Nepal Investment Mega Bank Limited

Condensed Consolidated Statement of Financial Position

As on Quarter ended 2082 Ashwin 31

NPR in '000

Assets	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending (UnAudited)	This Quarter Ending	Immediate Previous Year Ending (UnAudited)
	Ashwin 31 2082	Ashad 32 2082	Ashwin 31 2082	Ashad 32 2082
Cash and Cash Equivalent	15,497,190	13,998,196	14,638,470	13,325,358
Due from Nepal Rastra Bank	24,220,342	22,293,028	24,220,342	22,293,028
Placements with Banks and FIs	31,461,662	24,934,136	31,461,662	24,934,136
Derivative financial instruments	87,672	46,685	87,672	46,685
Other trading assets	371,729	525,933	221,995	172,594
Loans and advances to B/FIs	14,990,190	15,355,688	14,990,190	15,355,688
Loans and advances to customers	330,814,880	326,932,297	330,814,880	326,932,297
Investment Securities	143,988,058	140,562,599	142,037,336	138,556,342
Current tax assets	-	362,856	-	358,690
Investments in subsidiaries	-	-	1,471,500	1,471,500
Investments in associates	509,052	469,141	141,158	141,158
Investment Property	3,876,841	3,684,295	3,876,841	3,684,295
Property and Equipment	8,413,218	8,484,310	8,240,519	8,306,922
Goodwill and Intangible assets	1,091,734	1,090,180	1,087,424	1,085,493
Deferred tax assets	2,228,402	1,355,408	2,225,387	1,358,992
Other assets	8,820,390	7,973,309	8,243,218	7,640,176
Total Assets	**586,371,359**	**568,068,059**	**583,758,593**	**565,663,355**

Liabilities	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending (UnAudited)	This Quarter Ending	Immediate Previous Year Ending (UnAudited)
	Ashwin 31 2082	Ashad 32 2082	Ashwin 31 2082	Ashad 32 2082
Due to Banks and Financial Institutions	3,255,665	3,943,305	3,255,665	3,943,305
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Deposits from customers	493,573,091	472,203,483	493,851,081	472,347,472
Borrowings	-	2,744,000	-	2,744,000
Current tax liabilities	264,734	-	290,735	-
Provisions	-	8,110	-	-
Deferred tax liabilities	-	-	-	-
Other Liabilities	11,506,968	10,950,945	9,465,902	9,226,902
Debt securities issued	10,040,000	10,040,000	10,040,000	10,040,000
Subordinated liabilities	-	-	-	-
Total Liabilities	**518,640,458**	**499,889,843**	**516,903,383**	**498,301,679**
Equity				
Share capital	34,128,595	34,128,595	34,128,595	34,128,595
Share premium	-	-	-	-
Retained earnings	(384,635)	1,218,994	(1,169,440)	491,356
Reserves	33,986,942	32,830,627	33,896,055	32,741,724
Total equity attributable to equity holders	**67,730,902**	**68,178,216**	**66,855,210**	**67,361,676**
Non-Controlling Interest	-	-	-	-
Total equity	**67,730,902**	**68,178,216**	**66,855,210**	**67,361,676**
Total Liabilities and Equity	**586,371,359**	**568,068,059**	**583,758,593**	**565,663,355**
Net assets value per share	**198**	**200**	**196**	**197**

Nepal Investment Mega Bank Limited

Condensed Consolidated Statement of Profit or Loss

For the Quarter ended 2082 Ashwin

NPR in '000

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest income	8,351,575	8,351,575	9,848,610	9,848,610	8,340,324	8,340,324	9,828,633	9,828,633
Interest expense	(5,091,105)	(5,091,105)	(5,948,832)	(5,948,832)	(5,097,199)	(5,097,199)	(5,951,867)	(5,951,867)
Net interest income	**3,260,470**	**3,260,470**	**3,899,777**	**3,899,777**	**3,243,125**	**3,243,125**	**3,876,765**	**3,876,765**
Fees and Commission income	806,245	806,245	753,756	753,756	685,181	685,181	632,131	632,131
Fees and Commission expense	(110,215)	(110,215)	(108,874)	(108,874)	(120,282)	(120,282)	(117,838)	(117,838)
Net fee and commission income	**696,030**	**696,030**	**644,882**	**644,882**	**564,899**	**564,899**	**514,294**	**514,294**
Net interest, fee and commission incom	**3,956,500**	**3,956,500**	**4,544,660**	**4,544,660**	**3,808,023**	**3,808,023**	**4,391,059**	**4,391,059**
Net trading income	145,588	145,588	134,402	134,402	193,865	193,865	112,522	112,522
Other operating income	318,255	318,255	168,360	168,360	308,761	308,761	166,942	166,942
Total Operating Income	**4,420,342**	**4,420,342**	**4,847,421**	**4,847,421**	**4,310,649**	**4,310,649**	**4,670,523**	**4,670,523**
Impairment (charges)/reversals for loans & other losses	(2,800,431)	(2,800,431)	(975,163)	(975,163)	(2,800,431)	(2,800,431)	(975,163)	(975,163)
Net operating income	**1,619,912**	**1,619,912**	**3,872,258**	**3,872,258**	**1,510,219**	**1,510,219**	**3,695,360**	**3,695,360**
Operating expenses	**(1,435,884)**	**(1,435,884)**	**(1,663,980)**	**(1,663,980)**	**(1,359,927)**	**(1,359,927)**	**(1,601,260)**	**(1,601,260)**
Personnel Expenses	(816,623)	(816,623)	(1,031,080)	(1,031,080)	(776,930)	(776,930)	(996,505)	(996,505)
Other Operating Expenses	(497,708)	(497,708)	(507,260)	(507,260)	(462,191)	(462,191)	(479,256)	(479,256)
Depreciation and Amortization	(121,554)	(121,554)	(125,641)	(125,641)	(120,806)	(120,806)	(125,499)	(125,499)
Operating profit	**184,027**	**184,027**	**2,208,278**	**2,208,278**	**150,292**	**150,292**	**2,094,100**	**2,094,100**
Non operating income	40,861	40,861	163	163.30	950	950	163	163
Non operating expense	(52,447)	(52,447)	(32,826)	(32,826)	(52,447)	(52,447)	(945)	(945)
Profit before income tax	**172,441**	**172,441**	**2,175,615**	**2,175,615**	**98,795**	**98,795**	**2,093,318**	**2,093,318**
Income tax expense								
Current Tax	(698,270)	(698,270)	(667,484)	(667,484)	(683,775)	(683,775)	(629,243)	(629,243)
Deferred Tax	630,030	630,030	-	-	630,030	630,030	-	-
Profit for the period	**104,201**	**104,201**	**1,508,131**	**1,508,131**	**45,050**	**45,050**	**1,464,075**	**1,464,075**

Statement of Other Comprehensive Income

For the Quarter ended 2082 Ashwin

NPR in '000

Particulars	Notes	Group				Bank			
		Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
		This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Profit for the year		**104,201**	**104,201**	**1,508,131**	**1,508,131**	**45,050**	**45,050**	**1,464,075**	**1,464,075**
Other comprehensive income/(expense), net of tax									
a) Items that will not be reclassified to profit or loss									
– Gains/(losses) from investments in equity instruments measured at fair value		(787,880)	(787,880)	794,903	794,903	(787,880)	(787,880)	794,903	794,903
– Gains/(losses) on revaluation									
– Actuarial gains/(losses) on defined benefit plans									
– income taxes		236,364	236,364	(238,471)	(238,471)	236,364	236,364	(238,471)	(238,471)
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 taxes relating to above items									
– reclassify to profit or loss									
c) Share of other comprehensive income of associates accounted as per equity method									
Other comprehensive income /(loss) for the year, net of income tax		**(551,516)**	**(551,516)**	**556,432**	**556,432**	**(551,516)**	**(551,516)**	**556,432**	**556,432**
Total comprehensive income for the year		**(447,315)**	**(447,315)**	**2,064,564**	**2,064,564**	**(506,466)**	**(506,466)**	**2,020,508**	**2,020,508**
Total comprehensive income for the year attributable to:									
– Equity holders of the Bank		(447,315)	(447,315)	2,064,564	2,064,564	(506,466)	(506,466)	2,020,508	2,020,508
– non-controlling interests									
Total comprehensive income for the year		**(447,315)**	**(447,315)**	**2,064,564**	**2,064,564**	**(506,466)**	**(506,466)**	**2,020,508**	**2,020,508**
Earnings Per share									
Basic earning per share			0.31		4.42		0.13		4.29
Annualized basic earning per share			1.22		17.68		0.53		17.16
Diluted earnings per share			1.22		17.68		0.53		17.16

