

CELEBRATING **20** *years*

ANNUAL REPORT - 2014/15



NMB BANK
एनएमबि बैंक

move beyond





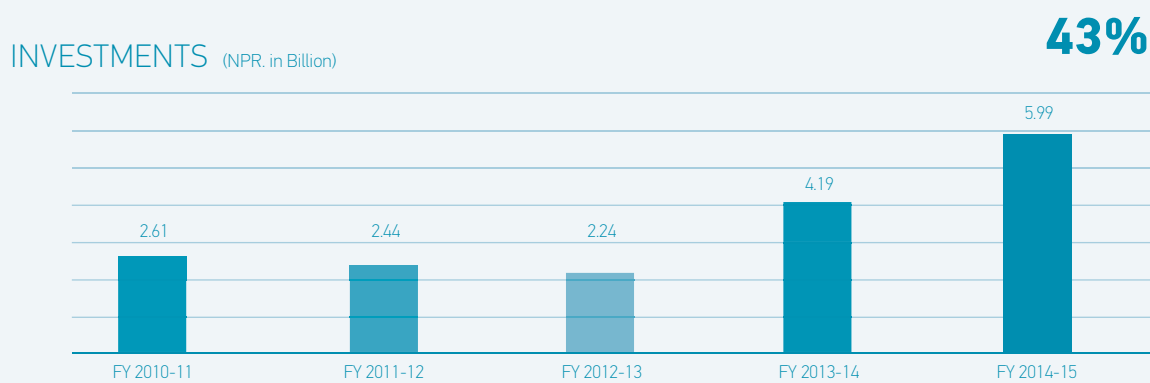
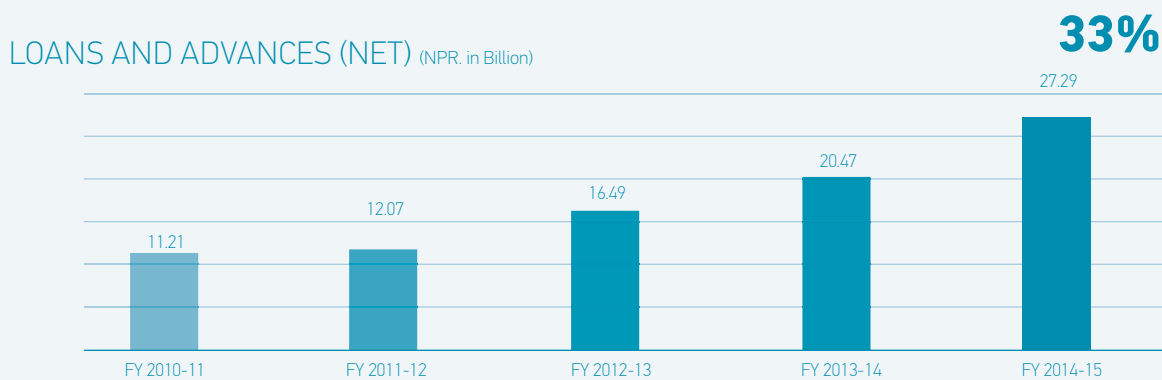
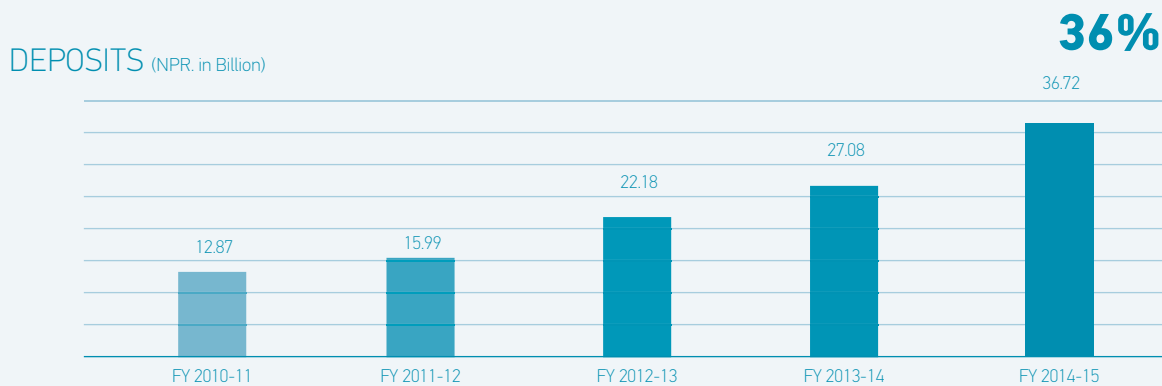
पुत्रक्षिप्रान्जय

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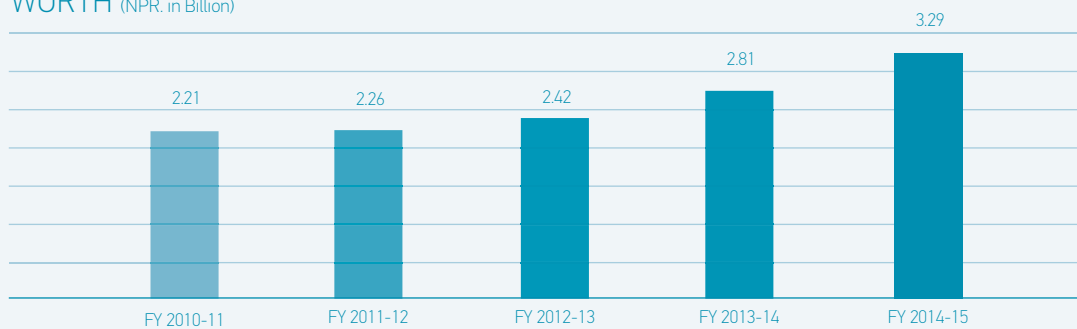
Financial Highlights



Net Profit [22%]

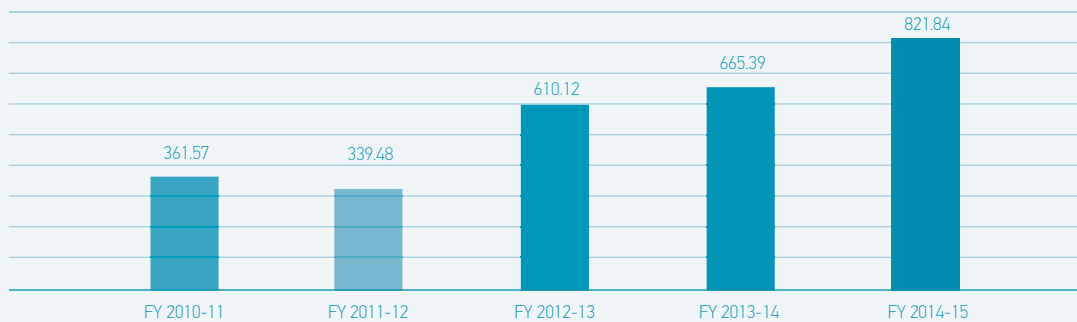
17%

NET WORTH (NPR. in Billion)



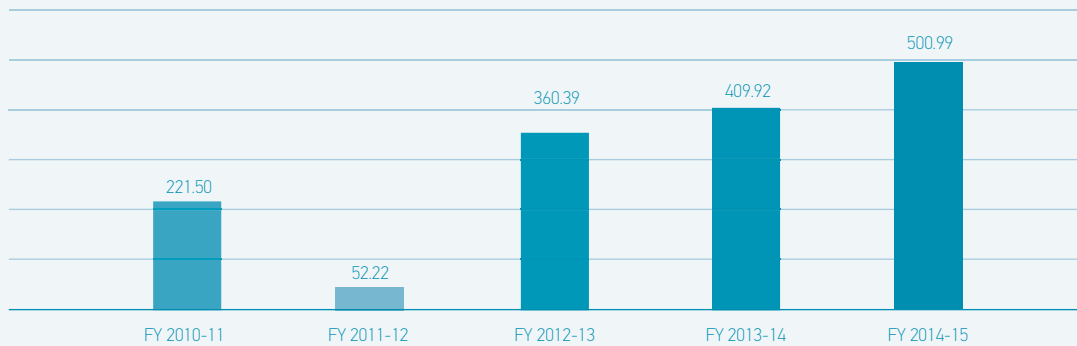
OPERATING PROFIT BEFORE PROVISION (NPR. in Million)

24%



NET PROFIT (NPR. in Million)

22%



The year in review

FY 2014/15



Q1

17 July - 17 October

Deposits	27.35 B
Loans and Advances	21.12 B
Net Profit	142.79 M

Q2

18 October - 14 January

Deposits	29.06 B
Loans and Advances	23.31 B
Net Profit	270.58 M

Q3

15 January - 13 April

Deposits	33.44 B
Loans and Advances	26.59 B
Net Profit	400.51 M

Q4

14 April - 16 July

Deposits	36.72 B
Loans and Advances	27.29 B
Net Profit	500.99 M

Historical Merger



About us



NMB Bank Ltd. celebrated 20 years of its operation this year which speaks a volume for its performance. The financial institution which started as a finance company and having upgraded in 2008 to a commercial bank has a very robust and sound performance history. Since the inception till date, the Bank has continuously paid dividends to the shareholders at the same time being one of the most compliant banks in the industry. The Bank has had a steady growth, with a recently successful merger with 3 Development Banks and 1 Finance Company on 18 Oct 2015 there will be no looking back for NMB Bank Ltd.

The Bank owes its success to all staff, shareholders, customers and business partners. The stakeholders confidence in the Bank's Management and the Board is also responsible for the Bank's journey till date and the same confidence will take the Bank to new heights. We are firm in our resolution to serve customers across the country hence have 69 branches 7 extension counters and intend to add more branches wide and far each year. The products are developed to suit both urban and rural population of the country from Corporate to micro- finance with equal zest. In the time of globalization, the Bank continuously works towards efficient services with the help of latest technology. The customers' satisfaction is the prime goal of the Bank.

The Bank always strives and keeps towards it 'Mission & Vision' to be a leader in banking industry in true faith. '5Bs our success' is the values followed by each staff to be at sync with the Bank's vision.

Vision

To establish ourselves as a leader in banking by providing a range of financial services suitable to the needs of the market with high priority on customer care while simultaneously embracing the interests of all stakeholders and value of a good corporate citizen.

Mission

To gain supremacy in growth, profit, customer care and social response in banking by way of:

- Leveraging and integrating the existing strengths of the institution
- Reaching out and serving wide range of customers within and outside the country
- Developing a culture of "Giving Extra Care to the Customers"
- Being innovative in designing and delivering services
- Adopting prudent investment practices for building up a sound assets base.
- Developing internal and external efficiencies by prudent use of technology
- Building operational efficiency through smarter processes and controls
- Providing exciting and challenging career prospects for the employees
- Placing high priority on stakeholders' interest and statutory compliance
- Acting responsibly for making contributions to the society at large

5Bs Our Success

Be innovative with the changing time

Be a team player and deliver results together

Be responsible to our actions

Be prudent for sustainable and consistent growth

Be committed to deliver what we promise

Chairman's Statement



Pawan Kumar Golyan
Chairman

Dear Shareholders,

On behalf of NMB Bank Ltd., I am delighted to welcome you all in the first Annual General Meeting after the historical merger of NMB Bank Limited with erstwhile Clean Energy Development Bank, Bhrikutee Development Bank, Pathibahra Development Bank and Prudential Finance Company.

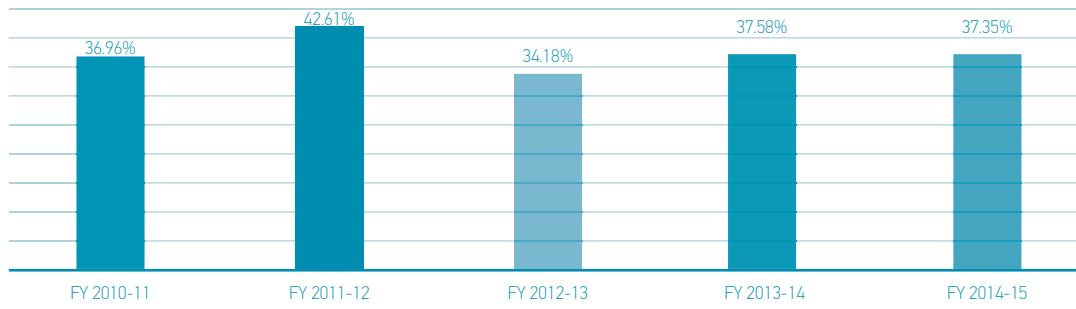
It gives me immense pleasure to state that the Bank has successfully completed its merger process and started its consolidated operation from 18th October 2015. This indeed is a

historical merger in the entire banking industry of Nepal as it successfully merged five financial institutions from various different categories from "A" Class Commercial Bank to "C" Class Finance Company. This historical merger will not only strengthen the Bank's capital base but also shall help the Bank in fulfilling its vision of becoming a leading financial institution in the country by improving its capabilities and providing unmatched services with innovative banking products. With the merger the Paidup Capital and reserve of the Bank stands at NPR 4.15 billion and NPR 2.40 billion respectively. Similarly

the deposit stands at NPR 51.18 billion whereas the Loans and Advances is NPR 42.53 billion. The Bank's strong presence in the eastern and western part of the country has strengthened its network base with the total of 69 branches and 7 extension counters. The merger of the Bank has cemented its place as a leading player in the banking industry which is a result of assiduous effort of its Directors, Shareholders and Staff of all merging entities. I would like to thank each of you, as well as regulatory authorities for your support in this initiative.

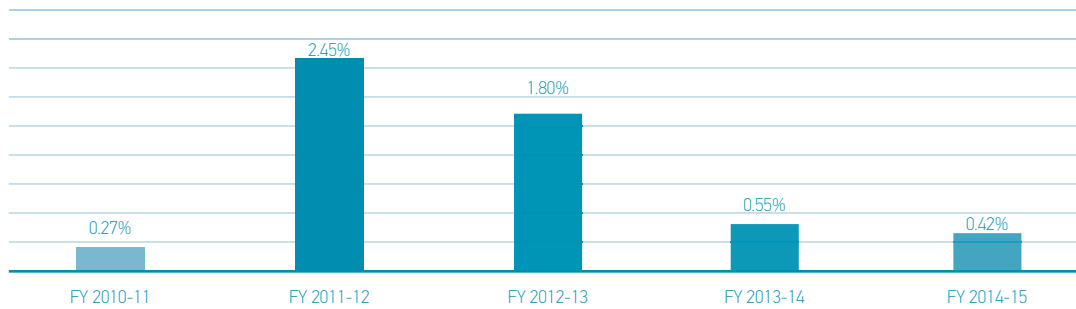
COST TO INCOME RATIO

-0.23%



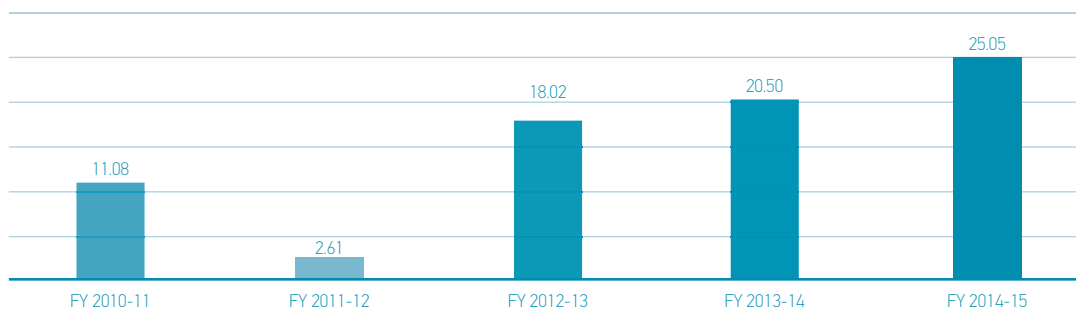
NON PERFORMING LOAN

-0.13%



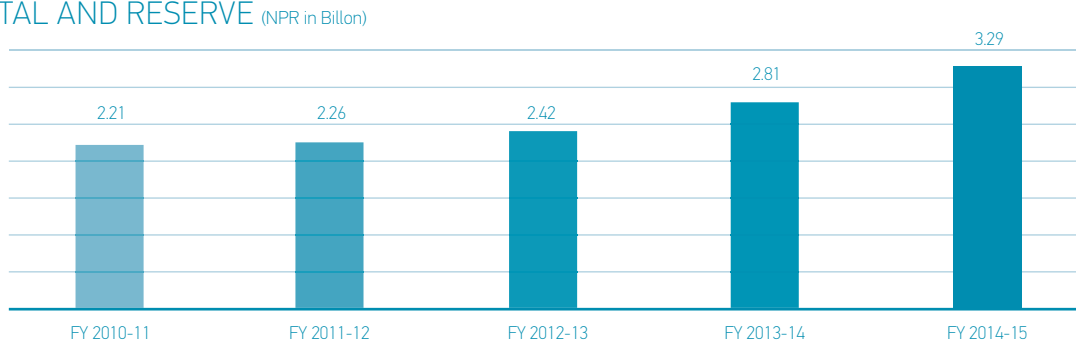
EARNING PER SHARE

22%



CAPITAL AND RESERVE (NPR in Billion)

17%





The Bank has managed its productivity and efficiency level through effective resource mobilization strategies. During the financial year, proactive strategy to overcome the weakened operating environment has helped the Bank to post good results in terms of business growth and profitability.



The Banking industry has witnessed excess liquidity and lack of alternative areas for investment which has affected the country's overall economy. Excessive liquidity position has posted a daunting challenge for managing interest rate for both deposit and loans, coupled with elevated inflation levels beyond the estimated figure for the FY 2014/15. In a nutshell, significant increase in liquidity position, pressure on spread, acute energy shortage, labor issues, frequent strikes, political instability have kept the country's economy subdued during the year.

The country was hit by natural catastrophe during the last quarter of the financial year which has had negative impact on the country's economy and banking sector. Delay in reconstruction initiatives, slow down in development expenditures by the Government has resulted in contraction of overall economic activities of the country. Decline in domestic productivity and ever increasing import have further widened up the country's

trade deficit. The outlook for industrial activity continued to remain subdued, sluggish productive sector and industrial activity resulted in increased migration of labor force for foreign employment which has further elevated the country's unemployment rate.

Against this backdrop, the Bank has managed its productivity and efficiency level through effective resource mobilization strategies. During the financial year, proactive strategy to overcome the weakened operating environment has helped the Bank to post good results in terms of business growth and profitability. The Bank has managed to post Net Profit After Tax of NPR 500.99 million, an increase by 22% vis-à-vis last year.

I am pleased to inform you that this year we are proposing 8% dividend by way of bonus share and 0.25% cash dividend to all our shareholders out of the accumulated profit of NPR 500.99 million for the last year. The proposed dividend

is only out of erstwhile NMB Bank Limited's profit of NPR 500.99 million which is appropriated to the shareholders after merger. Total of NPR 904.3 million has been transferred to reserve fund of the Bank out of NPR 253.2 million accumulated profit of merging entities and NPR 651.1 of residual from share swap respectively. The Bank is a robust and growth oriented institution that will be able to deliver convincing performances and earnings in the future as it has done in the past.

During the financial year, financial institutions consolidation strategy was undertaken by Nepal Rastra Bank which has drawn attention in the financial landscape of the country. Your Bank has taken a proactive approach and was well prepared for inorganic growth prior to the Central Bank provision came in.

The Bank is always proactive in visualizing the changing market dynamics and operating environment which has helped the Bank to adopt



The Bank is always proactive in visualizing the changing market dynamics and operating environment which has helped the Bank to adopt several actions to counter market adversities.



several actions to counter market adversities. To enable the Bank's capacity to cater the opportunities in local and international arena, the Bank has established its Representative office in Kulalmpur, Malaysia. I am sure this initiative of the Bank will help additional avenues for business opportunities in remittance and other bilateral trade between two countries.

During the year, the Bank has found its foreign joint venture partner as FMO, Netherland. FMO is one of the largest bilateral development banks globally which has invested in the private sector in developing countries and emerging markets for more than 45 years. I am confident that this partnership will enhance the Bank's lending appetite and risk taking capacity to invest in larger projects thus helping in the Bank's future growth trajectory.

The country was struck by massive earthquake during the last quarter of the financial year that has taken

thousands of lives and made thousands homeless. On behalf of the Board I would like to express our deep condolences to the earthquake victims. The Bank being an integral part of the society, it is our responsibility to contribute to the society. In this process the Bank and its staff have actively participated in distribution of relief materials and rescue efforts during the disaster.

Although the branches were not directly affected by the earthquake, it has left its impact on the recovery of loans and advances. In spite of worsening political and economic activities, the Bank has managed to achieve modest growth during the last fiscal year. I would like to assure you that the Bank is committed to deliver robust growth and earnings by increasing its capabilities in terms of delivering customer centric innovative products and quality services.

Before I conclude, I would like to express my sincere gratitude to Mr. T Puraharan CP Ramakrishnan and Mr. tManish Jain for their valuable contribution and for

successfully completing their tenure as Board Directors of the Bank. At the same time, I would like to welcome our new Board Directors Mr. Romani Prasad Pathak and Mr. Alwin B. Kool (representative of FMO) to the Board.

I also would like to thank all the shareholders and customers of the Bank for their valuable support.

I wish to record my gratitude to Nepal Rastra Bank, Government of Nepal, Ministry of Finance, Securities Board of Nepal, Nepal Stock Exchange, Company Registrar for their guidance and support.

I would also like to commend and appreciate the Management and staff members of the Bank, their energy, positive attitude and hard work is very inspiring thus I am assured of their continued support in the days ahead.

Thank You..

Pawan Kumar Golyan
Chairman



CEO's Message



FY 2014/15 has been an eventful period and turning point for the Bank. Amidst an extremely difficult period and challenging business environment, the Bank's achievements in terms of growth in business and profit have been impressive. Maintaining profitability and quality of assets during such a period of continuing excessive liquid market, ever increasing trade deficit and very low level of capital expenditure by the government followed by the devastating earthquake in April 2015 made the business environment quite challenging. Despite all odds, the Bank was able to record Net Profit of NPR 500.99 million, an increase of 22 % compared to the last year. Sound growth in international trade related

transactions and other transaction banking related activities have contributed positively towards an impressive growth of 26% in fee income. The Bank also succeeded in maintaining an outstanding assets quality as depicted by NPA of 0.42% in such a difficult time. The Bank has over the period reduced its reliance on Call and Institutional Deposit. The Deposit structure is appropriately diversified.

The Bank took a major initiative to grow inorganically through Merger and Acquisitions which got a tangible start in October 2014 with the agreements having been signed for the merger of five Banks and Institutions at one-go. The initiative is in line with the Banks' strategic goal as envisaged by its Vision 2020 to become a leading Bank in the country. As we concluded the mega merger, considered as a historical event in the financial sector in the country, the Bank is amongst the largest private sector banks in the country.

The ultimate goal of the merger has been to achieve superior financial results in order that the Bank continues to enhance the value to the shareholders by way of consistent sound growth and returns, meet the expectations of the staff and other regulators. Since the initiative entailed merger of five institutions of different sizes, geographical locations and working environment, the HR and system integration has been critical and most challenging part of the process. The Bank therefore proactively worked towards the integration well in advance. Early decisions were made with regard to the alignment of tasks and operations at all levels amongst the

merged entities. The Bank has meticulously worked to ensure a planned and effective change management. Due priorities have also been accorded towards an effective communication at levels within the organization and outside the Bank including the customers. In the process we have also held sessions with key staff of all merging institutions on value system the Bank has embraced for itself.

Following the merger, FMO, a leading development Bank in the Netherlands is associated with the Bank as Joint Venture partner. NMB and FMO together with the local institutional promoter of the Bank, Employees Provident Fund, can work together in financing projects.

Further, FMO together with Triodos Bank, Netherlands can help sharing international best practice in assessment and monitoring of project finance through training programs. Such initiatives are expected to enhance capabilities of the staff in the bank. Considering FMO/Triodos involvement in other SAARC countries including Sri Lanka, India, Bangladesh, we can explore working together for regional initiatives.

Post Merger, the Bank's paid up capital and capital fund has increased to NPR 4.15 Billion and NPR 6.54 Billion which is to increase gradually to meet the paid up capital requirement as at Mid July 2017 as stipulated by the Central Bank. The merger initiative of the Bank has now proven to be a proactive move on the part of the Bank.

The Banks' footprints have now increased to 76 which makes the Bank well represented throughout the country. The Bank also plans to open branches or acquire other banks and financial institutions in other parts of the country where it is considered relatively weak represented like, Far West. Acquisitions at a later stage may also be considered. The Bank has two subsidiaries: Two - NMB Capital and NMB Micro Finance. Both these subsidiaries are operating profitably with attractive EPS.

As a major policy shift of the Bank post merger, the Bank aims to become the leading financiers to the energy sector in the country leveraging on the existing expertise of the dedicated Energy Sector Team and FMO/Triodos. The Bank aims to become number one Bank in financing the energy sector in Nepal. NMB has a dedicated Energy Division with a clear focus on financing of hydro power projects and other alternate renewal energy projects including Micro Hydro, solar, electric vehicles, bio-gas, energy efficient initiatives.

We will continue our focus on Non-funds based income by way of new products. The Bank will also focus on offshore

The Bank took a major initiative to grow inorganically through Merger and Acquisitions which got a tangible start in October 2014 with the agreements having been signed for the merger of five Banks and Institutions at one-go. The initiative is in line with the Banks' strategic goal as envisaged by its Vision 2020 to become a leading Bank in the country.

business opportunities for generating income through loan and guarantee syndications. The Bank successfully lead managed the first ever syndication of the international bank guarantee for a power project in Nepal. Expansion of the Bank's footprints and alternate delivery channel and also leverage on the strengths of the subsidiaries will be the Bank's ongoing initiative.

Cost management and improvement in productivity will be given a priority. The Bank will gradually improve its cost to income ratio to be one of the best in the industry.

NMB has a robust Risk Management system which is the key to the Bank's success. We have always given priority to develop prudent Risk culture. We will also accord top priority on enhancing risk management capabilities. It will be one of the priorities of the Bank to further strengthen the quality of risk assets. The Bank operates with compliance and Risk culture in the centre stage. The Bank believes in prudent approach for a sustainable and consistent growth.

