THE ANALYST

NMB CAPITAL LIMITED

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MARKET UPDATE

- During the review period (Mid-May to Mid-August) the benchmark index lost 91.41 points i.e. a loss of 6.95% as compared to the previous review period (Mid-February to Mid-May), to close at 1,224.04. Nevertheless, two sub-indices advanced with Trading sub index gaining the most i.e. 6.87%. The Insurance Sector took a major hit during the review period with Non-Life Insurance and Life Insurance sub-indices losing 18.99% and 14.47% respectively. Price of 61 out of 193 companies advanced while price of 130 companies declined during the review period. The average daily turnover volume increased by 3.5% to NPR 569 million as compared to NPR 549 million in the previous review period.
- As per the unaudited financials published for FY 18/19, commercial banks were able to increase their net profit by 25.61% as compared to a growth of 11.41% a year earlier, despite the net interest spread slashed from 5% to 4.5% and relatively slower credit growth. Commercial banks witnessed the slowest growth in outstanding loans and advances (i.e. 18.4%) since FY 12/13, whereas the growth in deposit was slowest since FY 11/12. Development Banks and Finance Companies saw their profit grow by 31.7% and 6.01% respectively. While Non-Life Insurance Companies and Microfinance Companies recorded a growth of 12.57% and 49.24% respectively[1]. Increasing earnings and decreasing stock prices collectively have reduced the Price to Earnings ratio of the listed companies. Commercial Banks, Development Banks, Finance Companies, Microfinance Companies and Non-Life Insurance companies are being traded at earnings multiple of 13.7x, 11.4x, 14.8x, 17.3x and 23.1x respectively whereas the overall stock market is being traded at a PE of 15.63x.
- The Fiscal Policy for FY 19/20 was announced with an aim to achieve GDP growth rate of 8.5%[2]. Complementing the Fiscal Policy, Monetary Policy for FY 19/20 reduced interest rates on different lending categories and aimed for higher credit growth[3]. Fiscal Policy also reduced CGT in stock market from 7.5% to 5% for natural person. Some of the other policies of monetary policy include - revised interest rate corridor rates and repo rates, reduction of interest rate spread of Commercial banks from 4.5% to 4.4%, mandatory issuance of debentures of at least 25% of their paid-up capital for Commercial banks. Effective spread rate of BFIs has reduced as Central bank revised the method of calculating interest rate spread and with it profitability of BFIs is expected to decline significantly[4]. The same circular also imposed Counter Cyclical Buffer of 2% for Commercial banks which mandates banks to maintain a CAR of 13% in order to distribute cash dividend. Nine Commercial banks have CAR less than 13% at the end of FY 18/19.
- As per the NRB report[5] during the FY 18/19 imports have increased by 13.9% which stood at 25.8% in the previous year while exports have expanded by 19.4% which had grown by 11.4% last year. Trade deficit widened by 13.5% to NPR 1,321 billion and Balance of Payments recorded a deficit of NPR 67.40 billion.

Table 1: Changes in sub-indices during the quarter

Sub-Index	14th May 2019	17th August 2019	Change
Banking	1,175.57	1,224.04	4.12%▲
Dev. Bank	1,564.69	1,592.74	1.79%▲
Finance	621.18	623.29	0.34%▲
Hotels	2,139.25	2,047.01	4.31%▼
Hydro Power	1,199.19	1,084.11	9.6%▼
Life Insurance	6,784.63	5,802.70	14.47%▼
Manu. & Pro.	2,622.45	2,576.34	1.76%▼
Microfinance	1,531.02	1,517.15	0.91%▼
Non-Life Insurance	6,041.01	4,894.04	18.99%▼
Others	744.6	698.87	6.14%▼
Trading	252.88	270.27	6.87%▲

NMBCL UPDATES

- NFO for NMB's 3rd Mutual Fund Scheme, **NMB 50.** *Issue Open date: July 29, 2019 – August 27, 2019.*
- Corporate Debenture issued, of **Machhapuchhre Bank Ltd (MBL)**. *Issue Open date: August 22, 2019 – August 20, 2019.*
- Agreement signed for issue management of **Siddhartha Bank Limited (SBL) Debenture.**
- Agreement signed for right share issue management of **Prudential Insurance Co. Ltd. (PICL)**
- Agreement signed for right share issue management of **Gurans Life Insurance Co. Ltd. (GLBSL)**