Ratios:

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Capital Fund to RWA		13.48%		13.37%		13.48%		13.37%
Tier 1 Capital to RWA		10.55%		10.40%		10.55%		10.40%
CET 1 Capital to RWA		10.55%		10.40%		10.55%		10.40%
Gross Non-Performing Loan (NPL) to Total Loan		6.63%		5.82%		6.63%		5.82%
Net Non- Performing Loan		1.46%		1.98%		1.46%		1.98%
Total Loan Loss Provision to Total NPL		101.57%		102.54%		101.57%		102.54%
Cost of Funds		3.92%		5.20%		3.92%		5.20%
Credit to Deposit Ratio		72.86%		78.36%		72.86%		78.36%
Base Rate (Quarterly average)		5.69%		7.28%		5.69%		7.28%
Base Rate (monthly Ashwin 2082)		5.56%		7.08%		5.56%		7.08%
Interest Rate Spread		3.44%		3.99%		3.44%		3.99%
Net Liquid Assets/Total Deposit		38.92%		33.28%		38.92%		33.28%
Return on Equity		0.27%		9.52%		0.27%		9.52%
Return on Assets		0.03%		1.15%		0.03%		1.15%
Basic EPS (Annualized)		1.22		17.68		0.53		17.16
Market Price per Share		197.50		254.00		197.50		254.00
PE Ratio		161.72		14.37		374.05		14.80
Networth Per Share		198.46		186.60		195.89		184.33
Total Assets Per Share		1,718.12		1,542.02		1,710.47		1,536.97

Nepal Investment Mega Bank Limited

Condensed Consolidated Statement of Changes in Equity

For the period (Shrawan 1st 2082 to Ashwin 31 2082) ended Ashwin 2082

Group

NPR in '000

Total Equity	Attributable to equity holders of the Bank															
	Share Capital	Share premium	Retained earning	General reserve	Exchange equalisation reserve	Assets Revaluation Reserve	Debenture Redemption Reserve	Fair value reserve	Capital Adjustment Reserve	Investment Adjustment Reserve	Actuary Gain / (loss)	Regulatory Reserves	Other Reserves	Total	Non-Controlling Interest	Total Equity
Balance at 1 Shrawan 2081	**34,128,595**	**-**	**(2,768,152)**	**12,657,526**	**151,197**	**1,811,792**	**3,617,698**	**1,928,175**	**-**	**384,187**	**(309,832)**	**9,341,017**	**1,053,927**	**61,996,129**	**-**	
Profit for the year			1,508,131											1,508,131		
Other comprehensive income	-	-	-	-	-	-	-	556,432	-	-	-	-	-	556,432		
Total comprehensive income	**-**	**-**	**1,508,131**	**-**	**-**	**-**	**-**	**556,432**	**-**	**-**	**-**	**-**	**-**	**2,064,564**		
Business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to reserve during the year	-	-	(173,878)	300,409	9,551	-	378,889	-	-	-	-	(526,200)	11,219	(10)		
Contributions from and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Share issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Dividends to equity holders																
Bonus shares issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other	-	-	(376,696)	-	-	-	-	-	-	-	-	-	-	(376,696)		
Total contributions by and distributions	**-**	**-**	**(550,574)**	**300,409**	**9,551**	**-**	**378,889**	**-**	**-**	**-**	**-**	**(526,200)**	**11,219**	**(376,706)**		
Balance at Ashwin End 2081	**34,128,595**	**-**	**(1,810,595)**	**12,957,934**	**160,748**	**1,811,792**	**3,996,587**	**2,484,608**	**-**	**384,187**	**(309,832)**	**8,814,817**	**1,065,147**	**63,683,986**		**63,683,986**
Balance at 1 Shrawan 2082	**34,128,595**	**-**	**1,218,994**	**13,811,631**	**166,026**	**1,811,792**	**5,133,254**	**2,421,952**	**-**	**384,187**	**(375,959)**	**8,358,388**	**1,119,357**	**68,178,216**	**-**	
Profit for the year			**104,201**											104,201		
Other comprehensive income	-	-	-	-	-	-	-	(551,516)	-	-	-	-	-	(551,516)		
Total comprehensive income	**-**	**-**	**104,201**	**-**	**-**	**-**	**-**	**(551,516)**	**-**	**-**	**-**	**-**	**-**	**(447,315)**		
Business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfer to reserve during the year	-	-	(1,707,830)	10,934	3,803	-	278,889	-	-	-	-	1,401,137	13,067.86	0		
Contributions from and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Share issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Dividends to equity holders																
Bonus shares issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total contributions by and distributions	**-**	**-**	**(1,707,830)**	**10,934**	**3,803**	**-**	**278,889**	**-**	**-**	**-**	**-**	**1,401,137**	**13,068**	**0**		
Balance at Ashwin End 2082	**34,128,595**	**-**	**(384,635)**	**13,822,565**	**169,829**	**1,811,792**	**5,412,143**	**1,870,437**	**-**	**384,187**	**(375,959)**	**9,759,525**	**1,132,424**	**67,730,902**		**67,730,902**

Bank

NPR in '000

Total equity	Attributable to equity holders of the Bank															
	Share Capital	Share premium	Retained earning	General reserve	Exchange equalisation reserve	Assets Revaluation Reserve	Debenture Redemption Reserve	Fair value reserve	Capital Adjustment Reserve	Investment Adjustment Reserve	Actuary Gain / (loss)	Regulatory Reserves	Other Reserves	Total equity	Non-Controlling Interest	Total Equity
Balance at 1 Shrawan 2081	**34,128,595**	**-**	**(3,430,974)**	**12,593,001**	**151,197**	**1,811,792**	**3,617,698**	**1,928,175**	**-**	**384,187**	**(309,832)**	**9,341,017**	**1,050,892**	**61,265,747**		
Profit for the year			1,464,075											1,464,075		
Other comprehensive income								556,432						556,432		
Total comprehensive income	**-**					**-**	**-**	**556,432**	**-**	**-**	**-**	**-**	**-**	2,020,508		
Business combination														-		
Transfer to reserve during the year	**-**					**-**	**378,889**	**-**	**-**	**-**	**-**	(526,200)	**11,876**	-		
Contributions from and distributions to owners														-		
Share issued		-	-	-	-	-	-	-	-	-	-	-	-	-		
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Bonus shares issued				-	-	-		-	-	-	-			-		
Cash dividend paid	-	-		-	-	-	-	-	-	-	-	-	-	-		
Other adjustment	-	-	(376,696)	-	-	-	-	-	-	-	-		-	(376,696)		
Total contributions by and distributions	**-**	**-**	**(543,627)**	**292,815**	**9,551**	**-**	**378,889**	**-**	**-**	**-**	**-**	**(526,200)**	**11,876**	**(376,696)**		
Balance at Ashwin End 2081	**34,128,595**	**-**	**(2,510,526)**	**12,885,816**	**160,748**	**1,811,792**	**3,996,587**	**2,484,608**	**-**	**384,187**	**(309,832)**	**8,814,817**	**1,062,768**	**62,909,558**		**62,909,558**
Balance at 1 Shrawan 2082	**34,128,595**	**-**	**491,356**	**13,726,480**	**166,026**	**1,811,792**	**5,133,254**	**2,421,952**	**-**	**384,187**	**(375,959)**	**8,358,388**	**1,115,604**	**67,361,676**		
Profit for the year			**45,050**											45,050		
Other comprehensive income								(551,516)						(551,516)		
Total comprehensive income	-	-	**45,050**	-	-	-	-	**(551,516)**	-	-	-	-	-	**(506,466)**		
Business combination														**-**		
Transfer to reserve during the year	-	-	(1,705,846)	9,010	3,803	-	278,889	-	-	-	-	1,401,137	13,008	0		
Contributions from and distributions to owners														-		
Share issued		-	-	-	-	-	-	-	-	-	-	-	-	-		
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Bonus shares issued				-	-	-		-	-	-	-			-		
Cash dividend paid	-	-		-	-	-	-	-	-	-	-	-	-	-		
Other adjustment	-	-		-	-	-	-	-	-	-	-		-	-		
Total contributions by and distributions	**-**	**-**	**(1,705,846)**	**9,010**	**3,803**	**-**	**278,889**	**-**	**-**	**-**	**-**	**1,401,137**	**13,008**	**0**		
Balance at Ashwin End 2082	**34,128,595**	**-**	**(1,169,440)**	**13,735,490**	**169,829**	**1,811,792**	**5,412,143**	**1,870,437**	**-**	**384,187**	**(375,959)**	**9,759,525**	**1,128,612**	**66,855,210**		**66,855,210**