Considering its JV partner based in Malaysia and a substantial number of migrant workers working there, the Bank opened its first offshore office in Malaysia in 2014.

Only way you can increase share of your business in such a competitive market is through high level of customer care and service. As such, we must create high level of customer service standard and inculcate customer service culture within the organization. Currently the bank has implemented the Turn Around Time for various products. The Bank has Specialised Customer Care Unit and a Fully equipped, improved and more effective Call Centre. We are probably the only Bank in the country to have focused customer care with call centre.

Mergers/acquisitions including of regional level Banks and Financial Institutions and our own subsidiary Micro Finance Bank have helped us develop unmatched network and unbeatable market penetration with clear understanding of the customer needs and aspirations. The Bank has also been investing in Alternate Delivery Channels like ATMs and branchless banking. The Bank has even gone to the extent of proposing to reach out to the earthquake victims in remote villages through Branchless Banking, our own subsidiary Micro Finance Bank and other agent networks. Our presence in Malaysia through our JV partner and Representative office is expected to reinforce our relationship to help enhance our brand and reach out to the retail customers throughout the country.

Further, the Bank has set up Retail and SME Hubs for a focused approach in the respective businesses primarily to facilitate

speedy decisions. Turnaround time of the credit proposals processing has improved substantially after this initiative.

The Bank has also taken various initiative directed towards deepening its presence in the alternate renewable energy including solar in urban and rural areas. Diversification in Risk Asset, strengthening its productive sector portfolio, expansion of its footprint in strategic locations and continuous focus on understanding customer needs and creating solutions around them shall be the keys priorities of the Bank.

The Bank is working towards establishing itself as one of the best brands in banking industry in Nepal. Added Focus on Retail and SME portfolio, International Trade, Tie-ups with Multilateral agencies for various business initiatives including Trade Finance, Micro Finance and access to finance and also leveraging on FMO/Triadods expertise and strength of our partner in Malaysia will help us improve the Bank's brand. In fact, the recent success of the Bank in the mega merger has further improved the image of the Bank and helped the Bank command better respect in the country.

The Bank will also continue various CSR initiatives including in heritage conservation in order to enhance image of the Bank and build brand.

We do understand that the Bank's staff are our greatest assets. The Bank will take required initiatives directed towards further improving Working environment and create growth opportunities for all High Talent staff. The Bank will also provide opportunities for skill development and training.

I am thankful to the Bank Board, Board of merging entities, promoters and management of merging entities for their guidance, wisdom and support throughout the merging process. I must thank Joint Merger Committee (JMC) for their unrelenting efforts without which the merger would have not been possible.

I wish to express my sincere gratitude to the NMB Bank Board of Directors, Government of Nepal, Ministry of Finance and regulatory authorities including Nepal Rastra Bank, Securities Board for their valuable support during the period.

I am extremely thankful to our two important stakeholders - our customers and employees. My sincere gratitude to our valued clients for their patronage & staff's for their commitment and positive attitude and commitment to deliver results together.

Thank you..

Upendra Poudyal
Chief Executive Officer

Director's Report

The Board of Directors of NMB Bank Ltd is pleased to present 20th Annual Report including the Balance sheet, Profit and Loss Account, cash flow statements for the year ending 2014/15. Apart from the financial statements, overview of business environment, key milestones, challenges faced and strategies and way forward are summarized in this section.

This report is in conformity with the provisions of the Company Act 2063, Banks and Financial Institutions Act 2063 including directives and circulars issued by Nepal Rastra Bank time to time.

Financial & Performance Highlights :

	NPR (In Thousand)		
	16 July 2015	16 July 2014	% Change
Total Deposits	36,722,918	27,087,258	35.57
Total Loans & Advances (Net)	27,288,891	20,467,041	33.33
Total Investment	5,983,872	4,191,269	42.77
Net Interest Income	967,368	789,283	22.56
Commission, Discount & Other Operating Income	224,886	179,018	25.62
Foreign Exchange Income	119,514	97,660	22.38
Gross Operating Income	1,311,767	1,065,960	23.06
Gross Operating Expense	489,927	400,574	22.31
Operating Profit (Before provision)	821,840	665,387	23.51
Net Profit	500,990	409,923	22.22
Paid Up Capital	2,400,000	2,000,000	20.00
Capital Adequacy Ratio	11.13	10.75	3.51

Deposits: During the year, despite the slow growth in the country's economy and persistent challenging business environment, the Bank posted Net Profit of NPR 500.99 M against NPR 409.92 M of previous year - an increase by 22.22%. Total deposits of the Bank grew by 35.57% at NPR 36.72 B against NPR 27.09B previous year. The Institutional deposit consist of 52.84% of the total deposit, whereas Current & Saving accounts contribute 25.29%, fixed deposit contributes 30.49%, similarly term and call deposit constitutes 21.32% and 39.09% respectively. The Bank has been able to mobilize institutional deposit within the prescribed threshold of Nepal Rastra Bank.

Loan & Advances (Net): Loans & Advances during the fiscal year grew by 33.33% at NPR27.29B. Out of which, Real estate loan constitutes of 5.69%, Home Loans 10.60%, Margin Lending 0.93%, Term Loan 18.11%, Overdraft facility 4.87%, Trust Receipt Loan/ Import Loan 4.7%, Demand & other Working Capital loan 25.72%, Hire purchase 4.3%, Deprived sector lending 4.75%, Bills Purchase 3.04% & other loans 18.02%. The Bank has invested 32.97% in productive sector against NRB stipulated limit of 20%.

Investment: The Bank has made investment of NPR 5.9 B against NPR 4.1B of previous year an increase of 42.77% in various institutions, Government Bonds & Treasury Bills and foreign banks.

Operating expense: Operating expense grew by 22.31% against last fiscal year at NPR 490M. The staff expense increased by 35.27% at NPR 201M. Although there is an increase in overall operating expense, the total cost however, remained within the budget allocated for the fiscal year.

Income: Operating Income of the Bank grew by 23% during the fiscal year at NPR 1.31B against NPR1.06B of previous year. The net profit of the Bank during the fiscal year remained at NPR 500 M against NPR 409M of previous year which is an increase by 22.22%. Net Interest Income grew by 22.56% at NPR 967M, Commission, Fees & other operating income grew by 26% at NPR224M, Foreign Exchange Income grew by 22% at NPR119M. The Bank invested in new avenues during the fiscal year hence due to able management, the Bank was able to make significant profit during the fiscal year.

Capital Adequacy Ratio: During the fiscal year, the Bank's capital adequacy ratio remained very strong at 11.13% against stipulated requirement of NRB at 10%. The loan/deposit ratio remained at 75%. Liquidity ratio remained within the prescribed limit by 35.07%.

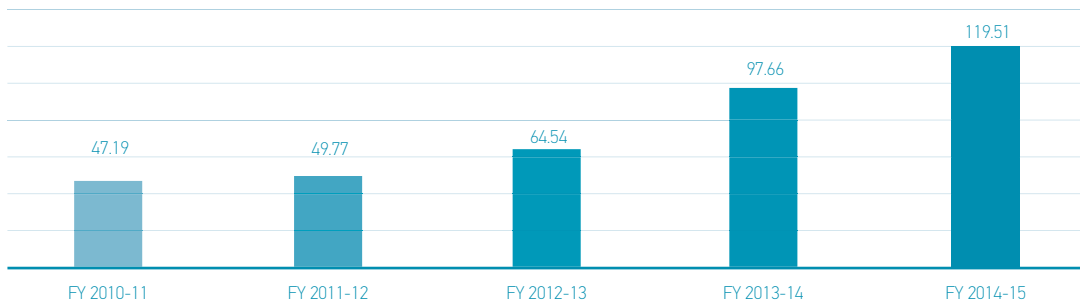
Credit Risk Management: The Bank has always followed prudent banking practice, 0.42% under Non Performing Asset is the proof of that practice which is in fact a drop from 0.55% of previous year.

Debenture: The Bank issued NPR 500M Debentures at 7% with maturity on 7 Bhadra 2077. This has enabled the Bank's capital for further investment.



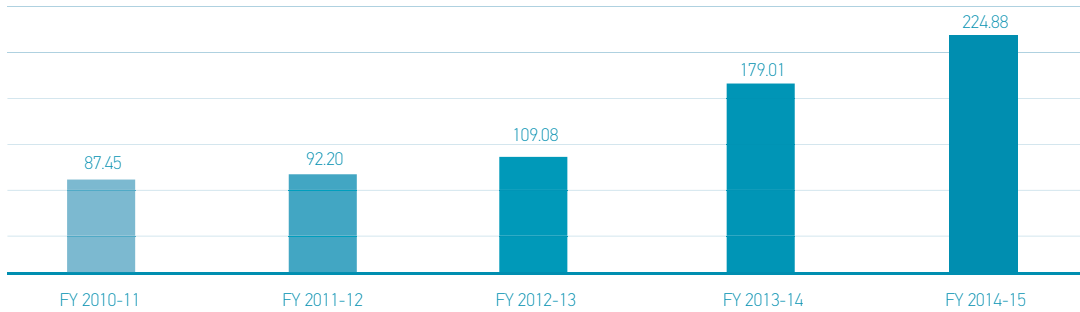
FOREIGN EXCHANGE INCOME (NPR in Million)

22.38%



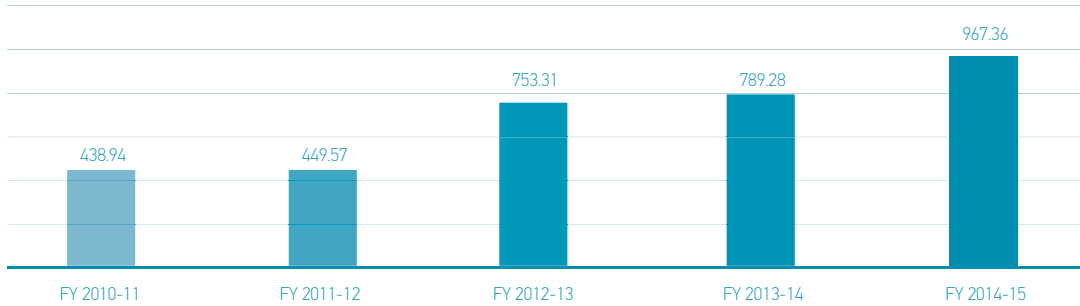
FEEES AND COMMISSION (NPR in Million)

26%



NET INTEREST INCOME (NPR in Million)

23%



Branch Expansion:

During the fiscal year, the Bank opened its 29th branch in Lahan. With the completion of merger process with effect from 18 Oct 2015, the Bank now has 69 branches and 7 extension counters. The branches has presence across the country with 21 in eastern region , 25 in mid region, 19 in western region, 2 in mid western region and 2 in far western region. In order to focus on small & medium enterprises, the Bank opened its SME Hub in New Road. The Retail Hub was shifted to Naxal with a view to provide convenient services to the customers.

4 new ATMs were installed during the fiscal year in various locations of the Bank , the Bank now has 44 ATMs across the country. The Bank is resolute on adding more ATMs in future as well.

To provide banking facilities to population at remote areas, the Bank has been providing branchless banking in Doti, Lubhu and Thaiba. The Bank will expand branchless banking in more remote areas in the coming days.

The Bank managed to have tie up with 2 Malaysian Companies to facilitate inward remittance for the convenience of the workers in Malaysia. The remittance arrangement with companies from Kuwait, Dubai, Korea, Malaysia are also in place which will help in building up a deposit base for the Bank. The Bank continues to focus on remittance business and will seek new destinations for the same.

Opening of Representative Office in Malaysia:

The Bank opened its 1st Representative Office in Kualalumpur Malaysia in April 2015. The office will play an advisory role to the business people of Malaysia for investment opportunities in Nepal and vice versa. This will certainly help to strengthen the business ties of the two countries.

World Economic Outlook

According to the World Economic Outlook published by the International Monetary Fund (IMF) in April 2014, world's economic growth is projected to be 3.6 percent in 2014 and 3.9 percent in 2015. The US economy and Euro Area are estimated

to grow by 2.8 percent and 1.2 percent respectively. Similarly, emerging and developing economies is projected to grow by 4.9 percent. Economic growth rate of the neighboring countries, India and China remained at 4.4 percent and 7.7 percent in 2013 and is expected to grow by 5.4 percent and 7.5 percent respectively in 2014. Although the developed economies are gradually recovering from the impact of economic recession, there will be less pressure on inflation due to weak aggregate domestic demand in such economies. Especially, it is expected to have contractionary impact on global inflation as a result of the less than expected inflation in Euro Area. According to the IMF, inflation of the advanced economies was recorded at 1.4 percent in 2013 and is expected to remain at 1.5 percent in 2014. Similarly, inflation in emerging and developing economies was 5.8 percent in 2013 and is expected to remain at 5.5 percent in 2014. According to the IMF, inflation in China was 2.6 percent in 2013 and is forecasted to be 3.0 percent 2014. On the other hand, inflation in India remained at 9.5 percent in 2013 and is forecasted to be at 8.0 percent in 2014. Reserve Bank of India has the target of bringing down inflation to 8 percent by January 2015 and 6.0 percent within one year thereafter. However, because of still higher food prices, hike in railway fare, less than expected monsoon rain due to impact of El Nino in India and the possibility of increase in prices of petroleum products because of widespread internal conflict in Iraq, it is challenging to contain inflation at a forecasted level. (excerpt Monetary Policy 2014/15)

Domestic Economic Outlook

As a result of increase in agricultural production due to favorable monsoon and improvement in non-agriculture sector on account of improving labor relation and security situation, Gross Domestic Product (GDP) has increased at a higher rate in 2013/14 compared to the previous years. According to the preliminary estimates of Central Bureau of Statistics (CBS), the real GDP grew by 5.2 percent at basic price and 5.5 percent at producers' price in the review year. Such growth rates were 3.5 percent and 3.9 percent respectively in the previous year. In the review year, the growth rates of agriculture and non-agriculture sector are estimated to be 4.7 percent and 5.3

percent, respectively. Such growth rates were 1.1 percent and 4.6 percent respectively in the previous year. In the review year, under the nonagriculture sector, industry and service sub-sectors are estimated to grow by 2.7 percent and 6.1 percent respectively. In the previous year, the growth rates of industry and service sub-sectors were 2.5 percent and 5.2 percent respectively.

The overall BOP recorded a surplus of Rs. 109.56 billion during the eleven months of 2013/14 compared to a surplus of Rs. 52.69 billion during the same period of the previous year. Although there was a huge trade deficit, the current account recorded a surplus of Rs. 77.84 billion in the review period as a result of significant surplus in service and transfer accounts. Under the current account, the net service income witnessed a surplus of Rs. 19.73 billion and remittance inflows rose by 26.4 percent to Rs. 490.95 billion. In US dollar terms, remittance inflows increased by 12.2 percent to US\$ 4.99 billion.

The gross foreign exchange reserves increased by 21.4 percent to Rs. 647.64 billion in mid-June 2014 from Rs. 533.30 billion in mid-July 2013. In the US dollar terms, foreign exchange reserves increased by 21.0 percent to USD 6.79 billion in mid-June 2014 from USD 5.61 billion in mid-July 2013. Based on the trend of imports during the eleven months of 2013/14, the current level of foreign exchange reserve is sufficient to cover 11.2 months of merchandise imports and about 9.8 months of merchandise and service imports.

Nepalese currency which had been weak compared to the US dollar and other convertible currencies in early months of 2013/14 due to its peg with Indian rupee remained fairly stable during the later months of the fiscal year. Nepalese currency vis-à-vis US dollar depreciated by 0.9 percent in mid-July 2014 from the level of mid-July 2013. It had depreciated by 6.7 percent in the corresponding period of the previous year. The exchange rate of one US dollar stood at Rs. 95.90 in mid-July 2014 compared to Rs. 95.00 in mid-July 2013. (excerpt Monetary Policy 2014/15)

Highlights of the Fiscal Year 2015/16 & Future Plan:

The key financials of the Bank upto 15 December 2015 (Mangsir end, 2072) is as follows:

(NPR in thousand)

S.N Particulars		
1.	Deposits	51,188,706
2.	Loans & Advances	42,537,031
3.	Investment	6,521,551
4.	Net Interest Income	592,922
5.	Commission, Discount & Other Operating Income	113,261
6.	Foreign Exchange Income	60,151
7.	Gross Operating Income	766,334
8.	Gross Operating Expense	282,974
9.	Operating Profit (Before Provision)	484,291
10.	Net Profit (Accrual Basis)	310,140
11.	Paid Up Capital	4,154,559
12.	Reserve & Surplus	2,401,030
13.	Capital Adequacy	12.48

Future Plans

The Bank has a strategy to invest significantly on Small & Medium enterprises loans along with investment in productive sector as well. With these in minds the Bank will continue to open branches to facilitate banking services and also intends to expand its branchless banking facilities to even wider area. The Bank firmly believes in keeping up with the modern technology as it is the only medium which gives customers full satisfaction of the services. The change of software of the Bank is therefore on the card.

The Bank will continue to enter into various agreements with the foreign agents for the convenience of workers working outside Nepal thus increasing its share in the incoming remittance.

The Bank has already launched Debit and Credit cards but in the 3rd Qtr of review period, the Bank intends to operate from its own SWITCH for both Debit and Credit cards. SWITCH operation will definitely give the Bank an edge in issuance of Debit and Credit cards.

The Bank will focus on the growth of its subsidiary company by introducing new schemes under Mutual Funds.

The Bank has invested its time and fund in 'Corporate Social Responsibility' programs and will continue to make significant contributions in the area.

Industrial or Professional Relationship of the Bank

The Bank maintains professional relationship with all commercial banks within the country. The professional relationship is extended to foreign banks outside the country in the form of correspondent relationship which is more than 100 in number.

Changes in the Board:

During the fiscal year, there was no changes in the Board of Directors.

Significant issues that will change business:

The risks and the challenges that the Bank faces are as follows:

- Risk attached to the loans and non funded facilities
- Challenges arising out of liquidity fluctuation
- Risk from fluctuation of foreign exchange
- Repayment capacity of the customers following the earthquake and economic blockade
- Possible risk following the changes in monetary policy, national level policy in the country
- Impact of weakening of international economy
- Lack of investment avenues
- Impact of constant load shedding, labor problem, strikes in the country's economy

Significant observation from the Auditors to the Board:

There are no significant audit observations noted during the fiscal year.

Dividend payment:

As per the approval of Nepal Rastra Bank, in order to increase

the capital, the Bank has proposed to distribute 8% bonus share and 0.42% of cash dividend (for the tax purpose). The profit of erstwhile NMB Bank Ltd will be distributed to all shareholders (including shareholders of all merging entities) whereas the profit of merging entities will be accounted under reserve.

Details of Shares forfeited by the Bank:

No shares were forfeited during the year.

Performance of subsidiary companies:

The detail of subsidiary companies have been incorporated under clause 25 (b) .

Main highlights of the subsidiary companies:

NMB Capital works as a share registra of the Bank for which it received NPR 350,000/- as a fee. During the end of the fiscal year, NMB Capital maintained NPR 1.36B deposits with the bank for which the bank paid NPR 7.1M as interest to NMB Capital.

The Chief Executive Officer of NMB Capital is the employee of NMB Bank. The Bank has leased the office to NMB Capital at NPR 1.8M.

During the fiscal year, the Bank has invested NPR100.5M as a seed money in NMB Sulav Investment Fund 1 Mutual Fund. NMB Capital is appointed as a fund manager of mutual fund.

Information provided by the basic shareholders to the Bank:

None

Information on purchase of shares by the shareholders and officials during the fiscal year:

None.

Information on the Director's relatives involvement in the Bank's contracts if any:

None

If the Bank has purchased its own shares, mention the reason for such purchase, number of purchased shares and the amount paid by the Bank:

None

Internal Control System

The Bank has established a very strong risk management environment to ensure risk are managed timely. There are 2 separate risk committees dedicated to credit risk and operational risk. Required policy processes to mitigate various type of risks are periodically prepared and reviewed taking in consideration the changes in regulatory system. Such policies are duly approved by the Board. Regular trainings in and outside the country are given to the staff to make them skilled.

As per the requirement of Nepal Rastra Bank, 3 Board level committees have been formed namely Audit Committee, Risk Management Committee and Human Resources Service Committee. These committees are chaired by Non Executive Directors hence significant risks are tabled at the board level as well.

In the management level, there are various risk committees namely Executive Committee, Asset & Liability Committee, HR recruitment Committee, Operational Risk Committee, Governance Committee, Information & Technology Committee to have overview of all kind of risks. Such risks are regularly discussed so that immediate solutions are provided. The Bank continuously makes an effort to mitigate risk arising from Money Laundering,

Board level Committees

Audit Committee:

As per NRB Directives, Audit Committee has been formed with the following members:

Harishchandra Subedi	- Coordinator
Jeevan Man Joshi	- Member
Ganesh Parajuli	- Member Secretary

Audit Committee has performed as per the Terms of Reference stated by NRB. Each audit report is discussed at the Committee and the suggestions/ guidelines are followed through. The Board is regularly updated on the audit issues by the Committee Coordinator.

During the fiscal year, the Audit Committee had 23 meetings. The members are provided NPR9000/- as a meeting allowance for each meeting. Member Secretary being a staff does not accept meeting allowance.

Risk Management Committee:

The Coordinator of the Committee is a Non Executive Director. The coordinator of Audit Committee (Non Executive Director) is also a member of the committee along with Chief Information Officer, Head Compliance & Chief Risk Officer. The high risk issues identified at the management level are escalated to the Committee for further deliberation other than the high risk issues any new NRB Directive/regulatory changes, Monetary Policies, that can have significant impact on the operation of the Bank are discussed. Each quarter 'Stress Testing' of the Bank's performance is reviewed in the committee too.

HR Service Committee

Under the coordination of Non Executive Director, CEO, DCEO, CIO & Head HR, HR Service Committee has been formed. The Staff By-Laws, changes in the staff facilities, salary revision, changes in the organization structure, NRB regulation or any other regulatory changes are the main topic of discussion in the Committee.

Detail of Gross Operating Expense during the fiscal year :

During the fiscal year, the total operating expense of the Bank along with staff expense remained at NPR489M.

Details of Audit Committee:

The detail is incorporated under clause 16.

Information of amount yet to be paid to the directors, Chief Executive Officers, basic shareholders or their close relatives and their associated companies:

None.

Annual salary, benefits, allowance provided to the Directors, Chief Executive Officer and other Management staff:

The detail is under annexure 4.33

Information of Unclaimed Dividend by the shareholders

Out of the total dividend distributed by the Bank, NPR 2,64,67,127/- remains unclaimed by the shareholders. A notice to collect the dividends are posted in the newspaper and in the bank's website.

Details of Fixed Assets purchase/sale as per the requirement of section 141

No fixed asset was purchased or sold during the fiscal year.

Business transaction with the related companies as per Company Act 2063 clause 141

The detail is furnished under annexure 4.33

Any other information as per Company Act 2063 in Director's Report:

Required information have been provided in the report.

Other important issues:

Completion of merger process

The resolution passed by 16th AGM for merger in order to increase the capital as well as to spread the foot prints in east and west, the merger process with Pathibhara Development Bank in the eastern region, Bhrikuti Development Bank in the western region, Clean Energy Development Bank and Prudential Finance Company was completed. From 18th

October 2015 a consolidated operation was commenced. With this merger, the Bank will have additional capital for further investment as well as a strong presence in both eastern and western region. The Bank is confident to move ahead in hydro power as well as renewable energy making most of the expertise developed by erstwhile Clean Dev Bank. FMO Netherlands is an International Strategic Partner of the Bank and with the support of FMO, the Bank will play a very important role in the energy sector in the coming days.

Subsidiary Companies

NMB Capital Ltd.

To focus in the investment banking activities, the Bank established with 100% ownership, NMB Capital Ltd. with a capital of NPR100M. During the fiscal year, NMB Capital made a significant performance. The profit increased by 23% at NPR20.37M. The company increased its income by 20% mainly by doing securities and issue management. The company paid 21.05% dividend as against 8% dividend previous year.

Clean Village Microfinance Bittiya Sansthan Ltd.

Clean Village Microfinance Bittiya Sansthan Ltd. was established as a subsidiary company of erstwhile Clean Energy Development Bank Ltd in 3/3/2013 with an approval from Nepal Rastra Bank as a 'D' class financial institution. Subsequent to the merger of Clean Energy Dev. Bank into NMB Bank Ltd. Clean Village Microfinance Bittiya Sansthan Ltd has become a subsidiary of NMB Bank Ltd. Its Share Capital is NPR40M with 51% shareholding of NMB Bank, 19% of promoter shareholders and remaining 30% with the general public. Its Head Office is in Hemja and has 28 branches in various hilly regions.

The company managed to serve 24,614 customers with financial services in 217 villages. The company has provided NPR560M in loans and collected NPR 110M deposits till date.

Recently conducted AGM of the company has approved to change the name of the company to NMB Microfinance Bittiya Sansthan Ltd.

Highlights of the company during fiscal year 2014/154:

1. The company opened additional 12 branches during the fiscal year.
2. The company managed to make 26.58% net profit of the Paid Up Capital. It decided to issue 15% bonus share of the Paid Up Capital and issue cash dividend for tax purpose.
3. The company also provides remittance service in agreement with various remittance companies.
4. The company in liaison with District Micro Entrepreneurs Group Association (DMEGA) Myagdi has created a forum for entrepreneurship for few small entrepreneurs.

Corporate Social Responsibility

The Bank continued to focus on the preservation of heritage sites during the fiscal year. With the objective of preserving the damaged heritage sites during the earthquake, the Bank distributed a large quantity of plastic/tent to cover the damaged heritage sites around Kathmandu city from further ruin. The Bank to raise awareness on the importance of heritage sites organized Heritage Painting Competition in the school level in various parts of the country. NMB Walkathon has been a major fund raising event for the Bank hence like previous years, this fiscal year also the Bank organized a walkathon and managed to raise funds. Corporate Social Responsibility related activities are not limited to Kathmandu Valley but are carried out in each place where the bank has presence by various activities like blood donation program, donation at various orphanage, clean up campaign, book donation etc.

