

# NMB BANK LIMITED

## INTERIM FINANCIAL STATEMENTS

As on  
Chaitra End 2075 (13 April 2019)  
(Unaudited)



**NMB Bank Limited**  
**Condensed Consolidated Statement of Financial Position**  
As on Quarter Ended 30 Chaitra, 2075 (13 April, 2019 )

NPR in Thousand

Particulars	Group		NMB	
	This Quarter Ending	Immediate Previous Year Ending	This Quarter Ending	Immediate Previous Year Ending
<b>Assets</b>				
Cash and cash equivalent	9,632,387	6,028,153	9,030,701	5,183,938
Due from Nepal Rastra Bank	5,729,264	6,864,741	5,714,234	6,840,511
Placement with Bank and Financial Institutions	2,015,833	208,514	2,015,833	276,407
Derivative financial instruments	12,652,463	7,506,751	12,652,463	7,506,751
Other trading assets	332,690	321,720	332,690	321,720
Loan and advances to B/FIs	2,771,826	2,497,568	3,371,826	2,497,568
Loans and advances to customers	89,835,267	74,413,585	87,024,524	72,711,772
Investment securities	9,602,669	9,608,368	9,359,601	9,448,447
Current tax assets	778,368	863,140	745,832	763,885
Investment in subsidiaries	-	-	248,552	248,552
Investment in associates	-	-	-	-
Investment property	111,420	59,775	111,420	59,775
Property and equipment	1,729,324	1,595,085	1,684,793	1,559,570
Goodwill and Intangible assets	28,100	22,644	27,235	22,054
Deferred tax assets	89,783	69,939	86,613	66,869
Other assets	3,444,767	4,913,860	3,377,310	4,883,612
<b>Total Assets</b>	<b>138,754,159</b>	<b>114,973,843</b>	<b>135,783,627</b>	<b>112,391,430</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	1,861,763	1,036,269	1,861,763	1,036,269
Due to Nepal Rastra Bank	595,321	660,072	595,321	660,072
Derivative financial instruments	12,481,426	7,477,484	12,481,426	7,477,484
Deposits from customers	94,766,302	84,509,503	93,962,600	83,970,867
Borrowing	4,209,157	1,182,082	2,937,060	-
Current Tax Liabilities	720,039	923,191	688,879	824,303
Provisions	10,335	9,152	5,544	9,078
Deferred tax liabilities	5,872	5,872	-	-
Other liabilities	4,840,359	1,889,165	4,310,092	1,423,548
Debt securities issued	2,184,505	500,000	2,184,505	500,000
Subordinated Liabilities	-	-	-	-
<b>Total liabilities</b>	<b>121,675,080</b>	<b>98,192,789</b>	<b>119,027,191</b>	<b>95,901,621</b>
<b>Equity</b>				
Share capital	9,618,163	7,603,291	9,618,163	7,603,291
Share premium	2,518,064	4,066,854	2,518,064	4,061,367
Retained earnings	2,341,199	2,476,498	2,180,308	2,339,182
Reserves	2,451,341	2,502,931	2,439,901	2,485,970
<b>Total equity attributable to equity holders</b>	<b>16,928,766</b>	<b>16,649,574</b>	<b>16,756,436</b>	<b>16,489,809</b>
<b>Non-controlling interest</b>	<b>150,312</b>	<b>131,480</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>17,079,079</b>	<b>16,781,054</b>	<b>16,756,436</b>	<b>16,489,809</b>
<b>Total liabilities and equity</b>	<b>138,754,159</b>	<b>114,973,843</b>	<b>135,783,627</b>	<b>112,391,430</b>

**NMB Bank Limited**  
**Condensed Consolidated Statement of Profit or Loss**  
For the quarter ended 30 Chaitra, 2075 (13 April 2019 )

*NPR in Thousand*

Particulars	Group				NMB			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	2,901,096	8,382,136	2,311,672	6,520,977	2,778,707	8,062,783	2,222,245	6,232,134
Interest expense	1,735,396	5,100,904	1,549,061	4,300,326	1,690,041	4,968,584	1,514,791	4,180,772
<b>Net interest income</b>	<b>1,165,700</b>	<b>3,281,232</b>	<b>762,611</b>	<b>2,220,650</b>	<b>1,088,666</b>	<b>3,094,199</b>	<b>707,454</b>	<b>2,051,363</b>
Fees and Commission Income	236,112	804,823	234,738	675,468	194,159	697,414	216,870	626,628
Fees and commission expense	13,866	59,096	5,368	32,767	12,605	53,865	4,014	28,706
<b>Net fee and commission income</b>	<b>222,247</b>	<b>745,727</b>	<b>229,371</b>	<b>642,702</b>	<b>181,554</b>	<b>643,549</b>	<b>212,856</b>	<b>597,922</b>
<b>Net interest, fee and commission income</b>	<b>1,387,946</b>	<b>4,026,959</b>	<b>991,982</b>	<b>2,863,352</b>	<b>1,270,220</b>	<b>3,737,748</b>	<b>920,309</b>	<b>2,649,284</b>
Net trading income	105,096	261,486	56,392	173,419	105,096	261,486	56,392	173,419
Other operating income	61,692	178,303	34,905	205,126	61,740	179,420	21,294	162,091
<b>Total operating income</b>	<b>1,554,734</b>	<b>4,466,747</b>	<b>1,083,278</b>	<b>3,241,897</b>	<b>1,437,056</b>	<b>4,178,653</b>	<b>997,995</b>	<b>2,984,795</b>
Impairment charge/(reversal) for loans and other losses	37,931	151,634	(47,275)	(137,424)	43,156	134,583	(57,822)	(162,598)
<b>Net operating income</b>	<b>1,516,803</b>	<b>4,315,113</b>	<b>1,130,553</b>	<b>3,379,321</b>	<b>1,393,900</b>	<b>4,044,070</b>	<b>1,055,818</b>	<b>3,147,393</b>
<b>Operating expense</b>								
Personnel expenses	368,192	1,126,243	302,978	834,822	322,587	1,002,501	272,028	740,272
Other operating expenses	257,176	605,965	171,616	442,440	239,911	566,912	158,627	409,860
Depreciation & Amortisation	44,873	131,045	26,635	97,137	43,887	125,498	24,977	92,161
<b>Operating Profit</b>	<b>846,561</b>	<b>2,451,859</b>	<b>629,323</b>	<b>2,004,922</b>	<b>787,515</b>	<b>2,349,159</b>	<b>600,186</b>	<b>1,905,100</b>
Non operating income	1,189	6,658	4,949	41,160	-	5,469	4,728	40,940
Non operating expense	14,644	14,644	23,269	23,269	14,622	14,622	23,269	23,269
<b>Profit before income tax</b>	<b>833,107</b>	<b>2,443,874</b>	<b>611,003</b>	<b>2,022,814</b>	<b>772,893</b>	<b>2,340,005</b>	<b>581,646</b>	<b>1,922,771</b>
Income tax expense								
Current Tax	249,773	720,039	170,430	573,099	231,709	688,879	161,150	546,139
Deferred Tax expense/(Income)	-	-	-	-	-	-	-	-
<b>Profit for the period</b>	<b>583,334</b>	<b>1,723,834</b>	<b>440,573</b>	<b>1,449,715</b>	<b>541,184</b>	<b>1,651,126</b>	<b>420,495</b>	<b>1,376,632</b>