Nepal Investment Mega Bank Limited

Condensed Consolidated Statement of Cash Flows

For the Period (Shrawan 2082 to Ashwin 2082) ended Ashwin 2082

NPR in '000

Particulars	Group		Bank	
	Up to This Quarter	Corresponding Previous Year Up to This Quarter	Up to This Quarter	Corresponding Previous Year Up to This Quarter
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	7,522,225	8,296,515	7,505,294	8,295,418
Fees and other income received	1,017,060	773,937	906,532	664,896
Divided received	-	-	-	-
Receipts from other operating activities	249,896	149,246	249,896	149,246
Interest paid	(5,177,200)	(5,947,610)	(5,177,200)	(5,947,610)
Commission and fees paid	(137,408)	(137,729)	(120,282)	(117,838)
Cash payment to employees	(815,464)	(761,627)	(765,953)	(763,914)
Other expense paid	(471,640)	(500,605)	(462,191)	(479,256)
Operating cash flows before changes in operating assets and liabilities	**2,187,470**	**1,872,127**	**2,136,098**	**1,800,941**
(Increase)/Decrease in operating assets				
Due from Nepal Rastra Bank	(1,927,314)	1,634,072	(1,927,314)	1,634,072
Placement with bank and financial institutions	(6,527,527)	(5,963,313)	(6,527,527)	(5,963,313)
Other trading assets	(26,922)	(708,473)	(49,401)	-
Loan and advances to bank and financial institutions	214,082	(236,770)	214,082	(236,770)
Loans and advances to customers	(5,685,699)	(16,528,127)	(5,685,699)	(16,528,127)
Other assets	(108,642)	489,038	(62,103)	480,033
Increase/(Decrease) in operating liabilities				
Due to bank and financial institutions	(687,640)	213,451	(687,640)	213,451
Due to Nepal Rastra Bank	-	-	-	-
Deposit from customers	21,369,609	29,621,139	21,503,610	29,911,011
Borrowings	(2,744,000)	34,000	(2,744,000)	34,000
Other liabilities	646,423	(72,409)	329,746	(234,464)
Net cash flow from operating activities before tax paid				
Income taxes paid	(672,701)	(187,161)	(664,380)	(175,963)
Net cash flow from operating activities	**6,037,140**	**10,167,574**	**5,835,471**	**10,934,871**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(4,268,874)	-	(4,268,874)	-
Receipts from sale of investment securities	(12,961)	3,741,070		3,442,837
Purchase of property and equipment	(48,798)	(81,906)	(44,558)	(80,825)
Receipt from the sale of property and equipment	1,414	-	-	-
Purchase of intangible assets	(11,776)	(51)	(11,776)	(51)
Receipt from the sale of intangible assets	-	-	-	-
Subsidiary	-	(500,000)	-	(500,000)
Associates	-	-	-	-
Purchase of investment properties	(192,545)	(22,963)	(192,545)	(22,963)
Receipt from the sale of investment properties	-	-		
Interest received	-	-	-	-
Dividend received	238,467	92,180	238,467	92,180
Net cash used in investing activities	**(4,295,072)**	**3,228,330**	**(4,279,285)**	**2,931,178**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipt from issue of debt securities	-	-	-	-
Repayment of debt securities	-	-	-	-
Receipt from issue of subordinated liabilities	-	-	-	-
Repayment of subordinated liabilities	-	-	-	-
Receipt from issue of shares	-	500,000	-	-
Dividends paid	-	-	-	-
Interest paid	(243,074)	(243,074)	(243,074)	(243,074)
Other receipt/payment		(376,696)		(376,696)
Net cash from financing activities	**(243,074)**	**(119,770)**	**(243,074)**	**(619,770)**
Cash Flow From Merger & Acquisition Activities	-	-		
Net increase (decrease) in cash and cash equivalents	1,498,994	13,276,134	1,313,112	13,246,278
Cash and cash equivalents at Shrawan 1, 2082	13,998,196	12,664,377	13,325,358	12,470,533
Effect of exchange rate fluctuations on cash and cash equivalents held				
Cash and cash equivalents at Ashwin end 2082	**15,497,190**	**25,940,511**	**14,638,470**	**25,716,811**

Nepal Investment Mega Bank Limited

Statement of Distributable Profit or Loss

For the year ended 31st Ashwin 2082

Rs in '000

Particulars	Current Year Upto This Qtr YTD	Previous Year Corresponding Qtr YTD
Net Profit as per statement of profit or loss	**45,050**	**1,464,075**
Appropriations		
Profit required to be appropriated to statutory reserve		
a. General Reserve	(9,010)	(292,815)
b. Exchange Fluctuation Fund	(3,803)	(9,551)
c. Capital Redemption Reserve		
d. Corporate Social Responsibility Fund	(161)	(1,273)
e. Employees Training Fund	(12,847)	(10,603)
f. Debenture Redemption Reserve	(278,889)	(378,889)
g. Investment Adjustment Reserve		
h. Other		
Profit or (loss) before regulatory adjustment	**(259,660)**	**770,945**
1.2 Profit required to be transfer to Regulatory Reserve		
a. Interest receivable (-)/previous accrued interest received (+)	(685,958)	138,546
b. Short loan loss provision in accounts (-)/reversal (+)		
c. Short provision for possible losses on investment (-)/reversal (+)		
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(95,830)	387,654
e. Deferred tax assets recognised (-)/ reversal (+)	(630,030)	
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/reversal (+)		
h. Actuarial loss recognised (-)/reversal (+)		
i.Other Reserve	10,681	
Net Profit for the Ashwin Quarter End available for distribution	**(1,660,796)**	**1,297,145**
Opening Retained Earning as on Shrawan 1 2082	**491,356**	**(3,430,974)**
Adjustment (+/-)		(376,696)
Distributions		
Bonus Shares issued		
Cash dividend Paid		
Total distributable profit as on Ashwin end 2082	**(1,169,440)**	**(2,510,526)**
Annualised Distributable Profit/Loss per share (till Ashwin end)	**(3.43)**	**(7.36)**

Nepal Investment Mega Bank Limited
Notes to the Consolidated Financial Statements
For the year ended Ashwin 31, 2082 (17 Oct 2025)

1. About Nepal Investment Bank Limited

Nepal Investment Mega Bank Limited (NIMB) was established in 1986 as Nepal Indosuez Bank, a joint venture between Nepalese and French partners. The French partner Credit Agricole Indosuez, one of the largest global banking group holding the equity stake of 50%, decided to divest its investment in the bank. Consequently, in April 2002, Nepalese group of companies comprising of bankers, professional, industrialists and businessman acquired the 50% stake of divested by Credit Agricole Indosuez. The name of the bank was then changed to Nepal Investment Bank Limited, after completing all legal and regulatory formalities.

NIMB is licenced by Nepal Rastra Bank (the central bank of Nepal) as a commercial bank under Class “A” financial institution category. The registered office of the Bank is located at Durbar Marg, Kathmandu Nepal. The Bank’s ordinary shares are listed in the Nepal Stock Exchange for public trading. NIMB is licenced to operate as a commercial bank under the Banking and Financial Institution Act. It provides wide arrays of banking services within the limits and parameters set by legislations and regulatory framework.

NIMB is the parent company with its subsidiary namely NIMB Ace Capital Limited and NIMB Stocks Market Limited.

NIMB Ace capital Limited is a 100% subsidiary of the bank and its business include merchant banking, depository services, asset-management of mutual fund units, portfolio management, corporate advisory, private equity and venture capital.
The bank had acquired Ace Development Bank Ltd., a leading development bank in FY 2073-74, Jebils Finance Ltd in FY 2075-76 and City express Finance Ltd in FY 2077-78. The bank merged with another A class commercial institution namely Mega Bank Nepal Limited in FY 2079-80 after which name of the bank was changed to Nepal Investment Mega Bank Limited.

