# NMB BANK LIMITED
## Interim Financial Report FY 2083/84

### Condensed Consolidated Statement of Financial Position
As on Quarter Ended Ashwin 31, 2083 (October 17, 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 | 26,611,079 | 22,074,678 | 26,057,820 | 21,166,644 |
| Due from Nepal Rastra Bank | 26,820,202 | 18,740,521 | 26,777,702 | 18,698,021 |
| Placement with Bank and Financial Institutions | 14,775,232 | 13,560,007 | 14,775,232 | 13,520,007 |
| Derivative financial instruments | 18,082,794 | 19,021,033 | 18,082,794 | 19,021,033 |
| Other trading assets | - | 162,774 | - | - |
| Loan and advances to B/FIs | 8,140,323 | 9,424,047 | 10,810,014 | 12,015,936 |
| Loans and advances to customers | 267,529,288 | 258,271,855 | 258,455,463 | 249,613,592 |
| Investment securities | 36,944,968 | 52,184,354 | 36,511,542 | 51,624,546 |
| Current tax assets | 55,405 | 116,639 | - | 97,868 |
| Investment in subsidiaries | - | - | 772,488 | 772,488 |
| Investment in associates | - | - | - | - |
| Investment property | 1,886,032 | 1,962,285 | 1,886,032 | 1,962,285 |
| Property and equipment | 3,804,737 | 3,804,613 | 3,700,155 | 3,669,852 |
| Goodwill and Intangible assets | 145,352 | 128,096 | 135,758 | 125,686 |
| Deferred tax assets | 523,858 | 502,594 | 508,209 | 489,544 |
| Other assets | 5,163,465 | 5,012,700 | 4,620,190 | 4,565,314 |
| **Total Assets** | **410,482,735** | **404,966,196** | **403,093,400** | **397,342,818** |
| **Liabilities** | | | | |
| Due to Bank and Financial Institutions | 1,993,397 | 2,856,393 | 2,003,794 | 2,856,393 |
| Due to Nepal Rastra Bank | - | - | - | - |
| Derivative financial instruments | 17,861,500 | 19,140,536 | 17,861,500 | 19,140,536 |
| Deposits from customers | 323,679,670 | 316,744,477 | 322,000,882 | 315,118,455 |
| Borrowing | 4,411,831 | 5,512,486 | 1,215,600 | 1,926,875 |
| Current Tax Liabilities | 410,555 | - | 387,349 | - |
| Provisions | 12,623 | 23,040 | - | - |
| Deferred tax liabilities | 10,841 | - | - | - |
| Other liabilities | 9,406,761 | 8,991,343 | 8,404,869 | 7,969,618 |
| Debt securities issued | 12,150,824 | 12,382,000 | 12,150,824 | 12,382,000 |
| Subordinated Liabilities | - | - | - | - |
| **Total liabilities** | **369,938,002** | **365,650,275** | **364,024,818** | **359,393,877** |
| **Equity** | | | | |
| Share capital | 22,285,041 | 22,285,041 | 22,285,041 | 22,285,041 |
| Share premium | 37,216 | 37,216 | - | - |
| Retained earnings | 2,995,966 | 2,355,176 | 2,319,136 | 1,770,596 |
| Reserves | 14,665,849 | 14,103,735 | 14,464,405 | 13,893,305 |
| **Total equity attributable to equity holders** | **39,984,073** | **38,781,168** | **39,068,582** | **37,948,942** |
| **Non-controlling interest** | **560,660** | **534,753** | **-** | **-** |
| **Total equity** | **40,544,733** | **39,315,921** | **39,068,582** | **37,948,942** |
| **Total liabilities and equity** | **410,482,735** | **404,966,196** | **403,093,400** | **397,342,818** |