**NMB Bank Limited**  
**Consolidated Statement of Other Comprehensive Income**  
For the quarter ended 30 Chaitra, 2075 (13 April 2019 )

NPR in Thousand

Particulars	Group				NMB			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
<b>Profit for the period</b>	<b>583,334</b>	<b>1,723,834</b>	<b>440,573</b>	<b>1,449,715</b>	<b>541,184</b>	<b>1,651,126</b>	<b>420,495</b>	<b>1,376,632</b>
<b>Other comprehensive income</b>								
<b>a) Items that will not be reclassified to profit or loss</b>								
- Gains/(losses) from investments in equity instruments measured at fair value	(6,172)	(39,719)	17,872	20,009	(6,484)	(39,437)	15,567	17,809
- Gains/(losses) on revaluation	-	-	-	-	-	-	-	-
- Actuarial gains/(losses) on defined benefit plans	(26,377)	(26,377)	(8,714)	(8,714)	(26,377)	(26,377)	(8,714)	(8,714)
-Income tax relating to above items	9,765	19,829	(2,747)	(3,388)	9,858	19,744	(2,056)	(2,728)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>(22,784)</b>	<b>(46,267)</b>	<b>6,410</b>	<b>7,906</b>	<b>(23,003)</b>	<b>(46,069)</b>	<b>4,797</b>	<b>6,366</b>
<b>b) Items that are or may be reclassified to profit or loss</b>								
- Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-
- Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-
- Income tax relating to above items	-	-	-	-	-	-	-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Share of other comprehensive income of associate accounted as per equited method</b>								
-	-	-	-	-	-	-	-	-
<b>Other comprehensive income for the period, net of income tax</b>	<b>(22,784)</b>	<b>(46,267)</b>	<b>6,410</b>	<b>7,906</b>	<b>(23,003)</b>	<b>(46,069)</b>	<b>4,797</b>	<b>6,366</b>
<b>Total comprehensive income for the period</b>	<b>560,550</b>	<b>1,677,567</b>	<b>446,983</b>	<b>1,457,621</b>	<b>518,182</b>	<b>1,605,057</b>	<b>425,292</b>	<b>1,382,998</b>
<b>Total comprehensive income attributable to:</b>								
Equity holders of the Bank	546,231	1,658,190	445,035	1,444,244	518,182	1,605,057	425,292	1,382,998
Non-controlling interest	14,319	19,377	1,949	13,377	-	-	-	-
<b>Total</b>	<b>560,550</b>	<b>1,677,567</b>	<b>446,983</b>	<b>1,457,621</b>	<b>518,182</b>	<b>1,605,057</b>	<b>425,292</b>	<b>1,382,998</b>
<b>Earnings per share</b>								
Basic earnings per share		17.24		17.04		17.17		16.24
Annualized Basic earnings per share		22.99		22.72		22.89		21.65
Diluted earnings per share		22.99		22.72		22.89		21.65

**NMB Bank Limited**  
**Condensed Consolidated Statement of changes in equity**  
**For the period (1 Shrawan 2075 to 30 Chaitra 2075) ended 30 Chaitra 2075**

NPR in Thousand

Particulars	NMB Attributable to equity holders of the Bank											Non-controlling interest	Total equity
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total			
<b>Balance at Shrawan 1, 2074</b>	<b>6,461,774</b>	<b>1,424,858</b>	<b>1,301,093</b>	<b>54,642</b>	-	<b>19,732</b>	-	<b>1,360,918</b>	<b>279,244</b>	<b>10,902,261</b>	-	<b>10,902,261</b>	
Profit for the year	-	-	-	-	-	-	-	1,853,793	-	1,853,793	-	<b>1,853,793</b>	
Other comprehensive income	-	-	-	-	-	(26,789)	-	-	(17,480)	(44,269)	-	(44,269)	
<b>Total comprehensive income</b>	-	-	-	-	-	<b>(26,789)</b>	-	<b>1,853,793</b>	<b>(17,480)</b>	<b>1,809,524</b>	-	<b>1,809,524</b>	
Transfer to reserves during the year	-	-	370,759	1,732	-	-	404,407	-	107,874	884,771	-	884,771	
Transfer from reserves during the year	-	-	-	-	-	-	-	(875,529)	(9,242)	(884,771)	-	(884,771)	
<b>Contribution from and distributions to owner</b>													
FPO Allotment	1,141,516	2,659,733	-	-	-	-	-	-	-	3,801,249	-	3,801,249	
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	
Bonus shares issued	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	
others	-	(23,224)	-	-	-	-	-	-	-	(23,224)	-	(23,224)	
<b>Total contributions by and distributions</b>	<b>1,141,516</b>	<b>2,636,509</b>	-	-	-	-	-	-	-	<b>3,778,025</b>	-	<b>3,778,025</b>	
<b>Balance at Asadh end 2075</b>	<b>7,603,291</b>	<b>4,061,367</b>	<b>1,671,851</b>	<b>56,374</b>	-	<b>(7,057)</b>	<b>404,407</b>	<b>2,339,182</b>	<b>360,396</b>	<b>16,489,809</b>	-	<b>16,489,809</b>	
<b>Balance at Shrawan 1, 2075</b>	<b>7,603,291</b>	<b>4,061,367</b>	<b>1,671,851</b>	<b>56,374</b>	<b>404,407</b>	<b>(7,057)</b>	-	<b>2,339,182</b>	<b>360,396</b>	<b>16,489,809</b>	-	<b>16,489,809</b>	
Profit for the period	-	-	-	-	-	-	-	1,651,126	-	1,651,126	-	1,651,126	
Other comprehensive income	-	-	-	-	-	(27,606)	-	-	(18,464)	(46,069)	-	(46,069)	
Total comprehensive income	-	-	-	-	-	(27,606)	-	1,651,126	(18,464)	1,605,057	-	1,605,057	
<b>Contribution from and distributions to owner</b>													
Share issued	-	-	-	-	-	-	-	-	-	-	-	-	
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	
Bonus shares issued	2,014,872	(2,014,872)	-	-	-	-	-	-	-	-	-	-	
Cash dividend paid	-	-	-	-	-	-	-	(1,808,783)	-	(1,808,783)	-	(1,808,783)	
Others	-	471,569	-	-	-	-	-	(1,217)	-	470,352	-	470,352	
<b>Total contributions by and distributions</b>	<b>2,014,872</b>	<b>(1,543,303)</b>	-	-	-	-	-	<b>(1,810,000)</b>	-	<b>(1,338,430)</b>	-	<b>(1,338,430)</b>	
<b>Balance at Chaitra end 2075</b>	<b>9,618,163</b>	<b>2,518,064</b>	<b>1,671,851</b>	<b>56,374</b>	<b>404,407</b>	<b>(34,663)</b>	-	<b>2,180,308</b>	<b>341,932</b>	<b>16,756,436</b>	-	<b>16,756,436</b>	