2. Basis of preparation

The consolidated interim financial statements of the group and the separate interim financial statements of NIMB for the first quarter of current FY 2082-83 ending 17th Oct 2025 (31st Ashwin 2082) have been prepared in accordance with the requirements of Nepal Financial Reporting Standards (NFRS) and directives of Nepal Rastra Bank.

3. Statement of Compliance with NFRSs

The consolidated interim financial statements of the group and the separate interim financial statements NIMB for first quarter of current FY 2082-83 ending 17th Oct 2025 (31st Ashwin 2082) have been prepared in accordance with the requirements of Nepal Financial Reporting Standards (NFRS) including the carve outs issued by ICAN.

4. Use of Estimates, assumptions and judgements

The preparation of financial information requires the use of estimates and judgements about future conditions. In view of the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of items listed below, it is possible that the outcomes in the next period could differ from those on which management’s estimates are based, resulting in materially different conclusions from those reached by management for the purposes of this financial statements.

Management’s selection of the accounting policies, which contain critical estimates and judgements, is listed below; it reflects the materiality of the items to which the policies are applied, the high degree of judgement and estimation uncertainty involved:

- Impairment of loans and advances
- Valuation of financial instruments
- Provisions

- Estimation of useful lives of property and equipment and intangible assets

5. Changes in accounting policies

NFRS requires the company to adopt accounting policies that are most appropriate to the company's circumstances. The bank has been adopting accounting policies to ensure compliance with NFRS. Specific accounting policies have been included in the section 5 of the notes for each items of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes, if any, have been disclosed wherever applicable.

6. Significant accounting policies

6.1. Basis of measurement

The financial information has been prepared under the historical cost convention, as modified by the revaluation of property and equipment, fair value measurement of financial assets and liabilities wherever the standard requires or provides option for such measurements.

6.2. Basis of consolidation

The group controls and consequently consolidates an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is initially assessed based on consideration of all facts and circumstances, and is subsequently reassessed when there are significant changes to the initial setup. Where an entity is governed by voting rights, the group would consolidate when it holds, directly or indirectly, the necessary voting rights to pass resolutions by the governing body. In all other cases, the assessment of control is more complex and requires judgement of other factors, including having exposure to variability of returns, power over the relevant activities or holding the power as agent or principal. The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration, given at the date of exchange. Acquisition-related costs are recognised as an expense in the income statement in the period in which they are incurred. The acquired identifiable assets, liabilities and contingent liabilities are generally measured at their fair values at the date of acquisition. Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of non-controlling interest and the fair value of the group's previously held equity interest, if any, over the net of the amounts of the identifiable assets acquired and the liabilities assumed.

a. **Non-controlling interest (NCI):** The amount of non-controlling interest is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. For acquisitions achieved in stages, the previously held equity interest is re-measured at the acquisition-date fair value with the resulting gain or loss recognised in the income statement.

b. Subsidiaries -

Subsidiary of Bank, NIMB Ace Capital Limited and NIMB Stocks Market Limited, has applied NFRS in preparation of their financial statements, which have been consolidated in NIMB Group consolidated financial statements under NFRS. The Financial Statements of the Bank's Subsidiaries are prepared for the same reporting period as per the Bank, using consistent accounting policies.

c. Loss of Control –

Upon the loss of control, the Bank derecognizes the assets and liabilities of the Subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Statement of Profit or loss. If the Bank retains any interest in the previous Subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity-accounted investee or in accordance with the Bank's accounting policy for financial instruments depending on the level of influence retained.

d. Special Purpose Entity (SPE) – the bank does not have any investment in special purpose entities.

e. **All intra-group transactions are eliminated on consolidation**.

Intra group balances and transactions, any unrealized income and expenses arising from intra group transactions, are eliminating in preparing the consolidated financial statements. Unrealized gains/losses arising from transactions with equity accounted investees are eliminated against the investments to the extent of group interest of investee.

6.3. Cash and cash Equivalent

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition. Cash and cash equivalent are classified as financial assets and treated accordingly.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and non-mandatory balances with central banks and amounts due from banks with a maturity of less than three months. Cash and cash equivalent are carried at amortized cost in the Statement of Financial Position.

6.4. Financial Instruments: Financial Assets and Financial Liabilities

Financial asset is any asset that is:

(a) cash
(b) an equity instrument of another entity;
(c) a contractual right:
    i) to receive cash or another financial asset from another entity; or
    ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
(d) a contract that will or may be settled in the entity's own equity instruments and is:
    (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
    (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial liability is any liability that is:

a) contractual obligation:
    (i) to deliver cash or another financial asset to another entity; or
    (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
(b) a contract that will or may be settled in the entity's own equity instruments and is:
    (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
    (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

6.4.1. Recognition

Bank / group recognises financial assets or a financial liabilities in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

6.4.2. Classification

Financial assets are classified under three categories, namely,

- Fair Value through Profit or Loss,
- Fair Value Though Other Comprehensive Income
- At Amortised Cost

Financial liabilities are classified under two categories, namely,

- Fair Value through Profit or Loss,
- Held at amortised cost

6.4.3. Measurement

At initial recognition, the bank measures financial instruments (financial assets and liabilities) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement – financial assets

- Financial assets other than recognised at amortised cost are measured and reported at fair value.
- Assets classified as held at amortised costs are carried at amortised costs using effective interest rate. (Bank has availed carve-out exemption for computation of effective interest)

Subsequent measurement – financial liabilities.

- Financial liabilities carried at fair value are measured and reported at fair value.
- Other financial liabilities are carried at amortised cost.

Gain or loss

Gain or loss arising from changes in the fair value of a financial asset or financial liability are recognised, as follows.

- A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognised in profit or loss.
- A gain or loss on a financial asset or financial liability classified as at fair value through OCI shall be recognised in other comprehensive income

6.4.4. De-recognition

Bank derecognises financial assets when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or
- It transfers the financial asset and the transfer qualifies for de-recognition.

Bank removes financial liabilities (or a part of a financial liabilities) from its statement of financial position when, and only when, it is extinguished: i.e. when the obligation specified in the contract is discharged or cancelled or expires.

6.4.5. Determination of fair value

Fair values of financial assets and liabilities are determined according to the following hierarchy:

- Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that the group can access at the measurement date.
- Level 2 – valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable. For the listed securities where the bank holds promoter shares which are priced and traded differently in the market than ordinary shares the bank has considered the valuation of similar promoters shares traded in the market which approximates to 50% of the price that the ordinary shares are traded. For quoted mutual funds which are yet to be traded in NEPSE, published NAV has been considered as fair value.

- Level 3 – valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable, where market prices are not available then the bank considers the carrying value and future cash flows from the financial instruments.

6.4.6. Impairment

Impairment losses on financial assets

The measurement of impairment losses across the categories of financial assets under Nepal Accounting Standard - NFRS 9 on “Financial Instruments” (NFRS 9) requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses.
Accordingly, the Bank reviews its individually significant loans and advances portfolio at each reporting date to assess whether an impairment loss should be recognised in the Income Statement. In particular, the Management’s judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, Management makes judgements about a borrower’s financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable. These estimates are based on assumptions about a number of factors and hence actual results may differ, resulting in future changes to the impairment allowance made.

A collective impairment provision is established for:

- Banks of homogeneous loans and advances that are not considered individually significant; and
- Assets of Banks that are individually significant but that were not found to be individually impaired.

Following NFRS 9, the Bank’s Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the Bank’s ECL models that are considered accounting judgements and estimates include:

- Criteria for qualitatively assessing whether there has been a significant increase in credit risk (SICR) and if so allowances for financial assets measured on a Life Time Expected Credit Loss (LT - ECL) basis.
- Segmentation of financial assets when their ECL is assessed on a collective basis.
- Various statistical formulas and the choice of inputs used in the development of ECL models.
- Associations between macroeconomic inputs, such as GDP growth, inflation, interest rates, exchange rates and unemployment and the effect of these inputs on Probability of Default (PDs), Loss Given Default (LGD) and Exposure At Default (EAD).
- Forward-looking macroeconomic scenarios and their probability weightings.
- Coupon rate of loan has been considered by the Bank as effective interest rate since transaction cost associated with extending credit facility is nominal.
- Early payment behavior of the exposures for the reporting period has not been assumed.