[1] As per unaudited financials of fourth quarter of FY 18/19 published till the end of the review period. Both listed and unlisted companies were considered while calculating growth of commercial bank while only listed companies were considered for others.
[2] Ministry of Finance. (2019). *Budget Speech of Fiscal Year 2019/20*. Retrieved from https://mof.gov.np/uploads/document/file/budget_speech_website_20190619052055.pdf
[3] Nepal Rastra Bank. (2019). *Monetary policy for 2019/20*. Retrieved from https://www.nrb.org.np/ofg/monetary_policy/Monetary_Policy_(in_English)--2019-20_(Full_Text)-new.pdf
[4] Nepal Rastra Bank. (2019). Circular 02-Monetary policy & BOD, CEO age related. Retrieved from https://www.nrb.org.np/bfr/circular/2076-77/2076_77_For_A_,_B_&_C_Class--Circular_02-Monetary_Policy_&_BOD,_CEO_Age_Related-new.pdf
[5] Nepal Rastra Bank (2019). *Current Macroeconomic and Financial Situation of Nepal: Based on annual data of 2018/19*. Retrieved from https://www.nrb.org.np/ofg/current_macroeconomic/CMEs%20Annual_%20English%20Final%20Compilation%202075-76.pdf

INTEREST RATES

The interbank rate has fluctuated widely throughout the review period; from 7.9% in late May to 0.6% in early August 2019. The rise in interbank rate was fueled by lack of liquidity in the banking system and the facility provided by NRB which allowed interbank borrowings to be counted as deposits (currently is not allowed). With the rising government spending during the end of FY, the liquidity situation eased and interbank rate declined subsequently. During the review period, NRB injected NPR 69.14 billion worth of liquidity through issuance of 7-day repos whereas NPR 30 billion worth of liquidity was mopped up at the beginning of FY 19/20 through 14 days deposit auction. The upper and lower threshold of Interest Rate Corridor has been revised to 4.5% and 3% respectively[6].

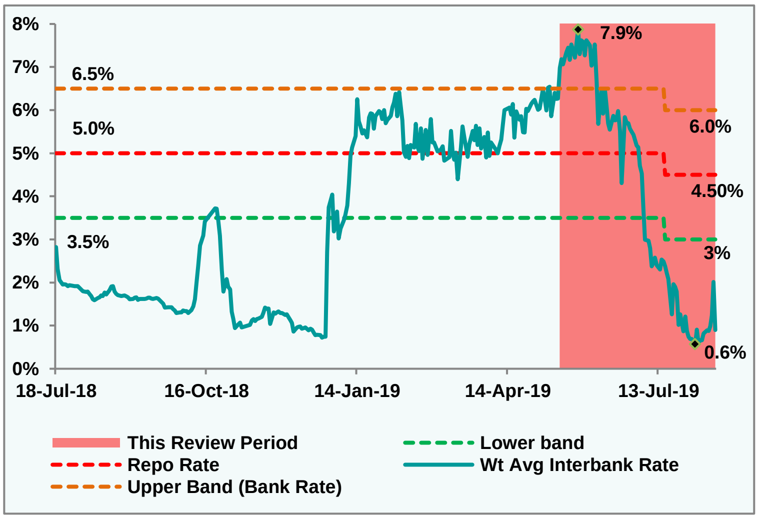

Figure 1: Weighted average interbank rate (Source: NRB)

During the review period, discount rates on treasury bills have also declined. Treasury bills worth of NPR 42.27 billion were renewed during the period while fresh treasury bills worth of NPR 44 billion were issued where some of the fresh issues were left unsubscribed. Discount rates on treasury bill of 28 days, 91 days, 182 days and 364 days stood at 4.3278%, 0.0004%, 4.6239% and 4.7758% as compared to 3.7430%, 4.8306%, 5.1825% and 5.2463% respectively in Mid-May. Government of Nepal (GoN) has planned to raise NPR 195 billion through domestic borrowing with issuance of treasury bills and government bonds throughout the FY 19/20[7]. Such issuance will likely put pressure on discount rate of treasury bills.