**NMB Bank Limited**  
**Condensed Consolidated Statement of changes in equity**  
**For the period (1 Shrawan 2075 to 30 Chaitra 2075) ended 30 Chaitra 2075**

*NPR in Thousand*

Particulars	Group										Non-controlling interest	Total equity
	Attributable to equity holders of the Group											
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total		
<b>Balance at Shrawan 1, 2074</b>	<b>6,461,774</b>	<b>1,444,715</b>	<b>1,309,897</b>	<b>54,642</b>	<b>-</b>	<b>21,883</b>	<b>-</b>	<b>1,507,175</b>	<b>281,736</b>	<b>11,081,823</b>	<b>111,857</b>	<b>11,193,680</b>
Profit for the year	-	-	-	-	-	-	-	1,940,103	-	1,940,103	20,274	1,960,377
Other comprehensive income	-	-	-	-	-	(28,708)	-	-	(17,401)	(46,109)	76	(46,033)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,708)</b>	<b>-</b>	<b>1,940,103</b>	<b>(17,401)</b>	<b>1,893,994</b>	<b>20,350</b>	<b>1,914,344</b>
Transfer to reserves during the year	-	-	374,095	1,732	404,407	-	-	69	109,891	890,192	(727)	889,466
Transfer from reserves during the year	-	(23,224)	-	-	-	-	-	(864,829)	(9,242)	(897,296)	-	(897,296)
<b>Contribution from and distributions to owner</b>												
Share issued (Including FPO)	1,141,516	2,659,733	-	-	-	-	-	-	-	3,801,249	-	3,801,249
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	-	(14,369)	-	-	-	-	-	-	-	(14,369)	-	(14,369)
Cash dividend paid	-	-	-	-	-	-	-	(106,019)	-	(106,019)	-	(106,019)
<b>Total contributions by and distributions</b>	<b>1,141,516</b>	<b>2,645,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(106,019)</b>	<b>-</b>	<b>3,680,861</b>	<b>-</b>	<b>3,680,861</b>
<b>Balance at Asadh end 2075</b>	<b>7,603,291</b>	<b>4,066,854</b>	<b>1,683,992</b>	<b>56,374</b>	<b>404,407</b>	<b>(6,825)</b>	<b>-</b>	<b>2,476,429</b>	<b>364,984</b>	<b>16,649,574</b>	<b>131,480</b>	<b>16,781,054</b>
<b>Balance at Shrawan 1, 2075</b>	<b>7,603,291</b>	<b>4,066,854</b>	<b>1,683,992</b>	<b>56,374</b>	<b>404,407</b>	<b>(6,825)</b>	<b>-</b>	<b>2,476,429</b>	<b>364,984</b>	<b>16,649,505</b>	<b>131,480</b>	<b>16,781,054</b>
Profit for the period	-	-	-	-	-	-	-	1,704,457	-	1,704,457	19,377	1,723,834
Other comprehensive income	-	-	-	-	-	(27,804)	-	-	(18,464)	(46,267)	-	(46,267)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,804)</b>	<b>-</b>	<b>1,704,457</b>	<b>(18,464)</b>	<b>1,658,190</b>	<b>19,377</b>	<b>1,677,567</b>
other Apportionments	-	-	-	-	-	-	-	10,880	-	10,880	-	10,880
<b>Contribution from and distributions to owner</b>												
Share issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	2,014,872	(2,020,360)	-	-	-	-	-	-	-	4,866	-	4,866
Cash dividend paid	-	-	-	-	-	-	-	(1,849,350)	-	(1,849,350)	(545)	(1,849,895)
Others	-	471,569	-	-	-	-	-	(1,217)	(15,678)	454,675	-	454,675
<b>Total contributions by and distributions</b>	<b>2,014,872</b>	<b>(1,548,791)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,850,567)</b>	<b>(15,678)</b>	<b>(1,389,809)</b>	<b>(545)</b>	<b>(1,390,354)</b>
<b>Balance at Chaitra end 2075</b>	<b>9,618,163</b>	<b>2,518,064</b>	<b>1,683,992</b>	<b>56,374</b>	<b>404,407</b>	<b>(34,628)</b>	<b>-</b>	<b>2,341,199</b>	<b>330,842</b>	<b>16,928,766</b>	<b>150,312</b>	<b>17,079,079</b>

**NMB Bank Limited**  
**Condensed Consolidated Statement of cash flows**  
For the period (1 Shrawan 2075 to 30 Chaitra 2075) ended 30 Chaitra 2075