As such, the accuracy of the impairment provision depends on the model assumptions and parameters used in determining the ECL calculations.

Further, the Bank has assigned weightages for base case, best case and worst case scenarios when assessing the probability weighted forward looking macro-economic indicators.

Identification and measurement of impairment of financial assets

The Bank records an allowance for ECL for loans and advances to customers, debt and other financial instruments measured at amortised cost, debt instruments measured at FVOCI, any other financial assets measured at amortised cost, loan commitments, financial guarantee contracts etc.
NFRS 9 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition.

- Stage 1: A financial asset that is not originally credit impaired on initial recognition is classified in Stage 1. Financial instruments in Stage 1 have their ECL measured at an amount equal to the proportion of lifetime expected credit losses (LTECL) that result from default events possible within next 12 months (12M ECL).

- Stage 2: If a significant increase in credit risk (SICR) since origination is identified, the financial asset is moved to Stage 2 and the Bank records an allowance for LTECL. Details have been mentioned below regarding how the Bank determines when a SICR has occurred.
- Stage 3: If a financial asset is credit- impaired, it is moved to Stage 3 and the Bank recognises an allowance for LTECL, with probability of default at 100%. Details have been mentioned below regarding how the Bank determines when a SICR has occurred

Purchased or originated credit impaired (POCI) financial assets:

Financial assets which are credit impaired on initial recognition are categorised within Stage 3 with a carrying value already reflecting the LTECL.

Significant Increase in Credit Risk (SICR)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and available qualitative information analysis, based on the Bank's historical experience and credit assessment and including forward looking information.
The Bank considers an exposure to have significantly increased credit risk when contractual payments of a customer are more than 1 month past due in accordance with the rebuttable presumption in NFRS 9.
The Bank individually reviews at each reporting date, loans and advances above a predefined threshold to identify whether the credit risk has increased significantly since origination, before an exposure is in default. Such indicators include inter-alia:

- When the absolute lifetime PD is 5% or more
- When the relative lifetime PD is increased by 100% or more
- When the risk rating (internal or external) downgraded by 2 notches since initial recognition
- When the risk rating downgraded to non-investment grade by external credit rating agency (BB+ or below) or by bank's internal credit rating system
- When there is deterioration of relevant determinants of credit risk (e.g. future cash flows) for an individual obligor (or pool of obligors)
- When there is expectation of forbearance or restructuring due to financial difficulties
- When there is deterioration of prospects for sector or industries within which a borrower operates
- When the borrowers are affected by macroeconomic conditions based on reasonable and supportable forecasts.
- When there are modification of terms resulting in restructuring/rescheduling
- Credit Quality Indicators determined as per internal credit assessment of performing loans which are subject to individual monitoring and review, are weaker than that in the initial recognition
- Management decision to strengthen collateral and/or covenant requirements for credit exposures because of changes in the credit risk of those exposures since initial recognition.

Credit facilities/exposures which have one or more of the above indicators are treated as facilities with SICR and assessed accordingly in ECL computations. The Bank also considers the conditions stipulated in the guidelines issued by the NRB on identifying SICR criteria for assessing credit facilities for ECL computations. The Bank regularly monitors the effectiveness of the criteria used to identify SICR to confirm that the criteria is capable of identifying SICR before an exposure is in default.

Definition of default and credit impaired assets

The Bank considers loans and advances to other customers are defaulted when:

- The borrower is unlikely to pay its obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- The borrower becomes 3 months past due on its contractual payments.

In assessing whether a borrower is in default, the Bank reviews its individually significant loans and advances above a predefined threshold at each reporting date. Further, as per "Unified NRB directive/02", Non-Performing Loans (NPL) means all the credit facilities where the contractual payments of a customer are past due for more than 3 months or has remained in excess of the sanctioned limit for more than 3 months, and any other credit facilities classified as Stage 3 credit facility under NFRS 9.

Movement between the stages

Financial assets can be transferred between the different categories (other than POCI) depending on their relative change in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessments described below and also as per the Policy on Upgrading of Credit Facilities. Financial instruments are transferred out of Stage 3 when they no longer exhibit any evidence of credit impairment as described above as per the Policy on Upgrading of Credit Facilities.

The Bank has developed a comprehensive Policy on Upgrading of Credit Facilities in line with the NFRS 9- Expected Credit Loss Related Guidelines, 2024. Accordingly, credit facilities other than restructured and rescheduled facilities are upgraded to a better stage.

Transfer from Stage 2 to Stage 1:

If all due contractual payments associated with such credit facility as at the date of upgrading are fully settled.

Transfer Out of Stage 3:

Though the conditions for an exposure to be classified in Stage 3 no longer exist, the Bank continues to monitor for a minimum probationary period of 3 months to upgrade from Stage 3.

For Restructured/Rescheduled Exposures:

Restructured and rescheduled facilities are gradually upgraded upon satisfactory repayment for a stipulated period according to the policy while exercising prudence principles. The Bank monitor restructured/ rescheduled exposures classified under Stage 3 for a minimum probationary period of 24 months before upgradation.

Banking financial assets measured on collective basis

The Bank calculates ECL either on a collective or an individual basis. Those financial assets for which, the Bank determines that no provision is required under individual impairment are then collectively assessed for ECL. For the purpose of ECL calculation on collective basis, financial assets are grouped on the basis of similar risk characteristics. Loans and advances to other customers are grouped in to homogeneous portfolios, based on a combination of product and customer characteristics.

Impairment charges as per NFRS 9

The Bank recognises loss allowances for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL:

- Cash and cash equivalents;
- Placements with banks;
- Loans and advances to other customers;
- Financial assets at amortised cost-debt and other financial instruments;
- Debt instruments at fair value through other comprehensive income;
- Loan commitments and financial guarantee contracts.

No impairment loss is recognised on equity investments.

The Bank assesses the credit risk and the estimates unbiased and probability- weighted ECL, and incorporates all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money.

Impairment charges on loans and advances to customers

For loans and advances above a predefined threshold, the Bank individually assesses for significant increase in credit risk (SICR). If a particular loan is individually impaired, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. If the Bank determines that no provision is required under individual impairment, such financial assets are then collectively assessed for any impairments along with the remaining portfolio.

The Bank computes ECL using three main components; a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) under the collective assessment. These parameters are generally derived from developed statistical models and historical data and then adjusted to reflect forward-looking information.

- **PD –** The probability of default represents the likelihood of a borrower defaulting on its financial obligations either over the next 12-months (12m PD) or over the remaining lifetime (Lifetime PD) of the obligation. PD estimates are estimates at a certain date and months *past due is the primary input* into the determination of the term structure of PD for exposures. DPD are determined by counting the number of months since the due date. The Bank employs statistical models to analyse the data collected and generates estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

- **LGD –** The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. The Bank estimates LGD parameters based on historical recovery rates of claims against defaulted counterparties. They are calculated on a discounted cash flow basis using EIR as the discounting factor. LGD is usually expressed as a percentage of the EAD. The Bank applies standard haircuts and selling costs rates duly prescribed by Nepal Rastra Bank to derive realizable value of the collaterals.

- **EAD –** The exposure at default represents the expected exposure in the event of a default. The Bank estimates EAD, taking into account the repayment of principal and interest from the reporting date to the default event together with any expected drawdowns of committed facilities. To calculate EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months. To calculate EAD of all other loans, default events over the lifetime of the financial instruments are considered.

Impairment charges on financial investments

Impairment charges on financial investments include ECL on debt instruments at FVOCI and financial assets at amortised cost.
The Bank does not have historical loss experience on debt instruments at amortised cost and debt instruments at FVOCI. EAD of a debt instrument is its gross carrying amount.

Credit cards and revolving facilities

The Bank's product offering includes a variety of corporate and retail overdraft and credit cards facilities. The Bank reviews the sanction limits at least annually and therefore has the right to cancel and/or reduce the limits. Therefore, the Bank calculates only the 12-month ECL (12m ECL) allowance on these facilities. The EAD is arrived by taking the maximum of either sanction limit adjusted for Credit Conversion Factor (CCF) and the gross carrying amount of the loan (utilised amount). The expected 12-month default probabilities are applied to EAD and multiplied by the expected LGD.