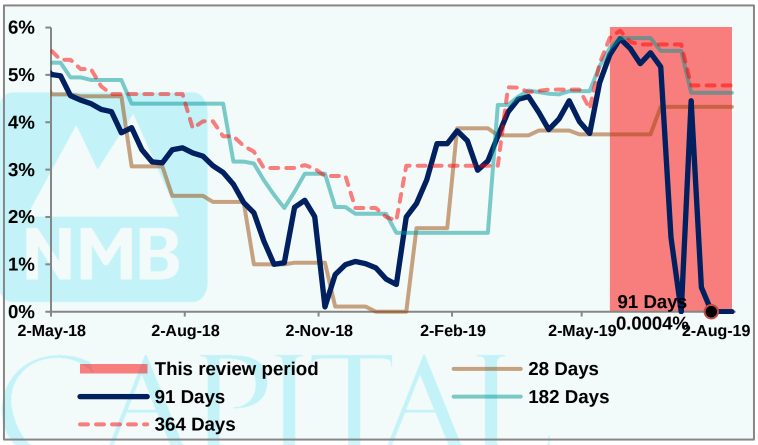

Figure 2: Discount rates of treasury bills (Source: NRB)

Figure 3 below displays average interest rates offered by commercial banks on fixed deposits for individual depositors for different tenures. The dotted line shows average fixed deposit interest rates for respective tenure during mid-May 2019. Interest rates has remained more or less same due to the ongoing understanding on fixing interest rate among commercial banks.

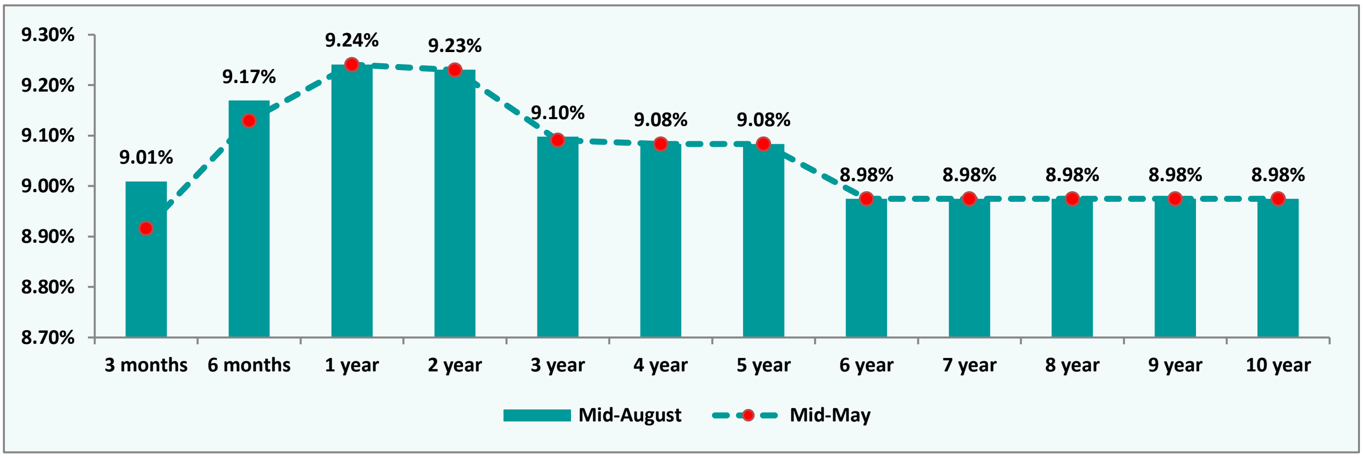

Figure 3: Average interest rates offered by commercial banks in fixed deposits for different tenure

[6] Nepal Rastra Bank. (2019). *Monetary policy for 2019/20.* Retrieved from https://www.nrb.org.np/ofg/monetary_policy/Monetary_Policy_(in_English)--2019-20_(Full_Text)-new.pdf

[7] Ministry of Finance. (2019). *Budget speech of fiscal year 2019/20*. Retrieved from https://mof.gov.np/uploads/document/file/budget_speech_website_20190619052055.pdf

NEPSE – TECHNICAL ANALYSIS

Figure 4: Daily Chart of NEPSE

Throughout the review period, the overall stock market index – NEPSE (*1,224.03,* ▼*6.95%*) lost 91.42 points as compared to 187.26 points gained in the previous review period. The index remained close to the high (i.e. 1,322) of this year's March-April's rally trying to push higher but failed and index trended to the downside as anticipated in the previous issue of *The Analyst*. The level of 1,322 proved to be a formidable resistance. The bearish crossover seen in Moving Average Convergence Divergence (MACD) at the end of the previous review period held firm. The index then fell into a trading range of 1,280 and 1,237 which are Fibonacci retracement levels of 50.0% and 38.2% respectively. NEPSE consolidated between these Fibonacci retracement levels for almost two months before giving a breakout during the last days of the review period.