NPR in Thousand

Particulars	Group		NMB	
	Upto This Quarter	Corresponding Previous Year Upto This Quarter	Upto This Quarter	Corresponding Previous Year Upto This Quarter
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Interest received	8,252,730	6,496,818	7,882,848	6,202,129
Fees and other income received	816,367	750,538	705,267	653,444
Dividend received	70,708	102,914	70,708	102,309
Receipts from other operating activities	279,979	329,084	279,979	327,367
Interest paid	(5,285,890)	(4,338,963)	(5,094,093)	(4,187,974)
Commission and fees paid	(53,865)	(28,706)	(53,865)	(28,706)
Cash payment to employees	(1,088,229)	(895,680)	(974,505)	(810,293)
Other expense paid	(590,476)	(462,519)	(536,518)	(409,860)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>2,401,324</b>	<b>1,953,487</b>	<b>2,279,821</b>	<b>1,848,417</b>
<b>(Increase)/Decrease in operating assets</b>				
Due from Nepal Rastra Bank	981,298	4,075,233	1,126,028	4,111,847
Placement with bank and financial institutions	(2,117,933)	(773,932)	(2,117,933)	(782,958)
Other trading assets	(12,590)	(33,452)	(10,970)	(19,520)
Loan and advances to bank and financial institutions	(886,101)	(368,721)	(886,101)	(368,721)
Loans and advances to customers	(15,203,036)	(11,594,379)	(14,525,835)	(11,035,550)
Other assets	1,606,011	(1,661,182)	1,540,335	(1,654,775)
<b>Total</b>	<b>(15,632,351)</b>	<b>(10,356,432)</b>	<b>(14,874,476)</b>	<b>(9,749,677)</b>
<b>Increase/(Decrease) in operating liabilities</b>				
Due to bank and financial institutions	1,139,914	172,304	825,494	(27,674)
Due to Nepal Rastra Bank	(64,750)	105,067	(64,750)	105,067
Deposit from customers	10,179,845	12,349,141	9,991,733	12,072,144
Borrowings	2,937,060	-	2,937,060	-
Other liabilities	2,726,570	554,239	2,771,580	289,304
<b>Net cash flow from operating activities before tax paid</b>	<b>16,918,639</b>	<b>13,180,751</b>	<b>16,461,117</b>	<b>12,438,841</b>
Income taxes paid	(826,041)	(504,851)	(806,041)	(492,351)
<b>Net cash flow from operating activities</b>	<b>2,861,570</b>	<b>4,272,955</b>	<b>3,060,421</b>	<b>4,045,230</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities	(3,145,910)	(9,363,528)	(3,152,763)	(9,251,012)
Receipts from sale of investment securities	3,678,140	6,213,434	3,678,140	6,213,434
Purchase of property and equipment	(154,971)	(195,926)	(144,327)	(186,980)
Receipt from the sale of property and equipment	44,228	10,360	44,116	8,305
Purchase of intangible assets	-	(108)	-	-
Receipt from the sale of intangible assets	-	-	-	-
Purchase of investment properties	(53,338)	(17,064)	(53,338)	(17,064)
Receipt from the sale of investment properties	1,851	57,952	1,851	57,952
Investment in subsidiaries, associates & joint ventures	-	-	-	-
Interest received	-	-	-	-
Dividend received	-	-	-	-
<b>Net cash used in investing activities</b>	<b>370,001</b>	<b>(3,294,879)</b>	<b>373,679</b>	<b>(3,175,364)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipt from issue of debt securities	1,684,505	-	1,684,505	-
Repayment of debt securities	-	-	-	-
Receipt from issue of subordinated liabilities	-	-	-	-
Repayment of subordinated liabilities	-	-	-	-
Receipt from issue of shares	471,569	128,152	471,569	-
Dividends paid	(1,848,783)	(105,263)	(1,808,783)	-
Interest paid	-	1,342	-	-
Other receipt/payment	-	-	-	-
<b>Net cash from financing activities</b>	<b>307,291</b>	<b>24,231</b>	<b>347,291</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,538,862</b>	<b>1,002,306</b>	<b>3,781,392</b>	<b>869,866</b>
Cash and cash equivalents at the beginning of the year	6,028,153	6,458,151	5,183,938	5,499,969
Cash and cash equivalents acquired from the merger	-	-	-	-
Effect of exchange rate fluctuations on cash and cash equivalents held	65,371	43,355	65,371	43,355
<b>Cash and cash equivalents at the Chaitra End 2075</b>	<b>9,632,387</b>	<b>7,503,812</b>	<b>9,030,701</b>	<b>6,413,190</b>

**NMB Bank Limited**

**Statement showing Net Profit after Regulatory Adjustments:**

**(NPR. In Thousand)**

<b>Particulars</b>	<b>Up to this Quarter</b>
<b>Net Profit for the period ended 30 Chaitra 2075</b>	<b>1,651,126</b>
<b>1. Appropriations</b>	
<b><i>1.1 Profit required to be appropriated to statutory reserve</i></b>	<b>(430,043)</b>
a. General Reserve	(330,225)
b. Capital Redemption Reserve	(67,841)
c. Exchange Fluctuation Fund	(16,343)
d. Corporate Socail Responsibility Fund	(15,634)
e. Employees Training Fund	-
f. Other	
<b><i>1.2 Profit required to be transfer to Regulatory Reserve</i></b>	<b>(248,929)</b>
a. Transfer to Regulatory Reserve	(248,929)
b. Transfer from Regulatory Reserve	
<b>Net Profit for the period end 30 Chaitra 2075 available for distribution</b>	<b>972,154</b>



**NMB Bank Limited**  
**Ratios as per NRB Directives**

Particulars	Group				NMB			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital fund to RWA		15.27%		12.88%		15.42%		12.93%
Non performing loan (NPL) to total loan		0.84%		1.15%		0.79%		1.10%
Total loan loss provision to Total NPL		182.37%		152.96%		191.45%		158.29%
Cost of Funds (YTD)		7.32%		7.47%		7.25%		7.41%
CCD Ratio		77.83%		75.33%		77.83%		75.33%
Base Rate		9.95%		10.92%		9.95%		10.92%
Average Interest Spread (Calculated as per NRB Directives)- Last Month of Quarter		4.33%		3.16%		4.33%		3.16%
<b>Additional Informations:</b>								
Average Yield (YTD Average)		10.90%		10.89%		10.77%		10.74%
Return on Equity (Annualized)		13.30%		16.59%		13.38%		15.95%
Return on Assets (Annualized)		1.76%		1.89%		1.79%		1.83%
PE Ratio (Annualized)		15.55		20.55		15.55		20.55
Net-Worth per share (NPR)		176.01		190.00		174.22		189.85
Assets per share (NPR)		1,441.06		1,590.99		1,411.74		1,558.92
Liquidity Ratio (NLA)		23.96%		25.36%		23.96%		25.36%

# NMB BANK LIMITED

## Notes to Interim Financial Statements

For the interim period ended 30 Chaitra 2075

### 1. General Information

- 1.1 **Reporting Entity:** NMB Bank Limited (hereinafter referred to as “the Bank”) is a limited liability company domiciled in Nepal. The registered office of the Bank is G.P.O. Box 11543, Babar Mahal, Kathmandu, Nepal. The Bank has a primary listing in the Nepal Stock Exchange Limited, the only Stock Exchange in Nepal.

