

NMB BANK LIMITED

INTERIM FINANCIAL STATEMENTS

As on
Asar End 2076 (16 July 2019)
(Unaudited)



NMB Bank Limited
Condensed Consolidated Statement of Financial Position
As on Quarter Ended 31 Asadh, 2076 (16 July, 2019)

NPR in Thousand

Particulars	Group		NMB	
	This Quarter Ending	Immediate Previous Year Ending	This Quarter Ending	Immediate Previous Year Ending
Assets				
Cash and cash equivalent	8,717,877	6,028,153	8,095,758	5,183,938
Due from Nepal Rastra Bank	10,834,567	6,864,741	10,818,537	6,840,511
Placement with Bank and Financial Institutions	2,177,098	208,514	2,177,098	276,407
Derivative financial instruments	8,595,482	7,506,751	8,595,482	7,506,751
Other trading assets	340,390	321,720	340,390	321,720
Loan and advances to B/FIs	2,717,962	2,497,568	3,317,962	2,497,568
Loans and advances to customers	91,578,934	74,413,585	88,488,182	72,711,772
Investment securities	10,506,936	9,608,368	10,316,351	9,448,447
Current tax assets	1,002,544	863,140	956,950	763,885
Investment in subsidiaries	-	-	248,552	248,552
Investment in associates	-	-	-	-
Investment property	102,916	59,775	102,916	59,775
Property and equipment	1,616,567	1,595,085	1,577,899	1,559,570
Goodwill and Intangible assets	116,844	22,644	115,409	22,054
Deferred tax assets	68,162	69,939	66,869	66,869
Other assets	1,239,060	4,913,860	1,206,735	4,883,612
Total Assets	139,615,339	114,973,843	136,425,089	112,391,430
Liabilities				
Due to Bank and Financial Institutions	624,365	1,036,269	624,365	1,036,269
Due to Nepal Rastra Bank	3,203,523	660,072	3,203,523	660,072
Derivative financial instruments	8,458,374	7,477,484	8,458,374	7,477,484
Deposits from customers	99,210,426	84,509,503	97,892,302	83,970,867
Borrowing	4,828,276	1,182,082	3,468,060	-
Current Tax Liabilities	1,013,193	923,191	966,549	824,303
Provisions	16,202	9,152	9,078	9,078
Deferred tax liabilities	10,211	5,872	-	-
Other liabilities	2,185,565	1,889,165	2,107,809	1,423,548
Debt securities issued	2,239,236	500,000	2,239,236	500,000
Subordinated Liabilities	-	-	-	-
Total liabilities	121,789,372	98,192,789	118,969,298	95,901,621
Equity				
Share capital	9,618,163	7,603,291	9,618,163	7,603,291
Share premium	2,512,799	4,066,854	2,512,799	4,061,367
Retained earnings	1,984,326	2,476,498	1,792,975	2,339,182
Reserves	3,547,043	2,502,931	3,531,856	2,485,970
Total equity attributable to equity holders	17,662,330	16,649,574	17,455,791	16,489,809
Non-controlling interest	163,637	131,480	-	-
Total equity	17,825,967	16,781,054	17,455,791	16,489,809
Total liabilities and equity	139,615,339	114,973,843	136,425,089	112,391,430

