NMB BANK LIMITED
Interim Financial Report FY 2082/83

Condensed Consolidated Statement of Financial Position
As on Quarter Ended Asar 32, 2083 (July 16, 2026)

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	22,274,716	46,995,817	21,166,742	33,385,654
Due from Nepal Rastra Bank	18,740,521	16,519,123	18,698,021	16,489,123
Placement with Bank and Financial Institutions	13,560,007	10,304,420	13,520,007	10,264,420
Derivative financial instruments	19,021,033	8,681,416	19,021,033	8,681,416
Other trading assets	-	140,517	-	-
Loan and advances to B/FIs	9,424,047	8,816,813	12,015,936	10,497,119
Loans and advances to customers	258,399,832	235,196,355	249,759,929	228,456,304
Investment securities	52,160,723	33,075,128	51,624,469	32,508,745
Current tax assets	155,706	170,347	97,598	166,787
Investment in susidiaries	-	-	772,488	772,488
Investment in associates	-	-	-	-
Investment property	1,962,285	1,784,193	1,962,285	1,784,193
Property and equipment	3,783,433	3,910,762	3,670,648	3,800,678
Goodwill and Intangible assets	134,051	131,395	125,732	127,174
Deferred tax assets	482,627	327,751	467,672	316,475
Other assets	5,822,911	4,543,323	4,478,745	4,341,932
Total Assets	**405,921,893**	**370,597,361**	**397,381,306**	**351,592,507**
Liabilities				
Due to Bank and Financial Instituions	2,736,716	6,029,457	2,856,393	6,029,457
Due to Nepal Rastra Bank	-	-	-	-
Derivative financial instruments	19,140,536	8,695,560	19,140,536	8,695,560
Deposits from customers	316,867,875	280,117,507	315,118,455	280,926,468
Borrowing	5,427,614	6,641,693	1,926,875	3,987,500
Current Tax Liabilities	99,341	-	-	-
Provisions	7,810	6,174	-	-
Deferred tax liabilities	12,883	-	-	-
Other liabilities	9,822,111	23,336,968	7,897,276	7,394,345
Debt securities issued	12,382,000	12,384,569	12,382,000	12,384,569
Subordinated Liabilities	-	-	-	-
Total liabilities	**366,496,887**	**337,211,927**	**359,321,535**	**319,417,899**
Equity				
Share capital	22,285,041	18,366,706	22,285,041	18,366,706
Share premium	37,216	37,216	-	-
Retained earnings	2,469,225	2,401,028	1,872,996	1,901,381
Reserves	14,102,652	12,091,359	13,901,734	11,906,521
Total equity attributable to equity holders	**38,894,134**	**32,896,309**	**38,059,771**	**32,174,608**
Non-controlling interest	**530,872**	**489,124**	**-**	**-**
Total equity	**39,425,006**	**33,385,433**	**38,059,771**	**32,174,608**
Total liabilities and equity	**405,921,893**	**370,597,361**	**397,381,306**	**351,592,507**

Condensed Consolidated Statement of Profit or Loss
For the quarter ended Asar 32, 2083 (July 16, 2026)

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	5,516,097	21,979,265	5,333,333	22,928,187	5,230,788	21,041,592	5,126,854	22,267,952
Interest expense	3,090,323	11,885,431	3,578,132	14,442,719	3,009,297	11,615,353	3,522,057	14,247,058
Net interest income	**2,425,774**	**10,093,834**	**1,755,201**	**8,485,468**	**2,221,491**	**9,426,240**	**1,604,797**	**8,020,894**
Fees and Commission Income	749,749	3,221,195	711,009	2,773,344	656,697	2,830,190	611,987	2,426,661
Fees and commission expense	30,039	241,192	68,398	242,075	34,402	239,321	76,960	242,075
Net fee and commission income	**719,710**	**2,980,003**	**642,610**	**2,531,269**	**622,296**	**2,590,868**	**535,027**	**2,184,586**
Net interest, fee and commission income	**3,145,484**	**13,073,837**	**2,397,811**	**11,016,737**	**2,843,787**	**12,017,108**	**2,139,824**	**10,205,480**
Net trading income	151,321	681,415	91,491	405,258	151,321	681,415	46,804	360,571
Other operating income	74,058	325,545	126,313	322,822	74,058	325,545	121,958	318,466
Total operating income	**3,370,863**	**14,080,797**	**2,615,615**	**11,744,817**	**3,069,166**	**13,024,067**	**2,308,586**	**10,884,518**
Impairment charge/(reversal) for loans and other losses	93,461	2,435,526	387,863	1,683,063	66,272	2,345,056	345,075	1,638,170
Net operating income	**3,277,403**	**11,645,270**	**2,227,752**	**10,061,755**	**3,002,894**	**10,679,011**	**1,963,510**	**9,246,347**
Operating expense								
Personnel expenses	831,154	3,444,589	503,004	3,397,028	735,409	3,051,537	408,983	3,042,547
Other operating expenses	70,741	1,305,037	121,372	1,231,691	24,904	1,141,958	81,190	1,079,219
Depreciation & Amortisation	233,716	409,466	243,787	430,765	224,288	368,009	221,386	384,593
Operating Profit	**2,141,792**	**6,486,178**	**1,359,588**	**5,002,271**	**2,018,294**	**6,117,506**	**1,251,952**	**4,739,988**
Non operating income	78,655	120,847	6,147	7,633	78,864	120,847	2,480	3,951
Non operating expense	163,429	491,664	598,482	658,746	162,091	490,327	598,482	658,746
Profit before income tax	**2,057,018**	**6,115,361**	**767,253**	**4,351,158**	**1,935,066**	**5,748,026**	**655,949**	**4,085,193**
Income tax expense								
Current Tax	707,510	1,895,769	238,744	1,342,026	670,354	1,795,529	215,772	1,271,727
Deferred Tax expense/(Income)	(61,174)	(61,174)	(54,138)	(54,138)	(61,174)	(61,174)	(41,172)	(41,172)
Profit for the period	**1,410,682**	**4,280,765**	**582,646**	**3,063,269**	**1,325,886**	**4,013,671**	**481,349**	**2,854,638**