The Bank carries out commercial banking activities in Nepal licensed under the Bank and Financial Institutions Act, 2006 as Class “A” financial institution in May 2008 and has been operating in the Nepalese Financial market for over twenty three years.

### 1.2 Subsidiary:

- a. NMB Capital Ltd. (NMBCL) is a 100% subsidiary company of the Bank and was incorporated on September 17, 2010 as a public limited company as per the Companies Act 2063. It is into Merchant and investment banking licensed by Securities Board of Nepal under the Securities Businessperson (Merchant Banker) Regulations, 2008.
- b. NMB Microfinance Bittiya Sanstha Ltd. (NMBMF) is incorporated as a public limited company under Companies Act, 2063 and licensed by Nepal Rastra Bank as “D” Class financial institution having Nation Wide working area to operate its microfinance program under Bank and Financial Institution Act 2006. As at the interim period ended date, the bank holds 51% controlling interest in the NMBMF.

The interim period of both of the subsidiaries is same as that of the Bank.

- 1.3 “Group” represents The Bank and the subsidiaries.

### 2. Basis of preparation

The Interim Financial Statements have been prepared in accordance with the Nepal Accounting Standard (NAS)-34 “Interim Financial Reporting” published by the Nepal Accounting Standards Board (NASB) and pronounced by The Institute of Chartered Accountants of Nepal (ICAN). The disclosures made in the condensed consolidated interim financial information have been limited based on the format prescribed by Nepal Rastra Bank through NRB Circular 19 dated

Falgun 14, 2075 (Ref No: Bai.Bi.Ni.Bi/Niti/Paripatra/ka kha ga/19/075/76) and should be read in conjunction with the Bank's last annual financial statements as at and for the year ended 32 Asar 2075. They do not include all of the information required for a complete set of Nepal Financial Reporting Standards ("NFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last annual financial statements. The financial statements have been prepared in accordance with the historical cost convention with some exceptions described in the relevant sections.

The interim cash flow statement has been prepared using the direct method whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flow is classified by operating, investing and financing activities.

The Condensed Consolidated Interim Financial Statements comprise of:

- Condensed Consolidated Statement of Financial Position,
- Condensed Consolidated Statement of Profit or Loss,
- Condensed Consolidated Statement of Other Comprehensive Income,
- Condensed Consolidated Statement of Changes in Equity,
- Condensed Consolidated Statement of Cash Flows and
- Notes to Interim Financial Statements
- Ratios as per NRB Directive

### **3. Statement of Compliance with NFRS**

The Financial Statements of the Group which comprises components mentioned above have been prepared in accordance with Nepal Accounting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal and in compliance with the requirements of the Companies Act, 2063 and generally Accepted Accounting Principles and certain carve outs issued by ICAN.

### **4. Basis of Consolidation**

In preparing the Consolidated Interim Financial Statement, the financial statements of the Bank and the Subsidiary are combined line by line by adding together Assets, Liabilities, Equity, Income and Expenses. The consolidated financial statements have been prepared in accordance with Nepal Financial Reporting Standards 10 "Consolidated Financial Statements".

Para 8 of NFRS 10 outlines three conditions to be fulfilled in order to establish control:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect the amount of the investor's returns

Non-Controlling Interest (NCI) refers to ownership of a company, which does not give the shareholder the control of the company.

## **5. Foreign Exchange Transactions**

Assets and liabilities denominated in foreign currencies as on the balance sheet date have been converted into local currency at mid-point exchange rates published by Nepal Rastra Bank after adjustment for effective trading rate.

Net difference arising from the conversion of foreign currency assets and liabilities is accounted for as revaluation gain/loss under Other Operating Income.

Income realised from the difference between buying and selling rates of Foreign Exchange is accounted for as trading gains and shown under "Net Trading Income".

## **6. Functional and presentation currency**

The Interim financial statements are presented in Nepalese Rupees (NPR), the functional currency of Group entities. There is no change in the Group's presentation and functional currency during the period under review. All figures in the accounts are presented in thousand.

## **7. Significant accounting judgements and estimates**

As part of the process of preparing the interim financial statements in conformity with NFRS, the Bank's management is required to make certain judgements, estimates and assumptions that may affect the Bank's profits, its financial position and other information presented in the Report. These estimates are based on available information and the judgements made by the Bank's management. Actual outcomes may deviate from the assessments made, and such deviations may at times be significant.

The Bank uses various valuation models and techniques to estimate the fair values of assets and liabilities. There are significant uncertainties related to these estimates and these estimates are highly dependent on market data, such as the level of interest rates, currency rates and other factors. The uncertainties related to these estimates are reflected mainly in the statement of financial position. The bank undertakes continuous development in order to improve the basis for fair value estimates, with regard to both modelling and market data. Changes in estimates resulting from refinements in assumptions and methodologies are reflected in the period in which the enhancements are first applied. Judgements and estimates are also associated with impairment testing of loans and claims.

The significant judgments made by Management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 Asar 2075.

## **8. Basis for classification and measurement**

The interim financial statements have been prepared on the historical cost basis, except for:

- As per NFRS 9 "Financial Instruments", Investment Securities (investment in equity shares and mutual funds) are measured at fair value.
- As per NAS 40 'Investment Property' (land and building acquired as non-banking assets) are measured at fair value.
- As per NAS 19 "Employee Benefits", Liabilities for employee defined benefit obligations and liabilities for long service leave are measured at fair value.