Undrawn loan commitments

When estimating Life Time ECL (LTECL) for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Forward-looking information

The Bank incorporates forward-looking information into both its assessment as to whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Bank also obtained experienced credit judgement from economic outlook and Risk Management Departments to formulate a base case, a best case and a worst case scenario. The base case represents a most-likely outcome and is aligned with information used by the Bank for strategic planning and budgeting. Quantitative economic factors are based on economic data and forecasts published by the NSO, NRB, and other reliable sources and statistical models.

Drivers of Credit Risk

Parameters	**Sources**
Real GDP (% change p.a.)	National Statistics Office (NSO)
Inflation rate (% of change p.a.)	NRB
Unemployment (%)	IMF / World Bank
Interest Rate (% of change p.a.)	NRB
NEPSE Index	NEPSE

The calculation of ECLs

The Bank measures loss allowance at an amount equal to LTECL, except for following, which are measured as 12m ECL.

- Loans and advances on which credit risk has not increased significantly since the initial recognition.
- Debt instruments that are determined to have low credit risk at the reporting date.

The Bank considers a debt instrument to have a low credit risk when they have an "investment grade" credit risk rating.

ECLs are measured as follows:

Financial assets that are not credit- impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of expected cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive;

Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Financial assets that are not credit-impaired at the reporting date
As described above, the Bank calculates 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to EAD and multiplied by the economic factor adjustment expected LGD and discounted by an approximation to the original EIR, if necessary. When the financial asset has shown a SICR since origination, the Bank records an allowance for LTECLs based on PDs estimated over the lifetime of the instrument.

Financial assets that are credit-impaired at the reporting date
Impairment allowance on credit-impaired financial assets assessed on individual basis is computed as the difference between the asset's gross carrying amount and the present value of estimated future cash flows. The expected future cash flows are based on the estimate made by credit risk officers' as at the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries and expected future receipts of interest. The Bank regularly reviews the assumptions for projecting future cash flows.

Further, the loans and advances identified as credit impaired in Note 8 will be assessed for impairment with 100% PD.

Collateral valuation
The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, gold, Government Securities, Letters of Credit/Guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements, etc. While determining loss rate or recovery rate for the purpose of calculation of loss allowance, expected cash flows from collateral realization have been considered based on latest reliable internal/external valuations.

Write-off of financial assets
Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Scenario probability weighting (Bank)

Scenario	As as Ashwin end 2082
Best Case	20%
Base (Normal) Case	30%
Worst Case	50%

6.4.7. Offsetting of financial assets and financial liabilities
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

6.5. Trading Assets
Financial assets are classified as trading assets (held for trading) if they have been acquired principally for the purpose of selling in the near term, or form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short- term profit-taking. They are recognised on trade date, when the group enters into contractual arrangements with counterparties, and are normally derecognised when sold. They are initially measured at fair value, with transaction costs taken to the income statement. Subsequent changes in their fair values are recognised in the income statement in 'Net trading income'.

6.6. Derivative Assets and derivative liabilities

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities and equity or other indices. Derivatives are initially recognised, and are subsequently re-measured, at fair value. Fair values of derivatives are obtained either from quoted market prices or by using valuation techniques.

Embedded derivatives are bifurcated from the host contract when their economic characteristics and risks are not clearly and closely related to those of the host non-derivative contract, their contractual terms would otherwise meet the definition of a stand-alone derivative and the combined contract is not held for trading or designated at fair value. The bifurcated embedded derivatives are measured at fair value with changes therein recognised in the income statement.

6.7. Property and equipment

Property and Equipment except freehold land are stated at historical cost, or fair value at the date of transition to NFRS ('deemed cost'), less impairment losses and depreciation over their estimated useful lives. Freehold land are periodically assessed for their fair value and reported at revalued amount. The excess of fair value over the cost of freehold land is recognized in equity as revaluation reserve.

Property and equipment is subject to an impairment review if their carrying amount may not be recoverable. Leasehold properties are depreciated over 6.67 years or over the remaining useful life, whichever is lower. Depreciation on property and equipment is charged from next month of purchase. No depreciation is charged in the month of disposal.

Low value assets are charged as operational expenses in the year of purchase. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the event that an asset's carrying amount is determined to be greater than its recoverable amount it is written down immediately. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. For the first time adoption of NFRS land properties, under the ownership and control of the bank, have been revalued to reflect the value of those properties. The excess of the carrying value and the market value is taken to the equity as revaluation reserve.

6.8. Goodwill and intangible assets

Goodwill arises on the acquisition of subsidiaries, when the aggregate of the fair value of the consideration transferred, the amount of any non- controlling interest and the fair value of any previously held equity interest in the acquire exceed the amount of the identifiable assets and liabilities acquired. If the amount of the identifiable assets and liabilities acquired is greater, the difference is recognised immediately in the profit and loss. Goodwill is allocated to cash-generating units ('CGU's) for the purpose of impairment testing, which is undertaken at the lowest level at which goodwill is monitored for internal management purposes. Impairment testing is performed at least annually, or whenever there is an indication of impairment, by comparing the recoverable amount of a CGU with its carrying amount. The carrying amount of a CGU is based on its assets and liabilities, including attributable goodwill. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Value in use ('VIU') is the present value of the expected future CGU cash flows. If the recoverable amount is less than the carrying value, an impairment loss is charged to the income statement. Goodwill is carried on balance sheet at cost less accumulated impairment losses. At the date of disposal of a business, attributable goodwill is included in the group's share of net assets in the calculation of the gain or loss on disposal.

Intangible assets are recognised separately from goodwill when they are separable or arise from contractual or other legal rights, and their fair value can be measured reliably. These intangible assets are recognised at historical cost less impairment less amortisation over their estimated useful life.

6.9. Investment property

Land or a building or part of a building or both owned by the bank or held by the bank as the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business.

are classified as investment properties
Investment properties are measured initially at its cost. Transaction costs are included in the initial measurement. After initial recognition, the bank chooses the cost model to measure its investment properties in accordance with NAS 16.

6.10. Income Tax

Income tax comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the same statement in which the related item appears. Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the group intends to settle on a net basis and the legal right to offset exists.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when the group has a legal right to offset.

Deferred tax relating to actuarial gains and losses on post-employment benefits is recognised in other comprehensive income. Deferred tax relating to share-based payment transactions is recognised directly in equity to the extent that the amount of the estimated future tax deduction exceeds the amount of the related cumulative remuneration expense. Deferred tax relating to fair value re-measurements of available-for-sale investments and cash flow hedging instruments is credited or charged directly to other comprehensive income and is subsequently recognised in the income statement when the deferred fair value gain or loss is recognised in the income statement.

6.11. Deposits, debt securities issued and subordinated liabilities

Borrowings (which include deposits from banks, customer deposits, debt securities in issue and subordinated liabilities) are recognised initially at fair value, being their issue proceeds net of transaction costs incurred. These instruments are subsequently stated at amortised cost using the effective interest method.

6.12. Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation, which has arisen as a result of past events, and for which a reliable estimate can be made. Judgement is involved in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Professional expert advice is taken on the assessment of litigation, property (including onerous contracts) and similar obligations wherever necessary.

6.13. Revenue recognition

Interest income

Pursuant to adoption of ECL model, recognition of interest income has been based upon NRB NFRS 9 ECL Related Guidelines, 2024.

Particulars	Stage-1	Stage -2	Stage -3
Criteria	Where credit has not significantly increased since Initial Recognition	Significant Increase in Credit Risk	Credit Impaired
Credit Risk	Low	Moderate to High	Significant
ECL Model	Twelve-month ECL	Lifetime ECL	Lifetime ECL
Interest Income Recognition	Interest on Gross Recognition following Accrual basis	Interest on Gross Recognition following Accrual basis	Interest on actual cash receipts basis

Fees and Commission Income –Fees and commissions, which are not an integral part of the effective interest rate are generally recognised when the service has been provided. Fee income is earned from a diverse range of services provided by the group to its customers. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan once drawn. Where it is unlikely that loan commitments will be drawn, loan commitment fees are recognised over the life of the facility. Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank retains no part of the loan package for itself or retains a part at the same effective interest rate for all interest-bearing financial instruments, including loans and advances, as for the other participants.