NMB Bank Limited
Condensed Consolidated Statement of Profit or Loss
For the quarter ended 31 Asadh, 2076 (16 July 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	3,179,634	11,561,770	2,648,081	9,169,057	3,041,451	11,104,234	2,496,566	8,728,700
Interest expense	1,923,038	7,023,942	1,735,804	6,036,130	1,869,454	6,838,038	1,643,914	5,824,686
Net interest income	1,256,596	4,537,828	912,277	3,132,927	1,171,997	4,266,196	852,651	2,904,014
Fees and Commission Income	352,805	1,157,628	264,150	939,618	306,117	1,003,531	167,622	794,250
Fees and commission expense	34,859	93,955	37,160	69,927	40,090	93,955	34,002	62,708
Net fee and commission income	317,946	1,063,673	226,990	869,691	266,027	909,576	133,620	731,542
Net interest, fee and commission income	1,574,542	5,601,501	1,139,267	4,002,619	1,438,024	5,175,771	986,272	3,635,556
Net trading income	90,564	352,049	126,187	299,606	90,564	352,049	126,187	299,606
Other operating income	31,388	209,691	(36,018)	169,108	30,954	210,374	2,871	164,962
Total operating income	1,696,494	6,163,241	1,229,435	4,471,333	1,559,542	5,738,195	1,115,329	4,100,124
Impairment charge/(reversal) for loans and other losses	22,860	174,495	(54,624)	(192,047)	28,539.02	163,122	(57,053)	(219,651)
Net operating income	1,673,633	5,988,746	1,284,059	4,663,380	1,531,003	5,575,073	1,172,382	4,319,775
Operating expense								
Personnel expenses	463,993	1,590,236	323,118	1,157,940	416,652	1,419,153	281,298	1,021,570
Other operating expenses	162,718	768,684	202,420	644,861	133,478	700,390	179,534	589,394
Depreciation & Amortisation	50,100	181,145	58,851	155,988	51,295	176,793	55,534	147,695
Operating Profit	996,822	3,448,681	699,670	2,704,592	929,577	3,278,736	656,016	2,561,115
Non operating income	10,432	17,091	1,980	43,140	11,622	17,091	2,200	43,140
Non operating expense	2,942	17,586	14,667	37,935	2,964	17,586	14,667	37,935
Profit before income tax	1,004,312	3,448,186	686,983	2,709,797	938,236	3,278,241	643,549	2,566,320
Income tax expense								
Current Tax	294,792	1,014,832	292,692	865,792	279,309	968,188	283,482	829,621
Deferred Tax expense/(Income)	4,339	4,339	(116,372)	(116,372)	-	-	(117,094)	(117,094)
Profit for the period	705,180	2,429,015	510,662	1,960,377	658,927	2,310,053	477,160	1,853,793

NMB Bank Limited
Consolidated Statement of Other Comprehensive Income
For the quarter ended 31 Asadh, 2076 (16 July 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)
Profit for the period	705,180	2,429,015	510,662	1,960,377	658,927	2,310,053	477,160	1,853,793
Other comprehensive income								
a) Items that will not be reclassified to profit or loss								
- Gains/(losses) from investments in equity instruments measured at fair value	42,526	2,807	(61,020)	(41,011)	41,599	2,162	(56,079)	(38,270)
- Gains/(losses) on revaluation	-	-	-	-	-	-	-	-
- Actuarial gains/(losses) on defined benefit plans	25,107	(1,270)	(16,036)	(24,750)	25,107	(1,270)	(16,257)	(24,972)
- Income tax relating to above items	(20,290)	(461)	23,117	19,728	(20,012)	(268)	21,701	18,973
Net other comprehensive income that will not be reclassified to profit or loss	47,343	1,076	(53,939)	(46,033)	46,694	625	(50,635)	(44,269)
b) Items that are or may be reclassified to profit or loss								
- Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-
- Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-
- Income tax relating to above items	-	-	-	-	-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-	-	-	-	-	-	-
c) Share of other comprehensive income of associate accounted as per equited method	-	-	-	-	-	-	-	-
Other comprehensive income for the period, net of income tax	47,343	1,076	(53,939)	(46,033)	46,694	625	(50,635)	(44,269)
Total comprehensive income for the period	752,524	2,430,091	456,724	1,914,344	705,621	2,310,678	426,525	1,809,524
Total comprehensive income attributable to:								
Equity holders of the Bank	737,058	2,395,248	449,750	1,893,994	705,621	2,310,678	426,525	1,809,524
Non-controlling interest	15,466	34,843	6,973	20,350	-	-	-	-
Total	752,524	2,430,091	456,724	1,914,344	705,621	2,310,678	426,525	1,809,524
Earnings per share								
Basic earnings per share		24.97		22.88		24.09		21.86
Annualized Basic earnings per share		24.97		22.88		24.09		21.86
Diluted earnings per share		24.97		22.88		24.09		21.86