The Bank classifies its financial assets into the following categories: those measured at amortised cost, and those measured at fair value. This classification depends on both the contractual characteristics of the assets and the business model adopted for their management.

### **Financial assets at amortised cost**

An investment is classified at "amortised cost" only if it is not designated as a FVTPL and both of the following criteria are met: the objective of the Bank's business model is to hold the assets in order to collect the contractual cash flows, and the contractual terms of the financial assets must give rise on specified dates to cash flows that are only payments of principal and interest on the principal amount outstanding.

### **Financial assets at fair value**

If either of the two criteria above is not met, the asset cannot be classified in the amortised cost category and must be classified at fair value.

### **Determination of fair value**

The fair value of financial instruments, including derivative instruments that are traded in a liquid market, is the bid or offered closing price on the balance sheet date. Where the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques, which include the use of mathematical models. The input to these models is taken from observable market data where possible. Fair values are measured using different valuation models and techniques. This process involves determining future expected cash flows, which can then be discounted to the balance sheet date. The estimation of future cash flows for these instruments is subject to assumptions on market data, the fair value estimate may therefore be subject to variations and may not be

realisable in the market. Under different market assumptions, the values could also differ significantly.

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market prices (unadjusted) in an active market for identical instruments.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and where the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

## **9. Financial assets and financial liabilities**

Financial assets refer to assets that arise from contractual agreements on future cash flows or from owning equity instruments of another entity. Since financial assets derive their value from a contractual claim, these are nonphysical in form and are usually regarded as being more liquid than other tangible assets.

Financial liabilities are obligations that arise from contractual agreements and that require settlement by way of delivering cash or another financial asset. Settlement could also require exchanging other financial assets or financial liabilities under potentially unfavourable conditions. Settlement may also be made by issuing own equity instruments.

## **10. Recognition and de-recognition of financial instruments**

Financial instruments are recognised in the statement of financial position on a settlement date basis, except for derivative instruments, which are recognized on a trade date basis.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire.

A financial liability is derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

## **11. Offsetting**

A financial asset and a financial liability are offset and the net amount recognised

only where there is a legal right to do so and the intention is to settle on a net basis.

## **12. Cash and cash equivalents**

Cash and cash equivalents comprise monetary assets and placements with original maturities of three months or less, calculated from the date the acquisition and placements were made.

Cash and cash equivalents in the cash flow statement refers to the net amount of monetary assets, placements and liabilities with original maturities of six months or less, calculated from the time the transaction was entered into.

Restricted deposits are not included in cash and cash equivalents. These are measured at amortized cost and presented as a line item on the face of consolidated Statement of Financial Position (SoFP).

## **13. Impairment**

### **Impairment of financial assets**

The Bank assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Bank considers the following factors in assessing objective evidence of impairment:

- a significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- Where observable data indicate that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including adverse changes in repayment patterns or economic conditions that correlate with defaults.

### **Assets carried at amortised cost**

Financial assets carried at amortised cost (such as amounts due from Banks, loans and advances to customers as well as held-to-maturity investments are impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial

recognition of the asset. The amount of the loss is measured as the difference between the asset's carrying amount and the deemed recoverable value of loan.

The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the bank. Assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk statistics and collectively assessed for impairment. The credit risk statistics for each group of the loan and advances are determined by management prudently being based on the past experience.

Subsequent reversal of impairment loss, due to factors such as an improvement in the debtor's credit rating, is recognized in the statement of profit or loss. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. Financial assets (and the related impairment allowance accounts) are written off either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, this is generally after receipt of any proceeds from the realization of security. If a future write-off is later recovered, the recovery is credited to the 'Income Statement'.

At each reporting date the Bank assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined.

The Group has applied mandatory ICAN Carve Out No – 5 and has recognized impairment loss on loans and advances at the higher of the amount derived as per prudential norms specified in NRB directive and the amount derived from incurred loss model.

#### **14. Derivative assets and derivative liabilities**

Derivative assets and derivative liabilities (derivatives) create rights and obligations that have the effect of transferring between the parties to the instrument one or more of the financial risks inherent in an underlying primary financial instrument. However, they generally do not result in a transfer of the underlying primary financial instrument on inception of the contract, nor does such a transfer necessarily take place on maturity of the contract.

Derivative financial instruments meet the definition of a financial instrument and are accounted for as derivative financial asset or derivative financial liability measured at FVTPL and corresponding fair value changes are recognized in profit or loss.

#### **15. Deposits from customers and BFIs and Debt Securities**

These are classified as financial liabilities measured at amortized cost.



## **16. Revenue recognition**

Revenue is derived substantially from banking business and related activities and comprises net interest income and non-interest income. Income is recognised on an accrual basis in the period in which it accrues. The Group applies NAS 18 – “Revenue” in the accounting of revenue, unless otherwise stated.

### **a. Net interest income**

Interest income and expenses are recognised in profit or loss for all interest-bearing instruments on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the expected estimated future cash payments and receipts through the expected life of the financial asset or liability. Where financial assets have been impaired, interest income continues to be recognised on the Gross value, based on the original effective interest rate based upon ICAN Carve Out no-7.

### **b. Fees and commission income**

Fees and commission income is generally recognised when the related services are provided or on execution of a significant act. Fees charged for servicing a loan are recognised as revenue as the service is provided. The Group has opted ICAN carve out-6 and hence has excluded the full amount of upfront loan management fees or commission received on loans and advances in the calculation of effective interest rate for the loan. The upfront fees and commission are recognized as income in the same period the loan is approved.

### **c. Dividend Income**

Dividend is recognised as income when the right to receive the dividend is established. For bonus shares, the numbers of shares alone are increased without any change in the cost price of shares.

### **d. Net Trading Gain**

The Group presents all accrued interest, dividend, unrealized fair value changes and disposal gains or losses in respect of trading assets and liabilities under this head. The Group also presents foreign exchange trading gains or losses arising on foreign exchange buy and sell transactions under trading income.

**17. Discounting**

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material.

**18. Significant changes from the policies adopted in the past**

There are no changes in accounting policies and methods of computation since the publication of annual financial statements for the year end Ashad 2075 except provision for gratuity and leave have been provided as per the bank’s estimated actuarial valuations of the bank for interim reporting that may vary from the liability estimated through actuarial valuation on year end after Acturial valuation.