Dividend Income: Dividend income is recognised when the right to receive payment is established. This is the ex-dividend date for listed equity securities, and usually the date when shareholders approve the dividend for unlisted equity securities.

Net trading income comprises all gains and losses from changes in the fair value of financial assets and financial liabilities held for trading, together with the related interest income, expense and dividend.

Net income from financial instruments designated at fair value includes all

- gains and losses from changes in the fair value of financial assets and liabilities designated at fair value through profit or loss, including liabilities under investment contracts;
- gains and losses from changes in the fair value of derivatives that are managed in conjunction with financial assets or liabilities designated at fair value through profit or loss; and
- interest income, interest expense and dividend income in respect of
  - financial assets and liabilities designated at fair value through profit or loss; and
  - derivatives managed in conjunction with the above,
  - except for interest arising from the group's issued debt securities and derivatives managed in conjunction with those debt securities, which is included in 'Interest expense'.

6.14. Interest expense

Under NFRS Interest expense are recognised in the profit or loss for all interest-bearing financial instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the expected life of the financial instrument.

6.15. Employee benefits

6.15.1. Current employee benefits costs

Short-term employee benefits, such as salaries, paid absences, performance-based cash rewards and social security costs are recognised over the period in which the employees provide the related services.

6.15.2. Post-employment benefits

The bank operates a number of post-employment benefit plans. These plans include both defined benefit and defined contribution plans.

Defined contribution plan

Payments to defined contribution plans where the bank's obligations are equivalent to a contribution to the defined contribution plan. These are charged as an expense as the employees render service. The bank operates provident fund scheme under Defined contribution plan. A percentage of basic pay is paid on monthly basis to the plan. The bank has no further obligation to pay after such contribution even if the plan assets may not be sufficient to pay out to the employees. The plan is managed by a separately registered retirement benefit plan managed by the employees of the bank. Any further income on such fund belongs to the employees.

Defined benefit plan

The defined benefit plan includes gratuity and accumulated leave compensation payment at the time of retirement. The present value of defined benefit obligations are calculated at the reporting date by the actuaries. The net charge to the profit and loss comprises the service costs and the net interest on the net defined benefit liability and is presented under staff cost. However, actuarial valuation of gratuity and leave is done on annual basis only.

The past service cost, which is charged immediately to the income statement, is the change in the present value of the defined benefit obligation for employee service in prior periods resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or curtailment (a significant reduction by the entity in the number of employees covered by a plan). A settlement is a transaction that eliminates all further legal and constructive obligations for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), as well as the effects of changes in actuarial assumptions.

The defined benefit asset or liability represents the present value of defined benefit obligations reduced by the fair value of plan assets. Any net defined benefit surplus is limited to the present value of available refunds and reductions in future contributions to the plan.

Sick Leave and Accumulative Leave

Sick Leave and accumulated leave has been defined as long term employee benefit. Expenses relating to leave benefits, including actuarial gain or loss are charged to profit and loss.

Staff Loans:

The bank provides under listed types of loans to its staffs at the rates mentioned below as per the provisions of employees' bylaws of the bank. The staff loans are shown at fair value in the financial statements considering the base rate of the bank. However fair value of staff loan is calculated on annual basis only. The subsidized interest is shown as expense in the staff costs in the income statement.

6.16. Leases

Agreements which transfer substantially all the risks and rewards incidental to the ownership of assets are classified as finance leases. As a lessor under finance leases, the group presents the amounts due under the leases, after deduction of unearned charges, in 'Loans and advances to banks' or 'Loans and advances to customers'. As a lessee under finance leases, the group presents the leased assets in 'Property and equipment' and the corresponding liability to the lessor is included in 'Other liabilities'. A finance lease and its corresponding liability are recognised initially at the fair value of the asset or, if lower, the present value of the minimum lease payments.

All other leases are classified as operating leases. As a lessor, the group presents assets subject to operating leases in 'Property and equipment'. Impairment losses are recognised to the extent that the carrying values are not fully recoverable. As a lessee, leased assets are not recognised on the balance sheet. The finance income or charges on finance leases are recognised in 'Net interest income' over the lease periods so as to give a constant rate of return.

The leases entered into by the Bank are primarily operating leases. Operating lease rentals payable are charged to the profit and loss on a straight-line basis over the period of the lease on annual basis. When an operating lease is terminated before the end of the lease period, any payment made to the lessor by way of penalty is recognised as an expense in the period of termination.

6.17. Foreign currency translation

Transactions in foreign currencies are recorded in the functional currency at rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the buying rate of exchange at the balance sheet date. Any resulting exchange differences are included in the profit or loss. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated into the functional currency using the rate of exchange at the date of the initial transaction. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

6.18. Financial Guarantee and loan commitments

Financial guarantees, which are not classified as insurance contracts, are the contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security as well as contingent liabilities related to legal proceedings or regulatory matters are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the group; or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured. Contingent liabilities are not recognised in the financial statements but are disclosed unless the probability of settlement is remote.

Loan Commitments

These include the amount of loans approved by the bank but are not yet disbursed /utilised. These include for example overdraft / crash credit limits given to the customers in excess of already utilised balances where customers can draw down credit facilities, within the limit, without going through any further approval process of the bank.

6.19. Share capital and reserves

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue a variable number of own equity instruments. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

Reserves

- *Share Premium:* Any premium collected on issue of shares to the public is credited to this reserve. This reserve is utilised only for issue of the bonus share capital.
- *Retained Earnings:* Earning made during the current and previous years not distributed has been credited to this reserve.

- *General Reserve:* There is a regulatory requirement under Bank and Financial Institutions Act to set aside 20% of the net profit after tax every year as general reserve to build up the capital until the general reserve fund balance is twice the paid up share capital. This is the restricted reserve and cannot be freely used. The Bank appropriates 20% of the regulatory net profit every year and transfers to the general reserve fund.
- *Exchange equalization reserve:* Central bank's regulatory directives require banks to transfer 25% of the revaluation gain as at the year end to this reserve account. Thus, 25% of such gains are transferred to the exchange equalization reserve.
- *Assets Revaluation Reserve:* Bank has revalued its land properties as on the date of transition to NFRS. The upward movement in the value of the land is adjusted by creating an equivalent amount of revaluation reserve. Bank periodically reviews the fair value of freehold land, as entire class of the assets, and makes changes in the recognised value. Professional valuations are used to assess the fair value changes.
- *Fair value Reserve: Net change in fair value of equity instruments that are measured at fair value and the changes in fair value is presented under this reserve.*
- *Debenture Redemption Reserve:* The Bank sets aside a portion of its profit to create a reserve for repayment of debenture liabilities when they mature. On maturity and settlement of the debentures there reserves will be available as free reserve.
- *Other reserves*
    - *CSR Reserve:* Bank has regulatory requirement to set aside 1% of the net profit of previous year for corporate social responsibility activities. The amount spent in the year is written back from the reserve to retained earnings.
    - *Staff Training Reserve:* Bank has regulatory requirement to set aside the shortfall between amount spent for training and amount calculated at 3% of the previous year's staff salary and allowances. Such shortfall amount if any is set aside in the reserves. In case where the amount spent exceeds 3%, the excess is written back from the reserve.
- *Investment Adjustment reserve: 100% reserve is created on investments in equity instruments that are not listed and are not exempted by NRB.*
- *Regulatory reserves: Includes*
    - Accrued Interest Receivable Reserve
    - Bargain Purchase Gain Reserve to the extent not available or not proposed for distribution
    - Non-banking Asset Reserve
    - Actuarial Loss Reserve and
    - Other reserves as prescribed by NRB

6.20. Earnings per share including diluted

Basic earnings per share are calculated by dividing the net profit attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year. For the calculation of diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares that arise in respect of convertible instruments, if any.

6.21. Segment reporting

The bank's business segments are basically identified as banking operations, treasury functions, trade finance business, remittance business and card operations. Measurement of segmental assets, liabilities, income and expenses is in accordance with the bank's accounting policies. Branch networks are under regional demarcation for supervision, monitoring and control. The bank does not have transfer pricing adjustments between its segments and branches /units for allocating costs and revenues. After the restructuring of Nepal under federal constitution, the bank is considering realigning its management under provincial lines.

Bank's established departmental operation also allows the management to monitor the bank's business under the product /service lines. However the costs and revenues are not passed on between the intra-product & service lines.