The two moving averages, 8-Day moving average and 20-Day moving average experienced multiple crossovers during the review period. 8-Day moving average in early August crossed the 20-Day moving average from above which was followed by a steep fall in the index. Both the moving averages are hovering below a longer term 60-Day moving average. Relative Strength Index[8] (RSI) mimicked the falling index. RSI fell from 72.77 in mid-May to 31.43 – slightly above the oversold level– subsequently at the end of the review period. As of now, RSI doesn't give out any significant signs regarding index's future movement. MACD[9] after the bearish crossover continued to fall and remained below the zero line for most of the period. MACD too experienced multiple crossovers during the review period. Bollinger bands[10] have started to widen as the index experienced the breakout from the trading range of 1,280 and 1,237 in early August.

Figure 5: Daily chart of NEPSE with indicators

One of the major takeaways is the test of the long term bearish trendline (the line joining the all-time high i.e. 1,881 of July 2016 and the high of April 2017 i.e. 1,746) by NEPSE. The index's failure to move past the trend line suggests that the overall market still follows bearish trend in the longer term. The market seems to be in bearish trend in short term as well and is most likely to aim for the immediate target of 1,200 and then 1,170. While on the upside, 1,237 and 1,280 is likely to act as a strong resistance.

[8] No. of periods = 14
[9] Periods of 12, 26, 9 is taken for Fast average, Slow average and Signal Average respectively
[10] No. of periods = 20, Width = 4 times the Standard Deviation

CAPITALIZATON OF NEPALESE BANKING INDUSTRY

Banks are one of the fundamental pillars of economic growth due to their ability to mobilize scattered capital. While promoting businesses is a key function of banks, they are exposed to various risks which emanate from the local economic and financial environment as well as cross-border spillages. Banks have to maintain sufficient capital fund in order to cushion from any unexpected losses from their normal banking operations. Capital also acts as a buffer for cyclical economic distresses which primarily arise due to inherent systemic risks prevailing in the economy. In any case when capital is inadequate to absorb the losses on the assets held by banks, the institution may turn insolvent resulting in partial or full default on the deposits collected from the general public. Banking crises due to its contagion spreads across the financial system causing financial instability and economic crisis.

With an aim of having worldwide uniform banking regulations, a common guideline was prescribed for member banks by Bank of International Settlement, Switzerland, known as the BASEL Guidelines. The recent Basel III guidelines is a set of international banking guidelines which are designed to reduce damage to the economy by banks that take on excess risk. Basel Committee on Bank Supervision, sets out the minimum capital requirements of financial institutions with the goal of minimizing credit risk. Hence, banks are in constant need of capital for primarily two reasons (i) to expand and grow their business operations and (ii) to cushion against unexpected losses.

Nepal Rastra Bank, the central bank of Nepal, has been prioritizing an ongoing basis of strengthening the capital base of the banking industry to address the need for capital to banks. NRB has been revising the minimum paid up capital requirements or the minimum absolute capital requirements from time to time. Consistent in its policy, NRB has increased minimum paid up capital requirements of commercial banks from NPR 1 billion in 2002 to NPR 2 billion in 2007 and later to NPR 8 billion in 2015.To meet the recent increased capital requirements, banks mostly chose to raise capital externally through fresh issuances of new shares, reinvestments of internally generated profits and partly through mergers and acquisitions. Among the three options mergers and acquisitions was the preferred option of the regulator.

While raising fresh external capital banks have been following two options (i) by way of rights issue issued at par and (ii) by way of Further Public Offering issued at a premium. Normally, the book value of the companies issuing right shares was reasonably higher and the market price of the companies was trading at multiples of face value. The right shares issued at par automatically attracted a speculative advantage as fresh right shares issued at par were at a discounted price as compared to the book value. The pricing advantage is directly passed on to the shareholders rather than the company (bank) benefiting from its financial strength (issuing right shares at premium) as the 'fresh capital' injection gets raised financially at a 'discount'.

As a result, the availability of right shares at discounted price has led to increase in the speculative behavior in the capital market. While, the sudden hike in capital creates an abrupt environment in the banking sector pushing banks to take more risks to justify their unused capital potential. Such situation forces banks to seek aggressive growth in lending in order to justify the required rate of return on the capital employed, as the leveraged investors are generally eager to recoup their investments faster. In the pursuit of aggressive growth, banks generally soften the appraisal process with possibilities of adverse selection and over leveraged financing. When the credit is easy and cheap, it normally promotes speculative behavior, and the vicious cycle of credit boom to slowdown leading to bust takes place, primarily with the tightening of available liquidity. The entire financial system gets enveloped on high borrowing cost where good credits struggle to raise funds for their business and some good credits having interest sensitivities get downgraded to non-investment grade as well as attracting Non-Performing advances to the banks.