Condensed Consolidated Statement of Comprehensive Income

Profit/Loss for the period	1,410,682	4,280,765	582,646	3,063,269	1,325,886	4,013,671	481,349	2,854,638
Other Comprehensive Income	(89,501)	(212,197)	131,177	353,460	(167,346)	(210,053)	123,726	348,459
Total Comprehensive Income	**1,321,181**	**4,068,568**	**713,823**	**3,416,729**	**1,158,540**	**3,803,618**	**605,076**	**3,203,097**
Earnings per Share								
Basic earnings per share (Common Equity)	-	28.47	-	15.84	-	20.18	-	14.80
Diluted earnings per share (Common Equity)	-	28.47	-	15.84	-	20.18	-	14.80
Total comprehensive income attributable to:								
Equity holders of the Bank	2,395,583	3,997,320	687,865	3,382,260	1,158,540	3,803,618	605,076	3,203,097
Non-controlling interest	53,069	71,248	25,958	34,469	-	-	-	-
Total	**2,448,652**	**4,068,568**	**713,823**	**3,416,729**	**1,158,540**	**3,803,618**	**605,076**	**3,203,097**

Ratios as per NRB Directives

Ratios	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		12.66%		11.94%		12.73%		11.92%
Non performing loan (NPL) to toal loan		5.18%		4.51%		4.91%		4.11%
Net Non performing loan (NPL) to toal loan		1.92%		1.98%		1.66%		1.58%
Total loan loss provision to Total NPL (As per NRB Directives)		88.04%		98.79%		92.57%		98.38%
Cost of Funds (LCY YTD)		3.78%		5.10%		3.74%		5.06%
CD Ratio - Average of the Month		82.77%		84.33%		82.77%		84.33%
Base Rate -Average for the quarter		5.11%		6.22%		5.11%		6.22%
Average Interest Spread (Calculated as per NRB Directives)- Last Month of Quarter		3.43%		3.82%		3.43%		3.82%
Additional Informations:								
Tier 1 Capital to RWA		9.90%		9.09%		9.90%		9.05%
CET 1 Capital to RWA		9.02%		9.09%		8.99%		9.05%
Return on Equity (Annualized)		15.30%		9.64%		11.58%		9.34%
Return on Assets (Annualized)		1.42%		0.89%		1.04%		0.88%
PE Ratio (Annualized)		11.87		18.22		11.87		18.22
Net-Worth per share (NPR)		185.43		177.50		181.15		174.49
Assets per share (NPR)		2,102.10		2,013.29		2,060.57		1,914.29
Liquidity Ratio (NLA)		28.99%		27.39%		28.99%		27.39%

