



Unaudited Financial Results (Quarterly)

As at End of Second Quarter (29/09/2016) of the Fiscal Year 2069/70 (2012/2013)

Rs in '000

S.No	Particulars	This Quarter Ending Poush 29, 2069 January 13, 2013		Previous Quarter Ending Ashwin 30, 2069 October 16, 2012		Corresponding Previous Year Quarter Ending Poush 30, 2068 January 14, 2012	
		Group	NMB Bank	Group	NMB Bank	Group	NMB Bank
1	Total Capital and Liabilities(1.1 to 1.7)	20,390,356	20,292,402	19,066,627	18,987,218	17,115,744	16,928,807
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	430,871	429,258	390,325	353,796	268,797	266,179
1.3	Debtenture and Bond	-	-	-	-	-	-
1.4	Borrowings	-	-	-	-	-	-
1.5	Deposits(a+b)	17,049,764	17,052,368	15,957,123	15,962,929	14,129,405	14,130,973
a.	Domestic Currency	16,121,894	16,124,498	14,993,848	14,999,654	12,734,360	12,735,928
b.	Foreign Currency	927,869	927,869	963,275	963,275	1,395,045	1,395,045
1.6	Income Tax Liabilities	75,126	70,959	42,785	38,618	26,060	23,450
1.7	Other Liabilities	834,595	739,816	676,394	631,875	691,482	508,205
2	Total Assets (2.1 to 2.7)	20,390,356	20,292,402	19,066,627	18,987,218	17,115,744	16,928,807
2.1	Cash and Bank Balance	2,090,881	1,984,822	2,436,009	2,369,296	2,326,930	2,131,765
2.2	Money at Call and Short Notice	72,521	74,593	163,031	168,460	138,687	140,071
2.3	Investments	2,523,350	2,546,289	1,642,272	1,666,711	1,916,492	1,910,449
2.4	Loans and Advances (Gross)(a+b+c+d+e+f)	14,771,361	14,771,261	14,295,718	14,295,718	11,999,138	11,999,138
a.	Real Estate Loan	1,276,540	1,276,540	1,272,337	1,272,337	1,433,220	1,433,220
1.	Residential Real Estate Loan (Except personal Home Loan upto Rs. 10 Million)	318,784	318,784	266,328	266,328	256,080	256,080
2.	Business Complex & Residential Apartment Construction Loan	331,623	331,623	380,660	380,660	524,104	524,104
3.	Income generating Commercial Complex Loan	-	-	-	-	-	-
4.	Other Real Estate Loan (including Land purchase & plotting)	626,134	626,134	625,349	625,349	653,036	653,036
b.	Personal Home Loan of Rs. 10 Million or Less	1,141,297	1,141,297	945,711	945,711	805,324	805,324
c.	Margin Type Loan	314,305	314,305	293,887	293,887	323,565	323,565
d.	Term Loan	2,263,920	2,263,920	1,975,772	1,975,772	1,390,570	1,390,570
e.	Overdraft Loan/TR Loan/WC Loan	4,951,078	4,951,078	4,795,589	4,795,589	3,869,739	3,869,739
f.	Others	4,824,320	4,824,320	5,012,422	5,012,422	4,176,720	4,176,720
2.5	Fixed Assets	301,308	293,807	294,250	286,345	309,392	300,344
2.6	Non Banking Assets	57,811	57,811	-	-	2,610	2,610
2.7	Other Assets	573,024	563,620	235,347	200,688	422,495	444,430
3	Profit and Loss Account	Upto this Quarter	Upto previous Quarter	Upto corresponding Previous Year Quarter			
3.1	Interest Income	862,062	859,282	436,179	434,523	846,236	840,916
3.2	Interest Expenses	506,474	506,428	265,766	265,982	629,167	629,500
A.	Net Interest Income (3.1-3.2)	355,648	352,854	170,413	168,541	217,069	211,416
3.3	Fees, Commission and Discount	23,563	20,286	13,091	11,492	15,814	14,253
3.4	Other Operating Income	29,500	29,500	15,392	15,392	26,033	28,163
3.5	Foreign Exchange Gain/Loss (Net)	47,701	47,701	32,579	32,579	21,647	21,647
B.	Total Operating Income(A+3.3+3.4+3.5)	456,413	450,342	231,475	228,004	280,563	275,479
3.6	Staff Expenses	62,176	60,008	35,160	33,907	49,993	47,754
3.7	Other Operating Expenses	86,217	84,501	43,676	42,568	76,165	75,540
C.	Operating Profit Before Provision (B.-3.6-3.7)	308,020	305,832	152,639	151,529	154,405	152,275
3.8	Provision for Possible Loss	71,523	71,523	33,063	33,063	87,498	87,498
D.	Operating Profit (C.-3.8)	236,497	234,309	119,576	118,466	66,907	64,777
3.9	Non-Operating Income/Expenses (Net)	3,024	4,982	3,496	4,565	7,966	7,966
3.10	Write Back of Provision for Possible Loss	20,893	20,893	18,570	18,570	11,115	11,115
E.	Profit from Regular Activities(D+3.9+3.10)	260,414	260,185	141,642	141,601	85,988	83,858
3.11	Extraordinary Income/Expenses (Net)	-	-	-	-	2,126	2,126
F.	Profit before Bonus and Taxes(E.+3.11)	260,414	260,185	141,642	141,601	88,114	85,984
3.12	Provision for Staff Bonus	23,674	23,653	12,877	12,873	8,010	7,817
3.13	Provision for tax	71,022	70,959	38,630	38,618	23,934	23,450
G.	Net Profit/Loss(F.-3.12-3.13)	165,718	165,572	90,135	90,110	56,170	54,717
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	13.38%	13.38%	13.31%	13.31%	15.38%	15.38%
4.2	Non Performing Loan(NPL) to Total Loan	1.82%	1.82%	2.19%	2.19%	2.70%	2.70%
4.3	Total Loan Loss Provision to Total NPL	145.51%	145.51%	131.44%	131.44%	64.29%	64.29%
4.4	Cost of Funds	6.44%	6.44%	6.80%	6.80%	9.37%	9.37%
4.5	CD Ratio (Calculated as per NRB Directives)	77.06%	77.06%	77.11%	77.11%	76.94%	76.94%
4.6	Base Rate	9.32%	9.32%	NA	NA	NA	NA
Additional Information							
	Average Yield (Local Currency)	10.54%	10.54%	11.03%	11.03%	12.71%	12.71%
	Net Interest Spread	4.10%	4.10%	4.23%	4.23%	3.34%	3.34%
	Return on Equity (Annualized)	14.42%	14.42%	15.17%	15.17%	4.58%	4.58%
	Return on Assets (Annualized)	1.67%	1.67%	1.83%	1.83%	0.64%	0.64%

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 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 2.6 Million with the Bank as of January 13, 2013 and total interest earnings from the said accounts was NPR 0.25 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 16.56
Price Earnings Ratio (annualized)	16.25 times
Assets per Share	NPR 992.12
Net-worth per Share	NPR 121.46
Liquidity Ratio	25.61%

Maximum Price	NPR 293.00
Minimum Price	NPR 150.00
Closing Price	NPR 269.00
Trading number	1,893
Days of Trading	112

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.

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.