These adverse selections are likely to have deterrent effect in the financial system. The relevant example can be the present banking scenario of India which is struggling to manage NPLs generated in the banking system, compounded with failing of large conglomerates, where most of the credits grew during 2002-2008 and after the global shock of 2008. The banking industry in Nepal has doubled in balance sheet size during the last three years, the period coincides after the announcement of four-fold capital increment by the central bank. This has propelled strong credit growth and helped increase the size of the businesses; however, the litmus test for the quality of assets created shall require some time to get evaluated.

Amid this speedy growth, the central bank complying with BASEL III norms has implemented Counter Cyclical Buffer (CCB) of 2% to the banks as capital charge from this year[11]. At the end of the FY 18/19, average Capital Adequacy Ratio of 28 commercial banks stood at 13.96%[12]. Recent data shows that more than one third of commercial banks are required to add extra capital in order to meet the capital requirement due to CCB. On the one hand the discussions regarding requirement for more absolute capital is gaining momentum whereas at the other hand banks are releasing their internally generated profits in form of cash dividends, which are technically capital outlays.

The commercial banks (occupying around 90% of the total credit mobilization), raised external capital worth of NPR 64.94 billion through the issuance of new equities by way of right shares and FPOs within the three fiscal years FY 15/16 and FY 17/18. The total capital raised through fresh equity issuances during the last 10 years by these banks amounts to NPR 75.06 billion. Apart from external source, banks met their capital requirement through their internal generations as well, distributing their earnings as bonus shares amounting to NPR 61.47 billion in the last 10 years and NPR 39.07 billion in the last three years alone (FY 15/16-17/18). However not all earnings were retained; part of their earnings was distributed to their shareholders as cash dividends. Between the period from FY 08/09 to FY 17/18, banks distributed cash dividend worth of NPR 60.71 billion

Table 2: Right Shares, FPOs, Cash Dividends and Bonus Shares of commercial banks over the years (Source: Compiled by NMBCL)

Headings	FY 08/09 – FY 17/18	FY 15/16 – FY 17/18
Right Shares Issuance (NPR in billion)	60.23	47.27
Further Public Offering (NPR in billion)	17.66	17.66
Cash Dividend (NPR in billion)	60.71	28.56
Bonus Shares Issuance (NPR in billion)	61.47	39.07

The data from FY 08/09 to FY 17/18 suggests that the internally generated profits of the banks were adequate for their growth needs had they retained the earnings and not opted for cash distribution through dividends. Had the commercial banks retained all the cash instead of distributing it the industry shortfall to reach the mandated capital by NRB would have been around NPR 17 billion (total annual profit for FY 17/18 of commercial banks: NPR 52 billion) only.

One of the key reasons for such outlays is due to the differentiation in the class of common equity as promoter/sponsor shares and public shares. As regulatory requirement promoters have to hold at least 51% shares in banks and financial institutions. While the public shares are freely traded at stock exchange the promoter shares have trade restrictions and liquidity complexities which result in difficulties for price formation and exit. The way for investment recovery to the promoters is through cash distributions of earnings.

Internationally followed practice for the growing companies is to retain their earnings in the books while their fair price formation takes place in the secondary market. The trade restrictions and exit options are for limited time period only. There are no major differentiations for classes of shares in most global markets. The voting rights issue for control are specified during the issue of shares itself, while majority of common share investors are concerned for the growth and governance of the institution than representing the institutions themselves.

Currently the market capitalization of commercial banks accounts for more than half of the total market capitalization. The prices are formed through the trading of public shares which account for less than half of the total shares outstanding. Dilution in promoter shares shall create increased supply of shares affecting the current prices but at the same time reduce the speculative bets which was seen in the last bull cycle of 2016. Banks and financial institutions were being traded at exorbitantly high PE ratio than the global norms, while the possibilities for the banking industry to grow on ROE phenomenally were low based on then existing valuations. In fact, the growth in capital was diluting the ROE rapidly. (ROE of 16.44% on 13/14 vs ROE 14.51% on FY 17/18).

