NMB BANK LIMITED

Interim Financial Report FY 2082/83

Condensed Consolidated Statement of Financial Position

As on Quarter Ended Ashwin 31, 2082 (October 17, 2025)

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	34,507,344	46,995,818	34,385,915	33,385,654
Due from Nepal Rastra Bank	18,536,741	16,519,123	18,505,741	16,489,123
Placement with Bank and Financial Institutions	10,253,138	10,264,420	10,253,138	10,264,420
Derivative financial instruments	9,513,823	8,681,416	9,513,823	8,681,416
Other trading assets	-	140,517	-	-
Loan and advances to B/FIs	9,006,920	8,816,813	10,890,253	10,497,119
Loans and advances to customers	241,073,215	235,208,617	234,023,130	228,456,304
Investment securities	31,997,761	33,075,932	31,261,761	32,508,745
Current tax assets	9,412	168,874	-	166,787
Investment in susidiaries	-	-	772,488	772,488
Investment in associates	-	-	-	-
Investment property	1,846,853	1,784,193	1,772,517	1,784,193
Property and equipment	3,842,064	3,906,330	3,780,900	3,800,678
Goodwill and Intangible assets	120,910	135,824	120,240	127,174
Deferred tax assets	395,329	313,378	385,133	316,475
Other assets	5,190,412	4,583,660	4,555,812	4,341,932
Total Assets	**366,293,922**	**370,594,914**	**360,220,850**	**351,592,507**
Liabilities				
Due to Bank and Financial Instituions	3,336,994	6,029,457	3,344,595	6,029,457
Due to Nepal Rastra Bank	-	-	-	-
Derivative financial instruments	9,492,524	8,695,560	9,492,524	8,695,560
Deposits from customers	291,228,879	280,117,507	290,605,382	280,926,468
Borrowing	6,531,460	6,641,693	3,553,938	3,987,500
Current Tax Liabilities	226,678	-	210,342	-
Provisions	47,980	6,174	-	-
Deferred tax liabilities	11,777	-	-	-
Other liabilities	9,087,442	23,336,477	7,932,855	7,394,345
Debt securities issued	12,150,824	12,384,569	12,150,824	12,384,569
Subordinated Liabilities	-	-	-	-
Total liabilities	**332,114,558**	**337,211,437**	**327,290,460**	**319,417,899**
Equity				
Share capital	18,366,706	18,366,706	18,366,706	18,366,706
Share premium	37,216	37,216	-	-
Retained earnings	2,499,454	2,077,487	1,943,318	1,572,016
Reserves	12,776,159	12,413,903	12,620,367	12,235,886
Total equity attributable to equity holders	**33,679,535**	**32,895,312**	**32,930,390**	**32,174,608**
Non-controlling interest	**499,829**	**488,165**	**-**	**-**
Total equity	**34,179,365**	**33,383,477**	**32,930,390**	**32,174,608**
Total liabilities and equity	**366,293,922**	**370,594,914**	**360,220,850**	**351,592,507**

Condensed Consolidated Statement of Profit or Loss

For the quarter ended Ashwin 31, 2082 (October 17, 2025)

