NMB BANK LIMITED
Interim Financial Report FY 2082/83

Condensed Consolidated Statement of Financial Position
As on Quarter Ended Poush 30, 2082 (January 14, 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	23,893,952	46,995,817	23,230,254	33,385,654
Due from Nepal Rastra Bank	22,571,416	16,519,123	22,533,916	16,489,123
Placement with Bank and Financial Institutions	13,022,789	10,304,420	13,022,789	10,264,420
Derivative financial instruments	7,761,363	8,681,416	7,761,363	8,681,416
Other trading assets	-	140,517	-	-
Loan and advances to B/FIs	9,361,027	8,816,813	11,326,026	10,497,119
Loans and advances to customers	247,013,891	235,196,355	239,470,649	228,456,304
Investment securities	31,151,244	33,075,128	30,473,302	32,508,745
Current tax assets	76,072	170,347	42,557	166,787
Investment in susidiaries	-	-	772,488	772,488
Investment in associates	-	-	-	-
Investment property	1,832,617	1,784,193	1,832,617	1,784,193
Property and equipment	3,878,022	3,910,762	3,755,208	3,800,678
Goodwill and Intangible assets	122,383	131,395	119,090	127,174
Deferred tax assets	448,556	327,751	432,330	316,475
Other assets	5,111,753	4,543,323	4,362,775	4,341,932
Total Assets	**366,245,086**	**370,597,361**	**359,135,362**	**351,592,507**
Liabilities				
Due to Bank and Financial Instituions	2,323,587	6,029,457	2,334,757	6,029,457
Due to Nepal Rastra Bank	-	-	-	-
Derivative financial instruments	7,588,521	8,695,560	7,588,521	8,695,560
Deposits from customers	292,144,808	280,117,507	291,441,042	280,926,468
Borrowing	6,779,045	6,641,693	3,275,333	3,987,500
Current Tax Liabilities	32,533	-	-	-
Provisions	22,394	6,174	-	-
Deferred tax liabilities	11,027	-	-	-
Other liabilities	11,075,893	23,336,968	9,454,384	7,394,345
Debt securities issued	12,379,432	12,384,569	12,379,432	12,384,569
Subordinated Liabilities	-	-	-	-
Total liabilities	**332,357,239**	**337,211,927**	**326,473,468**	**319,417,899**
Equity				
Share capital	19,285,041	18,366,706	19,285,041	18,366,706
Share premium	37,216	37,216	-	-
Retained earnings	1,061,027	2,401,028	564,313	1,901,381
Reserves	12,998,217	12,091,359	12,812,540	11,906,521
Total equity attributable to equity holders	**33,381,502**	**32,896,309**	**32,661,894**	**32,174,608**
Non-controlling interest	**506,345**	**489,124**	**-**	**-**
Total equity	**33,887,847**	**33,385,433**	**32,661,894**	**32,174,608**
Total liabilities and equity	**366,245,086**	**370,597,361**	**359,135,362**	**351,592,507**

Condensed Consolidated Statement of Profit or Loss
For the Quarter Ended Poush 30, 2082 (January 14, 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	5,268,768	11,074,350	5,850,057	11,898,090	5,059,185	10,653,507	5,699,323	11,609,726
Interest expense	2,831,981	6,005,636	3,489,361	7,444,427	2,774,962	5,882,032	3,443,992	7,356,460
Net interest income	**2,436,787**	**5,068,714**	**2,360,696**	**4,453,663**	**2,284,223**	**4,771,476**	**2,255,331**	**4,253,266**
Fees and Commission Income	744,315	1,678,364	577,867	1,373,784	678,183	1,490,771	533,743	1,213,364
Fees and commission expense	52,697	149,107	60,103	109,336	51,388	147,790	60,396	105,054
Net fee and commission income	**691,618**	**1,529,258**	**517,764**	**1,264,447**	**626,795**	**1,342,981**	**473,346**	**1,108,310**
Net interest, fee and commission income	**3,128,405**	**6,597,972**	**2,878,460**	**5,718,110**	**2,911,018**	**6,114,457**	**2,728,678**	**5,361,576**
Net trading income	81,778	247,606	84,265	179,587	81,778	247,606	84,265	179,587
Other operating income	111,491	187,149	71,174	143,457	111,491	187,149	72,923	143,457
Total operating income	**3,321,674**	**7,032,728**	**3,033,899**	**6,041,154**	**3,104,288**	**6,549,212**	**2,885,866**	**5,684,619**
Impairment charge/(reversal) for loans and other losses	885,270	1,600,583	388,480	345,292	838,275	1,552,237	381,804	344,765
Net operating income	**2,436,404**	**5,432,145**	**2,645,420**	**5,695,861**	**2,266,013**	**4,996,975**	**2,504,062**	**5,339,854**
Operating expense								
Personnel expenses	890,945	1,810,108	984,930	1,813,252	802,488	1,611,262	903,315	1,642,729
Other operating expenses	433,167	858,806	363,373	690,093	404,732	778,415	339,069	618,989
Depreciation & Amortisation	57,370	118,141	62,164	135,200	47,287	97,329	47,478	115,256
Operating Profit	**1,054,923**	**2,645,090**	**1,234,952**	**3,057,317**	**1,011,505**	**2,509,968**	**1,214,200**	**2,962,881**
Non operating income	40,731	41,656	593	663	40,721	41,644	593	648
Non operating expense	30,844	221,682	13,117	124,488	30,844	221,682	13,117	124,488
Profit before income tax	**1,064,810**	**2,465,063**	**1,222,429**	**2,933,492**	**1,021,382**	**2,329,930**	**1,201,676**	**2,839,041**
Income tax expense								
Current Tax	302,077	722,451	350,296	864,478	288,752	681,316	343,739	835,500
Deferred Tax expense/(Income)	-	-	-	-	-	-	-	-
Profit for the period	**762,733**	**1,742,612**	**872,132**	**2,069,014**	**732,630**	**1,648,613**	**857,937**	**2,003,540**