In the initial days of NRB's licensing policy, the central bank looked for credibility and firm commitments from the promoters of the bank given the fragility of the nature of the banking industry. As a result, trade restriction on promoter shares were put as test of commitment for the long haul. Indeed, banks channelize people's money and trust; the promoters are to play a significant role in the credibility and reliability of the bank during the years of operation, more importantly the initial foundation years. Currently in 2019, even the youngest commercial bank has operated for almost a decade by now. A decade is a reasonable time for an institution to grow and build its credibility in the market. Based

[11] Nepal Rastra Bank. (2019). *Circular 02-Monetary policy & BOD, CEO age related*. Retrieved from https://www.nrb.org.np/bfr/circular/2076-77/2076_77_For_A_,_B_&_C_Class--Circular_02-Monetary_Policy_&_BOD,_CEO_Age_Related-new.pdf

[12] Nepal Rastra Bank. (2019). *Key financial indicators: 2075-76 (mid july 2019)*. Retrieved from https://www.nrb.org.np/bsd/reports/Key_Financial_Indicators--2075-76_(Mid_July_2019)-new.pdf

on the same philosophy, in our neighboring country India, RBI- the central bank of India mandates commercial banks to dilute its promoters' holding to 40%, 20% and then to 15% at the end of 5 years, 10 years and 15 years of operation.

Essentially, banks will continue requiring capital for their growth irrespective of minimum absolute capital as their risk-taking capacity is proportional to the necessary capital adequacy ratio prescribed by the central bank. The recent capital increment plan by NRB has given some visible insights on the resultant growth pattern that can follow in banking when risk-taking appetite grows. The new capital immediately stresses the need for assets growth, simultaneously the liabilities creation. The figures of FDI and off shore borrowing by banks of Nepal is quite low and have negligible contribution towards the assets as well as liability creation, hence the reliance for the banks for locally created liabilities to fund their assets.

Since the capital increment and credit boom, the accepted credit to deposit ratio of the banking system has not come to a normalcy level of 80% prescribed by central bank, which stands at border line when capital is also added to deposits. As an accepted risk management measure, capital is for facilitating the leverage creation but not lever in itself. Figure 6, clearly states the mismatch of ALM on the bank system aftermath of the capital raise. The shortfall is significantly growing and the clarity amongst the bankers as well as the policy makers is still not well understood. Despite some measures adopted through the monetary policy and holding the interest rate fixed at an agreed upper band for the new deposits, the proportion of liabilities to assets are yet to improve.

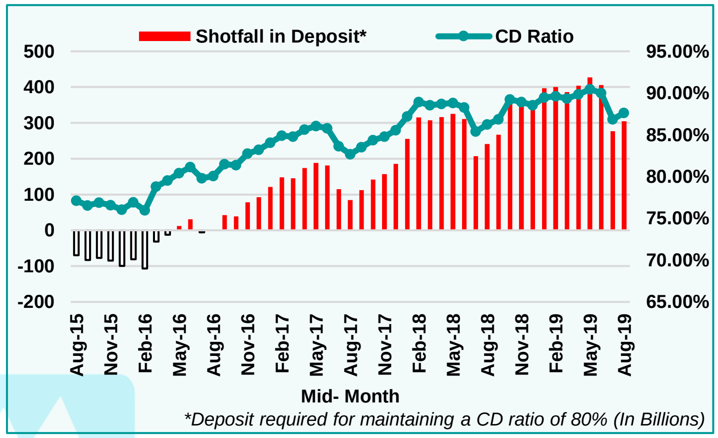

Figure 6: CD Ratio of Banking industry over the years (Source: Nepal Rastra Bank)

Undoubtedly, strong financial institutions are always a first priority for a stable financial system. Similarly, fair pricing of assets on a free market economy is also a minimum parameter in support of stable financial system. More the control, in the long run there could be more unexpected repercussions. A new discussion going forward has become necessary for achieving a fair and stable financial system, well-capitalized financial intermediaries capable to absorb the shocks of the economy. Absolute capital and exit restrictions for a new entrant financial institution is always a fair way to restrict the lax licensing regime. However, for the institutions that are already on a prudent business for more than a decade or so, there may be some alternate ways to address the issue.

Globally, most businesses preferably don't outlay capital when the growth is compensatory, outlays if any are minimal. The benefits of profits retained are reflected through their book value and the market fairly prices this for the investors. This qualifies for the Nepalese market as well for the companies building the trust on their efficient utilization of the capital retained. Though the business line is different for Unilever and Bottlers Nepal (representing Coca Cola), they are good examples of value creation business in Nepal. It is worth to note that both the institutions retained their major earnings for more than a decade during the growth years to fund their expansion plans[13]; Bottlers Nepal are still on retention mode operating for more than 30 years. Both institutions have strong book value and only recently they have started good distributions. They are one of the highest priced scrip trading at NEPSE, trading at multiples of their book value. This can also apply to banks. Indian banks with strong net worth with retentions trade at more than 250 times the face value. For the investors planning to exit, the market offers a fair price.