NMB Bank Limited
Condensed Consolidated Statement of cash flows
For the period (1 Shrawan 2075 to 31 Asadh 2076) ended 31 Asadh 2076

Particulars	Group		NMB	
	Upto This Quarter	Corresponding Previous Year Upto This Quarter	Upto This Quarter	Corresponding Previous Year Upto This Quarter
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	10,544,144	8,794,989	10,029,238	8,364,873
Fees and other income received	1,112,366	929,787	970,871	790,304
Dividend received	-	-	-	-
Receipts from other operating activities	385,714	358,042	384,776	357,555
Interest paid	(6,823,042)	(6,039,527)	(6,561,973)	(5,828,083)
Commission and fees paid	(93,955)	(69,927)	(93,955)	(62,708)
Cash payment to employees	(1,450,921)	(1,147,048)	(1,297,254)	(1,013,279)
Other expense paid	(771,007)	(669,042)	(700,390)	(613,345)
Operating cash flows before changes in operating assets and liabilities	2,903,299	2,157,274	2,731,311	1,995,317
(Increase)/Decrease in operating assets				
Due from Nepal Rastra Bank	(3,970,076)	2,387,694	(3,978,276)	2,402,194
Placement with bank and financial institutions	(2,269,346)	406,888	(2,269,346)	406,888
Other trading assets	(18,670)	(23,440)	(18,670)	(23,440)
Loan and advances to bank and financial institutions	(817,738)	(634,658)	(817,738)	(634,658)
Loans and advances to customers	(16,428,769)	(13,044,839)	(15,509,016)	(12,646,608)
Other assets	3,575,263	(2,861,360)	3,573,449	(2,868,311)
Total	(19,929,336)	(13,769,715)	(19,019,597)	(13,363,935)
Increase/(Decrease) in operating liabilities				
Due to bank and financial institutions	(411,904)	129,873	(411,904)	129,873
Due to Nepal Rastra Bank	2,531,451	(450,487)	2,543,451	(450,487)
Deposit from customers	14,250,741	11,945,557	13,921,435	11,653,201
Borrowings	3,758,194	141,152	3,468,060	(55,347)
Other liabilities	381,445	2,037,143	389,350	2,226,677
Net cash flow from operating activities before tax paid	20,509,927	13,803,238	19,910,392	13,503,916
Income taxes paid	(1,150,646)	(664,975)	(1,125,413)	(633,133)
Net cash flow from operating activities	2,333,244	1,525,823	2,496,692	1,502,166
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(4,834,269)	(10,521,875)	(4,834,269)	(10,401,271)
Receipts from sale of investment securities	4,292,200	8,381,577	4,351,537	8,377,760
Purchase of property and equipment	(210,592)	(284,531)	(199,178)	(268,776)
Receipt from the sale of property and equipment	92,584	11,584	92,023	10,584
Purchase of intangible assets	(107,103)	(12,889)	(106,455)	(12,211)
Receipt from the sale of intangible assets	-	-	-	-
Purchase of investment properties	(53,481)	-	(53,481)	-
Receipt from the sale of investment properties	10,844	73,597	10,844	73,597
Investment in subsidiaries, associates & joint ventures	-	(100,000)	-	(100,000)
Interest received	660,236	384,318	660,236	384,318
Dividend received	71,021	134,100	71,021	132,758
Net cash used in investing activities	(78,560)	(1,934,119)	(7,723)	(1,803,241)
CASH FLOWS FROM FINANCING ACTIVITIES				
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	466,304	100,000	466,304	-
Dividends paid	(1,817,084)	(128,628)	(1,815,971)	(21,882)
Interest paid	-	-	-	-
Other receipt/payment	13,301	-	-	-
Net cash from financing activities	347,027	(28,628)	334,838	(21,882)
Net increase (decrease) in cash and cash equivalents	2,601,711	(436,924)	2,823,807	(322,957)
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	88,012	6,926	88,012	6,926
Cash and cash equivalents at the end of the year	8,717,877	6,028,153	8,095,758	5,183,938