Notes to Unaudited Financial Highlights

1. Above figures are subject to change from Supervisory Authority and/or External Audit.
2. Above financial highlight is prepared as per Nepal Financial Reporting Standards (NFRS) and Directives, Guidelines and Circulars issued by Nepal Rastra Bank (NRB), and other regulatory bodies.
3. The figures of previous periods have been regrouped/rearranged wherever necessary.
4. The Bank has issued NMB Perpetual Non-Cumulative Preference Shares (PNCPS) - 2081/82 – 8.25% amounting NPR 3 Bio. (30,000,000 Kitta @ NPR 100 each), which qualifies as Additional Tier I (AT1) capital and presented under Share Capital.
5. The bank has deducted Perpetual Non-Cumulative Preference Shares (PNCPS) dividend of the Fiscal Year from earnings while calculating Basic Earnings per Share, Distributable Profit/Loss per Share, Return on Equity and Return on Assets. Further, only ordinary shares have been considered for these calculations.
6. Loans and Advances have been presented along with accrued interest, staff loan and net off impairment charges.
7. According to the NFRS 9 Expected Credit Loss (ECL) Related Guidelines, 2024 issued by NRB, the Bank has recognized impairment on credit exposures based on the higher of total ECL calculated as per NFRS 9 and existing regulatory provisions in the Unified Directives.
8. Personnel Expenses include staff bonus as per Bonus Act and amortization of staff loan granted at subsidized rate as per Bank's policy.
9. Actuarial Valuation of the employees benefits are done on an annual basis.
10. Group represents NMB Bank Limited (NMB) and its subsidiaries NMB Capital Limited, N.M.B Securities Limited and NMB Laghubitta Bittiya Sanstha Limited.
11. The intra-group related figures have been excluded for presentation of the financial statements of the Group.
12. The detailed Interim Report has been published in bank's website www.nmb.com.np at the Investor Relation Section.

Statement of Distributable Profit/Loss (As per NRB Regulations)
For the Quarter Ended Asar 32, 2083

NPR In Thousand

Particulars	Current Year Upto This Qtr YTD	Previous Year Corresponding Qtr YTD
Net Profit or Loss as per Statement of profit or loss	**4,013,671**	**2,854,638**
1. Appropriations		**–**
a. General Reserve	(802,734)	(570,928)
b. Capital (Debenture) Redemption Reserve	(621,825)	(237,301)
c. Exchange Fluctuation Fund	(41,202)	(33,351)
d. Corporate Social Responsibility Fund	(22,145)	(3,835)
e. Employees Training Fund	(7,732)	(18,480)
f. Other	-	(20,000)
Profit or Loss Before Regulatory adjustment	**2,518,033**	**1,970,743**
Regulatory Adjustment		–
a. Interest receivable (-)/previous accrued interest received (+)	(297,150)	593,012
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 (+)	(88,637)	(351,588)
e. Deferred tax assets recognised (-)/ reversal (+)	(61,174)	(41,172)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(195,282)	(127,894)
i. Other (Interest Capitalised Term Loan)	(67,505)	(47,879)
Net Profit for the quarter ended Asar End, 2083 available for distribution	**1,808,285**	**1,995,222**
Opening Retained Earning as on Shrawan 1, 2082	**1,901,381**	**(93,841)**
Adjustment (+/-)		
Distribution:		
Bonus shares issued	(918,335)	
Cash Dividend Paid	(918,335)	–
Total Distributable profit or (loss) as on quarter ended Asar End, 2083	**1,872,996**	**1,901,381**
Cash Dividend Distributable to PNCPS holders	(122,055)	–
Total Profit Distributable to Common Equity Share holders	**1,750,941**	**-**
Annualised Distributable Profit/Loss per share (Common Equity)	**9.08**	**10.35**

Related Party Disclosures

The Bank owns three subsidiary companies, NMB Capital Limited, N.M.B Securities Limited and NMB Laghubitta Bittiya Sanstha Limited. NMB Capital and N.M.B Securities Limited are wholly owned subsidiaries whereas the Bank owns fifty-one percent of the total shares of NMB Laghubitta Bittiya Sanstha Ltd. Related party transactions of the subsidiaries are as follows:

NPR in Thousand

S. No.	Particulars	NMB Capital	NMB Laghubitta Bittiya Sanstha	N.M.B. Securities
1.	Investment by NMB Bank Ltd.	400,000	172,488	200,000
2.	Deposits in NMB Bank Ltd.	346,887	119,676	4,420
3.	Borrowing from NMB Bank Ltd.	-	2,591,889	-
4.	Interest Payment by NMB Bank Ltd.	13,659	-	49
5.	Interest Payment to NMB Bank Ltd.	-	107,790	-
6.	Rent Payment to NMB Bank Ltd.	-	-	1,100
7.	Share Registrar Fee payment by NMB Bank	1,100	-	-
8.	Debenture RTS Fee payment by NMB Bank	450	-	-
9.	Dividend Distribution of Sulav Investment Fund -2 to NMB Bank	25,641	-	-
10.	Dividend Distribution of NMB 50 to NMB Bank	26,553	-	-
11.	Dividend Distribution by NMB Capital to NMB Bank (Net)	64,600	-	-

These related party transactions have been excluded in Consolidated Financial Statement of the Group. All the contracts and transactions with the subsidiaries have been performed on arms-length basis.