Human Resources

The Bank has always given importance to its employees as it clearly understands that for the Bank to be successful in its mission and vision, the support of the staff is essential. In a competitive environment, effective management of human resources play a large part, without which it is almost impossible for the bank to move ahead. The Bank gives utmost importance in the development of each staff hence invests significantly in the training of the staff. Trainings are conducted both in-house and outside the Bank and both core banking

and soft skill trainings are given equal importance. A dedicated Learning & Development cell was established during the review period solely to devote in the development of staff.

During the review period total permanent staff were 358 wherein women and men staff were 114 and 244 respectively. After the merger, the total number of staff reached 698 where women are 233 and men staff are 456. There are 3 staff who have worked in the Bank for more than 15 years, 10 staff who have worked more than 10 years. Chief Executive Officer has been with the bank for last 16 years.

Management Team

Chief Executive Officer, Mr. Upendra Poudyal is the head of Management Team with 27 long years of banking experience. He is supported in the management by the following team:

Sunil KC	Deputy Chief Executive Officer
Pradeep Pradhan	Chief Information Officer
Bijay Giri	Head Learning & Development
Shabnam L. Joshi	Head Human Resources & General Administration
Sharad Tegi Tuladhar	Chief Risk Officer
Pramod Dahal	Head Compliance & Company Secretary

Acknowledgement

On behalf of the Board of Directors I would like to express my gratitude to all shareholders, customers for banking with NMB Bank Ltd. My sincere thanks to the Management Team and all staff for delivering resounding performance year after year.

Thank You..

Pawan Kumar Golyan

Chairman

Board of Directors



Pawan Kumar Golyan
Chairman



Nanda Kishor Rathi
Director



Rajendra Kafle
Director



Alwin B. Kool
Director



Romani Prasad Pathak
Director



Harischandra Subedi
Director



Kamlesh Kumar Agrawal
Director



**Lt. Gen. Nepal
Bhushan Chand (Retd)**
Director



Jeevan Man Joshi
Director



Pramod Kumar Dahal
Company Secretary

Executive Management Team



Upendra Poudyal
Chief Executive Officer



Sunil K.C.
Deputy CEO



Pradeep Pradhan
Chief Information Officer



Bijay Giri
Head Learning, Development
& Service Excellence



Shabnam L Joshi
Head Human
Resources &
General Administration



Sharad Tegi Tuladhar
Chief Risk Officer



Pramod Kumar Dahal
Head Compliance &
Company Secretary

Operational Risk Management



The objective of operational risk management is to enhance security of the operational activity pursued by the Bank by improving efficient scale of operations, mechanisms of identification, assessment and measurement, reduction, monitoring and reporting of operational risk.

Operational risk is a potential loss arising from the failure of people, process, technology or the impact of external events. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. We seek to control operational risks to ensure that operational losses do not cause material damage to the bank.

Operational risks can arise from all business lines and from all activities carried out by the bank. The objective of operational risk management is to enhance security of the operational activity pursued by the Bank by improving efficient scale of operations, mechanisms of identification, assessment and measurement, reduction, monitoring and reporting of operational risk. The operational risk management also includes the self-assessment of operational risk for Bank's products, processes and applications as well as organizational changes. The aim of the current operational risk management is preventing the materialization of operational events and detecting and reacting to occurring operational events.

The Bank uses various solutions to limit its exposure to operational risk, including the following:

- Control instruments,
- Review and Monitoring of internal controls,
- Review of each segment of the bank for potential operational lapses,
- Threshold monitoring,
- Contingency plans,
- Insurance,
- Outsourcing.

If the risk level is elevated or high, the Bank applies the following approach:

- **Risk reduction** – mitigating the impact of risk factors or consequences of its materialization,
- **Risk transfer** – transfer of responsibility for covering potential losses on a third-party,
- **Risk avoidance** – resignation from activity that generates risk or elimination of probability of the occurrence of a risk factor.

Identified operational risk exposures are rated 'low', 'medium', 'high' or 'very high' in accordance with defined criteria. Risks that are outside set materiality thresholds receive a differential level of management attention and are reported to senior management and risk committees up to Board level. Significant external events or internal failures that have occurred are analyzed to identify the root cause of any failure for remedy and future mitigation. Bank's Operational Risk Department is responsible for setting and maintaining the standards for operational risk management and control. Bank has a comprehensive framework with a common approach to identify, assess, quantify, mitigate, monitor and report operational risk.

The Bank's Operational Risk Management Committee, chaired by the CEO, oversees the management of operational risks across the bank, supported by business and operational segments of the bank. The operational risk management committees operate on the basis of a defined structure of delegated authorities and terms of reference approved by the bank management. Any possible operational risk issue that requires a senior level management or Board oversight is escalated to Risk Management committee.



NMB Capital Limited

(a subsidiary of NMB Bank Limited)

Banks Fully Owned Subsidiary

NMB Capital Limited

NMB Capital Limited (NMBCL) celebrated its 5th anniversary during the year after spinning off as a separate entity from the Bank's business. Its businesses encompass wide range of merchant/investment banking services, Management of Initial Public Offers (IPO)/Further Public Offers/Right Issuance, Underwriting, Trusteeship, Registrar to Securities (RTS), Depository Participant (DP), Advisory Services, Valuation, Fund Manager & Depository etc.

The Directors of the Company are eminent personalities from reputed business houses and experienced commercial banker. The Bank has a practice to appoint CEO on a secondment basis. The team is lead by an experienced banker having knowledge on investment banking and general management. It has a strong team of qualified personnel with expertise in various fields of merchant banking and general banking affairs. NMBCL has created prominent space in the investment banking industry of Nepal and is gradually growing with new products in offer.

The major activities performed by the Company during FY 2014/15 are as under:

Amount (NPR in millions)

S.N. Details

1.	Fund Manager for Mutual Fund (NMB Sulav Investment Fund- I)	750.00
2.	Management of Initial Public Offers:	751.71
3.	Management of Rights Sahre Issuance:	1,67.04
4.	Management of Unsubscribed Right Issuance:	13.57
5.	Number of RTS Client (in numbers)	21
6.	Depository for NMB Sulav Investment Fund – I	
7.	Depository Participant	

Financial Performance

For the review year 2014/15 net profit of the company grew at an impressive rate of 22.70%, contributing to an EPS of 29%.

The increase in earnings has been contributed by growth in all areas. In the review period NMBCL launched its first mutual fund scheme on the first quarter of the year. Earnings from portfolio management has contributed to 20% of the overall income which has resulted in 33% increase in the business income of the company. Amidst high increase in overall costs of doing business, there has been a moderate increase in the overall costs of the company which has increased by only 6% compared to 15% in the previous year. The company has distributed 20% cash dividend to its shareholders in the last fiscal year, retaining the rest for growth programs.

Balance Sheet

As on July end (in '000)

Particulars	2014/15	2013/14	2012/13	2011/12
Capital & Liabilities				
1. Share Capital	100,000	100,000	100,000	100,000
2. Reserve and Funds	46,705	17,575	2,253	1,468
3. Bills Payable	5,123,874	1,169,734	230,252	40,373
4. Proposed Dividend	-	8,418	5,263	4,211
5. Income Tax Liabilities	-	-	-	-
6. Other Liabilities	30,834	18,959	8,049	5,856
Total	5,301,413	1,314,686	345,817	151,908
Assets				
1. Cash Balance	1	1	-	-
2. Balance with Banks/ Financial Institutions	5,178,423	1,228,271	231,731	60,267
3. Investments	66,773	57,922	91,854	75,561
4. Fixed Assets	4,430	5,569	7,235	8,351
5. Other Assets	51,785	22,924	14,997	7,729
Total	5,301,413	1,314,686	345,817	151,908

Profit & Loss Account

(in '000)

Particulars	2014/15	2013/14	2012/13	2011/12
Business Income				
Income from Issue Management	20,239	16,845	6,735	2,067
Income from Share Registrar	5,193	5,104	3,773	3,973
Income from Underwriting	837	451	884	530
Income from Portfolio Management	11,797	-	-	-
Income from other sources	235	184	10	11
Interest Income	21,565	22,199	11,662	12,901
Total Business Income	59,869	44,782	23,065	19,483
Staff and Administrative Expenses				
Staff Expenses	6,572	6,969	4,693	4,632
Office and Administrative Expenses	10,571	9,197	9,344	8,355
Total Staff and Administrative Expenses	17,144	16,166	14,037	12,987
Operating Profit	42,724	28,616	9,027	6,496
Pre- Operating Expenses	-	-	-	-
Non Operating Income/Expenses	-	-	-	-
Income From Regular activities	42,724	28,616	9,027	6,496
Income/Expenses from Abnormal Transactions	-	6,183	11	-
Profit before Bonus and Taxes	42,724	34,799	9,039	6,496
Provision for Staff Bonus	3,884	3,164	822	591
Provision for Income Tax	9,710	7,896	2,169	1,393
Net Profit	29,130	23,740	6,048	4,513

Growing with the market momentum

The aftermath of the deadly earthquake that hit Nepal led to a decline of the securities market in the FY 2014/15. The year on year benchmark index NEPSE, decreased by 7.23 percent to 961.23 points in FY 2014/15 compared with 100 percent increment to 1036.11 points in the previous fiscal year. NEPSE sensitive index stood at 204.67 point in FY 2014/15, as against 222.45 in FY 2014/15. In the review year 2014/15, NMBCL launched its first mutual fund scheme in the first quarter of the year – NMB Sulav Investment Fund – I (NMBSF1) a growth fund of NPR 600M. The scheme received overwhelming response from the institutional investors and public at large with over subscription of more than 3 times. Due to the oversubscription, the total corpus was increased to NPR 750M (increase of 25% of the initial corpus as per securities regulations). The units of the scheme have been

listed for trading on Nepal Stock Exchange under scrip name NMBSF1. The Net Asset Value of scheme is gradually gaining the momentum and was NPR 10.25, at end of the fiscal year and the units were trading at NPR 10 in the secondary market.

In the first half of the current fiscal year the NEPSE index has seen impressive growth. In the first six months of the fiscal year the benchmark index increased by 23.83%, and closing at 1190.16 points. The NAV of NMBSF1, during the same period grew by 30.73% beating the benchmark index by 6.9%, ending at NPR 13.40.

NMBCL is also a Depository Participant for Central Depository System and Clearing Limited (CDSCL) for automating of shares trading, database management and other associated activities for shares traded on the Nepal Stock Exchange. The new role has been in full operation with daily settlement and clearing of more than 5,000 accounts opened at NMBCL being done for facilitating the automated trading system.

NMBCL shall also focus on customized Portfolio Management Services to cater the area of wealth management. Research based programs, advisory services and services relating to Fund Arranger shall be area to specialize going forward. To address the long term investment opportunities and its management, it shall look for local and international firms to partner for building the strengths for the capital market of the country.

The capital market of the country has been on a shallow pace so far. The challenges are to make it vibrant with new products in offer by convincing the regulators on its sanity and prudence. As a growth plan, NMBCL has already registered three more mutual fund schemes to address the market demand. NMBCL is exploring opportunities by innovating new products to target core and provide access to small investors to the capital market. Hence, a commitment from NMBCL team is the dedication and integrity for the betterment of the financial industry and maximizing the value creation.

Audit and Compliance



Audit

“ The Bank has a strong in house internal audit department which periodically conducts internal audit of all the functions and units of the bank.

The banking business is very special because it involves dealing with money of public at large. The nature of the banking business, therefore, requires proper internal control and governance system in place to ensure that banking transactions are closely monitored and the risks arising out of such transactions are minimized. For this purpose, the internal audit function in a bank largely assists in providing a reasonable assurance that all the control processes are well devised and effectively operated.

The Bank has a strong in house internal audit department which periodically conducts internal audit of all the functions and units of the bank. The Bank has an Audit Committee headed by a non executive director as required by section 164 of Company Act 2063

and directive 6 of the directive issued by the central bank. The duties and responsibilities of the committee are as defined in the said Act, BAFIA , Directives issued by Central Bank and Audit Manual of the Bank. Head Internal Audit works as a member secretary of the committee. The committee meets as and when required.

Internal Audit Department is independent of the management of the bank and reports directly to Audit Committee. Internal Audit reports are presented to Audit Committee and decisions are made based on the issues raised in the report. Statutory Auditors also have direct access to the committee. During FY 2014/15, the committee met 23 times. M/s T. R Upadhyaya & Co., Chartered Accountants

” was the Statutory Auditor for the Bank for FY 2014/15.

Likewise, the Bank has a well established compliance department headed by a senior level staff. The department ensures that all the prevailing Acts, Directives of central Bank and internal policies & Procedures of the bank are fully complied with. The duties and responsibilities of the department is as defined in Terms of Reference of the department. Head compliance department reports to CEO of the Bank and is also a member of Executive committee of the bank. Compliance department also works as a focal point for any correspondence between the Bank and central Bank and other Government organizations.

Banking Products & Services



Considering the diverse requirement of the customers, we at NMB have specialized departments focusing on giving customers the best solution to their financial needs.

NMB Bank has always been working towards providing customers tailor made solutions to meet its customers' requirements right from individual savings to business financing. Considering the diverse requirement of the customers, we at NMB have specialized departments focusing on giving customers the best solution to their financial needs.

The Corporate banking team offers working capital finance by way of overdraft or short term loans, trade finance products suitably structured to meet customer's needs and their risk profile, either as a part of consortium or as a sole banker.

The Business banking unit targets the mid-market segment i.e. firms whose financial requirements are too large for microfinance, but too small to be effectively served by corporate banking models by offering customized products ranging overdraft to non-funded facilities like letter of credit and guarantees.

Availability of credit on right time is an integral ingredient for Small & Medium Enterprises (SME) to scale new heights. Our SME department understands this very well and endeavors to not just be a bank but also a financing partner, so that our customers can focus in their business needs while we cater to their financing needs.

Microfinance Department has been providing services in two ways- wholesale lending and retail sales. For wholesale lending, the bank has entered into an agreement with several Micro Finance institutions (MFIs) in the country, which intermediate between the bank and the people, and help to provide the bank's services to people in rural areas of the country where the bank is not present. The bank also directly provides these services to people through its Micro finance unit at places where it is present.

While our Corporate Banking team takes care of financial needs of large hydro projects, our Renewable Energy team takes care of small scale hydro projects. Besides this,

Renewable Energy department also focuses on providing financial support to companies working in the field of energy generation from renewable resources like the sun. NMB Bank is among the very few banks enlisted by Alternative Energy Promotion Center (AEP) to support financial requirement of individuals as well as organizations under its Urban Solar Program.

NMB Bank has a dedicated department taking care of each individual's banking requirements whether it is their savings deposit or a loan requirement. Retail Banking Department offers varied solution to individual customer's deposit requirement through saving deposit accounts, fixed deposits and call / current accounts on one hand, while on the other it also takes care of an individual's loan requirement through mortgage loan products like Home loan, Auto loan, Personal Loans etc. Besides these, NMB Bank also offers wide range of other credit products like professional loan, consumer durable loan and credit cards.

A dedicated team handles fund placement requirements of large institutions and specializes in providing financial services to Development Organizations, both national and international, working in the country. NMB Bank's Priority Banking team leaves no stone unturned in providing the best service to our priority customers, whether it is basic banking requirement or tailor made financial advisory services.

Last but not the least, our International Banking Department plays the ultimate role by providing every customer with products that are designed to ease their liquidity position through effective cash management solutions and come with a number of other facilities such as Internet Banking, Mobile Banking etc. Customer's requirement for easy access to funds as well as transaction security is ensured through varied products like debit, credit and international cards.

The Bank constantly innovates products to suit each and every individual's financial needs because in the customers' satisfaction lies the Bank's biggest success.

एनएमबी बैंक
सुलभ कर्जा

NMB
INVESTORS'
SAVINGS
ACCOUNT

एनएमबी बैंक
सोलार कर्जा
सहज, दिर्घ र वातावरण मैत्री

एनएमबी
घर कर्जा

शुभलाभ
बचत खाता

NMB BANK
Sulavremit
सुलभ रेमिट

NMB BANK
mobile
banking

NMB BANK
Bancassurance

एनएमबी बैंक
अलकापुरी बचत

NMB BANK
Medical
Emergency Loan
WE CARE

NMB BANK
SAFE DEPOSIT
LOCKER

NMB eBANKING

Human Resources



Role of HR in NMB Bank Limited

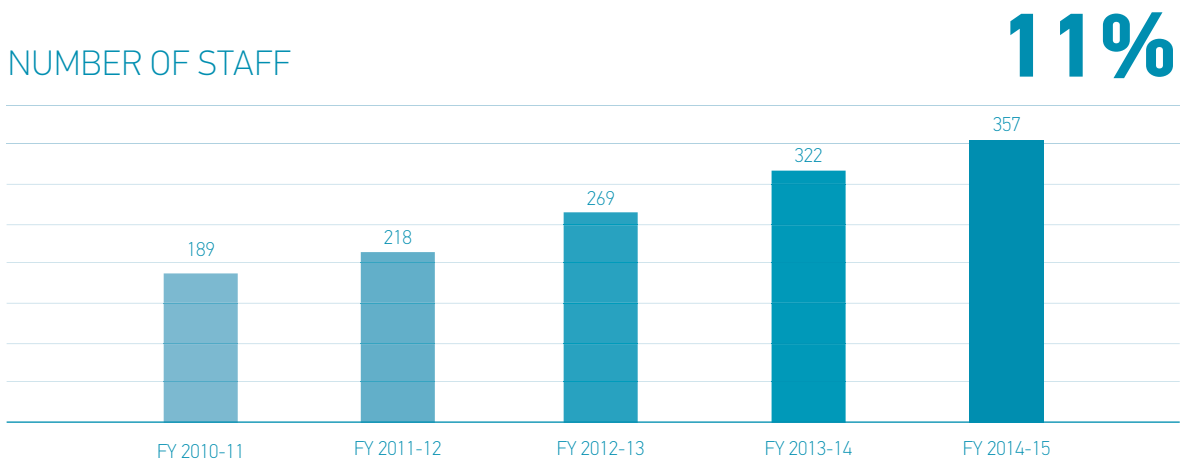
Being a service industry, managing people is the major challenge of the bank. Effective management of people determines the success of a bank which is possible mainly because of efficient and skilled employees. NMB Bank Limited too has been moving ahead considering its staff as assets of the bank rather than cost. 700 plus staff too share common values and culture thus helping the bank move in its mission.

The role of HR Department at NMB starts from managing recruitment, hiring of employees, coordinating employee benefits and suggesting employee training and development strategies. Only performing these roles are not enough for managing employees, being HR professionals, the HR team have to perform the role of a consultant and advise the staff on their career aspirations too. HR team keeps itself updated with regulatory changes, latest HR technology to help the Management being abreast with the changes in the industry. HR policy/process are revised periodically to be at sync with the industry practices.

With the current merger of the bank with four other banks, the role of HR has grown significantly and the team has played an active and critical role in the change process. In this light, HR has been able to use management coaching skills to help managers and executives to communicate effectively and completely to address issues arising out of integration. In order to make the transition smooth for all staff, HR used communication tools effectively, kept the communications flowing, encouraged staff for open communication and organized events for interactions. To rule out on the misunderstanding of the job objectives, HR prepared and handed each and everyone's Job description within the first week of the integration which helped in consolidation of the work process to move ahead.

HR is thus directly involved in the Bank's capacity building. It is mainly focused in four functions such as acquisition, development, motivation and maintenance of human resources so as to accomplish the organization's as well as their personal goals and objectives. HR always strives to work harder to address staff's concerns on time so that working environment is always best for the staff's creativity and output.

NUMBER OF STAFF



Corporate Social Responsibility

Corporate Social Responsibility (CSR) has been an integral part of NMB Bank's functions over the years, wherein the bank has been actively involved in causes for social upliftment both directly and through alliances with local and government bodies.

NMB Social Initiative (NSI), a non-profit organization formed by the Bank's staff to carry out the Bank's CSR activities has been working on causes including healthcare, education, scholarship programs and most importantly creating awareness on heritage preservation.

NSI has been organizing the annual NMB Bank Heritage Walk since 2011, the proceeds from which have been successfully utilized in the renovation of the Gorakhnath Temple, Thapathali and maintenance of Luchhu Bhuju Ajima Mandir, Keltole. The event is actively supported by stakeholders, business partners and the general public with much enthusiasm and vigor.

In the wake of the devastating earthquake that struck the nation in April this year, the Bank was swift to mobilize resources and extend support in relief operation through distribution of basic necessities in the affected areas. Staff visited some of the worst affected areas – Sindhupalchowk, Nuwakot, Bhaktapur and Chhaling to lend a helping hand

in the relief efforts. Likewise, the Bank's supported the Department of Archaeology in preservation of monuments damaged by the quake by providing tarpaulins to cover the structures to prevent further deterioration. The Bank also intends to help contribute in the re building efforts of heritage sites and will undertake projects to construct low cost safe houses as permanent shelter for earthquake victims.

Keeping in line with its pledge to work on 'heritage preservation' the Bank's annual calendar includes the NMB Bank Inter School Heritage Painting Competition, designed to create awareness on heritage preservation amongst the youth across the country. Regular Clean Up programs of heritage sites and monuments are conducted through the Bank's branches which keeps the momentum going at the grass root level.

The Bank understands the need and importance of education to empower the younger generation and has been giving continuity to its Book Donation drive over the years.

As the Bank has grown in size and business especially through the recent merger, it plans to broaden the scope of areas for CSR so as to reach out to a larger community of underprivileged and needy and help make a difference in their lives.





FINANCIALS
2014/15

T.R. Upadhyaya & Co.
Chartered Accountants

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Lal Durbar
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INDEPENDENT AUDITOR'S REPORT

**THE SHAREHOLDERS OF
NMB BANK LIMITED**

We have audited the accompanying consolidated financial statements of NMB Bank Ltd (the "Bank") and its consolidated subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheet as at 16 July 2015, the consolidated profit and loss account, statements of changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Nepal Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements are free from material misstatement, whether due to fraud or error.

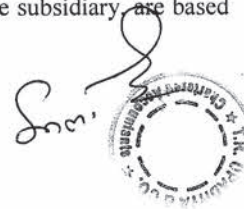
Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We did not audit the financial statements and other financial information of its subsidiary NMB Capital Ltd whose financial statements reflect total assets of Rs 5,301.4 million as at 16 July 2015, total revenues of Rs 59.8 million and net cash flows of Rs 3,950.1 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, are based solely on the report of the other auditors.




The bank has not followed the applicable Nepal Accounting Standards for treatment of the following transactions:

- The recognition of interest income on loans and advances on cash basis as per NRB Directives and not accrual basis as required by NAS 7 – Revenue.

Opinion

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, except for effects of matters described in the preceding paragraph, we are of the opinion that the attached consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 16 July 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Accounting Standards.