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	5,805,583	5,805,583	6,048,033	6,048,033	5,594,323	5,594,323	5,910,403	5,910,403
Interest expense	3,173,655	3,173,655	3,955,066	3,955,066	3,107,070	3,107,070	3,912,469	3,912,469
Net interest income	**2,631,928**	**2,631,928**	**2,092,967**	**2,092,967**	**2,487,253**	**2,487,253**	**1,997,934**	**1,997,934**
Fees and Commission Income	934,049	934,049	795,917	795,917	812,588	812,588	679,621	679,621
Fees and commission expense	96,409	96,409	58,001	58,001	96,402	96,402	53,426	53,426
Net fee and commission income	**837,640**	**837,640**	**737,915**	**737,915**	**716,186**	**716,186**	**626,196**	**626,196**
Net interest, fee and commission income	**3,469,568**	**3,469,568**	**2,830,882**	**2,830,882**	**3,203,439**	**3,203,439**	**2,624,130**	**2,624,130**
Net trading income	165,828	165,828	95,321	95,321	165,828	165,828	95,321	95,321
Other operating income	75,658	75,658	72,283	72,283	75,658	75,658	70,533	70,533
Total operating income	**3,711,053**	**3,711,053**	**2,998,486**	**2,998,486**	**3,444,924**	**3,444,924**	**2,789,985**	**2,789,985**
Impairment charge/(reversal) for loans and other losses	715,313	715,313	(43,188)	(43,188)	713,962	713,962	(37,039)	(37,039)
Net operating income	**2,995,740**	**2,995,740**	**3,041,674**	**3,041,674**	**2,730,963**	**2,730,963**	**2,827,024**	**2,827,024**
Operating expense								
Personnel expenses	919,163	919,163	828,321	828,321	808,774	808,774	739,414	739,414
Other operating expenses	425,639	425,639	317,951	317,951	373,683	373,683	271,152	271,152
Depreciation & Amortisation	60,771	60,771	73,036	73,036	50,042	50,042	67,777	67,777
Operating Profit	**1,590,167**	**1,590,167**	**1,822,365**	**1,822,365**	**1,498,463**	**1,498,463**	**1,748,681**	**1,748,681**
Non operating income	925	925	70	70	922	922	54	54
Non operating expense	190,839	190,839	111,371	111,371	190,839	190,839	111,371	111,371
Profit before income tax	**1,400,253**	**1,400,253**	**1,711,064**	**1,711,064**	**1,308,547**	**1,308,547**	**1,637,365**	**1,637,365**
Income tax expense								
Current Tax	420,373	420,373	514,182	514,182	392,564	392,564	491,761	491,761
Deferred Tax expense/(Income)	-	-	-	-	-	-	-	-
Profit for the period	**979,880**	**979,880**	**1,196,882**	**1,196,882**	**915,983**	**915,983**	**1,145,603**	**1,145,603**

Condensed Consolidated Statement of Comprehensive Income

Profit/Loss for the period	979,880	979,880	1,196,882	1,196,882	915,983	915,983	1,145,603	1,145,603
Other Comprehensive Income	(183,993)	(183,993)	112,437	112,437	(160,201)	(160,201)	106,664	106,664
Total Comprehensive Income	**795,887**	**795,887**	**1,309,319**	**1,309,319**	**755,782**	**755,782**	**1,252,267**	**1,252,267**
Earnings per Share								
Basic earnings per share	-	21.09	-	26.03	-	19.95	-	24.95
Diluted earnings per share	-	21.09	-	26.03	-	19.95	-	24.95
Total comprehensive income attributable to:								
Equity holders of the Bank	784,223	784,223	1,307,726	1,307,726	755,782	755,782	1,252,267	1,252,267
Non-controlling interest	11,664	11,664	1,594	1,594	-	-	-	-
Total	**795,887**	**795,887**	**1,309,319**	**1,309,319**	**755,782**	**755,782**	**1,252,267**	**1,252,267**

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		12.07%		12.95%		12.07%		12.90%
Non performing loan (NPL) to total loan		4.58%		3.70%		4.58%		3.63%
Net Non performing loan (NPL) to total loan		1.85%		1.62%		1.86%		1.61%
Total loan loss provision to Total NPL (As per NRB Directives)		91.97%		100.62%		92.33%		102.33%
Cost of Funds (LCY YTD)		4.10%		5.79%		4.05%		5.76%
CD Ratio - Average of the Month		81.88%		81.79%		81.88%		81.79%
Base Rate -Average for the quarter		5.89%		7.49%		5.89%		7.49%
Average Interest Spread (Calculated as per NRB Directives)- Last Month of Quarter		3.89%		3.98%		3.89%		3.98%
Additional Informations:								
Tier 1 Capital to RWA		9.05%		9.62%		9.01%		9.58%
CET 1 Capital to RWA		9.05%		9.62%		9.01%		9.58%
Return on Equity (Annualized)		11.63%		15.79%		11.26%		15.44%
Return on Assets (Annualized)		1.05%		1.54%		1.03%		1.49%
PE Ratio (Annualized)		11.78		11.22		11.78		11.22
Net-Worth per share (NPR)		182.71		168.45		178.64		164.95
Assets per share (NPR)		1,991.62		1,762.55		1,961.27		1,742.81
Liquidity Ratio (NLA)		26.86%		29.47%		26.86%		29.47%