NMB Bank Limited
Condensed Consolidated Statement of changes in equity
For the period (1 Shrawan 2075 to 31 Asadh 2076) ended 31 Asadh 2076

NMB												
Attributable to equity holders of the Bank												
Particulars	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total	Non-controlling interest	Total equity
Balance at Shrawan 1, 2074	6,461,774	1,424,858	1,301,093	54,642	-	19,732	-	1,360,918	279,244	10,902,261	-	10,902,261
Profit for the year	-	-	-	-	-	-	-	1,853,793	-	1,853,793	-	1,853,793
Other comprehensive income	-	-	-	-	-	(26,789)	-	-	(17,480)	(44,269)	-	(44,269)
Total comprehensive income	-	-	-	-	-	(26,789)	-	1,853,793	(17,480)	1,809,524	-	1,809,524
Transfer to reserves	-	-	370,759	1,732	404,407	-	-	(884,771)	107,874	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	9,242	(9,242)	-	-	-
Contribution from and distributions to owner												
Share issued	1,141,516	2,636,509	-	-	-	-	-	-	-	3,778,025	-	3,778,025
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
others	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	1,141,516	2,636,509	-	-	-	-	-	-	-	3,778,025	-	3,778,025
Balance at Asadh end 2075	7,603,291	4,061,367	1,671,851	56,374	404,407	(7,057)	-	2,339,182	360,396	16,489,809	-	16,489,809
Balance at Shrawan 1, 2075	7,603,291	4,061,367	1,671,851	56,374	404,407	(7,057)	-	2,339,182	360,396	16,489,809	-	16,489,809
Profit for the period	-	-	-	-	-	-	-	2,310,053	-	2,310,053	-	2,310,053
Other comprehensive income	-	-	-	-	-	1,513	-	-	(889)	625	-	625
Total comprehensive income	-	-	-	-	-	1,513	-	2,310,053	(889)	2,310,678	-	2,310,678
Transfer to Reserves	-	-	462,011	22,003	443,365	-	-	(1,046,261)	118,882	-	-	-
Transfer from Reserves	-	-	-	-	-	-	-	-	(1,000)	(1,000)	-	(1,000)
Contribution from and distributions to owner												
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	-	466,304	-	-	-	-	-	(1,217)	-	465,087	-	465,087
Total contributions by and distributions	2,014,872	(1,548,568)	-	-	-	-	-	(1,810,000)	-	(1,343,696)	-	(1,343,696)
Balance at Asadh end 2076	9,618,163	2,512,799	2,133,862	78,377	847,772	(5,544)	-	1,792,975	477,389	17,455,791	-	17,455,791

NMB Bank Limited
Condensed Consolidated Statement of changes in equity
For the period (1 Shrawan 2075 to 31 Asadh 2076) ended 31 Asadh 2076

