,633	28,377,332	28,305,129
2.1	Cash and Bank Balance	6,130,134	5,977,639	3,514,352	3,369,812	4,667,410	4,587,642
2.2	Money at Call and Short Notice	533,946	533,946	489,099	489,099	107,309	107,309
2.3	Investments	3,275,075	3,328,301	4,352,616	4,406,325	2,995,764	3,028,292
2.4	Loans and Advances (Net) (a+b+c+d+e+f)	26,587,254	26,587,254	23,312,634	23,312,634	19,603,616	19,603,616
a.	Real Estate Loan	1,598,646	1,598,646	1,440,391	1,440,391	1,148,135	1,148,135
1.	Residential Real Estate Loan (Except personal Home Loan upto Rs. 10 Million)	899,871	899,871	821,042	821,042	603,665	603,665
2.	Business Complex & Residential Apartment Construction Loan	108,598	108,598	36,871	36,871	64,941	64,941
3.	Income generating Commercial Complex Loan	-	-	-	-	-	-
4.	Other Real Estate Loan (including Land purchase & plotting)	590,177	590,177	582,478	582,478	479,529	479,529
b.	Personal Home Loan of Rs. 10 Million or Less	2,901,870	2,901,870	2,686,304	2,686,304	1,956,335	1,956,335
c.	Margin Type Loan	200,916	200,916	216,397	216,397	199,465	199,465
d.	Term Loan	4,609,885	4,609,885	4,291,344	4,291,344	3,256,611	3,256,611
e.	Overdraft Loan/TR Loan/WC Loan	9,156,264	9,156,264	7,681,923	7,681,923	7,111,103	7,111,103
f.	Others	8,119,673	8,119,673	6,996,275	6,996,275	5,931,968	5,931,968
2.5	Fixed Assets (Net)	385,732	381,412	435,586	430,916	417,777	411,821
2.6	Non Banking Assets (Net)	-	-	-	-	-	-
2.7	Other Assets	809,467	772,562	465,744	436,847	585,457	566,449
3	Profit and Loss Account	Upto this Quarter		Upto previous Quarter		Upto corresponding Previous Year Quarter	
3.1	Interest Income	1,665,759	1,660,399	1,074,672	1,070,852	1,484,660	1,474,429
3.2	Interest Expenses	883,029	887,938	552,325	555,749	902,911	908,344
A.	Net Interest Income (3.1-3.2)	782,730	772,461	522,347	515,103	581,749	566,084
3.3	Fees, Commission and Discount	85,577	85,577	58,516	58,516	55,654	55,654
3.4	Other Operating Income	117,489	92,243	80,052	65,445	89,253	74,699
3.5	Foreign Exchange Gain/Loss (Net)	86,927	86,927	46,820	46,820	81,781	81,781
B.	Total Operating Income(A+3.3+3.4+3.5)	1,072,724	1,037,209	707,734	685,884	808,437	778,218
3.6	Staff Expenses	162,887	158,391	112,246	109,208	125,179	120,721
3.7	Other Operating Expenses	209,529	205,673	142,975	140,254	189,508	185,522
C.	Operating Profit Before Provision (B.-3.6-3.7)	700,308	673,145	452,513	436,422	493,751	471,975
3.8	Provision for Possible Loss	88,589	88,589	42,923	42,923	84,219	84,219
D.	Operating Profit (C.-3.8)	611,719	584,555	409,590	393,499	409,532	387,756
3.9	Non-Operating Income/Expenses (Net)	15,491	16,903	14,080	15,021	17,361	20,571
3.10	Write Back of Provision for Possible Loss	27,906	27,906	16,676	16,676	64,129	64,129
E.	Profit from Regular Activities(D+3.9+3.10)	655,116	629,364	440,346	425,196	491,022	472,457
3.11	Extraordinary Income/Expenses (Net)	-	-	-	-	-	-
F.	Profit before Bonus and Taxes(E.+3.11)	655,116	629,364	440,346	425,196	491,022	472,457
3.12	Provision for Staff Bonus	59,556	57,215	40,031	38,654	44,638	42,951
3.13	Provision for tax	177,497	171,645	119,406	115,963	133,915	128,855
G.	Net Profit/Loss(F.-3.12-3.13)	418,062	400,505	280,909	270,579	312,468	300,655
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	11.46%	11.46%	10.37%	10.37%	11.06%	11.06%
4.2	Non Performing Loan(NPL) to Total Loan	0.47%	0.47%	0.60%	0.60%	1.32%	1.32%
4.3	Total Loan Loss Provision to Total NPL	298.79%	298.79%	242.61%	242.61%	162.32%	162.32%
4.4	Cost of Funds	4.32%	4.32%	4.26%	4.26%	5.74%	5.74%
4.5	CD Ratio (Calculated as per NRB Directives)	78.06%	78.06%	79.75%	79.75%	75.43%	75.43%
4.6	Base Rate	7.66%	7.66%	7.44%	7.44%	8.33%	8.33%
4.7	Average Interest Spread (Calculated as per NRB Directives)	3.76%	3.76%	4.12%	4.12%	4.39%	4.39%
Additional Information							
	Average Yield	8.76%	8.76%	8.91%	8.91%	9.79%	9.79%
	Net Interest Spread	4.43%	4.43%	4.65%	4.65%	4.05%	4.05%
	Return on Equity (Annualized)	18.42%	18.42%	18.17%	18.17%	15.36%	15.36%
	Return on Assets (Annualized)	1.58%	1.58%	1.68%	1.68%	1.53%	1.53%

Note: 1. Above figures are subject to change from Supervisory Authority and External Audit.
 2. Figures of previous periods have been regrouped wherever necessary.
 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.
 5. Loans and Advances and Non Banking Assets (NBA) have been reported net of provisions. Gross Loans and Advances amounts to 26,964,159 thousands and gross NBA amounts to NPR 57,811 thousands.

Related Party Disclosure

NMB Capital Limited is a wholly owned subsidiary company of the Bank with a total investment of NPR 100 Million. NMB Capital has placed deposits amounting to NPR 34.35 Million with the Bank as of 13 April 2015 and total interest earnings from the accounts were NPR 4.92 Million. The Bank has received payments on various dates for service level agreement and rental

agreement which have been excluded in Consolidated Financial Statement of the Group. During the first quarter of the current fiscal year, the Bank had received dividend from NMB Capital amounting to NPR 8 Million net of applicable taxes. All the contracts and transactions with the subsidiary have been performed on arms length basis.

Disclosure as per Securities Registration and Issuance Regulation, 2065
1. Major Financial Highlights

Earnings per Share (Annualized) – NPR 22.25	Price Earnings Ratio (Annualized) – 22.79 times
Assets per Share – NPR 1,565.88	Net-worth per Share – NPR 133.89
Liquidity Ratio (NLA) – 25.71%	

Maximum Price – NPR 555	Minimum Price – NPR 436	Closing Price – NPR 507
Trading number – 1,413	Days of Trading – 46	

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.
- 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 Committees, Human Resource Committee, Asset and Liability Committee (ALCO), Executive Committee and other sub-committees to ensure high level of standard on corporate governance. The first three committees are chaired by the non-executive Directors of the Bank.
- 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.