**19. Property, plant and equipment (PPE) and Intangible Assets**

- a. Property, plant and equipment and Intangible assets (software) are stated at cost less accumulated depreciation (Cost Model)
- b. Land is not depreciated. Depreciation of others is charged to Statement of Profit and Loss on Straight Line method over the useful life of those assets. The estimated useful life of the assets are as follows:

<b>Assets</b>	<b>Estimated Life</b>	<b>Rate of Depreciation</b>
Building	40 years	2.5%
Office equipment	7 years	14.28%
Computers	5 years	20%
Furniture & Fixtures	7 years	14.28%
Vehicles	5 to 7 years	20%/ 14.28%
Intangible Assets/software	5 Years	

- c. Leasehold improvements are capitalised at cost and amortised over period of lease.
- d. Depreciation on property, plant and equipment sold or disposed off during the year is charged up to the date of sales and gain or loss on the sales transaction is accounted for.
- e. Assets with a unit value of NPR 10,000 or less are expensed-off during the year of purchase irrespective of its useful life.

**20. Investment property**

Investment properties are land or building or both other than those classified as property and equipment under NAS 16 – “Property, Plant and Equipment”; and assets classified as non-current assets held for sale under NFRS 5 – “Non-Current Assets Held for Sale & Discontinued Operations”. The Group has

recognized as investment property all land or land and building acquired as non-banking assets.

Non-banking assets (only land and building) are initially recognized at fair value. Since it is not intended for owner-occupied use, a depreciation charge is not raised.

## **21. Retirement Benefits**

The Bank offers retirement benefits to its confirmed employee, mainly provident fund, gratuity and accumulated sick leave, all payable at the time of separation from service.

### *a. Provident fund*

Provident fund is recognised at the time of contribution to the fund which is independent to the Bank.

### *b. Gratuity*

Provision for gratuity is made on the basis of actuarial valuation carried out by an Actuary as per the provisions of Nepal Accounting Standards. At the time of separation from service, cash payments are made to the employees and the amount is computed as per the Bank's Policy.

### *c. Accumulated sick leave*

Provision for accumulated sick leave is made on the basis of actuarial valuation carried out by an Actuary as per the provisions of Nepal Accounting Standards. At the time of separation from service, cash payments are made to the employees and the amount is computed as per the Bank's Policy.

However, for the reporting period, Independent Actuarial valuation has not been done and accounting has been done with the best actuarial estimates.

## **22. Operating Lease**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. The Group has applied NAS 17 – “Leases” under cancellable lease as per terms of lease agreement.

## **23. Income Tax**

### **a. Current Income Tax**

Provision for current income tax is made in accordance with the provisions of the prevailing Income Tax Act, 2058 and Rules framed there under.

### **b. Deferred Tax**

Deferred tax is recognised on the differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation provided on temporary differences arising between the

tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined by using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax related to temporary differences in opening balances is credited or charged directly to equity and subsequent year differences are recognised in the income statement together with the deferred gain or loss.

The Group has not calculated deferred tax for the interim period.

## **24. Share capital and reserves**

The Bank applies NAS 32, Financial Instruments: Presentation, to determine whether funding is either a financial liability (debt) or equity. Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the bank having a present obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument.

## **25. Stationery**

Stationery purchased are stated at cost and charged to revenue at the time of consumption.

## **26. Provisions, Contingent Liabilities and Contingent Assets**

The Bank creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

## **27. Earnings Per Share**

Basic earnings per equity share is computed in accordance with NAS 33—Earnings per share by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. For Group basic earnings per share profit or loss attributable to ordinary equity holders of the parent entity has been considered.

In a capitalisation or bonus issue, ordinary shares are issued to existing shareholders for no additional consideration. Therefore, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

## **28. Rounding off and Comparative Figures**

The financial statements are presented in Nepalese Rupees, rounded off to the nearest thousand. Previous year's figures have been reclassified wherever necessary in order to facilitate comparison. The figures reported in interim financial report are subject to change upon otherwise instructions of statutory auditor and/or regulatory authorities.

## 29. Segment Information

The Bank is organised for management and reporting purposes into segments such as: Retail, SME & MSME, Corporate, Deprived, Treasury and Others. The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Income tax is managed on a group basis and are not allocated to operating segments. All transactions between segments are conducted on an arm's length basis, with inter-segment revenue and costs being eliminated in "Others". Support costs are also allocated to Retail, Corporate, SME & MSME, Deprived, Treasury and others based on Management's estimates of the benefits accruing to these segments for the costs incurred. The summarized segmental performance is given below:

### a. Information about reporting segment:

NPR in Mio.

Particulars	Retail		SME & MSME		Corporate		Deprived		Treasury		Others		Total	
	Chaitra End 2075	Chaitra End 2074	Chaitra End 2075	Chaitra End 2074	Chaitra End 2075	Chaitra End 2074	Chaitra End 2075	Chaitra End 2074	Chaitra End 2075	Chaitra End 2074	Chaitra End 2075	Chaitra End 2074	Chaitra End 2075	Chaitra End 2074
Revenues from external customers	1,713	1,329	2,455	1,914	3,760	2,984	351	285	908	663	4	9	9,192	7,183
Intersegment revenues/(Expenses)	1,697	1,516	(1,230)	(1,045)	(175)	3	(186)	(154)	(35)	(79)	(70)	(242)	-	-
Segment profit/(loss) before tax	390	490	731	483	760	679	86	62	417	342	(43)	(133)	2,340	1,923
Segment assets	16,151	14,087	26,557	21,508	44,829	35,748	4,485	3,506	26,587	30,179	17,174	3,365	135,784	108,393
Segment liabilities	55,491	43,456	1,535	947	50,820	42,709	482	490	8,220	1,790	19,234	19,000	135,784	108,393

b. **Reconciliation of reportable segment profit or loss:**

NPR in Mio

Particulars	Chaitra End 2075	Chaitra End 2074
Total Profit before tax for reportable segments	2,340	1,923
Profit before tax for other segments		
Elimination of intersegment profit		
Elimination of discontinued operation		
Unallocated amount:		
-Other Corporate Expenses	-	-
Profit before tax	2,340	1,923

**30. Related Party Disclosures**

(a) **Board Member Allowances and Facilities**

The Board of Directors has been paid meeting fees of NPR 1,329,000 during the fiscal year. There were 21 Board Meeting conducted during the interim period.