Sanjeev Kumar Mishra
Partner



T R Upadhyaya & Co.
Chartered Accountants

Kathmandu,
27 November 2015

Consolidated Balance Sheet

As at Ashad 31, 2072 (July 16, 2015)

Capital & Liabilities		Current Year Rs.	Previous Year Rs.
1	Share Capital	2,732,364,746	2,400,000,000
2	Reserve and Funds	610,787,542	430,525,336
3	Debentures and Bonds	500,000,000	-
4	Borrowings	438,000,000	-
5	Deposits	35,361,443,165	26,271,818,899
6	Bills Payables	5,145,591,224	1,173,156,223
7	Proposed Dividend	17,492,881	29,470,665
8	Income Tax Liabilities	-	-
9	Other Liabilities	371,653,023	305,869,114
	Total Liabilities	45,177,332,581	30,610,840,237
Assets		Current Year Rs.	Previous Year Rs.
1	Cash Balance	817,586,158	497,748,648
2	Balance with Nepal Rastra Bank	3,391,244,786	3,043,652,608
3	Balance with Banks/Financial Institutions	5,933,660,908	1,460,167,758
4	Money at Call and Short Notice	722,607,414	61,630,598
5	Investments	5,930,645,854	4,129,191,143
6	Loans, Advances and Bills Purchased	27,288,891,489	20,467,040,786
7	Fixed Assets	378,683,968	388,996,279
8	Non-Banking Assets	-	-
9	Other Assets	714,012,004	562,412,417
	Total Assets	45,177,332,581	30,610,840,237
		-	-

As per our attached report of even date

Upendra Poudyal
Chief Executive Officer

Pawan Kumar Golyan
Chairman

Nanda Kishor Rathi
Director

Sanjeev Kumar Mishra
Partner
T R Upadhya & Co.
Chartered Accountants

Rajendra Kafle
Director

Alwin Kool
Director

Romani Prasad Pathak
Director

Harischandra Subedi
Director

Kamlesh Kumar Agrawal
Director

Nepal Bhushan Chand
Director

Jeevan Man Joshi
Director

Pradeep Pradhan
Chief Information Officer

Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015
Place : NMB Bhawan, Babar Mahal, Kathmandu

Consolidated Profit and Loss Account

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
1 Interest Income	2,329,898,781	2,016,533,306
2 Interest Expenses	1,340,965,337	1,205,051,837
Net Interest Income	988,933,444	811,481,469
3 Commission and Discount	112,615,711	83,497,318
4 Other Operating Income	147,587,765	115,170,278
5 Exchange Fluctuation Income	119,513,544	97,660,077
Total Operating Income	1,368,650,464	1,107,809,142
6 Staff Expenses	208,388,115	154,970,714
7 Other Operating Expenses	294,050,856	257,136,667
8 Exchange Fluctuation Loss	-	-
Operating Profit Before Provision for Possible Loss	866,211,493	695,701,761
9 Provision for Possible Losses	97,073,735	113,305,443
Operating Profit	769,137,758	582,396,318
10 Non-operating Income/Loss	15,705,328	19,972,387
11 Loss Provision Written-Back	41,973,510	205,155,312
Profit from Regular Operations	826,816,596	807,524,017
12 Profit/Loss from extra-ordinary activities	-	(130,720,252)
Net Profit after considering all activities	826,816,596	676,803,765
13 Staff Bonus Provision	75,165,145	61,527,615
14 Provision for Income Tax	221,531,619	181,613,109
Current Year	217,429,869	184,784,511
Previous Year	-	-
Current Year Deferred Tax Income/(Loss)	4,101,750	(3,171,402)
Net Profit/Loss	530,119,832	433,663,041

As per our attached report of even date

Upendra Poudyal
Chief Executive Officer

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Chairman

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Director

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Partner
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Nepal Bhushan Chand
Director

Jeevan Man Joshi
Director

Pradeep Pradhan
Chief Information Officer

Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015
Place : NMB Bhawan, Babar Mahal, Kathmandu

Consolidated Profit and Loss Appropriation Account

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
Income		
1 Accumulated profit up to the last year	18,559,630	7,249,174
2 Current Year's Profit	530,119,833	433,663,042
3 Investment Adjustment Reserve	-	-
Total	548,679,463	541,240,090
Expenses		
1 Accumulated Loss up to the last year	-	-
2 Current Year's Loss	-	-
3 General Reserve	100,197,922	81,984,597
4 Contingent Reserve	-	-
5 Institutional Development Fund	-	-
6 Dividend Equalization Fund	-	-
7 Staff Related Reserve Fund	-	-
8 Proposed Dividend	17,492,881	29,470,664
9 Proposed issue of Bonus Shares	332,364,746	400,000,000
10 Special Reserve Fund	-	-
11 Exchange Equalization Fund	7,469,597	6,103,755
12 Capital Redemption Reserve Fund	-	-
13 Capital Adjustment Fund	-	-
14 Others	34,925,818	(95,206,431)
a) Deferred Tax Reserve	(4,429,984)	2,910,916
b) Investment Adjustment Reserve	2,309,556	(98,117,347)
c) Debenture Redemption Reserve	37,046,246	
Total	492,450,964	422,352,585
15 Accumulated Profit/(Loss)	56,228,499	18,559,630

As per our attached report of even date

Upendra Poudyal
Chief Executive Officer

Pawan Kumar Golyan
Chairman

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Director

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Director

Pradeep Pradhan
Chief Information Officer

Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015
Place : NMB Bhawan, Babar Mahal, Kathmandu

Consolidated Statement of Changes in Equity

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	(Amount in Rs.)											
	Share Capital	Accumulated Profit/Loss	General Reserve	Proposed Bonus Share	Capital Reserve Fund	Share Premium	Exchange Equalization Fund	Deferred Tax Reserve	Investment Adjustment Reserve	Debtenture Redemption Reserve	Other Reserve and Fund	Total Amount
Opening Balance	2,000,000,000	18,559,630	350,567,956	400,000,000	-	10,077,915	20,909,623	28,266,846	2,143,366	-	-	2,830,525,336
Balance	2,000,000,000	18,559,630	350,567,956	400,000,000	-	10,077,915	20,909,623	28,266,846	2,143,366	-	-	2,830,525,336
Adjustments												
Right Shares	-	-	-	-	-	-	-	-	-	-	-	-
Auction of Right Shares	-	-	-	-	-	-	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-	-	-	-	-	-
Current Year's Net Profit	-	530,119,833	-	-	-	-	-	-	-	-	-	530,119,833
General Reserve	-	(100,197,922)	100,197,922	-	-	-	-	-	-	-	-	-
Exchange Equalization Fund	-	(7,469,597)	-	-	-	-	7,469,597	-	-	-	-	-
Proposed Bonus Share	-	(332,364,746)	-	332,364,746	-	-	-	-	-	-	-	-
Bonus Share Distribution	400,000,000	-	-	(400,000,000)	-	-	-	-	-	-	-	-
Deferred Tax Reserve	-	4,429,984	-	-	-	-	-	(4,429,984)	-	-	-	-
Proposed Dividend	-	(17,492,881)	-	-	-	-	-	-	-	-	-	(17,492,881)
Investment Adjustment Reserve	-	(2,309,556)	-	-	-	-	-	-	2,309,556	-	-	-
Debtenture Redemption Reserve	-	(37,046,246)	-	-	-	-	-	-	-	37,046,246	-	-
Closing Balance	2,400,000,000	56,228,499	450,765,878	332,364,746	-	10,077,915	28,379,220	23,836,862	4,452,972	37,046,246	-	3,343,152,288

Upendra Poudyal
Chief Executive Officer

Pawan Kumar Golyan
Chairman

Nanda Kishor Rathi
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Chartered Accountants

Rajendra Kafle
Director

Alwin Kool
Director

Romani Prasad Pathak
Director

Jeevan Man Joshi
Director

Harischandra Subedi
Director

Kamlesh Kumar Agrawal
Director

Nepal Bhushan Chand
Director

Pradeep Pradhan
Chief Information Officer

Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015
Place : NMB Bhawan, Babar Mahal, Kathmandu

Consolidated Cash Flow Statement

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
(a) Cash flow from Operating Activities	4,019,603,753	340,076,767
1 Cash Received	2,612,622,104	2,310,967,680
1.1 Interest Income	2,253,838,295	1,921,272,820
1.2 Commission and Discount Income	121,276,287	83,497,318
1.3 Income from foreign exchange transaction	89,635,158	97,660,077
1.4 Recovery of Loan written off	-	1,800,000
1.5 Other Income	147,872,364	206,737,465
2 Cash Payment	2,066,337,405	1,970,890,913
2.1 Interest Expenses	1,297,781,361	1,202,337,365
2.2 Staff Expenses	254,901,231	154,970,714
2.3 Office Operating Expenses	224,023,694	257,136,667
2.4 Income Tax Paid	289,631,119	181,613,109
2.5 Other Expenses	-	174,833,058
Cash Flow before changes in Working Capital	546,284,699	957,767,579
Increase/(Decrease) of Current Assets	(8,759,732,117)	(4,286,770,526)
1 (Increase)/Decrease in Money at Call and Short Notice	(660,976,816)	(35,571,380)
2 (Increase)/Decrease in Short-term Investment	(1,130,507,476)	-
3 (Increase)/Decrease in Loan and Bills Purchase	(6,876,950,928)	(3,975,996,689)
4 (Increase)/Decrease in Other Assets	(91,296,897)	(275,202,457)
Increase/(Decrease) of Current Liabilities	12,233,051,171	5,244,538,105
1 Increase/(Decrease) in Deposits	8,274,185,129	4,322,704,319
2 Increase/(Decrease) in Certificate of Deposits	-	-
3 Increase/(Decrease) in Short-term Borrowings	-	-
4 Increase/(Decrease) in Other Liabilities	3,958,866,041	921,833,786
(b) Cash flow from Investment Activities	(619,309,178)	(1,853,658,478)
1 (Increase)/Decrease in Long-term Investment	(650,947,235)	(1,911,822,889)
2 (Increase)/Decrease in Fixed Assets	(52,342,576)	(37,136,335)
3 Interest income from Long-term Investment	83,927,234	95,260,486
4 Dividend Income	53,398	40,260
5 Others	-	-
(c) Cash flow from Financing Activities	915,310,740	(200,263,158)
1 Increase/(Decrease) in Long-term Borrowings (Bond, Debentures etc.)	500,000,000	-
2 Increase/(Decrease) in Share Capital	-	-
3 Increase/(Decrease) in Other Liabilities (Last year Dividend Payment)	(22,689,260)	(200,263,158)
4 Increase/(Decrease) in Refinance/facilities received from NRB	438,000,000	-
5 Increase/(Decrease) in Share Premium	-	-
(d) Income/Loss from change in exchange rate in Cash and Bank Balances	29,878,386	-
(e) Current Year's Cash Flow from All Activities	4,345,483,701	(756,077,290)
(f) Opening Balance of Cash and Bank Balances	5,797,008,151	5,757,646,304
(g) Closing Balance of Cash and Bank Balances	10,142,491,852	5,001,569,014

As per our attached report of even date

Upendra Poudyal
Chief Executive Officer

Pawan Kumar Golyan
Chairman

Nanda Kishor Rathi
Director

Sanjeev Kumar Mishra
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Director

Pradeep Pradhan
Chief Information Officer

Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015
Place : NMB Bhawan, Babar Mahal, Kathmandu

T.R. Upadhy & Co.
Chartered Accountants

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Kathmandu, Nepal

Telephone : 977 (1) 4410927, 4420026
Fax : 977 (1) 4413307
E-mail : trunco@ntc.net.np

INDEPENDENT AUDITOR'S REPORT

**THE SHAREHOLDERS OF
NMB BANK LIMITED**

We have audited the accompanying financial statements of NMB Bank Ltd (the "Bank") which comprise the balance sheet as at 16 July 2015, the profit and loss account, statements of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards so far as applicable in compliance with prevailing laws. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the Requirements of the Companies Act 2063, Bank and Financial Institution Act 2063

We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the balance sheet, the profit and loss account and the cash flow statement, prepared in the format prescribed by Nepal Rastra Bank, are in agreement with the books of account of the Bank; and proper books of account as required by law have been kept by the Bank. In our opinion the returns received from the branches were adequate for the purpose of the audit though the statements are independently not audited.

In our opinion, so far as appeared from our examination of the books, the Bank has maintained adequate capital funds and adequate provisions for possible impairment of assets in accordance with the directives of Nepal Rastra Bank.

To the best of our information and according to explanations given to us and from our examination of the books of account of the Bank necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employees of the Bank have acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the Bank and violated any directives of Nepal Rastra Bank or acted in a manner to jeopardise the interest and security of the Bank, its depositors and investors.

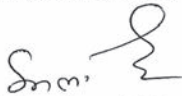
Sma. 


The bank has not followed the applicable Nepal Accounting Standards for treatment of the following transactions:

- The recognition of interest income on loans and advances on cash basis as per NRB Directives and not accrual basis as required by NAS 7 – Revenue.

Opinion

In our opinion, except for effects of matters described in the preceding paragraph, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 16 July 2015, and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards so far as applicable in compliance with prevailing laws and comply with the provision of the Companies Act 2063, Nepal Rastra Bank Directives and Banks and Financial Institutions Act 2063.



Sanjeev Kumar Mishra
Partner



T R Upadhyaya & Co.
Chartered Accountants

Kathmandu,
27 November 2015

Balance Sheet

As at Ashad 31, 2072 (July 16, 2015)

Capital & Liabilities		Schedule	Current Year Rs.	Previous Year Rs.
1	Share Capital	4.1	2,732,364,746	2,400,000,000
2	Reserve and Funds	4.2	564,082,222	412,950,241
3	Debentures and Bonds	4.3	500,000,000	-
4	Borrowings	4.4	438,000,000	-
5	Deposits	4.5	36,722,917,654	27,087,258,036
6	Bills Payables	4.6	21,717,138	3,422,349
7	Proposed Dividend		17,492,881	21,052,632
8	Income Tax Liabilities		-	-
9	Other Liabilities	4.7	340,888,475	286,980,139
Total Liabilities			41,337,463,116	30,211,663,397
Assets		Schedule	Current Year Rs.	Previous Year Rs.
1	Cash Balance	4.8	817,585,058	497,747,548
2	Balance with Nepal Rastra Bank	4.9	3,391,244,786	3,043,652,608
3	Balance with Banks/Financial Institutions	4.10	2,096,712,284	1,027,335,984
4	Money at Call and Short Notice	4.11	722,607,414	61,630,598
5	Investments	4.12	5,983,872,284	4,191,269,443
6	Loans, Advances and Bills Purchased	4.13	27,288,891,489	20,467,040,786
7	Fixed Assets	4.14	374,253,130	383,427,757
8	Non-Banking Assets	4.15	-	-
9	Other Assets	4.16	662,296,671	539,558,673
Total Assets			41,337,463,116	30,211,663,397
Contingent Liabilities			Schedule	4.17
Declaration of Directors			Schedule	4.29
Statement of Capital Fund			Schedule	4.30 (A1)
Statement of Credit Risk			Schedule	4.30 (B)
Statement of Credit Risk Mitigation			Schedule	4.30 (C)
Statement of Operation Risk			Schedule	4.30 (D)
Statement of Market Risk			Schedule	4.30 (E)
Principal Indicators			Schedule	4.31
Principal Accounting Policies			Schedule	4.32
Notes to Accounts			Schedule	4.33
Statement of Promoter's Loan			Schedule	4.34
Comparative Report of Unaudited and Audited Financial Result			Schedule	4.35
Unaudited Financial Results			Schedule	4.36

Schedules 4.1 to 4.17 and 4.32, 4.33 form integral part of the Balance Sheet.

As per our attached report of even date

Upendra Poudyal
Chief Executive Officer

Pawan Kumar Golyan
Chairman

Nanda Kishor Rathi
Director

Sanjeev Kumar Mishra
Partner
T R Upadhyaya & Co.
Chartered Accountants

Rajendra Kafle
Director

Alwin Kool
Director

Romani Prasad Pathak
Director

Harishchandra Subedi
Director

Kamlesh Kumar Agrawal
Director

Nepal Bhushan Chand
Director

Jeevan Man Joshi
Director

Pradeep Pradhan
Chief Information Officer

Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015
Place : NMB Bhawan, Babar Mahal, Kathmandu

Profit and Loss Account

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Schedules	Current Year Rs.	Previous Year Rs.
1 Interest Income	4.18	2,315,441,198	2,005,346,264
2 Interest Expenses	4.19	1,348,073,632	1,216,063,552
Net Interest Income		967,367,566	789,282,712
3 Commission and Discount	4.20	112,615,711	83,497,318
4 Other Operating Income	4.21	112,270,220	95,520,390
5 Exchange Fluctuation Income	4.22	119,513,544	97,660,077
Total Operating Income		1,311,767,041	1,065,960,497
6 Staff Expenses	4.23	201,815,190	149,196,907
7 Other Operating Expenses	4.24	288,111,738	251,376,961
8 Exchange Fluctuation Loss	4.22	-	-
Operating Profit Before Provision for Possible Loss		821,840,113	665,386,629
9 Provision for Possible Losses	4.25	97,073,735	113,305,443
Operating Profit		724,766,378	552,081,186
10 Non-operating Income/Loss	4.26	17,352,379	21,671,362
11 Loss Provision Written-Back	4.27	41,973,510	205,155,312
Profit from Regular Operations		784,092,267	778,907,860
12 Profit/Loss from extra-ordinary activities	4.28	-	(136,903,461)
Net Profit after considering all activities		784,092,267	642,004,399
13 Staff Bonus Provision		71,281,115	58,364,036
14 Provision for Income Tax		211,821,544	173,717,381
Current Year's		207,391,560	176,628,297
Previous Years'		-	-
Current Year Deferred Tax (Income)/Expenses		4,429,984	(2,910,916)
Net Profit/Loss		500,989,608	409,922,982

Schedules 4.18 to 4.28 form integral part of the Profit and Loss account.

As per our attached report of even date

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Chief Information Officer

Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015

Place : NMB Bhawan, Babar Mahal, Kathmandu

Profit and Loss Appropriation Account

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Schedules	Current Year Rs.	Previous Year Rs.
Income			
1 Accumulated profit up to the last year		984,535	4,996,106
2 Current Year's Profit		500,989,608	409,922,982
3 Exchange Equalization Fund		-	-
4 Investment Adjustment Reserve		-	98,117,347
Total		501,974,143	513,036,435
Expenses			
1 Accumulated Loss up to the last year		-	-
2 Current Year's Loss		-	-
3 General Reserve		100,197,922	81,984,597
4 Contingent Reserve		-	-
5 Institutional Development Fund		-	-
6 Dividend Equalization Fund		-	-
7 Staff Related Reserve Fund		-	-
8 Proposed Dividend		17,492,881	21,052,632
9 Proposed Issue of Bonus Shares		332,364,746	400,000,000
10 Special Reserve Fund		-	-
11 Exchange Equalization Fund		7,469,597	6,103,755
12 Capital Redemption Reserve Fund		-	-
13 Capital Adjustment Fund		-	-
14 Others		34,925,818	2,910,916
a) Deferred Tax Reserve		(4,429,984)	2,910,916
b) Investment Adjustment Reserve		2,309,556	-
c) Debenture Redemption Reserve		37,046,246	-
Total		492,450,964	512,051,900
15 Accumulated Profit/(Loss)		9,523,179	984,535

As per our attached report of even date

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Place : NMB Bhawan, Babar Mahal, Kathmandu

Statement of Changes in Equity

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	(Amount in NPR)											
	Share Capital	Accumulated Profit/Loss	General Reserve	Proposed Bonus Share	Capital Reserve Fund	Share Premium	Exchange Equalization Fund	Deferred Tax Reserve	Investment Adjustment Reserve	Debt Redemption Reserve	Other Reserve and Fund	Total Amount
Opening Balance	2,000,000,000	984,535	350,567,956	400,000,000	-	10,077,915	20,909,623	28,266,846	2,143,366	-	-	2,812,950,241
Balance	2,000,000,000	984,535	350,567,956	400,000,000	-	10,077,915	20,909,623	28,266,846	2,143,366	-	-	2,812,950,241
Adjustments												
Right Shares	-	-	-	-	-	-	-	-	-	-	-	-
Auction of Right Shares	-	-	-	-	-	-	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-	-	-	-	-	-
Current Year's Net Profit	-	500,989,608	-	-	-	-	-	-	-	-	-	500,989,608
Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-
General Reserve	-	(100,197,922)	100,197,922	-	-	-	-	-	-	-	-	-
Exchange Equalization Fund	-	(7,469,597)	-	-	-	-	7,469,597	-	-	-	-	-
Proposed Cash Dividend	-	(17,492,881)	-	-	-	-	-	-	-	-	-	(17,492,881)
Proposed Stock Dividend (Bonus Shares)	-	(332,364,746)	-	332,364,746	-	-	-	-	-	-	-	-
Bonus Share Distribution	400,000,000	-	-	(400,000,000)	-	-	-	-	-	-	-	-
Deferred Tax Reserve	-	4,429,984	-	-	-	-	-	(4,429,984)	-	-	-	-
Investment Adjustment Reserve	-	(2,309,556)	-	-	-	-	-	-	2,309,556	-	-	-
Debt Redemption Reserve	-	(37,046,246)	-	-	-	-	-	-	-	37,046,246	-	-
Closing Balance	2,400,000,000	9,523,179	450,765,878	332,364,746	-	10,077,915	28,379,220	23,836,862	4,452,922	37,046,246	-	3,296,446,968

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Chief Information Officer

Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015
Place : NMB Bhawan, Babar Mahal, Kathmandu

Cash Flow Statement

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
(a) Cash flow from Operating Activities	1,412,933,200	(734,688,811)
1 Cash Received	2,563,786,728	2,174,452,494
1.1 Interest Income	2,238,673,413	1,910,085,777
1.2 Commission and Discount Income	121,276,287	91,918,619
1.3 Income from foreign exchange transaction	89,635,158	73,245,058
1.4 Recovery of Loan written off	-	1,800,000
1.5 Other Income	114,201,870	97,403,040
2 Cash Payment	2,056,615,862	1,847,209,271
2.1 Interest Expenses	1,304,889,656	1,213,349,079
2.2 Staff Expenses	250,165,570	198,787,771
2.3 Office Operating Expenses	219,945,198	192,767,880
2.4 Income Tax Paid	281,615,438	242,304,541
2.5 Other Expenses	-	-
Cash Flow before changes in Working Capital	507,170,866	327,243,223
Increase/(Decrease) of Current Assets	(8,728,538,773)	(5,920,609,118)
1 (Increase)/Decrease in Money at Call and Short Notice	(660,976,816)	(35,571,380)
2 (Increase)/Decrease in Short-term Investment	(1,130,507,476)	(1,676,144,232)
3 (Increase)/Decrease in Loan and Bills Purchase	(6,876,950,928)	(4,017,307,755)
4 (Increase)/Decrease in Other Assets	(60,103,553)	(191,585,751)
Increase/(Decrease) of Current Liabilities	9,634,301,107	4,858,677,084
1 Increase/(Decrease) in Deposits	9,635,659,618	4,901,731,108
2 Increase/(Decrease) in Certificate of Deposits	-	-
3 Increase/(Decrease) in Short-term Borrowings	-	-
4 Increase/(Decrease) in Other Liabilities	(1,358,511)	(43,054,024)
(b) Cash flow from Investment Activities	(621,734,371)	(264,776,829)
1 (Increase)/Decrease in Long-term Investment	(662,095,365)	(257,150,785)
2 (Increase)/Decrease in Fixed Assets	(51,619,638)	(95,102,845)
3 Interest Income from Long-term Investment	83,927,234	82,436,541
4 Dividend Income	8,053,398	5,040,260
5 Others	-	-
(c) Cash flow from Financing Activities	915,728,773	(202,541,066)
1 Increase/(Decrease) in Long-term Borrowings (Bond, Debentures etc.)	500,000,000	-
2 Increase/(Decrease) in Share Capital	-	-
3 Increase/(Decrease) in Other Liabilities	(22,271,227)	(202,541,066)
4 Increase/(Decrease) in Refinance/facilities received from NRB	438,000,000	-
5 Increase/(Decrease) in Share Premium	-	-
(d) Income/Loss from change in exchange rate in Cash and Bank Balances	29,878,386	24,415,019
(e) Current Year's Cash Flow from All Activities	1,736,805,988	(1,177,591,687)
(f) Opening Balance of Cash and Bank Balances	4,568,736,140	5,746,327,827
(g) Closing Balance of Cash and Bank Balances	6,305,542,128	4,568,736,140

As per our attached report of even date

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Mridul Parajuli
Head-Finance and Planning

Date : Friday, November 27, 2015
Place : NMB Bhawan, Babar Mahal, Kathmandu

Share Capital and Ownership

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.1

Particulars	Current Year Rs.	Previous Year Rs.
1. Share Capital		
1.1 Authorized Capital		
a) 50,000,000 Ordinary Shares of Rs.100 each	5,000,000,000	2,000,000,000
b) Non-redeemable preference shares of Rs. each		
c) Redeemable Preference Shares of Rs.each		
1.2 Issued Capital		
a) 24,000,000 Ordinary Shares of Rs.100 each	2,400,000,000	2,000,000,000
b) Non-redeemable preference shares of Rs. each		
c) Redeemable Preference Shares of Rs. each		
1.3 Paid up Capital		
a) 24,000,000 Ordinary Shares of Rs.100 each	2,400,000,000	2,000,000,000
b) Non-redeemable preference shares of Rs. each		
c) Redeemable Preference Shares of Rs. each		
1.4 Proposed Bonus Share	332,364,746	400,000,000
1.5 Call in Advance	-	-
1.6 Total (1.3+1.4+1.5)	2,732,364,746	2,400,000,000

Share Ownership

As at Ashad 31, 2072 (July 16, 2015)

Share Ownership	Current Year Rs.		Previous Year Rs.	
	%	Share Capital	Share Capital	%
1 Local Ownership	87.10	2,090,407,228	1,742,006,023	87.10
1.1 Government of Nepal	-	-	-	-
1.2 "A" Class Licensed Institutions	-	-	-	-
1.3 Other Licensed Institutions	-	-	-	-
1.4 Other Entities	17.57	421,666,748	347,601,600	17.38
1.5 Individual	69.53	1,668,740,480	1,394,404,423	69.72
1.6 Others	-	-	-	-
2 Foreign Ownership	12.90	309,592,772	257,993,977	12.90
Total	100.00	2,400,000,000	2,000,000,000	100.00

List of Shareholders holding more than 0.5% of Share Capital

S No	Name of the Shareholders	Current Year	
		Amount (Rs)	% of Total
1	Yong Lian Realty Sdn Bhd	309,592,772	12.90%
2	Employees Provident Fund .	264,160,013	11.01%
3	Nanda Kishor Rathi	123,693,683	5.15%
4	Bishal Agrawal	96,219,624	4.01%
5	Gayatri Investment & Management (P)	96,176,760	4.01%
6	Purushottam Lal Sanghai	92,430,960	3.85%
7	Santosh Rathi .	73,789,890	3.07%
8	Pawan Kumar Golyan	67,847,840	2.83%
9	Santosh Devi Murarka	58,350,392	2.43%
10	Anant Kumar Golyan	34,036,944	1.42%
11	Narpat Singh Jain	32,922,503	1.37%
12	Balram Neupane	28,516,790	1.19%
13	Ashok Kumar Murarka	27,729,504	1.16%
14	Din Bandhu Agrawal	26,771,304	1.12%
15	Pashupati Murarka	24,660,540	1.03%
16	Trilok Chand Agrawal	23,940,773	1.00%
17	Shiva Ratan Sharda	18,899,839	0.79%
18	Sharad Goyal	17,261,160	0.72%
19	Subhash Chandra Sanghai	16,685,064	0.70%
20	Rajesh Agrawal	15,896,852	0.66%
21	Shankar Electric Ind Pvt. Ltd.	15,264,120	0.64%
22	Manju Tapadiya	14,405,027	0.60%
23	Pradip Kumar Murarka	12,673,500	0.53%
24	Haribabu Neupane	12,000,000	0.50%

Reserve And Funds

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.2

Particulars	Current Year Rs.	Previous Year Rs.
1 General Reserve Fund	450,765,878	350,567,956
2 Capital Reserve Fund	10,077,915	10,077,915
3 Capital Redemption Reserve	-	-
4 Capital Adjustment Fund	-	-
5 Other Reserve Fund	65,336,030	30,410,212
5.1. Contingent Reserve	-	-
5.2. Institution Development Fund	-	-
5.3. Dividend Equalization Fund	-	-
5.4. Special Reserve Fund	-	-
5.5. Assets Revaluation Reserve	-	-
5.6. Deferred Tax Reserve	23,836,862	28,266,846
5.7. Other Free Reserves	-	-
5.8. Investment Adjustment Reserve	4,452,922	2,143,366
5.9. Debenture Redemption Reserve	37,046,246	-
5.10. Other Reserves	-	-
6 Accumulated Profit/Loss	9,523,179	984,535
7 Exchange Equalization Fund	28,379,220	20,909,623
Total	564,082,222	412,950,241