The following may also be treated as alternative for making bigger and better banks in Nepal:

- Define review period on absolute capital requirements for the banks based on size of GDP and the size of balance sheet of the banks.
- Encourage banks to meet increased capital through retentions over the years. Banks opting for outlays may be discouraged to float fresh capital and instead opt for mergers to comply with regulations. This shall reasonably provide banks to evaluate strategic merger opportunities meeting the objective of NRB as well on smooth transition to bigger and sounder banks.

[13] Unilever distribution of 205% in the first 10 years vs. 9590% in last 16 years

- Allowing fresh injection in line with at least book value promotes fair valuation of the company discouraging speculative bets. The premium earned technically adds on to the institutions' financial strength as a lower cost of capital, which alternatively is the shareholder's wealth. The motive here being strengthening the bank and shareholders enjoying the fruits of strengthened banks.
- Retentions help the banks to build their book value which is capital in itself which promotes stronger banks. The cash generations for the investors can be through exit from stock markets or equity refinancing from banks.
- The retention policy if implemented shall affect the promoters/sponsors holdings. The investments have trade restrictions with discounted price formation and retentions will further choke the cash generations. To address this, India is a good example in terms of maintaining governance in banks and simultaneously allowing dilution to its sponsors. Nepal can adopt a reasonable dilution strategy for promoters' holdings like as hypothetical case of at least 51% after 5 years, 34% after 10 years and at least 26% after 15 years of operation. Such dilutions help the following:

    - The organization gradually matures as a prudent institution over the period of time.
    - Diluted shareholdings in the FI's promote better governance than concentrated holdings. Many a times concentration is counterproductive to independent management and quality disclosure issues due to powers limited to few.
    - Increase in supply of shares counter balances the speculative bets.
    - Calculation of market cap shall be more realistic and scientific. At present, market price is used for the trade restricted shares as well which constitute the majority of shares listed.
    - Investors opting for bigger stakes will be mostly having long term horizon than building short term trade.
    - The organization becomes dynamic with change in vision of the owners.
    - The banking will be a regulated business working under strict compliance norms; hence risk management will always be top priority.
    - Adequately capitalized banks are better prone to absorb and manage uncertainties.

Capital by nature is scarce, if optimized to its potential it brings good growth and returns. The recent Nepalese experience of capital raise shows that it encourages phenomenal balance sheet growth. The objective of the regulatory authority of raising more capital is to make healthier and bigger FIs. It has been learnt that injecting fresh capital promotes speculative buys in the capital market, promotes aggressive assets creation and in some way destabilizes the financial system with higher costs and ALM mismatches due to fresh capital seeking quick return. The above thoughts have been opened for discussion to reach the same objective of sound financial system however through smoother alternative ways.