The Chairperson and other members of the Board are paid NPR 13,000 and NPR 12,000 per meeting respectively for Board and Board Level Committees.

The Meeting fees paid to different Board Level Committees are as follows:

Board Level Committees	No of Meetings	Meeting Allowance (NPR)
Audit Committee	14	324,000
Risk Management Committee	15	348,000
Human Resource Service Committee	4	84,000
Building Construction Sub-Committee	6	156,000
Assets Laundering Prevention Committee	3	60,000
Other Committee	5	180,000

As approved by the 18<sup>th</sup> Annual General Meeting held on 4 Poush 2070, the Board Members have been provided with a monthly allowance of NPR 8,000 for telephone, newspaper and mobile expenses till Falgun End 2075. From Chaitra 2075 monthly allowance of NPR 12,000 is paid as per 23<sup>rd</sup> Annual General Meeting held on Poush 26 2075. The total amount paid as monthly allowances to the board members during the interim period amounted to NPR 444,000.

Existing members of the Board are:

- |      |                             |   |
|------|-----------------------------|---|
| i)   | Mr. Pawan Kumar Golyan      | Chairman (Represents Group – Promoter Shareholder)    |
| ii)  | Mr. Nico Klass Geradus Pijl | Member (Representative from FMO)                      |
| iii) | Mr. Rajendra Kafle          | Member (Representative from Employees Provident Fund) |
| iv)  | Mr. Harishchandra Subedi    | Member (Represents Group – Public Shareholder)        |
| v)   | Mr. Pradeep Raj Pandey      | Independent Director                                  |
| vi)  | Mr. Nand Kishor Rathi       | Alternate Director to Mr. Nico Pijl                   |

### (b) Loans and Advances extended to Promoters

There are no such loans extended to promoters.

### (c) Compensation Details for Key Management Personnel

Key Management Personnel includes members of Executive Committee of the Bank.

S.No	Particulars	Amount
A	Short Term Employee Benefits	51,558,620
B	Post-Employment Benefits	Nil
C	Other Long Term Benefits	Nil
D	Termination Benefits (Gratuity and Sick Leave Encashment)	Nil
E	Share Based Payment	Nil
	<b>Total of Key Management Personnel Compensation</b>	<b>51,558,620</b>

The Salary and benefits paid to CEO included above is as follow:

Particulars	Basic Salary	Provident Fund	Allowance	Bonus & Welfare	Other Perquisites	Total Income
C.E.O	4,428,000	442,800	4,264,000	4,737,609	155,520	14,027,929
<b>Total</b>	<b>4,428,000</b>	<b>442,800</b>	<b>4,264,000</b>	<b>4,737,609</b>	<b>155,520</b>	<b>14,027,929</b>

Key management personnel are also provided with the following benefits:

- i) Benefits as per the Employee Terms of Service By-laws,
- ii) Bonus to staff as per the Bonus Act,
- iii) Vehicle Fuel Expenses as per the Bank's Staff Vehicle Scheme.

Existing members of Executive Committee includes:

Mr. Sunil KC	Chief Executive Officer
Mr. Pradeep Pradhan	Chief Operating Officer
Ms. Shabnam Limbu Joshi	Chief HR & Business Support Officer
Mr. Sharad Tegi Tuladhar	Chief Risk Officer



Mr. Sudesh Upadhyaya	Chief Business Officer
Mr. Govind Ghimire	Chief Business Officer
Mr. Navin Manandhar	Chief Business Officer
Mr. Pramod Dahal	Company Secretary and Chief AML & Compliance Officer
Mr. Roshan Regmi	Head Operations

**(d) Transaction with Subsidiaries**

The intra-group related figures have been excluded for presentation of the financial statement of the Group. The Bank own two subsidiary companies, NMB Capital Limited and NMB Microfinance Bittiya Sanstha Limited. NMB Capital is a wholly owned subsidiary whereas the Bank owns fifty-one percent of the total shares of NMB Microfinance. Related party transactions of both subsidiaries are as follows:

Amount in Thousand			
S No	Particulars	NMB Capital	NMB Micro Finance
1	Investment by NMB Bank Ltd.	200,000	48,552
2	Deposits in NMB Bank Ltd.	153,702	3,749
3	Borrowing from NMB Bank Ltd.	-	600,000
4	Interest Payment by NMB Bank Ltd.	8,634	-
5	Interest Payment to NMB Bank Ltd.	-	50,844
6	Rent Payment to NMB Bank Ltd.	1,603	-
7	Management Fee Payment to NMB Bank	1,800	-
8	Share Registrar Fee payment by NMB Bank	713	-
9	Investment by NMB Bank Ltd. in NMB Sulav Investment Fund-1 as Seed Capital	105,000	-
10	Investment by NMB Bank Ltd in NMB Hybrid Fund-1 as Seed Capital	140,000	-
11	Dividend Distribution of NMB Sulav Investment Fund-1 to NMB Bank Ltd.	22,105	-
12	Dividend Distribution of NMB Capital Ltd. to NMB Bank Ltd.	38,000	-

**31. Dividends paid (aggregate or per share) separately for ordinary shares and other shares**

The bank has paid 15% stock dividend of NPR. 1,200,519,574 from the reserve of FY 2073/74 after the approval of 22<sup>nd</sup> AGM dated 31 Shrawan 2075 and 20% cash dividend and 10% stock dividend amounting NPR. 2,623,135,269 after the approval of 23<sup>rd</sup> AGM dated 26 Poush 2075.

### **32. Issues, repurchases and repayments of debt and equity securities**

The bank had issued 30 Lacs units of NMB Debenture 2085 with the face value of NPR. 1000 per unit amounting NPR 3 Billion at the rate of 10% for the period of 10 years. The General public had subscribed 99,505 units amounting NPR. 9,95,05,000 and 15,85,000 units amounting NPR. 1,58,50,00,000 was subscribed through Private Placements. The final allotment of NPR. 1,68,45,05,000 to the subscribed unit holders was made on 29 Chaitra 2075.

### **33. Events after interim period**

There are no material events after Interim Period Date affecting financial status of the Group as on Chaitra end, 2075.

### **34. Effect of changes. in the composition of the entity during the interim period merger including and acquisition**

There are no such changes during this interim period.