

नेपाल राष्ट्र बैंकबाट 'क' बर्गको इजाजतपत्र प्राप्त संस्था

Unaudited Financial Results (Quarterly)

As at end of the 2nd Quarter (30/09/2070) of the Fiscal Year 2070/71 (2013/2014) Rs in '000

S.No.	Particulars	This Quarter Ending Poush 30, 2070 January 14, 2014		Previous Quarter Ending Ashwin 31, 2070 October 17, 2013		Corresponding Previous Year Quarter Ending Poush 29, 2069 January 13, 2013	
		Group	NMB Bank	Group	NMB Bank	Group	NMB Bank
1	Total Capital and Liabilities (1.1 to 1.7)	26,523,701	26,129,692	25,057,413	23,549,309	20,332,545	20,234,591
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	633,716	621,838	904,568	898,183	430,871	429,258
1.3	Debenture and Bond	-	-	-	-	-	-
1.4	Borrowings	-	-	-	-	-	-
1.5	Deposits (a+b)	22,093,653	23,191,512	20,016,500	20,203,884	17,049,764	17,052,368
	a.Domestic Currency	20,148,476	21,246,336	18,199,682	18,387,067	16,121,894	16,124,498
	b.Foreign Currency	1,945,176	1,945,176	1,816,818	1,816,818	927,869	927,869
1.6	Income Tax Liabilities	6,320	- 044.040	45,237	38,917	75,126	70,959
1.7	Other Liabilities	1,790,012	316,342	2,091,107	408,325	776,784	682,005
2.1	Total Assets (2.1 to 2.7) Cash and Bank Balance	26,523,701 4,896,707	26,129,692 4,491,032	25,057,413 4,951,227	23,549,309 3,429,362	20,332,545 2,090,881	20,234,591 1,984,822
2.1	Money at Call and Short Notice	72,160	72,160	153,326	153,326	72,521	74,593
2.3	Investments	3,188,584	3,221,730	2,818,030	2,853,176	2,523,350	2,546,289
2.4	Loans and Advances (Net) (a+b+c+d+e+f)	17,413,134	17,413,134	16,187,398	16,187,398	14,771,461	14,771,461
2.4	a.Real Estate Loan	1,226,838	1,226,838	1,072,569	1,072,569	1,276,540	1,276,540
	Residential Real Estate Loan (Except personal Home Loan upto Rs. 10 Million)	579,340	579,340	459,742	459,742	318,784	318,784
	Business Complex & Residential Apartment Construction Loan	174,400	174,400	185,363	185,363	331,623	331,623
	Income generating Commercial Complex Loan	-	-	-		-	
	Other Real Estate Loan(including Land purchase & plotting)	473,098	473,098	427,464	427,464	626,134	626,134
	b. Personal Home Loan of Rs. 10 Million or Less	1,918,022	1,918,022	1,861,101	1,861,101	1,141,297	1,141,297
	c. Margin Type Loan	155,408	155,408	187,861	187,861	314,305	314,305
	d. Term Loan	2,981,115	2,981,115	2,787,766	2,787,766	2,263,920	2,263,920
	e. Overdraft Loan/ TR Loan/ WC Loan	5,857,413	5,857,413	4,898,079	4,898,079	4,951,078	4,951,078
2.5	f. Others	5,274,338 402.328	5,274,338	5,380,022	5,380,022	4,824,320	4,824,320 293.807
2.5	Fixed Assets	402,328	395,940	371,875	365,056	301,308	293,807
2.7	Non Banking Assets (Net) Other Assets	550,788	535,697	575,556	560,991	573,024	563,620
3	Profit and Loss Account	Upto this Quarter		Upto previous Quarter		Upto corresponding Previous Year Quarter	
3.1	Interest Income	976,797	970,803	482,113	479,175	862,062	859,282
3.2	Interest Expenses	606,983	609,583	307,979	309,713	506,414	506,428
3.3	A. Net Interest Income (3.1-3.2)	369,813	361,220	174,134	169,462 18,048	355,648	352,854
3.4	Fees, Commission and Discount Other Operating Income	33,281 57,805	33,281 49,645	18,048 28,808	25,173	23,563 29,500	20,286
3.5	Foreign Exchange Gain/Loss (Net)	57,120	57,120	19,649	19,649	47,701	47,701
3.3	B.Total Operating Income(A+3.3+3.4+3.5)	518,019	501,265	240,638	232,332	456,413	450,342
3.6	Staff Expenses	84,761	81,973	43,026	41,369	62,176	60,008
3.7	Other Operating Expenses	117,528	115,327	54,713	53,265	86,217	84,501
0.7	C.Operating Profit Before Provision (B3.6-3.7)	315,730	303,965	142,899	137,697	308,020	305,832
3.8	Provision for Possible Loss	59,030	59,030	20,229	20,229	71,523	71,523
	D.Operating Profit (C3.8)	256,700	244,935	122,670	117,468	236,497	234,309
3.9	Non-Operating Income/Expenses(Net)	5,806	7,946	5,154	6,224	3,024	4,982
3.10	Write Back of Provision for Possible Loss	57,881	57,881	19,002	19,002	20,893	20,893
	E. Profit from Regular Activities(D+3.9+3.10)	320,388	310,763	146,827	142,695	260,414	260,185
3.11	Extraordinary Income/Expenses(Net)	-	-	-		-	-
0.10	F. Profit before Bonus and Taxes(E.+3.11)	320,388	310,763	146,827	142,695	260,414	260,185
3.12	Provision for Staff Bonus	29,126	28,251	13,348	12,972	23,674	23,653
3.13	Provision for tax	87,378	84,754	40,044	38,917	71,022	70,959
	G. Net Profit/Loss(F3.12-3.13)	203,883	197,758	93,435	90,806	165,718	165,572
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	11.36%	11.36%	12.22%	12.22%	13.38%	13.38%
4.2	Non Performing Loan (NPL) to Total Loan	1.58%	1.58%	1.83%	1.83%	1.82%	1.82%
4.4	Total Loan Loss Provision to Total NPL	145.74% 6.00%	145.74% 6.00%	136.18%	136.18%	145.51%	145.51%
4.4	Cost of Funds CD Ratio (Calculated as per NRB Directives)	73.64%	73.64%	6.10% 75.68%	6.10% 75.68%	6.44% 77.06%	6.44% 77.06%
4.6	Base Rate	9.11%	9.11%	9.73%	9.73%	9.32%	9.32%
4.7	Average Interest Spread	9.11% 4.46%	4.46%	9.73% NA	9./3% NA	9.32% NA	9.32% NA
**./	(Calculated as per NRB Directives)	4.4070	4.40/0	I INA	INA	144	
	Additional Information						
	Average Yield	10.04%	10.04%	10.14%	10.14%	10.54%	10.54%
	Net Interest Spread	4.04%	4.04%	4.04%	4.04%	4.10%	4.10%
	Return on Equity (Annualized)	14.46%	14.46%	12.55%	12.55%	14.42%	14.42%
	Return on Assets (Annualized)	1.55%	1.55%	1.41%	1.41%	1.67%	1.67%