Schedule 4.3

Debentures and Bonds

As at Ashad 31, 2072 (July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
1 7% Bond/Debentures of Rs. 1,000 each Issued on 6 Falgun 2071 and Maturing on 5 Bhadra 2077 (Outstanding balance of Redemption Reserve Rs. 37,046,246)	500,000,000	-
2 Percent Bond/Debentures of Rs. each Issued on and Maturing on (Outstanding balance of Redemption Reserve Rs.)	-	-
3	-	-
Total (1+2+3)	500,000,000	-

Schedule 4.4

Borrowings

As at Ashad 31, 2072 (July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
A. Local		
1 Government of Nepal	-	-
2 Nepal Rastra Bank	438,000,000	-
3 Repo Obligation	-	-
4 Inter-Bank and Financial Institutions	-	-
5 Other Organized Institutions	-	-
6 Others	-	-
Total	438,000,000	-
B. Foreign		
1 Banks	-	-
2 Others	-	-
Total	-	-
Total (A+B)	438,000,000	-

Deposits

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.5

Particulars	This Year Rs.	Previous Year Rs.
1 Non-Interest Bearing Accounts		
A. Current Deposits	1,457,615,709	881,062,491
1. Local Currency	1,339,798,420	862,575,501
1.1 Government of Nepal	288,987,307	128,250,277
1.2 "A" Class Licensed Institutions	8,600,914	2,285,235
1.3 Other Licensed Institutions	180,199,844	241,097,688
1.4 Other Organized Institutions	797,787,077	452,180,691
1.5 Individuals	64,223,279	38,761,610
1.6 Others	-	-
2. Foreign Currency	117,817,289	18,486,990
2.1 Government of Nepal	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Institutions	-	-
2.4 Other Organized Institutions	116,285,857	18,486,990
2.5 Individuals	1,531,432	-
2.6 Others	-	-
B. Margin Deposits	1,886,537,540	1,658,927,089
1 Employees Guarantee	-	-
2 Guarantee Margin	53,302,835	40,075,264
3 Letters of Credit Margin	1,833,234,705	1,618,851,825
C. Others	-	-
1. Local Currency	-	-
1.1 Financial Institutions	-	-
1.2 Other Organized Institutions	-	-
1.3 Individuals	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts	3,344,153,249	2,539,989,580
2 Interest Bearing Accounts		
A. Saving Deposits	7,827,779,637	5,500,148,063
1. Local Currency	7,720,234,874	5,457,348,616
1.1 Organized Institutions	488,787,943	110,632,235
1.2 Individuals	7,231,446,930	5,346,716,381
1.3 Others	-	-
2. Foreign Currency	107,544,763	42,799,447
2.1 Organized Institutions	44,440,863	11,273,338
2.2 Individuals	63,103,900	31,526,109
2.3 Others	-	-
B. Fixed Deposits	11,196,230,671	7,710,166,271
1. Local Currency	10,927,057,424	6,581,763,705
1.1 Organized Institutions	7,535,979,534	4,714,896,115
1.2 Individuals	3,391,077,890	1,866,867,590
1.3 Others	-	-
2. Foreign Currency	269,173,247	1,128,402,566
2.1 Organized Institutions	265,797,397	1,117,163,091
2.2 Individuals	3,375,850	11,239,475
2.3 Others	-	-
C. Call Deposit	14,354,754,097	11,336,954,122
1. Local Currency	12,971,538,248	10,321,614,165
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Financial Institutions	3,700,234,815	2,840,533,133
1.3 Other Organized Institutions	7,162,004,360	6,057,389,078
1.4 Individuals	2,109,299,073	1,423,691,954
1.5 Others	-	-
2. Foreign Currency	1,383,215,849	1,015,339,957
2.1 "A" Class Licensed Institutions	-	-
2.2 Other Licensed Financial Institutions	33,890,765	4,588,702
2.3 Other Organized Institutions	1,349,325,084	1,010,751,255
2.4 Individuals	-	-
2.5 Others	-	-
D. Certificate of Deposit	-	-
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts	33,378,764,405	24,547,268,456
Total Deposit (1+2)	36,722,917,654	27,087,258,036

Bills Payable

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.6

Particulars	Current Year Rs.	Previous Year Rs.
1 Local Currency	21,717,138	3,422,349
2 Foreign Currency	-	-
Total	21,717,138	3,422,349

Other Liabilities

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.7

Particulars	Current Year Rs.	Previous Year Rs.
1 Pension/Gratuity Fund	29,147,743	22,084,839
2 Employees Provident Fund	-	-
3 Employees Welfare Fund	-	-
4 Provision for Staff Bonus	71,281,115	58,364,036
5 Interest Payable on Deposits	78,138,743	51,066,445
6 Interest Payable on Borrowings	1,824,007	-
7 Unearned Discount and Commission	22,615,480	13,954,904
8 Sundry Creditors	46,375,813	74,666,067
9 Branch Account	-	-
10 Deferred Tax Liabilities	-	-
11 Dividend Payable	16,903,516	18,122,111
12 Others	74,602,058	48,721,737
a) Merchant Banking-IPO Collection	-	-
b) Audit fee payable	214,700	209,756
c) Employees Accumulated Sick Leave	17,485,493	14,534,741
d) Interest Payable on Debenture	14,287,671	-
e) Others	42,614,194	33,977,240
Total	340,888,475	286,980,139

Schedule 4.8

Cash Balance

As at Ashad 31, 2072 (July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
1. Local Currency (including coin)	790,730,099	463,949,144
2. Foreign Currency	26,854,959	33,798,404
Total	817,585,058	497,747,548

Balance with Nepal Rastra Bank

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.9

Particulars	Foreign Currency Rs.			Current Year Grand Total Rs.	Previous Year Rs.
	Local Currency Rs.	INR	Convertible		
1 Nepal Rastra Bank					
a) Current Account	3,327,359,279	-	63,885,507	63,885,507	3,391,244,786
b) Other Account	-	-	-	-	3,391,244,786
					3,043,652,608

Note: Balance with Nepal Rastra Bank as per confirmation is NPR 3,396,721,895 and the differences are reconciled.

Balance with Banks/Financial Institutions

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.10

Particulars	Local	Foreign Currency		Total	Current Year Grand Total Rs.	Previous Year Rs.
	Currency Rs.	INR	Convertible			
1 Local Licensed Institutions					379,809,462	282,640,927
a) Current Account	379,809,462	-	-	-	379,809,462	282,640,927
b) Other Account					-	-
2 Foreign Banks					1,716,902,822	744,695,057
a) Current Account	-	172,415,812	1,544,487,010	1,716,902,822	1,716,902,822	744,695,057
b) Other Account					-	-
Total					2,096,712,284	1,027,335,984

Note : a) Total Balance for which the confirmations are received from respective licensed institutions is NPR 2,136,471,272 and the differences are reconciled.

Schedule 4.11

Money at Call and Short Notice

As at Ashad 31, 2072 (July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
1. Local Currency	-	-
2. Foreign Currency	722,607,414	61,630,598
Total	722,607,414	61,630,598

Note: Money at Call and Short Notice as per confirmation is NPR 687,298,500 and the difference are reconciled.

Schedule 4.12

Investments

As at Ashad 31, 2072 (July 16, 2015)

Particulars	Purpose		Current Year Rs.	Previous Year Rs.
	Trading	Other		
1 Government of Nepal Treasury Bills	-	2,852,219,404	2,852,219,404	1,331,276,678
2 Government of Nepal Savings Bond	-	1,616,889,093	1,616,889,093	793,336,031
3 Government of Nepal Other Securities	-	-	-	-
4 Nepal Rastra Bank Bonds	-	-	-	-
5 Foreign Securities	-	-	-	-
6 Local Licensed Institutions	-	300,000,000	300,000,000	549,897,500
7 Foreign Banks	-	786,525,567	786,525,567	927,063,317
8 Corporate Shares	-	225,043,220	225,043,220	109,565,400
9 Corporate Bonds and Debentures	-	-	-	-
10 Other Investment	-	203,200,000	203,200,000	480,135,517
Total Investment			5,983,877,284	4,191,274,443
Provision			5,000	5,000
Net Investment			5,983,872,284	4,191,269,443

Investment in Shares, Debentures and Bonds

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.12 (A)

Particulars	Cost Price Rs.	Market Price Rs.	Provision Amount Rs.	Current Year Amount Rs.	Previous Year Rs.
1 Investment in Shares	225,043,220	108,794,838	5,000	225,043,220	109,565,399
1.1 Nepal Stock Exchange Ltd. 50 Ordinary Shares of Rs 100 each fully paid up	5,000	-	5,000	5,000	5,000
1.2 United Insurance Co. (Nepal) Ltd. 720 Ordinary Shares of Rs 100 each fully paid up (Bonus Share 360 kitta)	163,300	282,240	-	163,300	163,299
1.3 Nepal Clearing House 23026 Equity shares of Rs 100 each	2,302,600	-	-	2,302,600	2,302,600
1.4 Credit Information Bureau Ltd. 2800 Ordinary Shares of Rs 100 each fully paid up (Bonus Share 1388 Kitta)	94,500	-	-	94,500	94,500
1.5 NMB Capital Ltd. 1,000,000 Ordinary Shares of Rs 100 each fully paid up	100,000,000	-	-	100,000,000	100,000,000
1.6 Mero Micro Finance Bittiya Sanstha Ltd. 140,000 Ordinary shares of Rs 100 each fully paid up	14,000,000	-	-	14,000,000	7,000,000
1.7 NMB Sulav Investment Fund - 1 10,500,000 Units of Rs 10 each fully paid up	105,000,000	105,000,000	-	105,000,000	-
1.8 NIBL Samriddhi Fund - 1 347,782 Units of Rs 10 each fully paid up	3,477,820	3,512,598	-	3,477,820	-
2 Investment in Debentures and Bonds					
2.1					
2.2					
2.3					
Total Investment	225,043,220	108,794,838	5,000	225,043,220	109,565,399
3 Provision for Loss					
3.1 Up to previous year				5,000	6,811
3.2 Adjustments this year increased/(decreased)				-	(1,811)
Total Provision				5,000	5,000
Net Investment				225,038,220	109,560,399

Note: (1) The following Companies have not declared and distributed dividend for any of the last three years:
(a) United Insurance Co. (Nepal) Ltd., (b) Nepal Stock Exchange Ltd., (c) Nepal Clearing House,
(d) Mero Micro Finance Bittiya Sanstha Ltd., (e) NMB Sulav Investment Fund-1, (f) NIBL Samriddhi Fund-1

Investments (Held for Trading)

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.12.1

Particulars	Cost Price Rs.	Previous Market Value Rs. (A)	Current Market Value Rs. (B)	Current Year Profit/(Loss) Rs. (B-A)	Previous Year Profit/(Loss) Rs.	Remarks
1 Government of Nepal Treasury Bills	-	-	-	-	-	
2 Government of Nepal Savings Bond	-	-	-	-	-	
3 Government of Nepal Other Securities	-	-	-	-	-	
4 Nepal Rastra Bank Bonds	-	-	-	-	-	
5 Foreign Securities	-	-	-	-	-	
6 Shares of Local Licensed Institutions	-	-	-	-	-	
7 Bonds & Debentures of Local Licensed Institutions	-	-	-	-	-	
8 Shares, Bonds & Debentures of Organized Institutions	-	-	-	-	-	
9 Placement in Foreign Banks	-	-	-	-	-	
10 Inter Bank Lending	-	-	-	-	-	
11 Other Investment	-	-	-	-	-	
Total Investment	-	-	-	-	-	

Schedule 4.12.2

Investments (Held to Maturity)

As at Ashad 31, 2072 (July 16, 2015)

Particulars	Cost Price Rs. (A)	Accumulated Loss as on date (B)	Current Year Loss (C)	Current Year Profit/(Loss) Rs. (A-B-C)	Previous Year Profit/(Loss) Rs.	Remarks
1 Government of Nepal Treasury Bills	2,852,219,404	-	-	2,852,219,404	1,331,276,678	
2 Government of Nepal Savings Bond	1,616,889,093	-	-	1,616,889,093	792,086,031	
3 Government of Nepal Other Securities	-	-	-	-	-	
4 Nepal Rastra Bank Bonds	-	-	-	-	-	
5 Foreign Securities	-	-	-	-	-	
6 Shares of Local Licensed Institutions	-	-	-	-	-	
7 Bonds & Debentures of Local Licensed Institutions	-	-	-	-	-	
8 Shares, Bonds & Debentures of Organized Institutions	-	-	-	-	-	
9 Placement in Foreign Banks	786,525,567	-	-	786,525,567	927,063,317	
10 Other Investment	503,200,000	-	-	503,200,000	1,030,033,017	
Total Investment	5,758,834,064	-	-	5,758,834,064	4,080,459,043	

Investments (Available for Sale)

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.12.3

Particulars	Cost Price Rs.	Previous Market Value Rs. (A)	Current Market Value Rs. (B)	Current Year Adjustment Fund Rs. (B-A)	Previous Year Profit/(Loss) Rs.	Remarks
1 Government of Nepal Treasury Bills	-	-	-	-	-	
2 Government of Nepal Savings Bond	-	-	-	-	-	
3 Government of Nepal Other Securities	-	-	-	-	-	
4 Nepal Rastra Bank Bonds	-	-	-	-	-	
5 Foreign Securities	-	-	-	-	-	
6 Shares of Local Licensed Institutions	225,043,220	666,000	108,794,838	108,128,838	-	
7 Bonds & Debentures of Local Licensed Institutions	-	-	-	-	-	
8 Shares, Bonds & Debentures of Organized Institutions	-	-	-	-	-	
9 Placement in Foreign Banks	-	-	-	-	-	
10 Other Investment	-	-	-	-	-	
Total Investment	225,043,220	666,000	108,794,838	108,128,838	-	

Classification of Loans, Advances and Bills Purchased and Provisioning

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.13

Particulars	Advances						Bills Purchased & Discounted			This Year Rs.	Previous Year Rs.
	Domestic			Foreign			Total				
	Insured	Deprived	Uninsured	Other	Foreign	Total	Domestic	Foreign	Total		
1 Performing Loan	-	1,103,261,930	25,564,138,514	34,337,012	26,701,737,456	841,112,755	-	841,112,755	27,542,850,211	20,669,853,962	
1.1 Pass Loan	1,102,999,980	24,617,019,037	34,337,012	25,754,356,029	668,963,234	-	-	668,963,234	26,423,319,263	20,669,853,962	
1.2 Watch List	261,950	947,119,478	-	947,381,428	172,149,521	-	-	172,149,521	1,119,530,949	-	
2 Non-Performing Loan	-	7,313,206	110,119,073	-	117,432,279	-	-	-	117,432,279	113,477,599	
2.1 Restructured	1,251,492	1,616,965	-	2,868,457	-	-	-	-	2,868,457	3,438,338	
2.2 Substandard	96,813	33,133,828	-	33,230,641	-	-	-	-	33,230,641	3,305,375	
2.3 Doubtful	1,273,091	12,184,627	-	13,457,718	-	-	-	-	13,457,718	5,550,414	
2.4 Loss	4,691,810	63,183,652	-	67,875,463	-	-	-	-	67,875,463	101,183,472	
(A) Total Loan	-	1,110,575,136	25,674,257,587	34,337,012	26,819,169,735	841,112,755	-	841,112,755	27,660,282,490	20,783,331,563	
3 Loan Loss Provision											
3.1 Pass	11,030,000	246,170,190	343,370	257,543,560	6,689,632	-	-	6,689,632	264,233,192	209,373,539	
3.2 Watch List	5,239	18,942,390	-	18,947,629	3,442,990	-	-	3,442,990	22,390,619	-	
3.3 Restructured	1,251,492	603,717	-	1,855,209	-	-	-	-	1,855,209	2,132,215	
3.4 Substandard	24,203	8,283,457	-	8,307,660	-	-	-	-	8,307,660	826,344	
3.5 Doubtful	636,545	6,092,314	-	6,728,859	-	-	-	-	6,728,859	2,775,207	
3.6 Loss	4,691,810	63,183,652	-	67,875,463	-	-	-	-	67,875,463	101,183,472	
(B) Total Provisioning	-	17,639,290	343,275,719	343,370	361,258,380	10,132,623	-	10,132,622	371,391,002	316,290,777	
4 Provisioning up to Previous Year											
4.1 Pass	9,116,411	193,367,627	403,935	202,887,973	6,485,566	-	-	6,485,566	209,373,540	168,671,623	
4.2 Watch List	-	-	-	-	-	-	-	-	-	-	
4.3 Restructured	1,316,250	815,965	-	2,132,215	-	-	-	-	2,132,215	463,584	
4.4 Substandard	21,655	804,689	-	826,344	-	-	-	-	826,344	16,762,001	
4.5 Doubtful	1,250,935	1,524,272	-	2,775,207	-	-	-	-	2,775,207	8,001,429	
4.6 Loss	3,527,544	97,655,928	-	101,183,472	-	-	-	-	101,183,472	219,784,533	
(C) Total Previous Year's provision	-	15,232,795	294,168,481	403,935	309,805,211	6,485,566	-	6,485,566	316,290,777	413,683,171	
(D) Written Back from Last year provision											
(D) Additional Provision This Year	2,406,495	91,080,748	(60,565)	93,426,679	3,647,057	-	-	3,647,056	41,973,510	205,153,501	
Changes in this year	-	2,406,495	49,107,238	51,453,169	3,647,057	-	-	3,647,056	97,073,735	107,761,107	
Net Loan (A-B)	-	1,092,935,846	25,330,981,868	33,993,642	26,457,911,356	830,980,132	-	830,980,133	27,288,891,489	20,467,040,786	

Loans, Advances and Bills Purchased Security Wise

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.13 (A)

Particulars	Current Year Rs.	Previous Year Rs.
(A) Secured	27,660,282,490	20,783,331,563
1 Movable/Immovable Assets	27,496,009,829	20,607,135,937
2 Guarantee of Local Licensed Institutions	48,963,226	79,081,088
3 Government Guarantee	52,811,088	52,811,088
4 Internationally Rated Bank Guarantee	-	-
5 Export Documents	-	-
6 Fixed Deposit Receipts	60,952,644	42,429,452
a) Own FDR	56,350,749	39,948,841
b) FDR of other Licensed Institutions	4,601,895	2,480,612
7 Government Bonds	1,545,702	1,873,998
8 Counter Guarantee	-	-
9 Personal Guarantee	-	-
10 Other Securities	-	-
(B) Unsecured	-	-
Total	27,660,282,490	20,783,331,563

Schedule 4.14

Fixed Assets

As at Ashad 31, 2072 (July 16, 2015)

Particulars	Assets					Current Year Rs.	Previous Year Rs.
	Building	Vehicles	Machinery	Office Equipment	Others		
1 At Cost							
a. Previous Year Balance	93,770,351	104,500,036	-	120,082,762	130,081,334	448,434,483	355,474,845
b. Addition this year	3,226,464	37,727,000	-	8,560,000	14,406,890	63,920,354	102,988,836
c. Revaluation/written back this year	-	-	-	-	-	-	-
d. This year sold	-	(16,407,504)	-	(914,509)	(7,396,150)	(24,718,163)	(10,029,199)
e. This year written off	-	-	-	(111,870)	(17,713)	(129,583)	-
Total Cost (a+b+c+d+e)	96,996,815	125,819,532	-	127,616,383	137,074,361	487,507,091	448,434,482
2 Depreciation							
a. Up to Previous Year	12,653,348	46,968,927	-	78,255,869	57,277,089	195,155,233	154,726,690
b. For This Year	2,378,512	21,172,241	-	14,563,894	19,053,355	57,168,002	49,731,655
c. Depreciation on revaluation/written back	-	-	-	-	-	-	-
d. Depreciation adjustment/written back	-	(13,998,806)	-	(952,243)	(1,614,703)	(16,565,752)	(9,303,111)
Total Depreciation	15,031,860	54,142,362	-	91,867,520	74,715,741	235,757,483	195,155,234
3 Book Value (SLM*) (1-2)	81,964,955	71,677,170	-	35,748,863	62,358,620	251,749,608	253,279,248
4 Land	65,326,505					65,326,505	65,326,505
5 Capital Construction (pending capitalization)							
6 Leasehold assets (net of amortization)	57,177,017					57,177,017	64,822,004
Total (3+4+5+6)	204,468,477	71,677,170	-	35,748,863	62,358,620	374,253,130	383,427,757

Non-Banking Assets

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.15

Name and Address of Borrower or Party	Date of assuming Non-Banking Assets	Total Amount of Non-Banking Assets	Loss Provision		Current Year Net Non Banking Assets Rs.	Previous Year Rs.
			In Percentage	In Amount		
Sangam Institute Pvt. Ltd.	11 January 2013	36,311,000	100%	36,311,000	-	-
Vendtech Medical Nepal International	11 January 2013	21,500,000	100%	21,500,000	-	-
Grand Total		57,811,000		57,811,000	-	-

Other Assets

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.16

Particulars	Current Year Rs.	Previous Year Rs.
1 Stock of Stationery	5,100,220	9,236,125
2 Income Receivable on Investments	20,565,252	27,724,701
3 Accrued Interest on Loan	78,688,523	59,310,757
Less : Interest Suspense Amount	(78,688,523)	(59,310,757)
4 Commission Receivable	-	-
5 Sundry Debtors	32,150,965	23,052,862
6 Staff Loan and Advances	141,466,156	109,056,764
7 Prepayments	208,027,440	236,424,688
8 Cash in Transit	-	-
9 Other Transit items (including cheques)	-	-
10 Drafts Paid without Notice	-	-
11 Expenses Not Written off	-	-
12 Branch Account	-	-
13 Deferred Tax Assets	23,836,862	28,266,846
14 Others	231,149,776	105,796,687
a) Advance Income Tax (Net of Provisions)	140,968,348	66,744,470
b) Security Deposits	7,535,533	6,472,000
c) Gold Mark Up	24,160,166	22,141,112
b) Others	64,030,065	10,439,105
Less : Provision on Others under Other Assets	(5,544,336)	-
Total	662,296,671	539,558,673

Schedule 4.16 (A)

Other Assets (Additional Statement)

As at Ashad 31, 2072 (July 16, 2015)

Particulars	Current Year Rs.			Total	Previous Year Rs.
	Up to 1 Year	1 to 3 Years	Above 3 Years		
1 Accrued Interest on Loan	75,722,485	1,972,114	993,924	78,688,523	59,310,757
2 Drafts Paid without Notice					
3 Branch Account					
4 Local and Foreign Agency A/C's					

Contingent Liabilities

As at Ashad 31, 2072 (July 16, 2015)

Schedule 4.17

Particulars	Current Year Rs.	Previous Year Rs.
1 Claims on institution but not accepted by the Institution	-	-
2 Letters of credit (full amount)	6,864,414,474	5,221,537,936
a) Less than 6 months maturity	1,735,400,068	2,247,802,009
b) More than 6 months maturity	5,129,014,405	2,973,735,927
3 Rediscounted Bills	-	-
4 Unmatured Guarantees/Bonds	663,604,402	373,987,669
a) Bid Bonds	67,186,786	24,048,167
b) Performance Bonds	596,417,616	349,939,502
c) Other Guarantee/Bonds	-	-
5 Unpaid Shares in Investment	-	-
6 Forward Exchange Contract Liabilities	-	-
7 Bills under Collection	41,276,901	19,918,573
8 Acceptance and Endorsements	752,693,870	223,872,525
9 Underwriting Commitments	-	-
10 Irrevocable Loan Commitments	2,467,832,493	2,013,725,270
11 Counter Guarantee of Internationally Rated Banks	2,457,187,473	1,063,624,292
12 Advance Payment Guarantee	253,126,332	210,485,885
13 Financial Guarantee	850,000	650,000
14 Contingent Liabilities on Income Tax	69,679,994	40,682,903
15	-	-
16	-	-
17	-	-

Schedule 4.18

Interest Income

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
A. On Loan, Advances and Overdraft	2,174,789,450	1,890,279,934
1 Loan and Advances	1,615,358,169	1,427,592,679
2 Overdraft	559,431,281	462,687,255
B On Investment	76,767,785	95,260,486
1 Government of Nepal Securities	59,349,947	79,777,834
a. Treasury Bills	5,214,171	11,636,456
b. Development Bonds	54,067,900	68,070,649
c. National Savings Certificates	67,876	70,729
2 Foreign Securities	-	-
a.	-	-
b.	-	-
3 Nepal Rastra Bank Bonds	-	-
4 Debenture and Bonds	-	367,116
5 Interest on Inter-bank Investment	17,417,838	15,115,536
a. Bank/Financial Institutions	17,417,838	15,115,536
b. Other Organizations	-	-
C On Agency Balances	-	-
1 Local Banks	-	-
2 Foreign Banks	-	-
D On Money at Call and Short Notice	2,900,800	179,033
1 Local Banks/Financial Institutions	208,357	-
2 Foreign Banks	2,692,443	179,033
E On Others	60,983,163	19,626,811
1 Certificate of Deposits	-	-
2 Inter-Bank Loan	-	-
3 Others	60,983,163	19,626,811
Total	2,315,441,198	2,005,346,264

Interest Expenses

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Schedule 4.19

Particulars	Current Year Rs.	Previous Year Rs.
A. On Deposit Liabilities	1,330,518,721	1,215,820,747
1 Fixed Deposits	591,512,353	699,363,383
1.1 Local Currency	576,709,891	666,961,318
1.2 Foreign Currency	14,802,462	32,402,065
2 Saving Deposits	245,030,672	191,259,511
2.1 Local Currency	244,167,004	190,907,343
2.2 Foreign Currency	863,668	352,168
3 Call Deposits	493,975,696	325,197,853
3.1 Local Currency	475,409,405	319,672,546
3.2 Foreign Currency	18,566,291	5,525,307
4 Certificate of Deposits	-	-
B. On Borrowings	17,554,911	242,805
1 Debentures and Bonds	14,287,671	-
2 Loan from Nepal Rastra Bank	1,824,000	-
3 Inter Bank/Financial Institutions Borrowing	1,443,240	242,805
4 Other Corporate Body	-	-
5 Other Loans	-	-
C. On Others	-	-
1	-	-
2	-	-
Total	1,348,073,632	1,216,063,552