Bank applies following principles for reporting operating segments

- An operating segment is a component of the bank (geographical or product/service line):

- That engages in business activities from which it may earn revenues and incur expenses
- Whose operating results are regularly reviewed by the Banks's seniors management team which is also the chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance
- For which discrete financial information is available.

6.22. Investment in associates and joint ventures

Investments in which the bank, together with one or more parties, has joint control of an arrangement set up to undertake an economic activity are classified as joint ventures. The group classifies investments in entities over which it has significant influence, and that are neither subsidiaries nor joint ventures, as associates. Investments in associates are recognised using the equity method for reporting under the NIMB Group. Under this method, such investments are initially stated at cost, including attributable goodwill, and are adjusted thereafter for the post-acquisition change in the group's share of net assets. Goodwill arises on the acquisition of interests in joint ventures and associates when the cost of investment exceeds the group's share of the net fair value of the associates or joint venture's identifiable assets and liabilities.

An investment in an associate is tested for impairment when there is an indication that the investment may be impaired. Goodwill on acquisitions of interest in joint ventures and associates is not tested separately for impairment.

Profits on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the respective associates or joint ventures. Losses are also eliminated to the extent of the group's interest in the associates or joint ventures unless the transaction provides evidence of an impairment of the asset transferred.

For standalone financial statement of the bank the investments in associates have been carried at cost.

7. Concentration of Borrowings and Deposits

A. Concentration of Borrowings

Particulars	Current Year	Previous Year
Borrowings from 10 largest lenders.	-	5,368,000,000
Percentage of borrowings from ten largest lenders to total depositors	0.00%	1.23%

B. Concentration of Credit exposures

Particulars	Current Year	Previous Year
Total exposures to twenty largest borrowers		
a. As per group (related party)	82,383,306,736	82,606,823,922
b. As per individual customer	21,303,190,457	19,562,248,655
Percentage of exposures to twenty largest borrowers to Total Loans and Advances		
a. As per group (related party)	22.7%	24%
b. As per individual customer	5.9%	5.64%

C. Concentration of Deposits

Particulars	Current Year	Previous Year
Total exposures to twenty largest depositors		
a. Group-wise	101,189,353,200	95,741,681,279
b. As per individual customer	5,024,002,898	3,733,698,201
Percentage of deposits from twenty largest depositors to Total Deposits		
a. Group-wise	20.36%	21.91%
b. As per individual customer	1.01%	0.85%

8. Impairment Charge as per Expected Credit Loss (ECL) method

Particulars	As as Ashwin end 2082
Loans and advances to customers (A)	16,767,737,953
Other financial assets (B)	
Off-balance sheet credit exposures (C)	630,608,515
Total impairment charges (D = A+B+C)	17,398,346,468
Investments in subsidiaries (E)	
Direct write-offs (F)	
Total charge to Impairment Charge to Income Statements	**17,398,346,468**

Particulars	As as Ashwin end 2082			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers (A)	1,610,163,768	2,706,180,451	12,451,393,733	**16,767,737,953**
Other Financial Assets (B)				-
Cash and cash equivalents				-
Due from Nepal Rastra Bank				-
Placement with Bank and Financial Institutions				-
Derivative Financial Instruments				-
Other Trading Assets				-
Investment Securities				
Other assets				-
Off-balance sheet credit exposures (C)	630,608,515			**630,608,515**
Total impairment charges (D = A+B+C)	**2,240,772,283**	**2,706,180,451**	**12,451,393,733**	**17,398,346,468**

9. Impairment Charge recognized in Income Statements

The Bank, following regulatory backstop as mentioned Clause 16 of **"NFRS 9- Expected Credit Loss Related Guidelines, 2024"** has recognize impairment on credit exposures as the **HIGHER** of total ECL calculated as per NFRS 9 and existing regulatory provisions as mentioned in Unified NRB Directives no 02. Following is the details of impairment under both methods:

Particulars	As as Ashwin end 2082
Total Impairment on loan and advances as per Unified NRB Directives no 02	**24,401,876,165**
Total Impairment on exposures duly calculated under ECL methods as per NFRS 9	**17,398,346,468**

10. Segmental Information

The bank is managed through central operation. All policies and operations are controlled and directed from the head office. NIMB operates in single jurisdictional area. The management of the bank is on the basis of various types of operations supported by ancillary support services. Bank has identified banking operation (which includes basically deposit lending and cash operation related activities), treasury function, trade finance business, and card operation and remittance business as its major business segments. None of the segments have been identified as a single cost centre. Therefore, there is no inter-unit cost transfer mechanism within the bank.

A. information about reportable segments

NPR in '000

Particulars	Banking Operation		Treasury		Trade Finance		Card		Remittance		Total	
	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter
Revenues from external customers	2,818,173	3,464,132	1,045,573	780,554	311,069	331,923	73,833	83,521	10,504	9,611	**4,259,152**	**4,669,741**
Intersegment Revenues												
Segment profit (loss) before tax	(869,651)	1,314,150	716,340	515,839	213,119	219,355	31,790	37,623	7,196	6,352	**98,795**	**2,093,318**
Segment assets	389,719,863	375,867,365	177,517,750	135,479,837	15,785,931	12,683,548	733,220	512,818	1,830	2,769	**583,758,593**	**524,546,337**
Segment liabilities	406,504,811	383,514,281	161,748,202	128,985,506	14,460,974	11,527,381	1,031,008	460,277	13,599	58,894	**583,758,593**	**524,546,337**

B. Reconciliation of reportable segment profit or loss

NPR in '000

Particulars	Current Quarter	Corresponding previous Year Quarter
Total profit before tax for reportable segment	98,795	2,093,318
Profit before tax for other segments		-
Elimination of inter-segment profit		-
Elimination of discontinued operation		-
Unallocated amounts:		-
Other corporate expenses		-
Profit before tax	**98,795**	**2,093,318**

11. Related Parties

11.1. Identification of Related Parties

Following has been identified as related parties for Nepal Investment Bank Limited under NAS 24 *Related Parties*

1. Directors of the Bank
2. Key Management Personnel of the Bank
3. Relatives of directors and key management personnel
4. Subsidiaries- NIMB Ace Capital Limited and NIMB Stock Markets Limited
5. Associate companies- Citytech Private Limited ,National Laghubitta Bittiya Sanstha Ltd and M Nepal Limited
6. NIBL Employee Retirement Fund

11.2. Reporting date balances

Ashwin end Balance	NPR
Board of Directors	56,801,328
Key Management Personnel	194,445,195
NIMB Ace Capital	64,899,300
M Nepal Limited	69,174
Citytech Private Ltd	47,907
NIMB Stock Markets	213,090,553
NIBL Retirement Fund	1,722,230,186

11.3. Board of Directors

1. Mr. Prithivi B. Pande' (Chairman)

2. Mr. Prajanya Raj Bhandar

3. Mr. Madan Kumar Acharya

4. Mr. Dipankar Shakya Udai

5. Mr. Kabi Kumar Tibrewala

6. Mr. Shalik Ram Belbase

7. Ms. Shobha Shrestha

7.1. Key Management Personnel

CEO	Mr. Jyoti Prakash Pandey
Senior D. CEO	Mr.Mahesh Sharma Dhakal
Senior DGMs	Mr. Rabin Sijapati
DGMs	Mr.Sachin Tibrewal
	Ms.Sujata Joshi
	Mr. Amit Shrestha

	Ms. Pragya Pandey
	Mr. Rajesh Sharma
AGMs	Mr.Chhabindra Nath Sharma
	Mr.Jenu Thapa
	Ms.Nikita Maskey
	Mr.Ujwol Manandhar
	Mr.Rajendra Subedi
	Mr.Ramesh Khadka
	Ms. Srijana Pandey
	Mr. Mekh Bahadur Thapa Thada

8. Dividends Paid(aggregate or per share) separately for ordinary shares and other shares

The Bank has not paid any dividend till the interim period.

9. Issues, repurchases and repayments of debt and equity securities

The bank has not issued any debt and equity securities during the interim period.

10. Effects of changes in the composition of the entity during the interim period including merger and acquisition

11. Events after Interim Period

The Bank follows NAS 10 *Events After Reporting Period* for accounting and reporting of the events that occur after the reporting period. Bank classifies those events as adjusting and non-adjusting. There are no material events both adjusting and non-adjusting for the reporting period.