Condensed Consolidated Statement of Comprehensive Income

Profit/Loss for the period	762,733	1,742,612	872,132	2,069,014	732,630	1,648,613	857,937	2,003,540
Other Comprehensive Income	(68,439)	(252,432)	(30,183)	82,254	(82,792)	(242,992)	(22,842)	83,822
Total Comprehensive Income	**694,293**	**1,490,181**	**841,949**	**2,151,268**	**649,839**	**1,405,621**	**835,095**	**2,087,362**
Earnings per Share								
Basic earnings per share	-	17.88	-	21.42	-	17.10	-	20.78
Diluted earnings per share	-	17.88	-	21.42	-	17.10	-	20.78
Total comprehensive income attributable to:								
Equity holders of the Bank	687,778	1,472,001	839,534	2,147,260	649,839	1,405,621	835,095	2,087,362
Non-controlling interest	6,516	18,180	2,415	4,008	-	-	-	-
Total	**694,293**	**1,490,181**	**841,949**	**2,151,268**	**649,839**	**1,405,621**	**835,095**	**2,087,362**

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		11.81%		12.66%		11.81%		12.62%
Non performing loan (NPL) to toal loan		4.57%		4.01%		4.56%		3.96%
Net Non performing loan (NPL) to toal loan		1.59%		1.82%		1.59%		1.78%
Total loan loss provision to Total NPL (As per NRB Directives)		97.33%		92.94%		97.39%		93.97%
Cost of Funds (LCY YTD)		3.92%		5.50%		3.89%		5.48%
CD Ratio - Average of the Month		85.09%		86.76%		85.09%		86.76%
Base Rate -Average for the quarter		5.48%		6.92%		5.48%		6.92%
Average Interest Spread (Calculated as per NRB Directives)- Last Month of Quarter		3.78%		3.97%		3.78%		3.97%
Additional Informations:								
Tier 1 Capital to RWA		8.79%		9.50%		8.79%		9.46%
CET 1 Capital to RWA		8.79%		9.50%		8.79%		9.46%
Return on Equity (Annualized)		10.41%		13.50%		10.17%		13.35%
Return on Assets (Annualized)		0.94%		1.32%		0.93%		1.30%
PE Ratio (Annualized)		13.98		11.49		13.98		11.49
Net-Worth per share (NPR)		172.46		172.32		168.75		168.36
Assets per share (NPR)		1,896.49		1,777.96		1,862.25		1,756.18
Liquidity Ratio (NLA)		25.47%		24.68%		25.47%		24.68%

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. The Bank has issued Perpetual Non-Cumulative Preference Shares (PNCPS) of NPR 3 Bio. which qualifies as Additional Tier I (AT1) capital. The issue was fully subscribed, allotted on Magh 04, 2082, and capitalized after the Q2 reporting period.
5. Loans and Advances have been presented along with accrued interest, staff loan and net off impairment charges.
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. Personnel Expenses include staff bonus as per Bonus Act and amortization of staff loan granted at subsidized rate as per Bank's policy.
8. Actuarial Valuation of the employees benefits are done on an annual basis.
9. Group represents NMB Bank Limited (NMB) and its subsidiaries NMB Capital Limited, N.M.B Securities Limited and NMB Laghubitta Bittiya Sanstha Limited.
10. The intra-group related figures have been excluded for presentation of the financial statements of the Group.
11. 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 Poush 30, 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	**1,648,613**	**2,003,540**
1. Appropriations		
a. General Reserve	(329,723)	(400,708)
b. Capital (Debenture) Redemption Reserve	(310,913)	(283,333)
c. Exchange Fluctuation Fund	(13,468)	(10,382)
d. Corporate Social Responsibility Fund	(16,486)	(9,663)
e. Employees Training Fund	(17,507)	(7,271)
f. Other	-	-
Profit or Loss Before Regulatory adjustment	**960,516**	**1,292,183**
Regulatory Adjustment		
a. Interest receivable (-)/previous accrued interest received (+)	(406,118)	93,678
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 (+)	(24,101)	(23,509)
e. Deferred tax assets recognised (-)/ reversal (+)	-	94,733
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (Interest Capitalised Term Loan)	(30,695)	(25,506)
Net Profit for the quarter ended Poush End, 2082 available for distribution	**499,602**	**1,431,580**
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 Poush End, 2082	564,313	1,337,740
Annualised Distributable Profit/Loss per share	**5.18**	**10.25**

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.	1,065,738	11,170	6,273
3	Borrowing from NMB Bank Ltd.	-	1,964,999	-
4	Interest Payment by NMB Bank Ltd.	8,510	-	37
5	Interest Payment to NMB Bank Ltd.	-	54,144	-
6	Rent Payment to NMB Bank Ltd.	-	-	550
7	Share Registrar Fee payment by NMB Bank	550	-	-
8	Debenture RTS Fee payment by NMB Bank	225	-	-
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 1,648.6 Million.
b) Deposit from customers and loans and advances to customers of the Bank (Net) stood at NPR 291 Billion and NPR 239 Billion respectively as at the end of the quarter.
c) As on quarter end, Capital Adequacy Ratio stands at 11.81% while Tier 1 ratio stands at 8.79%. NPA level has increased to 4.56% from 3.96% 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 – 260	Minimum Price – 231.30	Closing Price - NPR 239
Trading number – 9,103	Days of Trading – 55	

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 एनएमबि बैंक
समृद्ध नेपालको लागि
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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