### Condensed Consolidated Statement of Profit or Loss
For the quarter ended Ashwin 31, 2083 (October 17, 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 | 5,696,626 | 5,696,626 | 5,805,583 | 5,805,583 | 5,419,258 | 5,419,258 | 5,594,323 | 5,594,323 |
| Interest expense | 2,904,701 | 2,904,701 | 3,173,655 | 3,173,655 | 2,827,694 | 2,827,694 | 3,107,070 | 3,107,070 |
| **Net interest income** | **2,791,925** | **2,791,925** | **2,631,928** | **2,631,928** | **2,591,564** | **2,591,564** | **2,487,253** | **2,487,253** |
| Fees and Commission Income | 975,883 | 975,883 | 934,049 | 934,049 | 808,062 | 808,062 | 812,588 | 812,588 |
| Fees and commission expense | 88,917 | 88,917 | 96,409 | 96,409 | 86,488 | 86,488 | 96,402 | 96,402 |
| **Net fee and commission income** | **886,966** | **886,966** | **837,640** | **837,640** | **721,574** | **721,574** | **716,186** | **716,186** |
| **Net interest, fee and commission income** | **3,678,891** | **3,678,891** | **3,469,568** | **3,469,568** | **3,313,138** | **3,313,138** | **3,203,439** | **3,203,439** |
| Net trading income | 207,034 | 207,034 | 165,828 | 165,828 | 207,034 | 207,034 | 165,828 | 165,828 |
| Other operating income | 129,559 | 129,559 | 75,658 | 75,658 | 129,559 | 129,559 | 75,658 | 75,658 |
| **Total operating income** | **4,015,484** | **4,015,484** | **3,711,053** | **3,711,053** | **3,649,731** | **3,649,731** | **3,444,924** | **3,444,924** |
| Impairment charge/(reversal) for loans and other losses | 526,336 | 526,336 | 715,313 | 715,313 | 502,179 | 502,179 | 713,962 | 713,962 |
| **Net operating income** | **3,489,148** | **3,489,148** | **2,995,740** | **2,995,740** | **3,147,552** | **3,147,552** | **2,730,963** | **2,730,963** |
| **Operating expense** | | | | | | | | |
| Personnel expenses | 952,218 | 952,218 | 926,818 | 926,818 | 836,999 | 836,999 | 816,429 | 816,429 |
| Other operating expenses | 428,127 | 428,127 | 417,984 | 417,984 | 370,415 | 370,415 | 366,029 | 366,029 |
| Depreciation & Amortisation | 59,708 | 59,708 | 60,771 | 60,771 | 49,502 | 49,502 | 50,042 | 50,042 |
| **Operating Profit** | **2,049,095** | **2,049,095** | **1,590,167** | **1,590,167** | **1,890,636** | **1,890,636** | **1,498,463** | **1,498,463** |
| Non operating income | 5,652 | 5,652 | 925 | 925 | 5,652 | 5,652 | 922 | 922 |
| Non operating expense | 238,297 | 238,297 | 190,839 | 190,839 | 233,031 | 233,031 | 190,839 | 190,839 |
| **Profit before income tax** | **1,816,450** | **1,816,450** | **1,400,253** | **1,400,253** | **1,663,257** | **1,663,257** | **1,308,547** | **1,308,547** |
| Income tax expense | | | | | | | | |
| Current Tax | 545,301 | 545,301 | 420,373 | 420,373 | 498,974 | 498,974 | 392,564 | 392,564 |
| Deferred Tax expense/(Income) | - | - | - | - | - | - | - | - |
| **Profit for the period** | **1,271,148** | **1,271,148** | **979,880** | **979,880** | **1,164,282** | **1,164,282** | **915,983** | **915,983** |

### Condensed Consolidated Statement of Comprehensive Income

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Profit/Loss for the period | 1,271,148 | 1,271,148 | 979,880 | 979,880 | 1,164,282 | 1,164,282 | 915,983 | 915,983 |
| Other Comprehensive Income | (51,644) | (51,644) | (183,993) | (183,993) | (43,552) | (43,552) | (160,201) | (160,201) |
| **Total Comprehensive Income** | **1,219,504** | **1,219,504** | **795,887** | **795,887** | **1,120,730** | **1,120,730** | **755,782** | **755,782** |
| **Earnings per Share** | | | | | | | | |
| Basic earnings per share (Common Equity) | - | 24.58 | - | 20.08 | - | 23.83 | - | 19.00 |
| Diluted earnings per share (Common Equity) | - | 24.58 | - | 20.08 | - | 23.83 | - | 19.00 |
| **Total comprehensive income attributable to:** | | | | | | | | |
| Equity holders of the Bank | 1,195,189 | 1,195,189 | 784,223 | 784,223 | 1,120,730 | 1,120,730 | 755,782 | 755,782 |
| Non-controlling interest | 24,316 | 24,316 | 11,664 | 11,664 | - | - | - | - |
| **Total** | **1,219,504** | **1,219,504** | **795,887** | **795,887** | **1,120,730** | **1,120,730** | **755,782** | **755,782** |

### 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 | | 12.51% | | 12.07% | | 12.53% | | 12.07% |
| Non performing loan (NPL) to total loan | | 5.18% | | 4.58% | | 4.92% | | 4.58% |
| Net Non performing loan (NPL) to total loan | | 1.87% | | 1.85% | | 1.60% | | 1.86% |
| Total loan loss provision to Total NPL (As per NRB Directives) | | 89.90% | | 91.97% | | 94.53% | | 92.33% |
| Cost of Funds (LCY YTD) | | 3.42% | | 4.10% | | 3.37% | | 4.05% |
| CD Ratio - Average of the Month | | 84.71% | | 81.88% | | 84.71% | | 81.88% |
| Base Rate -Average for the quarter | | 4.95% | | 5.89% | | 4.95% | | 5.89% |
| Average Interest Spread (Calculated as per NRB Directives)- Last Month of Quarter | | 3.44% | | 3.89% | | 3.44% | | 3.89% |
| **Additional Informations:** | | | | | | | | |
| Tier 1 Capital to RWA | | 9.76% | | 9.05% | | 9.74% | | 9.01% |
| CET 1 Capital to RWA | | 8.91% | | 9.05% | | 8.87% | | 9.01% |
| Return on Equity (Annualized) | | 13.03% | | 11.63% | | 12.42% | | 11.26% |
| Return on Assets (Annualized) | | 1.16% | | 1.05% | | 1.10% | | 1.03% |
| PE Ratio (Annualized) | | 11.43 | | 12.37 | | 11.43 | | 12.37 |
| Net-Worth per share (NPR) | | 191.02 | | 182.71 | | 186.32 | | 178.64 |
| Assets per share (NPR) | | 2,125.60 | | 1,991.62 | | 2,090.19 | | 1,961.27 |
| Liquidity Ratio (NLA) | | 28.08% | | 26.86% | | 28.08% | | 26.86% |