Schedule 4.20

Commission and Discount Income

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
A Bills Purchase and Discount	1,698,469	948,964
1 Local	-	-
2 Foreign	1,698,469	948,964
B Commission	83,058,875	53,497,284
1 Letters of Credit	35,608,044	19,110,695
2 Guarantee	29,840,121	22,432,476
3 Collection Fee	857,588	716,848
4 Remittance Fee	6,202,987	4,283,567
5 Credit Cards	-	-
6 Share Underwriting/Issues	-	-
7 Government Transactions	-	-
8 Agency Commission	10,549,747	6,953,432
9 Exchange Fee	388	266
C Others	27,858,367	29,051,070
1 Income from trading in Gold and Silver	706,843	12,560,340
2 Others	27,151,524	16,490,730
Total	112,615,711	83,497,318

Other Operating Income

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Schedule 4.21

Particulars	Current Year Rs.	Previous Year Rs.
1 Safe Deposit Lockers Rental	888,413	756,850
2 Issue and Renewals of Credit Cards	-	-
3 Issue and Renewals of ATM Cards	5,950,649	4,859,179
4 Telex/T.T.	4,729,688	3,358,221
5 Service Charges	95,093,239	81,399,795
6 Renewal Fees	-	-
7 Others	5,608,231	5,146,345
a) Income on subscription share money	-	-
b) Others	5,608,231	5,146,345
Total	112,270,220	95,520,390

Schedule 4.22

Exchange Gain/Loss

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
(A) Revaluation Gain	29,878,386	24,415,019
(B) Trading Gain (except Exchange Fee)	89,635,158	73,245,058
Total Income (Loss)	119,513,544	97,660,077

Schedule 4.23

Staff Expenses

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
1 Salary	89,876,534	72,600,814
2 Allowances	70,408,437	53,324,636
3 Contribution to Provident Fund	8,596,256	6,667,859
4 Training Expenses	3,913,673	2,952,938
5 Uniform	-	-
6 Medical	-	-
7 Insurance	-	-
8 Pension and Gratuity Provision	9,379,969	730,819
9 Others	19,640,321	12,919,841
a) Leave Fare	7,304,198	5,799,379
b) Staff Welfare	7,694,345	6,531,802
c) Accumulated Sick Leave	4,641,778	588,660
d) Performance Incentive	-	-
Total	201,815,190	149,196,907

Other Operating Expenses

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Schedule 4.24

Particulars	Current Year Rs.	Previous Year Rs.
1 House Rent	40,101,444	35,663,081
2 Electricity and Water	12,716,623	11,843,478
3 Repair and Maintenance	5,071,092	3,526,558
(a) Building	272,417	326,359
(b) Vehicles	1,717,730	1,448,001
(c) Others	3,080,945	1,752,198
4 Insurance	5,935,664	5,491,500
5 Postage, Telex, Telephone, Fax	19,067,797	19,015,176
6 Office Equipment, Furniture and Repair	1,090,680	1,119,195
7 Travelling Allowances and Expenses	2,130,808	2,404,729
8 Stationery and Printing	16,925,073	11,029,602
9 Periodicals and Books	223,397	245,399
10 Advertisements	12,767,990	13,483,244
11 Legal Expenses	3,182,221	2,000,205
(a) Legal Fees	240,000	240,000
(b) Professional Fees	2,942,221	1,760,205
12 Donations	581,453	31,200
13 Expenses Relating to Board of Directors	2,764,084	2,420,422
(a) Meeting Fees	1,215,000	1,179,000
(b) Other Expenses	1,549,084	1,241,422
14 Annual General Meeting Expenses	575,243	791,602
15 Expenses Relating to Audit	609,490	790,361
(a) Audit Fees	214,700	209,756
(b) Other Expenses	394,790	580,605
16 Commission on Remittances	-	-
17 Depreciation on Fixed Assets	68,161,596	58,590,013
18 Amortization of Preliminary Expenses	-	-
19 Share Issue Expenses	-	-
20 Technical Services Fee	-	-
21 Entertainment/Business Promotion	2,259,069	5,971,949
22 Written Off Expenses	-	-
23 Security Expenses	22,770,658	19,770,911
24 Credit Guarantee Premium	-	-
25 Commission and Discount	-	-
26 Others	71,177,356	57,188,336
(a) Office Expenses	9,976,987	8,991,469
(b) Vehicle fuel	8,492,212	8,950,137
(c) Membership Fee	9,180,395	8,026,849
(d) Outsource Staff Expenses	11,067,551	11,699,396
(e) Card Transaction Charges	8,966,462	3,864,156
(f) Bank Charges and Commission	2,126,853	3,005,272
(g) Rates and Taxes	3,306,418	1,746,815
(h) Deposit Guarantee Expenses	4,664,724	4,521,476
(i) Others	13,395,754	6,382,766
Total	288,111,738	251,376,961

Provision for Possible Losses

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Schedule 4.25

Particulars	Current Year Rs.	Previous Year Rs.
1 Increase in Loan Loss Provision	97,073,735	107,761,107
2 Increase in Provision for Loss on Investment	-	-
3 Provision Against Non-Banking Assets	-	-
4 Provision Against Other Assets	-	5,544,336
Total	97,073,735	113,305,443

Schedule 4.26

Non-Operating Income/(Loss)

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
1 Profit (Loss) on Sale of Investment	-	12,458,460
2 Profit (Loss) on Sale of Assets	7,367,331	2,289,992
3 Dividend	8,053,398	5,040,260
4 Subsidies Received from Nepal Ratra Bank	-	-
a. Reimbursement of losses of specified branches	-	-
b. Interest Subsidy	-	-
c. Exchange Counter	-	-
5 Others	1,931,650	1,882,650
(a) Rent Income	1,882,650	1,882,650
(b) Insurance Claim Income	49,000	-
Total Non-Operating Income (Loss)	17,352,379	21,671,362

Schedule 4.27

Loss Provision Written Back

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
1 Loan Loss Provision Written Back	41,973,510	205,153,501
2 Provision against Non-Banking Assets Written Back	-	-
3 Investment Provision Written Back	-	1,811
4 Provision against Other Assets Written back	-	-
Total	41,973,510	205,155,312

Schedule 4.28

Profit/(Loss) from Extra-ordinary Activities

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Particulars	Current Year Rs.	Previous Year Rs.
1 Recovery of write off Loan	-	1,800,000
2 Voluntary Retirement Scheme Expenses	-	-
3 Loan Write-Offs (4.28) (a)	-	(138,703,461)
4 Other Expenses/Income	-	-
5 Other Assets Write Off	-	-
Total	-	(136,903,461)

Capital Adequacy Table

2072 Ashad

Schedule 4.30 (A1)

	Amount in thousands	
	2072 Ashad End	Previous FY
1.1 Risk Weighted Exposures		
a Risk Weighted Exposure for Credit Risk	33,007,256	25,011,292
b Risk Weighted Exposure for Operational Risk	1,316,540	1,077,930
c Risk Weighted Exposure for Market Risk	543,280	337,840
Total Risk Weighted Exposures (a+b+c)	34,867,076	26,427,062
Adjustments under Pillar II		
Add : .. of the total RWE due to non compliance to Disclosure Requirement (6.4 a 10)		
Add : RWE equivalent to reciprocal of capital charge of 2% of gross income.	213,874	186,070
Add : 2% of the the total RWE due to Supervisory add up	697,342	528,541
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	35,778,292	27,141,673
1.2 Capital		
Core Capital (Tier 1)	3,163,615	2,689,898
a Paid up Equity Share Capital	2,400,000	2,000,000
b Irredeemable Non-cumulative preference shares	-	-
c Share Premium	10,078	10,078
d Proposed Bonus Equity Shares	332,365	400,000
e Statutory General Reserves	450,766	350,568
f Retained Earnings	9,523	985
g Un-audited current year cumulative profit/(Loss)	-	-
h Capital Redemption Reserve	-	-
i Capital Adjustment Reserve	-	-
j Dividend Equalization Reserves	-	-
k Deferred Tax Reserve	23,837	28,267
l Other Free Reserve	-	-
m Debenture Redemption Reserve	37,046	-
n Less: Goodwill	-	-
o Less: Fictitious Assets	-	-
p Less: Investment in equity in licensed Financial Institutions	-	-
q Less: Investment in equity of institutions with financial interests	(100,000)	(100,000)
r Less: Investment in equity of institutions in excess of limits	-	-
s Less: Investments arising out of underwriting commitments	-	-
t Less: Reciprocal crossholdings	-	-
u Less: Purchase of land & building in excess of limit and unutilized	-	-
v Less: Other Deductions	-	-
Adjustments under Pillar II	-	-
Less : Shortfall in Provision (6.4 a 1)	-	-
Less : Loans and Facilities extended to Related Parties and Restricted lending (6.4 a 2)	-	-
Supplementary Capital (Tier 2)	819,258	228,994
a Cumulative and/or Redeemable Preference Share	-	-
b Subordinated Term Debt	500,000	-
c Hybrid Capital Instruments	-	-
d General loan loss provision	286,426	205,941
e Exchange Equalization Reserve	28,379	20,910
f Investment Adjustment Reserve	4,453	2,143
g Assets Revaluation Reserve	-	-
h Other Reserves	-	-
Total Capital Fund (Tier I and Tier II)	3,982,873	2,918,892
1.3 Capital Adequacy Ratios		
Tier 1 Capital to Total Risk Weighted Exposures	8.84	9.91
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.13	10.75

Credit Risk Exposures

2072 Ashad

Schedule 4.30 (B)

Amount in thousands
Previous FY

Assets	2072 Ashad End					Risk Weighted Exposures (f=d*e)	Net Value	Risk Weighted Exposures
	Book Value (a)	Specific Provision (b)	Eligible CRM (c)	Net Value (d=a-b-c)	Risk Weight (e)			
Balance Sheet Exposures								
Cash Balance	817,585	-	-	817,585	0%	-	497,748	-
Balance With Nepal Rastra Bank	3,391,245	-	-	3,391,245	0%	-	3,043,653	-
Gold	-	-	-	-	0%	-	-	-
Investment in Nepalese Government Securities	4,469,108	-	-	4,469,108	0%	-	2,124,613	-
All Claims on Government of Nepal	212,337	-	-	212,337	0%	-	119,556	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-	-	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-	-	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-	-	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-	-	-
Claims on Foreign Government and Central Bank (ECA -4-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-	-	-
Claims on BIS, IMF, ECB, EC and on Multilateral Development Banks (MDBs) recognized by the framework	-	-	-	-	0%	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-	-	-
Claims on domestic banks that meet capital adequacy requirements	824,682	-	-	824,682	20%	-	517,524	103,505
Claims on domestic banks that do not meet capital adequacy requirements	364,455	-	-	364,455	100%	-	317,372	317,372
Claims on foreign bank (ECA Rating 0-1)	2,086,029	-	-	2,086,029	20%	-	1,299,065	259,813
Claims on foreign bank (ECA Rating 2)	88,392	-	-	88,392	50%	-	44,196	-
Claims on foreign bank (ECA Rating 3-6)	237,488	-	-	237,488	100%	-	237,488	242,035
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above regulatory capital requirement	304,800	-	-	304,800	20%	-	192,400	38,480
Claims on Domestic Corporates	21,433,386	-	-	21,433,386	100%	-	15,725,202	15,725,202
Claims on Foreign Corporates (ECA 0-1)	203,200	-	-	203,200	20%	-	48,013	96,027
Claims on Foreign Corporates (ECA 2)	192,437	-	-	192,437	50%	-	232,399	116,199
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	1,045,510	-	-	1,045,510	75%	-	683,442	512,581
Claims fulfilling all criterion of regulatory retail except granularity	116,219	-	-	116,219	100%	-	132,189	132,189
Claims secured by residential properties	3,092,767	-	-	3,092,767	60%	-	2,166,550	1,299,930
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-
Claims secured by residential properties (Overdue)	11,943	50	-	11,893	100%	-	-	-

Claims secured by Commercial real estate	255,786	-	-	255,786	100%	255,786	395,295	395,295
Past due claims (except for claim secured by residential properties)	119,421	84,916	-	34,505	150%	51,758	78,862	118,294
High Risk claims	1,532,439	-	61,578	1,470,861	150%	2,206,292	1,394,823	2,092,235
Investments in equity and other capital instruments of institutions listed in the stock exchange	108,641	-	-	108,641	100%	108,641	163	163
Investments in equity and other capital instruments of institutions not listed in the stock exchange	16,402	5	-	16,397	150%	24,596	9,397	14,096
Staff loan secured by residential property	97,289	-	-	97,289	60%	58,373	73,959	44,375
Interest Receivable/claim on government securities	6,602	-	-	6,602	0%	-	4,707	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-	-	-
Other Assets (as per attachment)	587,329	-	-	587,329	100%	587,329	704,144	704,144
TOTAL	41,615,492	84,971	61,578	41,468,943		28,920,164	30,435,233	22,211,936
Off Balance Sheet Exposures								
Revocable Commitments	-	-	-	-	0%	-	-	-
Bills Under Collection	41,277	-	-	41,277	0%	-	19,919	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-	-	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	1,735,400	-	77,980	1,657,420	20%	331,484	1,767,737	353,547
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	5,129,014	-	2,363,317	2,765,697	50%	1,382,849	2,475,205	1,237,603
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	-	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	663,604	-	44,595	619,009	50%	309,505	343,094	171,547
Foreign counterparty (ECA Rating 0-1)	218,217	-	174,574	43,643	20%	8,729	87,385	17,477
Foreign counterparty (ECA Rating 2)	1,295,923	-	647,962	647,961	50%	323,981	313,350	156,675
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	-	-	-
Underwriting commitments	-	-	-	-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	50%	-	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	100%	-	-	-
Advance Payment Guarantee	253,126	-	8,476	244,650	100%	244,650	201,487	201,487
Financial Guarantee	850	-	233	617	100%	617	468	468
Acceptances and Endorsements	752,694	-	19,272	733,422	100%	733,422	217,124	217,124
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-	-	-
Irrevocable Credit commitments (short term)	2,467,832	-	-	2,467,832	20%	493,566	2,013,725	402,745
Irrevocable Credit commitments (long term)	-	-	-	-	50%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	943,047	-	-	943,047	20%	188,609	-	-
Other Contingent Liabilities	69,680	-	-	69,680	100%	69,680	40,683	40,683
Unpaid Guarantee Claims	-	-	-	-	200%	-	-	-
TOTAL	13,570,665	84,971	3,336,409	10,234,256		4,087,091	7,480,176	2,799,355
Total RWE for credit Risk Adjustments under Pillar II	55,186,157	84,971	3,397,987	51,703,199		33,007,256	37,915,409	25,011,292

Add : 10% of the loan and facilities in excess of Single Obligor Limits 6.4 a 3)

Total RWE for Credit Risk (After Bank's adjustments of Pillar II)

Operation Risk Exposures

2072 Ashad

Schedule 4.30 (D)



Amount in thousands

Particulars	Years before 2070 Ashar End			2072 Ashad
	FY 2068/69	FY 2069/70	FY 2070/71	End
Net Interest Income	449,576	753,318	789,283	967,368
Commission and Discount Income	38,506	52,727	83,497	112,616
Other Operating Income	53,700	56,355	95,520	112,270
Exchange Fluctuation Income	49,773	64,539	97,660	119,514
Addition/Deduction in Interest Suspense during the period	41,805	3,412	3,412	3,412
Gross income (a)	633,360	930,351	1,069,372	1,315,180
Alfa (b)	15%	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	95,004	139,553	160,406	197,277
Capital Requirement for operational risk (d) (average of c)			131,654	
Risk Weight (reciprocal of capital requirement of 10%) in times (e)			10	
Equivalent Risk Weight Exposure [f=(d×e)]			1,316,540	
Adjustments under Pillar II				
If Gross Income for all the last three years is negative (6.4 a 8)				
Total Credit and Investments (net of specific Provision)				
Capital Requirement for Operational Risk (5%)				
Risk Weight (reciprocal of capital requirement of 10%) in times			10	
Equivalent Risk Weight Exposure (g)				
Equivalent Risk Weight Exposure (h= f + g)				



Market Risk Exposures

2072 Ashad

Schedule 4.30 (E)

Amount in thousands

S.No.	Currency	2072 Ashad End			2071 Ashad End Relevant Open Position
		Open Position (FCY)	Open Position (NPR)	Relevant Open Position	
1	INR	(643,757)	(1,030,494)	1,030,494	599,789
2	USD	(423)	(42,997)	42,997	54,409
3	GBP	(4)	(692)	692	3,481
4	CHF	(6)	(584)	584	1,077
5	EUR	(1)	(143)	143	5,663
6	JPY	(648)	(530)	530	3,378
7	SEK	(21)	(250)	250	235
8	DKK	-	-	-	7
9	HDK	(4)	(57)	57	251
10	AUD	(13)	(997)	997	1,919
11	SGD	(6)	(467)	467	785
12	KRW	(1,067)	(94)	94	10
13	AED	(22)	(602)	602	678
14	MYR	(148)	(3,953)	3,953	1,594
15	THB	(72)	(212)	212	92
16	QAR	(38)	(1,057)	1,057	491
17	CNY	(32)	(518)	518	21
18	CAD	2	173	173	459
19	SAR	(99)	(2,685)	2,685	1,318
20	KWD	-	(43)	43	29
21	BHD	-	(17)	17	-
Total Open Position (a)				1,086,565	675,687
Fixed Percentage (b)				5%	5%
Capital Charge for Market Risk [c=(a×b)]				54,328	33,784
Risk Weight (reciprocal of capital requirement of 10%) in times (d)				10	10
Equivalent Risk Weight Exposure [e=(c×d)]				543,280	337,840

Principal Indicators

For Last Five Years

Schedule 4.31

Particulars	Indicators	FY 2067/68	FY 2068/69	FY 2069/70	FY 2070/71	FY 2071/72	
1	Percent of Net Profit/Gross Income	Percent	13.37	2.79	17.40	16.34	18.42
2	Earning Per Share	Rs.	11.08	2.61	18.02	20.50	25.05
3	Market Value Per Share	Rs.	195.00	180.00	252.00	515.00	507.00
4	Price Earning Ratio	Ratio	17.61	68.93	13.98	25.13	20.24
5	Dividend (including bonus) on Share Capital	Percent	9.00	-	-	21.05	8.00
6	Cash Dividend on Share Capital	Percent	9.00	-	10.00	1.05	0.42
7	Interest Income/Loan & Advances	Percent	11.50	12.72	10.25	9.10	7.86
8	Staff Expenses/Total Operating Expenses	Percent	44.45	38.59	48.29	45.23	48.66
9	Interest Expenses on Total Deposit and Borrowing	Percent	7.88	7.86	4.86	4.49	3.63
10	Exchange Gain/Total Assets	Percent	0.30	0.27	0.26	0.32	0.29
11	Staff Bonus/Total Staff Expenses	Percent	44.36	8.53	38.94	39.12	35.32
12	Net Profit/Loan and Advances	Percent	1.95	0.42	2.13	1.97	1.81
13	Net Profit/Total Assets	Ratio	1.39	0.28	1.43	1.36	1.21
14	Total Credit/Deposit	Percent	88.16	78.01	76.20	76.73	75.32
15	Total Operating Expenses/Total Assets	Percent	1.54	1.41	1.46	1.52	1.36
16	Adequacy of Capital Fund on Risk Weighted Assets						
	a) Core Capital	Percent	15.31	13.95	10.42	9.91	8.84
	b) Supplementary Capital	Percent	0.90	0.91	1.32	0.84	2.29
	c) Total Capital Fund	Percent	16.39	14.84	11.74	10.75	11.13
17	Liquidity (CRR)	Ratio	6.85	18.91	23.35	13.72	13.32
18	Non-performing credit/Total credit	Percent	0.27	2.45	1.80	0.55	0.42
19	Base Rate	Percent	-	-	9.55	8.12	7.89
20	Weighted Average Interest Rate Spread	Percent	3.18	3.56	4.21	4.11	4.19
21	Book Net-worth	Rs. in '000	2,211,462	2,266,860	2,424,080	2,812,950	3,296,447
22	Total Shares	Nos. in '000	20,000	20,000	20,000	20,000	24,000
23	Total Staff	Number	189	218	269	322	357
24	Others	-	-	-	-	-	-

Schedule 4.32: Significant Accounting Policies

Financial Year 17 July 2014 to 16 July 2015 (1 Shrawan 2071 to 31 Ashad 2072)

Schedule 4.32

1. General Information

NMB Bank Limited (the "Bank") is a limited liability company domiciled in Nepal. The registered office of the Bank is G.P.O. Box 11543, Babar Mahal, Kathmandu, Nepal. The Bank has a primary listing in the Nepal Stock Exchange Limited.

The Bank carries out commercial banking activities in Nepal under license from Nepal Rastra Bank as Class A licensed financial institution.

The Financial Statements for the year ended 16 July 2015 have been authorized by the Board of Directors in accordance with its resolution dated 27 November 2015 and the Board of Directors have recommended for its approval by the forthcoming Annual General Meeting.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements of the Bank are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented herein.

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Nepal Accounting Standards (NAS) issued by the Nepal Accounting Standards Board (NASB) except otherwise stated, the provisions of Bank and Financial Institution Act, 2063 (BAFIA), the requirements of NRB Directives and in compliance with the Companies Act 2063.

2.2 Responsibility for Financial Statements

As stated in NAS 01 "Presentation of Financial Statements", the Board of Directors is responsible for the preparation of financial statements of the Bank. The Board of Directors acknowledges this responsibility.

2.3 Basis of Preparation

The Board of Directors is responsible for the preparation and fair presentation of the financial statements. The financial statements are prepared on the historical cost basis. The preparation of the financial statements is in conformity with NAS and requires use of certain critical accounting estimates. It also requires the management to exercise judgement in the process of applying the Bank's accounting policies. The management believes that the estimates and judgement used in the preparation of the financial statements are prudent and reasonable.

2.4 Interest Income

Interest income on Loans and Advances has been recognized on cash basis as per Directive of the Nepal Rastra Bank (NRB), although this practice is inconsistent with NAS 7 (Revenue Accounting), which prescribes that the revenue should be recognized on accrual basis. With the prior approval of the NRB, interest capitalized during moratorium period on certain project Loans and Advances under National Priority

Sector has been recognized as interest income. Interest income on Investments is recognized on accrual basis.

2.5 Commission Income

All the commission incomes are accounted for on accrual basis except for commission income less than NPR 1 lakh or generated out of a transaction with tenure less than 12 months. These are accounted for on cash basis.

Service charges on loans and advances are recognized as income when it becomes due on approval of loans.

2.6 Dividend Income

Dividend is recognised as income when the right to receive the dividend is established. For bonus shares, the numbers of shares alone are increased without any change in the cost price of shares.

2.7 Foreign Exchange Transactions

Assets and liabilities denominated in foreign currencies as on the balance sheet date have been converted into local currency at mid-point exchange rates published by Nepal Rastra Bank after adjustment for effective trading rate.

Net difference arising from the conversion of foreign currency assets and liabilities is accounted for as revaluation gain/loss under Exchange Gain in Schedule 4.22. 25% of such revaluation gain is transferred to Exchange Fluctuation Reserve through Profit and Loss Appropriation Account as per NRB Directives.

Income realised from the difference between buying and selling rates of Foreign Exchange is accounted for as trading gains and shown as "Trading Gains" under "Exchange Gain" in Schedule 4.22

2.8 Interest Expense

Interest on deposit liabilities and borrowing from other banks are accounted for on accrual basis.

2.9 Loans and Advances, Overdrafts and Bills Purchased

Loans and advances, overdrafts and bills purchased include direct finance provided to the customers such as bank overdrafts, term loans, working capital loan, consumers' loans given to deprived sector, etc. All loans are subject to regular review. They are graded according to the level of credit risk and classified as per Nepal Rastra Bank's Directives. Loans and advances, overdrafts and bills purchased are shown net of provision for possible losses.

2.10 Staff Loans

Loans and advances granted to staff in accordance with the staff loan scheme and interest accrued thereon are reflected under "Other Assets" as per the Directives of Nepal Rastra Bank.

2.11 Interest Receivables

Interest receivable constitutes of interest accrued on loans and investments and are recognised on daily basis based on the outstanding balance at the end of the day.

Interest receivables on loans (except project loans) are stated at full value and are disclosed net of interest suspense as per the requirement of NRB Directives.

Interest accrued on project loans from the beginning of construction period until the date of its commercial operation is capitalised in the loan as per the covenant with borrower.

Interest receivables on investments are stated at full value.

2.12 Loan Loss Provision

Provision is made for possible losses on loans and advances & overdrafts at 1% to 100% on the basis of classification of loans and advances and overdrafts in accordance with the directives of Nepal Rastra Bank. Provisions in addition to the minimum requirement as per the directive of Nepal Rastra Bank have been made by the management on prudence basis.

2.13 Loans and Advances Write off

Unrecoverable loans and advances are written off in accordance with the by-laws of the Bank approved by the Nepal Rastra Bank.

2.14 Investments

Investments are classified as held for trading, held to maturity and available for sale.

a. Held for Trading:

Investments that are made for the purpose of generating profit from short term fluctuations in price are classified under this category. These investments are marked to market and differences reflected in the profit and loss account.

b. Held to Maturity:

The investments made with positive intent and ability of the bank to hold till maturity is classified as held to maturity investments. The held to maturity investments are valued at amortized cost i.e. the cost price less any impairments (if applicable). The impairments are included in the profit and loss accounts for the period. Premiums paid and discounts received during the acquisition of Treasury Bills/Bonds are recognized as the part of initial cost and subsequently adjusted with the interest income after amortization.

c. Available for Sale:

All other investments that are neither "held for trading" nor "held to maturity" are classified under this category. These investments are

marked to market on a regular basis and the difference adjusted through provision for investments.

Investment Adjustment Reserve of 2% of available for sale portfolio is created which qualifies for Supplementary Capital. All Investments are subject to regular review as required by Nepal Rastra Bank Directives.