Notes to Unaudited Financial Highlight

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. Loans and Advances have been presented along with accrued interest, staff loan and net off impairment charges.
5. 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.
6. Personnel Expenses include staff bonus as per Bonus Act and amortization of staff loan granted at subsidized rate as per Bank's policy.
7. Actuarial Valuation of the employees benefits are done on an annual basis.
8. Group represents NMB Bank Limited (NMB) and its subsidiaries NMB Capital Limited, N.M.B Securities Limited and NMB Laghubitta Bittiya Sanstha Limited.
9. The intra-group related figures have been excluded for presentation of the financial statements of the Group.
10. 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, 2082

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	**915,983**	**1,145,603**
1. Appropriations		
a. General Reserve	(183,197)	(229,121)
b. Capital (Debenture) Redemption Reserve	(141,667)	(154,752)
c. Exchange Fluctuation Fund	(7,554)	(5,607)
d. Corporate Social Responsibility Fund	(9,160)	(9,313)
e. Employees Training Fund	(9,377)	(2,088)
f. Other	-	-
Profit or Loss Before Regulatory adjustment	**565,029**	**744,723**
Regulatory Adjustment		
a. Interest receivable (-)/previous accrued interest received (+)	(182,201)	(487,922)
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 (+)	5,811	(59,427)
e. Deferred tax assets recognised (-)/ reversal (+)	-	104,523
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (Interest Capitalised Term Loan)	(17,337)	(18,232)
Net Profit for the quarter ended Ashwin End, 2082 available for distribution	**371,302**	**283,665**
Opening Retained Earning as on Shrawan 1, 2082	**1,572,016**	**783,097**
Adjustment (+/-)	-	-
Distribution:		-
Bonus shares issued	-	-
Cash Dividend Paid	-	-
Total Distributable profit or (loss) as on quarter ended Ashwin End, 2082	1,943,318	1,066,762
Annualised Distributable Profit/Loss per share (Excluding Retained Earnings)	**8.09**	**6.18**

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 Laghubita Bittiya Sanstha	N.M.B. Securities
1	Investment by NMB Bank Ltd.	400,000	172,488	200,000
2	Deposits in NMB Bank Ltd.	966,073	7,602	8,757
3	Borrowing from NMB Bank Ltd.	-	1,883,333	-
4	Interest Payment by NMB Bank Ltd.	5,176	-	24
5	Interest Payment to NMB Bank Ltd.	-	26,337	-
6	Rent Payment to NMB Bank Ltd.	-	-	275
7	Share Registrar Fee payment by NMB Bank	275	-	-
8	Debenture RTS Fee payment by NMB Bank	113	-	-
9	Dividend Distribution of Sulav Investment Fund -2 to NMB Bank	25,641	-	-
10	Dividend Distribution of NMB 50 to NMB Bank	26,553	-	-

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 915.9 Million.
b) Deposit from customers and loans and advances to customers of the Bank (Net) stood at NPR 291 Billion and NPR 234 Billion respectively as at the end of the quarter.
c) As on quarter end, Capital Adequacy Ratio stands at 12.07% while Tier 1 ratio stands at 9.01%. NPA level has increased to 4.58% from 3.63% as compared to previous year corresponding 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 – 283	Minimum Price – 234	Closing Price - NPR 235
Trading number – 13,207	Days of Trading – 51	

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

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