Disclosure as per Securities Registration and Issuance Regulation, 2073

1. Management Analysis

a) The Bank, up to this quarter of FY 2025/26, posted a net profit of NPR 4,013.7 Million.

b) Deposit from customers and loans and advances to customers of the Bank (Net) stood at NPR 315.12 Billion and NPR 249.8 Billion respectively as at the end of the quarter.

c) The Bank has issued NMB Perpetual Non-Cumulative Preference Shares (PNCPS) 2081/82 – 8.25% amounting NPR 3 Bio. (30,000,000 Kitta @ NPR 100 each), which qualifies as Additional Tier I (AT1) capital and presented under Share Capital. The issue was fully subscribed, allotted and capitalized on Magh 04, 2082. Following this issuance, the Bank's regulatory capital and loss-absorbing capacity have increased accordingly.

d) As on quarter end, Capital Adequacy Ratio stands at 12.73%, CET 1 Ratio stands at 8.99% while Tier 1 ratio stands at 9.90%. NPA level has increased to 4.91% from 4.11% as compared to previous year quarter.

e) The Bank has strong independent Risk and Control functions as well as policies in place that do not promote excessive risk taking.

2. Details of Legal Action

a. Case filed by or against the organized institution during the year

No material cases except for regular cases of debt recovery and Income Tax.

b. Case relating to disobedience of the prevailing laws or commission of the criminal offence filed by or against the Promoters or Directors of the Institution

No such information has been received by the Bank

c. Case relating to the commission of financial crime filed against any Promoter or Director

No such information has been received by the Bank

3. Analysis of Share Transaction

Management view on share transactions of the Bank at securities market:

The Bank has disclosed and published all the information and data pertinent to Capital Market from time to time as per the prevailing disclosure norms and directives of Securities Board of Nepal (SEBON) and Nepal Rastra Bank. As the open market share operations determines the market price and transaction of the Bank's shares, the Bank Management is neutral on the ruling share price of the Bank. The Details for the quarter are:

Maximum Price – 257	Minimum Price – 230	Closing Price - NPR 239.50
Trading number– 8,289	Days of Trading – 64	

4. Problems and Challenges

Internal problems and challenges

- Increasing cost of operations against Income.
- Sourcing and retention of quality work force in the increased competitive market.

External problems and challenges

- Challenging business environment for investment
- Political Instability and Economic Slowdown
- Competitive yield on assets
- Challenges in Recovery and Collection
- Under/Over Liquidity concerns
- Competitive environment with limited opportunities
- Promoting sustainable investment, effective ESG implementation and Climate Risk Management continues to face headwinds, as financial decision-making often favours immediate returns over long-term environmental and social resilience
- Nepal continued to be in Financial Action Task Force (FATF) Grey List posing significant challenge for overall economy.

Strategy

- Allocation of specialized staffs to oversee NPA recovery within provinces
- Automation of various front and back end process of the bank
- Keeping the digital channel open and Long Term Digital Adoption
- Implement Cost Management/Reduction Strategy to closely monitor cost line and productivity.
- Continue to focus on growth through prudent risk management and compliance practices.
- Continue focus on Energy, Agricultural and other productive sectors and retail segment.
- Focus on continuous process re-engineering to increase Operational Efficiency.
- Focus on introducing various human resource development plans
- Strengthen AML/CFT compliance, enhance risk monitoring, and align with FATF standards

5. Corporate Governance

- The Bank maintains high standard of Corporate Governance by maintaining strict compliance with laws, rules and regulations. Risk management, compliance, control and audit functions are accorded due priority in the Bank.
- Audit Committee, Risk Management Committees, Human Resource Committee, Asset and Liability Committee (ALCO), Executive Committee and other sub-committees ensure high level of standard on corporate governance. The first three committees are chaired by the non-executive Directors of the Bank.
- There are number of policies and procedures in place, including the Code of Conduct and Ethics to ensure highest level of compliance standard within the Bank.
- The Bank has a Corporate Governance Unit under Compliance Department to oversee matters related to corporate governance of the Bank at all levels.

6. Disclosure of the Chief Executive Officer

I am personally responsible for the correctness of the facts and figures disclosed in this report till date. Also, I hereby declare that to the extent of my knowledge, the facts and the figures disclosed in this report are correct and comprehensive and all the material information relevant to take proper investment decision for the investors are disclosed properly in this statement.

NMB Bank Limited, Babarmahal, Kathmandu, Nepal
GPO Box:11543, Tel: 977 1 5346160 | Call Center: 977-5970150
Fax: 977 1 4246156, Web: www.nmb.com.np
swiftcode: NMBBNPKA