2.15 Fixed Assets and Depreciation

- Fixed assets are stated at cost less accumulated depreciation
- Land is not depreciated. Depreciation of other fixed assets is charged to Profit and Loss Account on Straight Line method over the useful life of fixed assets. The estimated useful life of the assets are as follows:

Assets	Estimated Life	Rate of Depreciation
Building	40 years	2.5%
Office equipment	7 years	14.28%
Computers	5 years	20%
Furniture & Fixtures	7 years	14.28%
Vehicles	5 to 7 years	20%/ 14.28%
Intangible Assets	Over the life of assets determinable or estimated	

- Leasehold improvements are capitalised at cost and amortised over period of lease.
- Intangible assets are capitalised and amortised over the life of assets determinable or best estimated.
- Depreciation on fixed assets sold or disposed off during the year is charged up to the date of sales and gain or loss on the sales transaction is accounted for.
- Software costs are amortized over their estimated useful lives from the period of purchase. These costs are shown under "Others" in the fixed assets schedule 4.14.
- Assets with a unit value of NPR 10,000 or less are expensed-off during the year of purchase irrespective of its useful life.

Retirement Benefits

The Bank offers retirement benefits to its confirmed employee, mainly provident fund, gratuity and accumulated sick leave, all payable at the time of separation from service.

a. Provident fund

Provident fund is recognised at the time of contribution to the fund which is independent to the Bank.

a. Gratuity

Provision for gratuity is made on the basis of actuarial valuation carried out by an Actuary as per the provisions of Nepal Accounting Standards. At the time of separation from service, cash payments are made to the employees and the amount is computed as per the Bank's Policy.

c. Accumulated sick leave

Provision for accumulated sick leave is made on the basis of actuarial valuation carried out by an Actuary as per the provisions of Nepal Accounting Standards. At the time of separation from service, cash payments are made to the employees and the amount is computed as per the Bank's Policy.

2.17 Income Tax

a. Current Income Tax

Provision for current income tax is made in accordance with the provisions of the prevailing Income Tax Act, 2058 and Rules framed there under.

b. Deferred Tax

Deferred tax is recognised on the differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined by using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax related to temporary differences in opening balances is credited or charged directly to equity and subsequent year differences are recognised in the income statement together with the deferred gain or loss.

Deferred tax assets and liabilities are netted off and presented under 'Other Assets' or 'Other Liabilities'. Profit arising out of the deferred tax assets are stated under earmarked 'Deferred Tax Reserve' as per NRB guidelines.

2.18 Stationery

Stationery purchased are stated at cost and charged to revenue at the time of consumption.

2.19 Non Banking Assets

Non Banking Assets are accounted for as per the Directives of Nepal Rastra Bank.

2.20 Provisions, Contingent Liabilities and Contingent Assets

The Bank creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

Liabilities on account of derivative contracts are reported under Contingent liabilities under subheading Outstanding Liabilities for Forward Exchange Contract. These include notional principal on outstanding forward rate agreements.

2.21 Events after the Balance Sheet Date

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue.

Appropriate adjustments in the financial statements and disclosures in notes to accounts have been made for all material and significant events that have occurred between the balance sheet date and date when the financial statements have been authorised for issue.

3. Rounding off and Comparative Figures

The financial statements are presented in Nepalese Rupees, rounded off to the nearest rupee. Previous year's figures have been reclassified wherever necessary in order to facilitate comparison.

Schedule 4.33: Notes to Accounts

Financial Year 17 July 2014 to 16 July 2015 (1 Shrawan 2071 to 31 Ashad 2072)

Schedule 4.33

1. Interest Income and Interest Suspense

The interest receivable on loans and advances as at 16 July 2015 has been netted off with interest suspense as per NRB Directives and disclosed in Schedule 4.16 – “Other Assets”.

2. Provision for Bonus

Provision for bonus has been calculated and provided for at 10% of net profit, after making adjustments for loan loss provision and bonus.

3. Staff Housing Fund

As “Employee terms of Service” by-law of the Bank has a provision for extending housing loans to eligible staff, a separate housing fund has not been created as prescribed by the Labour Act, 2048.

4. General Reserve

As required under the Banks and Financial Institutions Act 2063, 20% of the current year's net profit has been transferred to General Reserve.

5. Exchange Fluctuation Reserve

25% of the revaluation gain amounting to NPR 7,469,597 has been transferred to Exchange Fluctuation Reserve through the Profit and Loss Appropriation Account as per NRB Directives.

6. Investment Adjustment Reserve

2% of investment amount (except for Nepal Clearing House and Credit Information Bureau) under ‘Available for Sale’ category amounting to NPR 4,452,922 has been set aside as Investment Adjustment Reserve as per NRB Directives.

Investment Adjustment Reserve has increased by NPR 2,309,556 compared with last year primarily because of reserve creation for the investment made during the year in NMB Sulav Investment Fund – 1, NIBL Samriddhi Fund – 1 and Mero Micro Finance during the year.

7. Deferred Tax Reserve

As per the requirement of NRB Directives, the amount of Deferred Tax Liability created as at the fiscal year end has been deducted from Deferred Tax Reserve. The amount transferred this year is NPR 4,429,984.

8. Debenture Redemption Reserve

As required by prospectus of “7% NMB Debenture 2077”, an amount equal to NPR 37,046,246 has been appropriated to Debenture Redemption Reserve during the year for 7% NMB Debenture 2077.

9. Proposed Dividend

The Board of Directors have recommended payment of dividend at the rate of 8.42% (8% Bonus Shares and 0.42% Cash Dividend for tax purpose) for the year ended 16 July 2015. This will be approved at the forthcoming Annual General Meeting of the Bank. The distribution will be based on the existing Paid-Up Capital of the Bank, which has increased to 4.15 Billion from 2.4 Billion post merger.

10. Income Tax

a. Tax Litigation

Bank has filed appeals at Supreme Court, Revenue Tribunal or Inland Revenue Department based on the stage of appeal against amended assessment orders of various fiscal years issued by Large Taxpayers Office. The summary is mentioned in the table below.

Fiscal Year	Status	Disputed Tax Amt (NPR)
FY 2063-64	Appealed to Supreme Court on 2070.11.15 for which the final decision is pending	18,196,464
FY 2064-65	Appealed to Revenue Tribunal on 2069.08.12 for which the final decision is pending	16,235,070
FY 2065-66	Appealed to IRD for Administrative Review on 2070.08.03 for which the final decision is pending	6,251,369
FY 2066-67	Appealed to IRD for Administrative Review on 2070.06.12 for which the final decision is pending	22,547,906
FY 2067-68	Appealed to IRD for Administrative Review on 2071.12.03 for which the final decision is pending	6,449,185
Total		69,679,994

Since decisions for these cases are pending, disputed tax amount of NPR 69,679,994 mentioned above has been disclosed as contingent liability on Income Tax under Schedule 4.17.

b. Tax Assessment

Tax assessments for financial year 2068-69 and beyond are yet to be commenced by the Large Taxpayers Office.

11. Advance Income Tax

Advance income tax paid by the Bank during the year and outstanding from previous years has been set-off with provisions for income tax liability and presented in Schedule 4.16 – "Other Assets".

Particulars	Amount (NPR)
Advance Income Tax carried forward from previous year	66,744,470
Advance Tax Instalments FY 2071.72	280,000,000
Tax Withheld by Withholder FY 2071.72	1,615,438
Less: Income Tax Liability of FY 2071.72	(207,391,560)
Advance Income Tax presented in Schedule 4.16	140,968,348

12. Provision for Gratuity

During the year, the Bank has made cash payment of NPR 2,317,065 on account of gratuity to the eligible resigned staff.

The Bank carried out actuarial valuation of gratuity during the current fiscal year and based on the report received from the Actuary, the Bank has created additional provision of NPR 7,062,904 on account of gratuity. The Bank has deposited all remaining gratuity liabilities as on year end amounting to NPR 29,147,743 in Citizen Investment Trust (Approved Gratuity Fund).

13. Provision for Sick Leave

During the year, the Bank has made cash payment of NPR 1,691,027 on account of sick leave to the eligible resigned staff.

The Bank had carried out actuarial valuation of sick leave during the current fiscal year and based on the report received from the Actuary, the Bank has created additional provision of NPR 2,950,751 on account of sick leave. Remaining sick leave liabilities as on year end amounting to NPR 17,485,493 has been disclosed under "Other Liabilities" under Schedule 4.7 of the Balance Sheet.

14. Unpaid Dividend

As on the balance sheet date, unpaid dividends of over five years amount to NPR 6,109,139 and total unpaid dividends amount to NPR 16,903,516.

Entire dividend payable amount of FY 2069-70 was transferred to the account of the Bank's registrar to share, NMB Capital Limited during the year. As on balance sheet date, the total unpaid dividend of FY 2069-70 amounts to NPR 9,563,611.

15. Paid up Share Capital

Paid up share capital of the Bank has moved over the years as follows:

Financial Year	Cumulative Paid up Capital NPR	Remarks
2006-07 (2063-64 BS)	199,540,600	Issuance of 30% Bonus Shares
2007-08 (2064-65 BS)	1,000,000,000	Issuance of 1:4 Right Shares
2008-09 (2065-66 BS)	1,424,641,350	Issuance of 10% Bonus Shares and 30% Right Shares
2009-10 (2066-67 BS)	1,651,650,000	Auction of 53,586.5 remaining right shares of financial year 2008-09 and public issue of 715,000 shares.
2010-11 (2067-68 BS)	2,000,000,000	Issuance of 10:21.09 right shares and auction of unsubscribed right shares.
2013-14 (2070-71 BS)	2,400,000,000	Issuance of 20% Bonus Shares

16. Debenture

The Bank issued non convertible "7% NMB Debenture 2077" on 6 Falgun 2071 (18 February 2015) amounting to NPR 500 Million. The Debenture, which was fully subscribed, has a maturity period of 5 years 6 months.

17. Deferred Tax

Carrying amount of Assets and Liabilities where temporary differences arise as on Ashad 31, 2072 (16.07 2015) are as follows:

Particulars	Carrying Value	Tax Base	DTL/DTA	Difference
Fixed Assets	308,926,625	307,537,002	DTL	1,389,623
Gratuity provision	-	-	DTA	-
Sick leave provision	17,485,493	-	DTA	17,485,493
Provision on investment	5,000	-	DTA	5,000
Provision on Non Banking Assets	57,811,000	-	DTA	57,811,000
Other Assets Provision	5,544,336	-	DTA	5,544,336
Net temporary differences			DTA	79,456,206
Deferred Tax Asset (30%) as on 16 July 2015				23,836,862
Opening Deferred Tax Assets				28,266,846
Net movement this year				(4,429,984)
Charged to Profit and Loss Account as expense				(4,429,984)

Deferred tax (assets)/liabilities have been recognised as per the provision of Nepal Accounting Standard (NAS -09).

18. Details of Leasehold Assets

	Amount (NPR)
Cost	
Previous Year Balance	95,225,545
Addition this year	3,348,607
This year sold	-
This year written off	-
Total Cost	98,574,153
Depreciation	
Up to Previous Year	30,403,542
For This Year	10,993,594
Depreciation adjustment/written back/write off	-
Total Depreciation	41,397,135
Book Value of Leasehold Assets	57,177,017

19. Loans and Advances Written Off

The Bank has not written off any loans & advances during the year.

20. Other Assets Written Off

The Bank did not write off any balance on Other Assets.

21. Compensation Details for Key Management Personnel

S.No	Particulars	Amount (NPR)
A	Short Term Employee Benefits	40,084,885
B	Post Employment Benefits	Nil
C	Other Long Term Benefits	Nil
D	Termination Benefits	1,783,519
E	Share Based Payment	Nil
	Total of Key Management Personnel Compensation	41,868,404

Additional information:

Key Management Personnel includes members of Executive Committee of the Bank. Key management personnel are also provided with the following benefits:

- Benefits as per the Employee Terms of Service By-laws,
- Bonus to staff as per the Bonus Act,
- Vehicle Fuel Expenses as per the Bank's Staff Vehicle Scheme.

Existing members of Executive Committee includes:

Mr. Upendra Poudyal	Chief Executive Officer
Mr. Sunil KC	Deputy Chief Executive Officer
Mr. Pradeep Pradhan	Chief Information Officer
Mr. Sharad Tegi Tuladhar	Chief Risk Officer
Mr. Bijay Giri	Head Learning Development & Service Excellence
Ms. Shabnam Limbu (Joshi)	Head Human Resources & General Administration
Mr. Pramod Kumar Dahal	Head Compliance & Company Secretary

The Board of Directors have been paid meeting fees of NPR 1,215,000. From the last fiscal year, as approved by the 18th Annual General Meeting held on 4 Poush 2070, the Board Members have been provided with a monthly allowance of NPR 8,000 for telephone, newspaper and mobile expenses. The total amount paid as monthly allowances to the board members during the fiscal year amounted to NPR 864,000.

22. Reconciliation Status

The position of agency and inter-branch reconciliation accounts are given below:

Particular	Amount in NPR			
	Less than 1 Year	More than 1 year less than 3 years	More than 3 years	Total
Agency Accounts	19,382,232	18,606,632	775,600	38,764,464
Inter branch	-	-	-	-

23. Loan Disbursed, recovered, written off and outstanding during the year.

The loan disbursed, recovered and outstanding during the year is given below:

				Amount in NPR
Opening Balance	Disbursed	Recovered	Written off	Closing balance
20,783,331,562	82,202,954,649	75,326,003,721	-	27,660,282,490

24. Summary of Changes in deposit during the year

The financial growth of the deposits during the year is given below:

			Amount in NPR
Particulars	FY 2071/2072	FY 2070/2071	Increase/(Decrease)
Savings Deposits	7,827,779,637	5,500,148,063	2,327,631,574
Fixed Deposits	11,196,230,671	7,710,166,271	3,486,064,400
Call Deposits	14,354,754,097	11,336,954,122	3,017,799,975
Current Deposits	1,457,615,709	881,062,491	576,553,218
Margin Deposits	1,886,537,540	1,658,927,089	227,610,451
Total	36,722,917,654	27,087,258,036	9,635,659,618

25. Weighted Average Interest Rate Spread

Particulars	Percent
Average lending/investment interest rate	8.74
Average deposit/borrowing interest rate	4.55
Net Spread	4.19

26. Capitalization of Interest

During the fiscal year, the Bank has recognised interest income of NPR 22.92 million from capitalization of interest during moratorium period of four separate project loans and advances approved by the NRB as loans under National Priority Sector.

27. Exchange Fluctuation Income

The Bank earned a total exchange fluctuation income of NPR 119,513,544 out of which a gain of NPR 42,332,800 was generated through NDF contracts transactions.

28. Investment in Subsidiary Company

The Bank fully owns a subsidiary company, NMB Capital Limited, with an investment of NPR 100 million. The subsidiary company received operating license from the Securities Board and started its commercial operation from September 17, 2010. The investment has been classified under "Available for sale" category as per the direction of the NRB.

29. Interest Suspense on Loans and Advances

Interest accrued on Loans and Advances but not realized in cash as on balance sheet date has been transferred to Interest Suspense and disclosed under Schedule 4.16. NRB Directive and Circular allows Banks and Financial Institutions to recognize accrued interest during the year as interest income if recovered in cash within 3 months after the year end. The Bank did not recognize such interest suspense as interest income.

30. Classification of Assets and Liabilities based on Maturity

Amount in NPR Million

Particulars	1-90 Days	91-180 Days	181-270 Days	271-1 Year	Over 1 Year	Total
a) Assets	-	-	-	-	-	-
1. Cash Balance	817.59	-	-	-	-	817.59
2. Balance with Banks	6,210.56	-	-	-	-	6,210.56
3. Investment in Foreign Banks	888.13	50.80	50.80	-	-	989.73
4. Call Money	-	-	-	-	-	-
5. NG Securities	2,852.22	180.26	5.02	-	1,431.62	4,469.11
6. Nepal Rastra Bank Bonds	-	-	-	-	-	-
7. Inter Bank Lending	300.00	-	-	-	-	300.00
8. Loans, Advances & Bills Purchased	8,383.76	4,361.80	2,471.66	787.35	11,655.71	27,660.28
9. Accrued Interest Receivable	102.72	-	-	-	-	102.72
10. Reverse Repo	-	-	-	-	-	-
11. Receivable for Guarantee provided to other Institutions	-	-	-	-	-	-
12. Payment for facilities provided under S. N. 20,21,22	-	-	-	-	-	-
13. Others-Fixed Deposit Placement	-	-	-	-	-	-
Total Assets	19,554.97	4,592.86	2,527.48	787.35	13,087.32	40,549.99
b) Liabilities						
14. Current Deposits	3,344.15	-	-	-	-	3,344.15
15. Saving Deposits(including call deposits)	4,436.51	4,436.51	4,436.51	4,436.51	4,436.51	22,182.53
16. Fixed Deposit	1,028.23	2,499.51	2,232.30	3,582.06	1,854.12	11,196.23
17. Debentures	-	-	-	-	500.00	500.00
18. Borrowings:		438.00	-	-	-	438.00
-Money at call short notice	-	-	-	-	-	-
-Inter Bank	-	-	-	-	-	-
-Refinance	-	438.00	-	-	-	438.00
-Others	-	-	-	-	-	-
19. Other liabilities and Provisions:	157.36	-	-	-	17.49	174.84
-Sundry Creditors	3.23	-	-	-	-	3.23
-Bills Payable	21.33	-	-	-	-	21.33
-Interest Payable	94.25	-	-	-	-	94.25
-Provisions	38.54	-	-	-	17.49	56.03
-Others	-	-	-	-	-	-
20. Payable for Guarantees	732.70	19.99	-	-	-	752.69
21. Unlisted approved credit limits	841.15	-	-	-	-	841.15
22. Letter of Credit/Guarantees	3,970.80	2,583.71	1,215.17	540.40	1,929.10	10,239.18
23. Repo	-	-	-	-	-	-
24. Payment to be made for facilities under S.N. 11	-	-	-	-	-	-
25. Others	-	-	-	-	-	-
Total Liabilities	14,510.91	9,977.72	7,883.98	8,558.97	8,737.21	49,668.79
Net Financial Assets	5,044.07	(5,384.86)	(5,356.50)	(7,771.62)	4,350.11	(9,118.80)
Cumulative Net Financial Assets/Liabilities	5,044.07	(340.80)	(5,697.30)	(13,468.91)	(9,118.80)	-

31. Summary of concentration of Exposure

Amount in NPR

Particulars	Loans, Advance and Bills Purchased	Deposit	Contingent
Total amount as at 16 July 2015	27,660,282,490	36,722,917,654	11,033,153,452
Highest exposure to single unit	621,468,335	2,868,619,430	2,488,213,622
Highest % of exposure to single unit	2.25%	7.81%	22.55%

32. Borrowing by the Bank against the collateral of own assets

Borrowing by the Bank against the collateral of own asset is NIL.

33. Non Banking Assets

Previous Year (Gross)	This Year (Gross)
57,811,000	57,811,000

The details of Non Banking Assets have been disclosed under Schedule 4.15.

34. Transactions in Bullion

The Bank deals in bullion (Gold/Silver) by holding stock on consignment basis on behalf of suppliers as per the arrangement. The value of consignment as on balances sheet date is NPR 24,160,166 and has been presented under "Gold Mark-Up" in Schedule 4.16. Transaction of gold and silver are carried out as per the NRB Directives.

An advance of NPR 192,437,219 provided for gold trading is outstanding as on balance sheet date. This has been presented under "Prepayments" in Schedule 4.16.

35. Capital Construction

There are no capital constructions (pending capitalization) as at the end of the current fiscal year.

36. Events after the Balance Sheet Date

No circumstances have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial Statements other than those discussed below.

37. Related Party Disclosure

a. Transaction with subsidiary company NMB Capital Limited (NMBCL)

Total outstanding balances with NMB Capital Limited as on Ashad end 2072 are as follows:

NPR in Million

Particulars	
Payable to NMBCL	0.07
Call, Current and Fixed Deposits of NMBCL	1,361.47

Total payments made and receipts obtained from NMB Capital Limited during the year are as follows:

Nature of Services	Particulars	NPR in Million	
		Income to the Bank	Expense to the Bank
Service fees	Service agreement to provide various operational and strategic support to NMB Capital Ltd	2.40	-
Office space rental	Space leased by NMBCL	1.88	-
Call, Current and Fixed Deposit	Interest expense on Call, Current and Fixed Deposits of NMBCL	-	7.11
Share Registrar	Share Registrar of the Bank	-	0.35
Dividend Income	Dividend paid for FY 2070.71	8.00	-

The intra-group related figures have been excluded for presentation of the financial statement of the Group.

b. Key Management Personnel Compensation

Transactions	Nature	Amount (NPR)	
		2014-15	2013-14
Chief Executive Officer	Short Term Employee Benefits	13,904,946	14,204,010
Chief Executive Officer	Share Based Payments (Dividend)	-	426,985
Other Key Management Personnel	Short Term Employee Benefits	26,179,940	26,412,003
Other Key Management Personnel	Share Based Payments (Dividend)	-	239,312
Other Key Management Personnel	Termination Benefits	1,783,519	-
Total		41,868,404	41,282,310

Details of loan availed by Promoters/ Institutional Promoters by pledging shares of NMB Bank Ltd with other Banks & Financial Institutions

For the period from 1 Shrawan 2071 to 31 Ashad 2072 (July 17, 2014 to July 16, 2015)

Schedule 4.34

S.N.	Name of the Promoter/ Institutional Promoter	Total no of shares held by the promoter		Loan Details			Remarks
		No of shares	Percentage of Paid up share Capital	Name of Bank/ Financial Institution where loan is availed	Loan Amount (NPR)	No of shares mortgaged	
1	Anand Kumar Rungta	2,845	0.01	Nepal SBI Bank Limited.	73,222,000	2,845	The credit facility has been sanctioned to M/S Anand Trade Concern and the shares have been held as additional security for the loan.
2	Balaram Neupane	184,937	0.77	Siddhartha Bank Limited.	1,253,907	154,114	The credit facility has been sanctioned to M/S Tulasi Investment Private Limited.
3	Hari Babu Neupane	120,000	0.50	Janta Bank Limited.	14,941,311	100,000	Mortgage for loan availed to Mrs Goma Devi Neupane.
4	Ashok Kumar Muraka	202,042	0.84	Siddhartha Bank Limited	8,000,000	160,075	Shares pledged as a security against loan availed.
5	Sharad Goyal	135,029	0.56	Century Commercial Bank	13,277,788	112,524	Shares pledged as a security against loan availed.
6	Prabha Dhital	14,911	0.06	ICFC Bittiya Sanstha Limited	991,400	12,426	Shares pledged as a security against loan availed.
7	Manoj Pd. Dhital	49,705	0.21	ICFC Bittiya Sanstha Limited	3,304,600	41,421	Shares pledged as a security against loan availed.
8	Anant Kumar Golyan	233,346	0.97	Janta Bank Limited.	87,600,000	168,368	Mortgage for loan availed to Mr Shakti Kumar Golyan.
9	Rajesh Kumar Agrawal	158,968	0.66	Siddhartha Bank Limited	8,665,271	132,473	Mortgage for loan availed to Mr Lakshman Prasad Agrawal.

Note: Total number of shares held by Promoters includes only Promoter Portion.