14.46% 14.46% 1.55% 1.55% Return on Assets (Annualized) Note:

- Above figures are subject to change from Supervisory Authority and External Audit.
 Figures of previous periods have been regrouped wherever necessary.
 Group represents NMB Bank Limited (NMB) and its subsidiary NMB Capital Ltd.
 The text group beload formed here been begulated for supervisors.
- 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 have been reported net of provisions.

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 deposits amounting to NPR 1,096.87 Million with the Bank as of 14 January 2014 and total interest earnings from the accounts were NPR 2.62 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 previous quarter, the Bank had received dividend from NMB Capital amounting to NPR 5 Million net of applicable taxes.

All the contracts and transactions have been performed on arms length basis.

Disclosure as per Securities Registration and Issuance Regulation, 2065

	Based on Unaudited Financials (as at 14/01/2014)
Earnings per Share (annualized)	NPR 19.78
Price Earnings Ratio (annualized)	21.24 times
Assets per Share	NPR 1,306.48
Net-worth per Share	NPR 131.09
Liquidity Ratio	29.84%

2. Management Analysis

	during the firs					
	lion. The Bank					
	decline in yield					
	Despite the sar					
	compared to :					
	from non fui					
 h) Overall de 	nosits and risk	assets vol	ime of the Ri	ank stand at N	JPR 23 191	million

- b) Overall deposits and risk assets volume of the Bank stand at NRR 23,191 million and NRR 17,413 Million (nehr respectively as at the end of the quarter c) The market has remained liquid throughout the quarter resulting in decline in G Sec rates as well as overall cost of deposits. The Bank continued to maintain comfortable liquidity position and also remained well capitalized with NLA and Capital Adequacy ratio at 29,485 and 11,366 respectively. Assets quality of the Bank continued to remain sound and overall NPA level has decreased to 1.58% from 1.38% in the preceding quarter.
 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 oxecasive risk tailors.

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.

Management view on share transactions of the Bank at securities market: 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 extradordinary, 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 obtermines the market price anascitor of the Bank's shares, the Bank Management is neutral on the ruling share price of the Bank.

NPR 475 NPR 235 NPR 420 2,121 113 Closing Price Trading number Days of Trading

Internal problems and challenges

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

 External problems and challenges
 Unstable local socio-political situation, uncertainty on government policies /p
 Energy crisis.
 Highly competitive environment with limited opportunities.
 High volatility in FX Market.
 Highly volatility in FX Market.
 Lidghy volatility in FX Market.
 Lidgh volatility conditions.
 Lack of conductive business environment for investment.
 Uncertainty over global economic outlook.

- Strategy
- Strategy
 Launch new products and services with species form.
 Focus on SME, retail lending, Micro deposit opportunities and enhance muculinian activities.
 Improve on technology platform to enhance product and service capabilities to meet the customer's changing banking reeds.
 Continue to focus on Safe Growth through prudent risk management and compliance practices.
- Continue to incust of section and incustomers and incustomers are 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.

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Corporate Governance

- 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, Human Resource Committee, seat and Liability Committee AUCI, Executive Orimittee and other sub-committees are chared by the non-executive Directors of the Bank. In the Committee and Charles of the Sank.

 The Bank has a Corporate Governance Unit under Compliance Pearlment to oversee matters related to corporate governance unit under Compliance pearlment 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 disck in this report till date. Also, I hereby declare that to the extent of my knowle the facts and the figures disclosed in this report are correct and comprehen and all the material information relevant to take proper investment decision for investors are disclosed properly in this statement.