### 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 deducted Perpetual Non-Cumulative Preference Shares (PNCPS) dividend proportionately 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.
5. Loans and Advances have been presented along with accrued interest, staff loan and net off impairment charges and unwinding fee.
6. 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.
7. The bank has recognized Interest income as per Guidance Note on Interest Income Recognition, 2025.
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 Ashwin 31, 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** | **1,164,282** | **915,983** |
| **1. Appropriations** | | |
| a. General Reserve | (232,856) | (183,197) |
| b. Capital (Debenture) Redemption Reserve | (155,456) | (141,667) |
| c. Exchange Fluctuation Fund | (13,916) | (7,554) |
| d. Corporate Social Responsibility Fund | (11,643) | (9,160) |
| e. Employees Training Fund | 14,126 | (9,377) |
| f. Other | - | - |
| **Profit or Loss Before Regulatory adjustment** | **764,537** | **565,029** |
| **Regulatory Adjustment** | | |
| a. Interest receivable (-)/previous accrued interest received (+) | (228,645) | (182,201) |
| 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 (+) | 37,951 | 5,811 |
| e. Deferred tax assets recognised (-)/ reversal (+) | - | - |
| f. Goodwill recognised (-)/ impairment of Goodwill (+) | - | - |
| g. Bargain purchase gain recognised (-)/reversal (+) | - | - |
| h. Actuarial loss recognised (-)/reversal (+) | - | - |
| i. Other (Interest Capitalised Term Loan) | (25,303) | (17,337) |
| **Net Profit for the quarter ended Ashwin End, 2083 available for distribution** | **548,540** | **371,302** |
| **Opening Retained Earning as on Shrawan 1, 2083** | **1,770,596** | **1,572,016** |
| Adjustment (+/-) | | |
| **Distribution:** | | |
| Bonus shares issued | - | |
| Cash Dividend Paid | - | - |
| **Total Distributable profit or (loss) as on quarter ended Ashwin End, 2083** | **2,319,136** | **1,943,318** |
| Cash Dividend Distributable to PNCPS holders | (61,875) | - |
| **Total Profit Distributable to Common Equity Share holders** | **2,257,261** | **1,943,318** |
| **Annualised Distributable Profit/Loss per share (Common Equity)** | **11.64** | **8.09** |

Note: The Distributable Profit/Loss per share (DP) for Q1 (Ashwin End 2083) is computed on an annualized basis of the current quarter's distributable profit and remaining Retained Earnings after deducting proposed dividend (subject to AGM approval).

**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. | 429,839 | 10,397 | 4,935 |
| 3 | Borrowing from NMB Bank Ltd. | - | 2,669,691 | - |
| 4 | Interest Payment by NMB Bank Ltd. | 1,714 | - | 9 |
| 5 | Interest Payment to NMB Bank Ltd. | - | 29,627 | - |
| 6 | Rent Payment to NMB Bank Ltd. | - | - | 275 |
| 7 | Share Registrar Fee payment by NMB Bank | 250 | - | - |
| 8 | Debenture RTS Fee payment by NMB Bank | 138 | - | - |
| 9 | Dividend Distribution of Sulav Investment Fund -2 to NMB Bank | 17,094 | - | - |
| 10 | Dividend Distribution of NMB Hybrid Fund - 2 to NMB Bank | 8,598 | | |
| 11 | Dividend Distribution of NMB 50 to NMB Bank | 5,576 | - | - |
| 12 | Dividend Distribution of NMB Saral Bachat Fund-E to NMB Bank | 15,457 | | |

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 2026/27, posted a net profit of NPR 1,164.28 Million.
b) Deposit from customers and loans and advances to customers of the Bank (Net) stood at NPR 322.0 Billion and NPR 258.5 Billion respectively as at the end of the quarter.
c) As on quarter end, Capital Adequacy Ratio stands at 12.53%, CET 1 Ratio stands at 8.87% while Tier 1 ratio stands at 9.74%. NPA level has decreased to 4.92% from 4.97% as compared to immediate previous quarter.
d) 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 – 272.7 | Minimum Price – 232 | Closing Price - NPR 272.30 |
| Trading number– 6,057 | Days of Trading – 62 | |

**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 (FAFT) 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 एनएमबि बैंक
समृद्ध नेपालको लागि
A JOINT VENTURE WITH FMO Entrepreneurial Development Bank The Netherlands
Member of Global Alliance for Banking on Values
The Banker Bank of the Year 2021 ASIA
Bank of the Year, ASIA 2021
Bank of the Year, Nepal
2017, 2018, 2020 & 2021

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