Comparison of Unaudited and Audited Financial Statements

as of FY 2011/12

Schedule 4.35

Rs in '000

S. No.	Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for variance
				In Amount	In %	
1	Total Capital and Liabilities(1.1 to 1.7)	41,340,277	41,337,463			
1.1	Paid Up Capital	2,400,000	2,732,365	(332,365)	-13.85%	Proposed Issue of Bonus Shares
1.2	Reserve and Surplus	916,754	581,575	335,179	36.56%	Tax adjustments
1.3	Debenture and Bond	500,000	500,000	-	0.00%	
1.4	Borrowings	438,000	438,000	-	0.00%	
1.5	Deposits(a+b)	36,722,918	36,722,918	-	0.00%	
	a.Domestic Currency	34,007,510	34,007,510	-	0.00%	
	b.Foreign Currency	2,715,407	2,715,407	-	0.00%	
1.6	Income Tax Liability	-	-	-	0.00%	
1.7	Other Liabilities	362,606	362,606	-	0.00%	
2	Total Assets (2.1 to 2.7)	41,340,277	41,337,463			
2.1	Cash and Bank Balance	6,305,542	6,305,542	-	0.00%	
2.2	Money at Call and Short Notice	722,607	722,607	-	0.00%	
2.3	Investment	5,983,872	5,983,872	-	0.00%	
	Loans and Advances (Net)	27,288,891	27,288,891	-	0.00%	
	a.Real Estate Loan	1,549,017	1,549,017	-	0.00%	
	1. Residential Real Estate Loan(Except personal Home Loan upto Rs. 10 Million)	871,726	871,726	-	0.00%	
	2. Business Complex & Residential Apartment Construction Loan	114,571	114,571	-	0.00%	
	3. Income generating Commercial Complex Loan	-	-	-	0.00%	
	4. Other Real Estate Loan(including Land purchase & plotting)	562,720	562,720	-	0.00%	
	b. Personal Home Loan of Rs. 80 Lacs or Less	2,900,901	2,900,901	-	0.00%	
	c. Margin Type Loan	240,078	240,078	-	0.00%	
	d. Term Loan	4,956,712	4,956,712	-	0.00%	
	e. Overdraft Loan/ TR Loan/ WC Loan	9,640,585	9,640,585	-	0.00%	
	f. Others	8,001,598	8,001,598	-	0.00%	
2.5	Fixed Assets (Net)	374,253	374,253	-	0.00%	
2.6	Non-banking Assets (Net)	-	-	-	0.00%	
2.7	Other Assets	665,111	662,297	2,814	0.42%	Tax adjustments
3	Profit and Loss Account					
3.1	Interest Income	2,315,441	2,315,441	-	0.00%	
3.2	Interest Expenses	1,348,074	1,348,074	-	0.00%	
	A. Net Interest Income (3.1-3.2)	967,368	967,368	-	0.00%	
3.3	Fees, Commission and Discount	112,616	112,616	-	0.00%	
3.4	Other Operating Income	112,270	112,270	-	0.00%	
3.5	Foreign Exchange Gain/Loss (Net)	119,514	119,514	-	0.00%	
	B.Total Operating Income(A+3.3+3.4+3.5)	1,311,767	1,311,767	-	0.00%	
3.6	Staff Expenses	201,815	201,815	-	0.00%	
3.7	Other Operating Expenses	288,112	288,112	-	0.00%	
	C.Operating Profit Before Provision (B.-3.6-3.7)	821,840	821,840	-	0.00%	
3.8	Provision for Possible Losses	97,074	97,074	-	0.00%	
	D.Operating Profit (C.-3.8)	724,766	724,766	-	0.00%	
3.9	Non-Operating Income/Expenses(Net)	17,352	17,352	-	0.00%	
3.10	Write Back of Provision for Possible Loss	41,974	41,974	-	0.00%	
	E. Profit from Regular Activities(D+3.9+3.10)	784,092	784,092	-	0.00%	
3.11	Extraordinary Income/Expenses(Net)	-	-	-	0.00%	
	F. Profit before Bonus and Taxes(E.+3.11)	784,092	784,092	-	0.00%	
3.12	Provision for Staff Bonus	71,281	71,281	-	0.00%	
3.13	Provision for tax	209,008	211,822	(2,814)	-1.35%	Tax adjustments
	G. Net Profit/Loss(F.-3.12-3.13)	503,804	500,990	2,814	-	

Unaudited Financial Results (Quarterly)

As at 4th Quarter (16/07/2015) of the Fiscal Year 2071/72

Schedule 4.36

S.No.	Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities(1.1 to 1.7)	41,340,277	37,581,114	30,211,663
1.1	Paid Up Capital	2,400,000	2,400,000	2,400,000
1.2	Reserve and Surplus	916,754	813,455	412,950
1.3	Debenture and Bond	500,000	500,000	-
1.4	Borrowings	438,000	70,000	-
1.5	Deposits(a+b)	36,722,918	33,435,926	27,087,258
	a.Domestic Currency	34,007,510	30,135,430	24,166,940
	b.Foreign Currency	2,715,407	3,300,495	2,920,318
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	362,606	361,734	311,455
2	Total Assets (2.1 to 2.7)	41,340,277	37,581,114	30,211,663
2.1	Cash and Bank Balance	6,305,542	5,977,639	4,568,736
2.2	Money at Call and Short Notice	722,607	533,946	61,631
2.3	Investment	5,983,872	3,328,301	4,191,269
2.4	Loans and Advances (Net)	27,288,891	26,587,254	20,467,041
	a.Real Estate Loan	1,549,017	1,598,646	1,222,240
	1. Residential Real Estate Loan(Except personal Home Loan upto Rs. 10 Million)	871,726	899,871	664,565
	2. Business Complex & Residential Apartment Construction Loan	114,571	108,598	36,823
	3. Income generating Commercial Complex Loan	-	-	-
	4. Other Real Estate Loan(including Land purchase & plotting)	562,720	590,177	520,852
	b. Personal Home Loan of Rs. 10 Million or Less	2,900,901	2,901,870	2,176,199
	c. Margin Type Loan	240,078	200,916	197,735
	d. Term Loan	4,956,712	4,609,885	3,680,499
	e. Overdraft Loan/ TR Loan/ WC Loan	9,640,585	9,156,264	6,981,949
	f. Others	8,001,598	8,119,673	6,208,418
2.5	Fixed Assets (Net)	374,253	381,412	383,428
2.6	Non-banking Assets (Net)	-	-	-
2.7	Other Assets	665,111	772,562	539,559
3	Profit and Loss Account	At the End of This Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
3.1	Interest Income	2,315,441	1,660,399	2,005,346
3.2	Interest Expenses	1,348,074	887,938	1,216,064
	A. Net Interest Income (3.1-3.2)	967,368	772,461	789,283
3.3	Fees, Commission and Discount	112,616	85,577	83,497
3.4	Other Operating Income	112,270	92,243	95,520
3.5	Foreign Exchange Gain/Loss (Net)	119,514	86,927	97,660
	B.Total Operating Income(A+3.3+3.4+3.5)	1,311,767	1,037,209	1,065,960
3.6	Staff Expenses	201,815	158,391	149,197
3.7	Other Operating Expenses	288,112	205,673	251,377
	C.Operating Profit Before Provision (B.-3.6-3.7)	821,840	673,145	665,387
3.8	Provision for Possible Losses	97,074	88,589	113,305

	D.Operating Profit (C.-3.8)	724,766	584,555	552,081
3.9	Non-Operating Income/Expenses(Net)	17,352	16,903	21,671
3.10	Write Back of Provision for Possible Loss	41,974	27,906	205,155
	E. Profit from Regular Activities(D+3.9+3.10)	784,092	629,364	778,908
3.11	Extraordinary Income/Expenses(Net)	-	-	(136,903)
	F. Profit before Bonus and Taxes(E.+3.11)	784,092	629,364	642,004
3.12	Provision for Staff Bonus	71,281	57,215	58,364
3.13	Provision for tax	209,008	171,645	173,717
	G. Net Profit/Loss (F.-3.12-3.13)	503,804	400,505	409,923
4	Ratios	At the End of This Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund to RWA	11.20%	11.46%	10.75%
4.2	Non Performing Loan(NPL) to Total Loan	0.42%	0.47%	0.55%
4.3	Total Loan Loss Provision to Total NPL	316.26%	298.79%	278.73%
4.4	Cost of Funds	4.55%	4.32%	5.52%
4.5	Credit to Deposit Ratio (Calculated as per NRB Directives)	72.00%	78.06%	75.02%
4.6	Base Rate	7.89%	7.66%	8.12%
4.7	Average Interest Spread (Calculated as per NRB Directives)	3.33%	3.76%	3.97%

Note :

1. Above figures are subject to change from Supervisory Authority and External Audit.

2. Figures of previous periods have been regrouped wherever necessary.

3. Group represents NMB Bank Limited (NMB) and its subsidiary NMB Capital Ltd.

4. The intra-group related figures have been excluded for presentation of the financial statement of the Group.

5. Loans and Advances and Non Banking Assets (NBA) have been reported net of provisions. Gross Loans and Advances amounts to 27,660,282 thousands and gross NBA amounts to NPR 57,811 thousands.

Disclosure under New Capital Adequacy Framework

For the Year Ended Ashad 2072

Amounts in NPR Thousands

1 Capital Structure and Capital Adequacy:

1.1. Tier 1 Capital and a breakdown of its Components:

S.No	Details	
1.	Paid up Equity Share Capital	2,400,000
2.	Share Premium	10,078
3.	Proposed Bonus Equity Shares	332,365
4.	Statutory General Reserves	450,766
5.	Retained Earnings	9,523
6.	Deferred Tax Reserves	23,837
7.	Debenture Redemption Reserve	37,046
8.	Less: Investment in equity of institutions with financial interest	(100,000)
	Total Core Capital	3,163,615

1.2. Tier 2 Capital and a breakdown of its Components:

S.No	Details	
1.	Subordinated Term Debt	500,000
1.	General Loan Loss Provision	286,426
2.	Exchange Equalization Reserve	28,379
3.	Investment Adjustment Reserve	4,453
	Total Supplementary Capital	819,258

1.3. Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, and amount raised during the year and amount eligible to be reckoned as capital funds.

The Bank issued "7% NMB Debenture 2077" on 6 Falgun 2071 amounting to NPR 500 Million having a maturity of 5 years 6 months. The Debenture was fully subscribed. As at the year end, the outstanding amount of Debenture is 500 Million and entire amount is eligible to be recognized as capital funds (Tier 2).

1.4. Deductions from Capital:

Investment in equity shares of fully owned subsidiary company NMB Capital Ltd amounting to NPR 100,000,000 has been deducted from Tier 1 Capital.

1.5. Total Qualifying Capital:

S.No	Details	
1.	Core Capital (Tier 1)	3,163,615
2.	Supplementary Capital (Tier 2)	819,258
	Total Capital Fund	3,982,873

1.6. Capital Adequacy Ratio:

S.No	Details	Percentage
1.	Tier 1 Capital to Total Risk Weighted Exposure	8.84
2.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposure	11.13

1.7. Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.

The capital instruments of the Bank include fully paid up Equity Shares and Debenture. Both are non convertible. The main features of Debenture have been mentioned under S.No 1.3 above.

Risk Exposures:

2.1. Risk Weighted Exposures for Credit Risk, Market Risk and Operational Risk:

S.No	Risk Weighted Exposure	
a.	Risk Weighted Exposure for Credit Risk	33,007,256
b.	Risk Weighted Exposure for Operational Risk	1,316,540
c.	Risk Weighted Exposure for Market Risk	543,280
	Total Risk Weighted Exposures (a+b+c)	34,867,076
	Add: RWE equivalent to reciprocal of capital charge of 2 % of gross income.	213,874
	Add : 2% of the total RWE due to Supervisory add up	697,342
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	35,778,292

2.2. Risk Weighted Exposures under each of 11 categories of Credit Risk:

S.No	Particulars	
1.	Claims on government and Central Bank	-
2.	Claims on other Official Entities	-
3.	Claims on Bank	1,289,241
4.	Claims on Domestic Corporate and Securities Firms	21,570,245
5.	Claims on Regulatory Retail Portfolio	900,352
6.	Claims secured by Residential Properties	1,867,553
7.	Claims secured by Commercial Real Estate	255,786
8.	Past Due Claims	51,758
9.	High Risk Claims	2,206,292
10.	Other Assets	778,939
11.	Off Balance sheet items	4,087,091
	Total	33,007,256

2.3. Total Risk Weighted Exposure calculation table:

S.No	Particulars	
a.	Risk Weighted Exposure for Credit Risk	33,007,256
b.	Risk Weighted Exposure for Operational Risk	1,316,540
c.	Risk Weighted Exposure for Market Risk	543,280
1.	Total Risk Weighted Exposure	34,867,076
	Add: RWE equivalent to reciprocal of capital charge of 2 % of gross income.	213,874
	Add : 2% of the total RWE due to Supervisory add up	697,342
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	35,778,292
2.	Total Core Capital Fund (Tier 1)	3,163,615
3.	Total Capital Fund (Tier 1 & Tier 2)	3,982,873
4.	Total Core Capital to Total Risk Weighted Exposures	8.84%
5.	Total Capital to Total Risk Weighted Exposures	11.13%

2.4. Amount of Non Performing Assets (NPAs)

S.No	Category	Gross	Provision	Net
1.	Restructured/Rescheduled	2,868	1,855	1,013
2.	Substandard	33,231	8,308	24,923
3.	Doubtful	13,458	6,729	6,729
4.	Loss	67,875	67,875	-
	Total	117,432	84,767	32,665

2.5. NPA Ratio

Gross NPA to Gross Advances: 0.42%

Net NPA to Net Advances: 0.12%

2.6. Movement of Non Performing Assets

S.No	Particulars	Ashad End 2071	Ashad End 2072	Movement
1.	Restructure/Reschedule Loan	3,438	2,868	(570)
2.	Substandard	3,305	33,231	29,926
3.	Doubtful	5,551	13,458	7,907
4.	Loss	101,183	67,875	(33,308)
	Total Non Performing Loan	113,477	117,432	3,955

2.7. Movement of Loan Loss Provision & Interest Suspense

S.No	Category	Ashad End 2071	Ashad End 2072	Movement
1.	Pass	209,374	264,233	54,859
2.	Watch List	-	22,391	22,391
3.	Restructured	2,133	1,855	(278)
4.	Substandard	826	8,308	7,482
5.	Doubtful	2,775	6,729	3,954
6.	Loss	101,183	67,875	(33,308)
	Total Loan Provision	316,290	371,391	55,101
	Interest Suspense	59,311	78,689	19,378

2.8. Interest Suspense

As per NRB Directives, all interest accruals on loans and advances, irrespective of loan category, are transferred to interest suspense account until the interest accrued and due is realized in cash. Details of Interest Suspense movement are as follows:

Particulars	Ashad End 2071	Ashad End 2072	Movement
Interest Suspense	59,311	78,689	19,378

2.9. Details of Additional Loan Loss Provision

S.No	Category	
1.	Pass	54,859
2.	Watch List	22,391
3.	Restructured	-278
4.	Substandard	7,482
5.	Doubtful	3,954
6.	Loss	(33,308)
	Total Additional Loan Loss Provision	55,101

2.10. Segregation of Investment Portfolio

S.No	Particulars	
1.	Held for Trading	-
2.	Held for Maturity	5,758,834
3.	Available for Sale	225,043
	Total Investment Portfolio	5,983,877


Note: Investment under held for trading category includes NSB Bonds held by the Bank, bought and sold daily as market maker of the same.

2.11 Eligible Credit Risk Mitigants (CRM) availed

As per the provisions of the New Capital Adequacy Framework, the bank has claimed all the eligible credit risk mitigants of NPR 3,397,987 thousands for Balance Sheet and Off Balance Sheet exposures and availed benefit thereof.

Summary of the Bank's internal approach to assess the adequacy of its capital to support current and future activities:

Risk management is essential for well being of the overall banking business. Credit, Market and Operational Risk are managed independently at NMB Bank. Credit Risk Unit reviews risk related to credit prior to disbursement of all loans, it is independent of a loan approver. Credit Risk Management Committee meets once a month to review credit portfolio risk. Market risk is closely monitored all time and managed through ALCO. Operational Risk Committee which meets once each month is a platform to assess/monitor operational risk identified




vides various units, branches. Effective implementation of process/ controls is periodically reviewed by an Operational Risk Unit. Operational Risk Unit also carries out assurance reviews of the units to evaluate control weakness, recommends robust controls around the risk areas and monitors execution of control in an ongoing basis.

Audit Committee is formed as per the 'Terms of Reference' prescribed by NRB with 3 members. Coordinator of the committee is one of the Non Executive Directors with Head Internal Audit as its secretary. The committee reviews internal/external/NRB audit reports, recommends stringent control process and escalates the audit observations to the Board. The Committee also reviews quarterly unaudited financial reports of the Bank with recommendation to the Board. The committee selects and recommends External Auditor to the Board based on financial and technical evaluations. Audit Committee is committed towards

maintaining robust control system hence monitors closure of risk issues raised by Internal/External/NRB auditors.

Risk Management Committee with view of ensuring better risk management in the bank and in line of NRB's requirement is formed with 5 members chaired by Non-Executive Director, Coordinator of Audit Committee, Head Operation, Head Credit Risk and Head Compliance, & Operational Risk are the members of the committee. The committee reviews high risk issues escalated by operational and credit risk committees (management level), deliberates on the risks and recommends to the Board if required. Stress testing/Capital adequacy is also reviewed at the committee with recommendation to the Board. Revised/new NRB directives, Monetary Policy with material impact on the Bank are also reviewed for its implications.



UNIT HEADS

<p>Sanju Shrestha Head Development Organisation & Priority Banking</p>	<p>Sudesh Upadhyaya Head International Banking</p>	<p>Govind Ghimire Head Business Banking</p>	<p>Navin Manandhar Head Corporate Banking</p>
<p>Mahesh Bajracharya Head Treasury Middle Office & KYC Project</p>	<p>Roshan Regmi Head Operations & IT</p>	<p>Alok Shrestha Head General Administration & Strategic Sourcing</p>	<p>Sushama Sharma Head Retail Banking</p>
<p>Neeraj M Sainju Head Treasury, Remittance & Bullion Sales</p>	<p>Puspa Aryal Head Trade Finance</p>	<p>Suresh Dhakal Head Credit Administration</p>	<p>Ganesh Parajuli Head Internal Audit</p>
<p>Lok Raj Paneru Head SME</p>	<p>Vishnu Manandhar Head Cards & Alternate Delivery Channels</p>	<p>Mridul Parajuli Head Finance & Planning</p>	<p>Shivaraj Upadhyaya Head ISO & Operational Risk</p>
<p>Dhurba P Adhikari Head Legal</p>	<p>Dinesh Dulal Head Renewable Energy & Micro Finance</p>	<p>Milan Udas Sr. Manager Business East</p>	<p>Yobrak Pathak Sr. Manager Business West</p>
<p>Dinesh Chand Head Business Strategy</p>			

ATM LOCATION

INSIDE VALLEY ATM

1	Basundhara ATM	Near Ishan Hospital, Basundhara, Kathmandu
2	Bhaktapur ATM	Surya Binayak, Bhaktapur
3	Bouddha ATM	Opposite To Bouddha Stupa, Kathmandu
4	District Court ATM	District Court Premises, Babar Mahal, Kathmandu
5	Durbarmarg ATM	Annapurna ATM Lounge, Kathmandu
6	Head Office ATM	ATM Lounge, NMB Bhawan, Babarmahal, Kathmandu
7	Kalanki ATM	Near Samsung showroom, Kalanki
8	Kamalpokhari ATM	Jain Bhawan, Kamalpokhari, Kathmandu
9	Kantipath ATM	Opposite Jyoti Bhawan, Kantipath, Kathmandu
10	Kumaripati ATM	ATM Lounge, Near UFO, Kumaripati
11	Lubhoo ATM	Lubhoo Branch Premises, Lalitpur
12	Maharajgunj ATM	Saleways Department Store, Kathmandu
13	Mangal Bazaar ATM	Mahapal, Lalitpur
14	New Baneshwor ATM	ATM Lounge, New Baneshwor, Kathmandu
15	New Road ATM	Joshi Plaza, New Road, Kathmandu
16	Putalisadak ATM	Putalisadak Branch, beside Honda Show Room
17	Sitapaila ATM	Sitapaila Chowk, Ringroad, Kathmandu
18	Sundhara ATM	Civil Mall ATM Lounge, Sundhara, Kathmandu
19	Thaiba ATM	Thaiba Branch Premises, Lalitpur
20	Thamel ATM	ATM Lounge, Tridevi Marga, Thamel, Kathmandu
21	Thapathali ATM	Singha Mahal, Kathmandu
22	Tripureshwor ATM	Tripureshwor Chowk, Kathmandu
23	Naxal ATM	Naxal Branch Premises, Kathmandu

OUTSIDE VALLEY ATM

1	Banepa ATM	Tindobato, Kavrepalanchok
2	Biratnagar ATM	Rangeli Road, Morang
3	Birgunj ATM	Adarsha Nagar, Birgunj
4	Birtamod ATM	Anarmani 4, Bhadrapur Road, Birtamod
5	Butwal ATM	Traffic Chowk, Butwal, Rupandehi
6	Dailekh ATM	Narayan Bazar, Dailekh
7	Dhangadhi ATM	Bus Park Road, Kailali
8	Dharan ATM	Dharan
9	Doti ATM	Silgadi, Doti
10	Gorkha ATM	Gorkha Nagarpalika, Kalimati, Gorkha, Gandaki
11	Janakpur ATM	Infront of Nagarpalika Building, Bhanu Chowk, Janakpur
12	Lahan ATM	Lahan Branch Premises, Siraha
13	Manthali ATM	Manthali Bazar, Ramechhap
14	Narayanghat ATM	Shaheed Chowk, Ward No-4, Narayanghat, Chitwan
15	Nepalgunj ATM	Nepalgunj Medical College's Entrance, Nepalgunj
16	Phidim ATM	Main Gate, Phidim 1, Panchthar
17	Pokhara ATM	Pokhara
18	Urlabari ATM	Urlabari, Morang
19	Jeetpur ATM	Jeetpur Branch Premises, Kapilvastu

EXTENSION COUNTER

INSIDE VALLEY

- Kathmandu District Court, Babarmahal
- District Administrative Office, Babarmahal, Kathmandu

OUTSIDE VALLEY

Timure Extension Counter

Timure, Dhunche
Tel: +977-10-6922836

Silgadi Extension Counter

Silasthan, Silgadi, Doti
Tel: +977-94-420488

Sandhikharka Extension Counter

Sandhikharka-6, Arghakhanchi
Tel/Fax: +977-77-420792

Ramnagar Extension Counter

Ramnagar, Rupandehi
Tel/Fax: +977-71-541858

Bangain Extension Counter

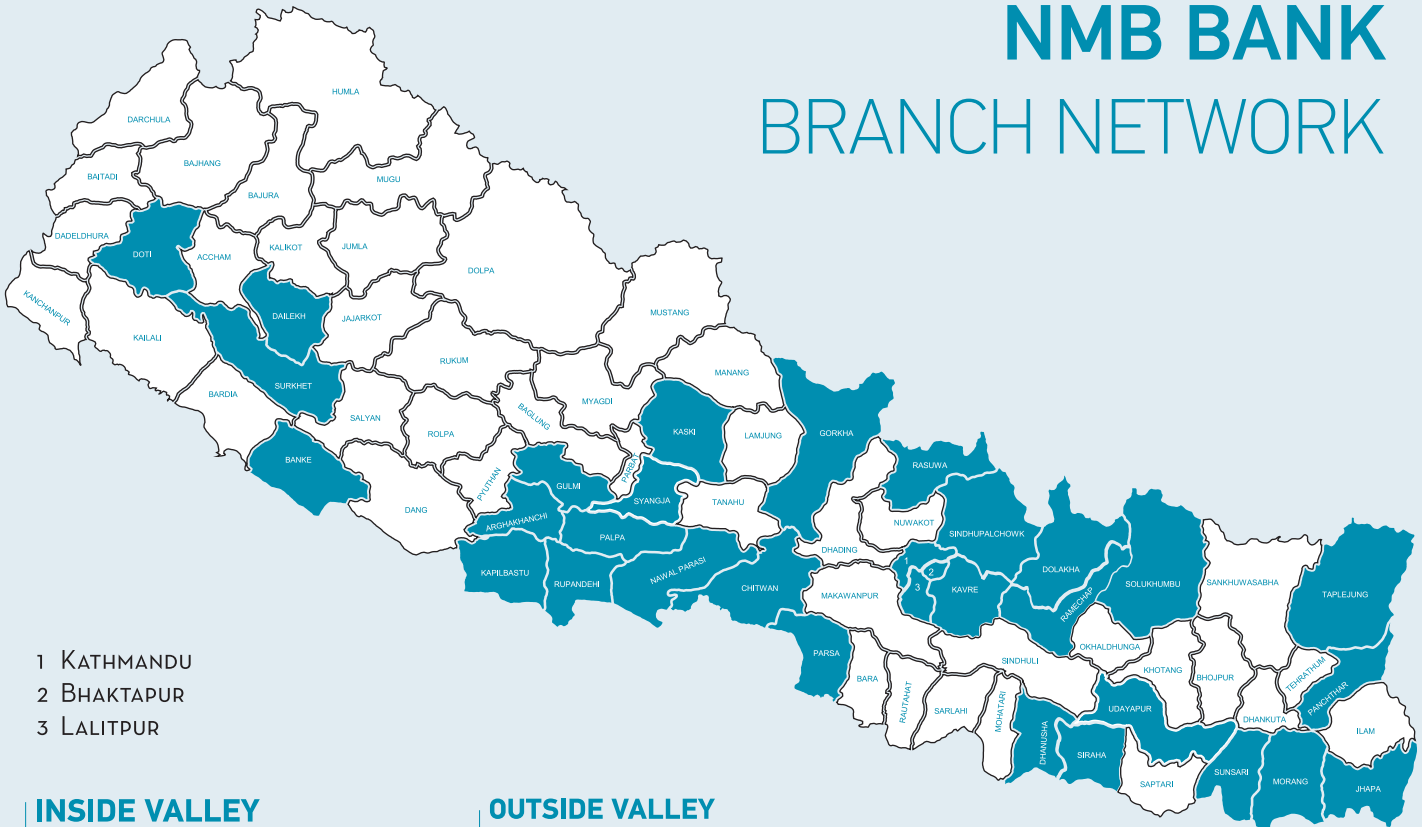
Motipur-3, Bangain Kapilvastu
Tel/Fax: +977-76-411021

MALAYSIA REPRESENTATIVE OFFICE

NMB Bank Limited

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2 Lebuhr Pasar Besar 50500
Wilayah Persekutuan,
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Fax: +60-326-023-158

NMB BANK BRANCH NETWORK



- 1 KATHMANDU
- 2 BHAKTAPUR
- 3 LALITPUR

INSIDE VALLEY

- | | |
|--------------------|-----------------|
| 1. Babarmahal (HQ) | 10. Kumaripati |
| 2. Baneshwor | 11. Lubhu |
| 3. Bhaktapur | 12. Naxal |
| 4. Basundhara | 13. New Road |
| 5. Chabahil | 14. Putalisadak |
| 6. Durbarmarg | 15. Sitapaila |
| 7. Kalanki | 16. Thaiba |
| 8. Kamalpokhari | 17. Thamel |
| 9. Kantipath | 18. Thapathali |

OUTSIDE VALLEY

- | | | |
|--------------------------------|----------------|-----------------|
| 19. Aryabhanjyang | 34. Dailekh | 49. Kirne |
| 20. Banepa | 35. Dhangadhi | 50. Lahan |
| 21. Belbari | 36. Dharan | 51. Letang |
| 22. Bhalwari | 37. Dhunche | 52. Madhumalla |
| 23. Biratnagar (Golchha Chowk) | 38. Doti | 53. Manigram |
| 24. Biratnagar | 39. Drivertole | 54. Manthali |
| 25. Birgunj | 40. Dudhe | 55. Murgiya |
| 26. Birtamod | 41. Gorkha | 56. Narayanghat |
| 27. Birtamod Chowk | 42. Gorusinghe | 57. Nepalgunj |
| 28. Butwal | 43. Itahari | 58. Pathari |
| 29. Butwal Main | 44. Janakpur | 59. Pharsatkar |
| 30. Chaar Number | 45. Jeetpur | 60. Phidim |
| 31. Chandragadhi | 46. Katari | 61. Pokhara |
| 32. Chandrauta | 47. Kerabari | |
| 33. Chutrabesi Bazar | 48. Kerkha | 62. Salleri |
| | | 63. Sunawal |
| | | 64. Tamghas |
| | | 65. Taplejung |
| | | 66. Tarahara |
| | | 67. Thutipipal |
| | | 68. Urlabari |
| | | 69. Waling |



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Kathmandu, Nepal

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