Particulars	Group											Non-controlling interest	Total equity
	Attributable to equity holders of the Bank												
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total			
Balance at Shrawan 1, 2074	6,461,774	1,444,715	1,309,897	54,642	-	21,883	-	1,507,175	281,736	11,081,823	111,857	11,193,680	
Profit for the year	-	-	-	-	-	-	-	1,940,103	-	1,940,103	20,274	1,960,377	
Other comprehensive income	-	-	-	-	-	(28,708)	-	69	(17,401)	(46,040)	76	(45,964)	
Total comprehensive income	-	-	-	-	-	(28,708)	-	1,940,172	(17,401)	1,894,063	20,350	1,914,413	
Transfer to reserves	-	-	374,095	1,732	404,407	-	-	(871,035)	109,891	19,089	(727)	18,362	
Transfer from reserves	-	-	-	-	-	-	-	6,205	(9,242)	(3,037)	-	(3,037)	
Contribution from and distributions to owner													
Share issued	1,141,516	2,636,509	-	-	-	-	-	-	-	3,778,025	-	3,778,025	
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	
Bonus shares issued	-	(14,369)	-	-	-	-	-	-	-	(14,369)	-	(14,369)	
Cash dividend paid	-	-	-	-	-	-	-	(106,019)	-	(106,019)	-	(106,019)	
Total contributions by and distributions	1,141,516	2,622,139	-	-	-	-	-	(106,019)	-	3,657,636	-	3,657,636	
Balance at Asadh end 2075	7,603,291	4,066,854	1,683,992	56,374	404,407	(6,825)	-	2,476,498	364,984	16,649,574	131,480	16,781,054	
Balance at Shrawan 1, 2075	7,603,291	4,066,854	1,683,992	56,374	404,407	(6,825)	-	2,476,498	364,984	16,649,574	131,480	16,781,054	
Profit for the period	-	-	-	-	-	-	-	2,394,172	-	2,394,172	34,843	2,429,015	
Other comprehensive income	-	-	-	-	-	1,965	-	-	(889)	1,076	-	1,076	
Total comprehensive income	-	-	-	-	-	1,965	-	2,394,172	(889)	2,395,248	34,843	2,430,091	
Transfer to Reserves	-	-	462,011	22,003	443,365	-	-	(1,046,261)	118,882	-	-	-	
Transfer from Reserves	-	-	-	-	-	-	-	-	(3,227)	(3,227)	(2,140)	(5,367)	
Contribution from and distributions to owner													
Share issued	-	-	-	-	-	-	-	-	-	-	-	-	
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	
Bonus shares issued	2,014,872	(2,014,872)	-	-	-	-	-	-	-	-	-	-	
Cash dividend paid	-	-	-	-	-	-	-	(1,849,350)	-	(1,849,350)	(545)	(1,849,895)	
Others	-	460,816	-	-	-	-	-	9,267	-	470,083	-	470,083	
Total contributions by and distributions	2,014,872	(1,554,056)	-	-	-	-	-	(1,840,083)	-	(1,379,267)	(545)	(1,379,812)	
Balance at Asadh end 2076	9,618,163	2,512,799	2,146,002	78,377	847,772	(4,860)	-	1,984,326	479,749	17,662,328	163,637	17,825,967	

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		15.18%		15.65%		15.32%		15.75%
Non performing loan (NPL) to total loan		0.86%		0.93%		0.82%		0.88%
Total loan loss provision to Total NPL (As per NRB Directives)		178.62%		177.44%		184.52%		184.17%
Cost of Funds (YTD)		7.32%		7.52%		7.26%		7.46%
CCD Ratio		76.88%		77.72%		76.88%		77.72%
Base Rate		9.86%		10.70%		9.86%		10.70%
Average Interest Spread (Calculated as per NRB Directives)- Last Month of Quarter		4.26%		4.14%		4.26%		4.14%
Additional Informations:								
Average Yield (YTD Average)		10.94%		11.06%		10.80%		10.91%
Return on Equity (Annualized)		13.96%		13.99%		13.61%		13.54%
Return on Assets (Annualized)		1.88%		1.85%		1.86%		1.80%
PE Ratio (Annualized)		15.86		16.38		15.86		16.38
Net-Worth per share (NPR)		183.64		218.98		181.49		216.88
Assets per share (NPR)		1,449.88		1,510.43		1,418.41		1,478.19
Liquidity Ratio (NLA)		28.28%		23.64%		28.28%		23.64%

Statement of Distributable Profit/Loss (As per NRB Regulations)

(Rs. In Thousand)

Particulars	Up to this Quarter
Net Profit for the period ended 31 Asadh 2076	2,310,053
1. Appropriations	
<i>1.1 Profit required to be appropriated to statutory reserve</i>	591,896
a. General Reserve	462,011
b. Capital Redemption Reserve	90,453
c. Exchange Fluctuation Fund	22,003
d. Corporate Socail Responsibility Fund	17,429
e. Employees Training Fund	-
f. Other	
<i>1.2 Profit required to be transfer to Regulatory Reserve</i>	443,365
a. Transfer to Regulatory Reserve	444,879
b. Transfer from Regulatory Reserve	1,513
Net Profit for the period end 31 Asadh 2076 available for distribution	1,274,793

Note: After change of Core Banking System, the interest on majority of risk assets portfolio are due as per English Calender due to which approximately a fortnight's interest income are not realized when financials are prepared at the quarter end

NMB BANK LIMITED

Notes to Interim Financial Statements

For the interim period ended 31 Asar 2076

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 Laghubitta 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 name of microfinance has been changed from NMB Microfinance Ltd. to NMB Laghubitta Bittiya Sanstha Ltd. this fiscal year.