CHART OF THE QUARTER

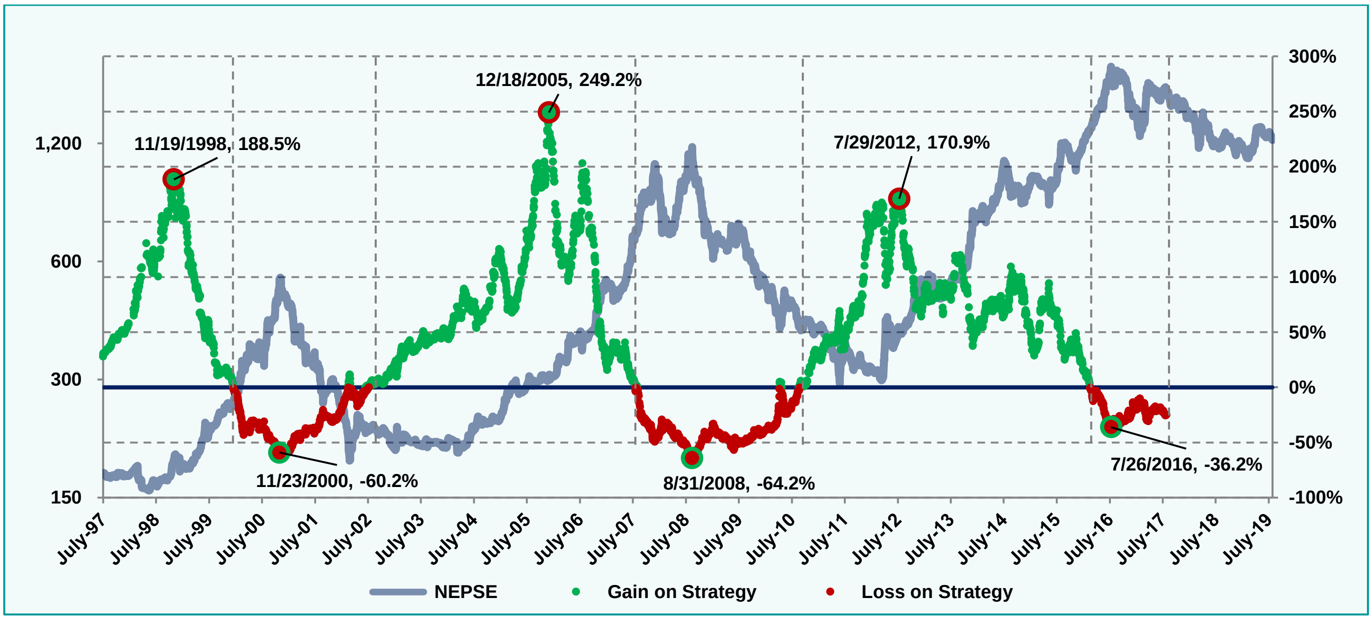

Figure 7: Returns on 2 year Buy and Hold Strategy on NEPSE

The chart depicts returns for the buy and hold strategy in NEPSE for each day between 20th July 1997 and 15th August 2019. The green dots represent gains while the red dots represent loss on NEPSE when bought and held for two years. In the course of 22 years, the maximum return NESPE yielded in a two year period is 249.2%; NEPSE which was 303.98 on 18th December 2005 climed to 1,061.35 on 17th December 2007. On the flipside, NEPSE recorded the largest negative return of 64.2% when index declined from 1,175.38 on 31st August 2008 to 421.16 on 30th August 2010. Among all the buy and hold strategy, the strategy recorded gain in 64.8% of time whereas the strategy lost money in 35.2% of time.

NMB Capital Limited

RTS List

S. No	Symbol	Company	Sector
1	BHBL	Bhargav Bikash Bank Ltd.	Development Bank
2	BPCL	Butwal Power Company Limited	Hydropower
3	CBBL	Chhimek Laghubitta Bikas Bank Limited	Microfinance
4	CFCL	Central Finance Co. Ltd	Finance
5	EIC	Everest Insurance Co. Ltd.	Non-Life Insurance
6	GLICL	Gurans Life Insurance Company Ltd.	Life Insurance
7	HGI	Himalayan General Insurance Co. Ltd	Non-Life Insurance
8	KMCDB	Kalika Laghubitta Bittiya Sanstha Ltd.	Microfinance
9	NBBL	Nagbeli Laghubitta Bikas Bank Ltd.	Microfinance
10	NNLB	Naya Nepal Laghubitta Bikas Bank Ltd.	Microfinance
11	NHDL	Nepal Hydro Developer Ltd.	Hydropower
12	NMB	NMB Bank Limited	Commercial Bank
13	NMBMF	NMB Microfinance Bittiya Sanstha Ltd.	Microfinance
14	PICL	Prudential Insurance Co. Ltd.	Non-Life Insurance
15	SKDBL	Saptakoshi Development Bank Ltd.	Development Bank
16	SIL	Siddhartha Insurance Ltd.	Non-Life Insurance
17	SLBBL	Swarojgar Laghubitta Bikas Bank Ltd.	Microfinance
18	NSEWA	Nepal Seva Laghubitta Bittiya Sanstha Ltd.	Microfinance
19	NTC	Nepal Doorsanchar Company Limited[14]	Others
20	NMBSF1	NMB Sulav Investment Fund – I	Mutual Fund Scheme
21	NMBHF1	NMB Hybrid Fund L- I	Mutual Fund Scheme
22	SLBSL	Samudayik Laghubitta Bittiya Sanstha Limited	Microfinance
23	HGI	Himalayan General Insurance	Non-Life Insurance
24		10% NMB Debenture 2085	Corporate Debenture

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OUR SERVICES

- ✓ Issue Management
- ✓ Underwriting
- ✓ Registrar to Securities
- ✓ Depository Participant
- ✓ Fund Manager
- ✓ Portfolio Management
- ✓ Depository
- ✓ Advisory

[14] *Cash Dividend Distribution Only*