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.

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:

Assets	Estimated Life	Rate of Depreciation
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.

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	
	Asadh End 2076	Asadh End 2075	Asadh End 2076	Asadh End 2075	Asadh End 2076	Asadh End 2075	Asadh End 2076	Asadh End 2075	Asadh End 2076	Asadh End 2075	Asadh End 2076	Asadh End 2075	Asadh End 2076	Asadh End 2075
Revenues from external customers	2,268	1,878	3,452	2,693	5,179	4,108	489	397	1,172	897	16	19	12,576	9,993
Intersegment revenues/(Expenses)	2,268	2,644	(1,708)	(1,836)	(144)	80	(259)	(272)	236	173	(393)	(790)	-	-
Segment profit/(loss) before tax	513	970	956	482	1,255	940	119	58	661	547	(226)	(431)	3,278	2,566
Segment assets	16,677	13,732	29,615	22,251	42,416	35,905	4,611	3,755	29,307	21,130	13,800	15,620	136,425	112,391
Segment liabilities	56,906	46,235	1,605	1,248	50,980	37,986	488	771	6,964	9,325	19,483	16,828	136,425	112,391

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

NPR in Mio

Particulars	Asadh End 2076	Asadh End 2075
Total Profit before tax for reportable segments	3,278	2,566
Profit before tax for other segments		
Elimination of intersegment profit		
Elimination of discontinued operation		
Unallocated amount:		
-Other Corporate Expenses	-	-
Profit before tax	3,278	2,566

30. Related Party Disclosures

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

The Board of Directors has been paid meeting fees of NPR 1,659,000 during the fiscal year. There were 27 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	17	396,000
Risk Management Committee	19	444,000
Human Resource Service Committee	6	132,000
Building Construction Sub-Committee	7	180,000
Assets Laundering Prevention Committee	3	60,000
Merger Committee	9	324,000
AML Committee	1	12,000

As approved by the 18th 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 23rd 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 624,000.

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	63,851,298
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
	Total of Key Management Personnel Compensation	63,851,298

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	5,904,000	590,400	5,248,000	4,737,609	208,860	16,688,869
Total	5,904,000	590,400	5,248,000	4,737,609	208,860	16,688,869

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 Laghubitta Bittiya Sanstha Limited. NMB Capital is a wholly owned subsidiary whereas the Bank owns fifty-one percent of the total shares of NMB Laghubitta. Related party transactions of both subsidiaries are as follows:

Amount in Thousand			
S No	Particulars	NMB Capital	NMB Laghubitta
1	Investment by NMB Bank Ltd.	200,000	48,552
2	Deposits in NMB Bank Ltd.	140,104	4,255
3	Borrowing from NMB Bank Ltd.	-	600,000
4	Interest Payment by NMB Bank Ltd.	10,088	-
5	Interest Payment to NMB Bank Ltd.	-	65,077
6	Rent Payment to NMB Bank Ltd.	2,173	-
7	Management Fee Payment to NMB Bank	2,400	-
8	Share Registrar Fee payment by NMB Bank	762	-
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 22nd AGM dated 31 Shrawan 2075 and 20% cash dividend and 10% stock dividend amounting NPR. 2,623,135,269 after the approval of 23rd 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. 1,000 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 Asadh end, 2076.

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

The bank signed Memorandum of Understanding dated 16 May 2019 to merge with Om Development Bank Limited (ODBL), Pokhara based National Level Development Bank Limited. The bank received Letter of Intent (LOI) dated 23 June 2019 from Nepal Rastra Bank. The bank is in the process of merger with ODBL as on Asadh end 2076.