Nepal SBI Bank Ltd.

Unaudited Interim Financial Statement of FY2081/82

Condensed Consolidated Statement of Financial Position
As on Chaitra 31, 2081 (13.04.2025)

Amount in NPR

Particulars	Group		Bank	
	This Quarter ending Chaitra 31, 2081	Immediate Previous Year Ending Asadh 31, 2081	This Quarter ending Chaitra 31, 2081	Immediate Previous Year Ending Asadh 31, 2081
Assets				
Cash and cash equivalent	11,442,969,535	11,217,326,825	11,442,955,360	11,217,312,652
Due from Nepal Rastra Bank	8,268,481,192	9,672,790,114	8,268,481,192	9,672,790,114
Placement with Bank and Financial Institutions	11,138,388,468	2,766,819,189	11,058,388,468	2,766,819,189
Derivative financial instruments	62,052,236	1,631,672	62,052,236	1,631,672
Other trading assets	185,933,209	194,094,078	83,417,000	81,551,000
Loan and advances to B/FIs	6,308,626,831	6,265,884,193	6,308,626,831	6,265,884,193
Loans and advances to customers	135,248,575,818	125,979,115,095	135,248,575,818	125,979,115,095
Investment securities	43,654,980,438	47,833,055,676	43,654,980,438	47,833,055,676
Current tax assets	514,741,546	511,841,238	514,741,546	510,037,482
Investment in subsidiaries	-	-	188,888,889	188,888,889
Investment in associates	-	-	-	-
Investment property	885,688,784	324,222,120	885,688,784	324,222,120
Property and equipment	1,251,684,475	1,300,109,589	1,250,187,222	1,298,765,701
Goodwill and Intangible assets	11,759,030	9,289,013	11,646,293	9,024,693
Deferred tax assets	438,205,805	444,440,463	437,407,555	443,642,214
Other assets	1,277,573,531	2,228,334,699	1,221,274,793	2,217,840,820
Total Assets	**220,689,660,898**	**208,748,953,961**	**220,637,312,425**	**208,810,581,507**
Liabilities				
Due to Bank and Financial Instituions	5,188,467,289	3,730,125,507	5,188,467,289	3,730,125,507
Due to Nepal Rastra Bank	-	-	-	-
Derivative financial instruments	-	-	-	-
Deposits from customers	185,717,562,272	175,320,160,459	185,831,403,472	175,514,855,972
Borrowing	-	-	-	-
Current tax liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other liabilities	3,836,924,925	4,271,217,290	3,818,132,250	4,266,105,840
Debt securities issued	5,844,820,764	5,843,554,047	5,844,820,764	5,843,554,047
Subordinated liabilities	-	-	-	-
Total liabilities	**200,587,775,250**	**189,165,057,304**	**200,682,823,775**	**189,354,641,366**
Equity				
Share capital	10,899,158,068	10,500,152,282	10,899,158,068	10,500,152,282
Share premium	-	-	-	-
Retained earnings	1,178,998,588	1,211,801,190	1,051,533,376	1,101,641,220
Reserves	8,023,728,993	7,871,943,185	8,003,797,205	7,854,146,639
Total equity attributable to equity holders	**20,101,885,648**	**19,583,896,657**	**19,954,488,650**	**19,455,940,141**
Non-controlling interest			-	
Total equity	**20,101,885,648**	**19,583,896,657**	**19,954,488,650**	**19,455,940,141**
Total liabilities and equity	**220,689,660,898**	**208,748,953,961**	**220,637,312,425**	**208,810,581,507**

Condensed Consolidated Statement of Profit or Loss and Comprehensive Income
For the Third quarter ended Chaitra 31, 2081 (13.04.2025)

Amount in NPR

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Chaitra 31, 2081	Corresponding Previous Year This Quarter	Up to This Quarter (YTD) Chaitra 30, 2080	This Quarter	Up to This Quarter (YTD) Chaitra 31, 2081	Corresponding Previous Year This Quarter	Up to This Quarter (YTD) Chaitra 30, 2080
Interest income	3,661,524,523	11,315,728,568	4,066,632,189	13,321,767,079	3,656,783,646	11,307,477,415	4,066,632,183	13,321,767,066
Interest expense	2,414,284,755	7,768,968,149	3,147,283,855	9,730,063,365	2,415,194,943	7,772,521,575	3,151,419,998	9,748,012,260
Net interest income	**1,247,239,769**	**3,546,760,419**	**919,348,334**	**3,591,703,714**	**1,241,588,703**	**3,534,955,841**	**915,212,186**	**3,573,754,806**
Fees and commission income	370,053,510	1,024,566,478	288,470,935	930,460,099	349,880,772	975,132,789	280,624,222	904,186,302
Fees and commission expense	39,366,741	103,618,795	35,220,597	86,694,560	39,957,929	101,672,836	31,221,558	78,339,888
Net fees and commission income	**330,686,768**	**920,947,683**	**253,250,338**	**843,765,539**	**309,922,842**	**873,459,953**	**249,402,665**	**825,846,414**
Net interest, fees and commission income	**1,577,926,537**	**4,467,708,102**	**1,172,598,672**	**4,435,469,253**	**1,551,511,545**	**4,408,415,794**	**1,164,614,850**	**4,399,601,220**
Net trading income	84,333,548	197,203,967	44,856,799	109,466,305	93,832,679	205,128,591	46,386,402	111,262,721
Other operating income	6,573,302	26,956,648	6,583,821	31,747,543	6,573,302	26,956,648	6,583,821	31,747,543
Total operating income	**1,668,833,387**	**4,691,868,717**	**1,224,039,292**	**4,576,683,101**	**1,651,917,526**	**4,640,501,033**	**1,217,585,073**	**4,542,611,484**
Impairment charge/ (reversal) for loans and other losses	486,604,080	725,831,773	51,619,188	800,040,059	486,604,080	725,831,773	51,619,188	800,040,059
Net operating income	**1,182,229,307**	**3,966,036,945**	**1,172,420,104**	**3,776,643,043**	**1,165,313,446**	**3,914,669,261**	**1,165,965,885**	**3,742,571,426**
Operating expense								
Personnel expenses	471,108,859	1,368,931,320	462,773,320	1,345,712,739	466,598,189	1,353,502,258	458,296,174	1,333,142,223
Other operating expenses	103,213,123	542,096,697	162,502,254	515,790,285	167,658,078	539,051,118	164,742,127	516,389,923
Depreciation & amortisation	143,126,239	231,138,805	81,237,870	247,744,610	76,519,929	229,419,302	81,055,619	247,197,857
Operating Profit	**464,781,087**	**1,823,870,124**	**465,906,660**	**1,667,395,409**	**454,537,251**	**1,792,696,584**	**461,871,966**	**1,645,841,424**
Non operating income	6,991,492	12,156,619	465,680	39,150,198	6,991,492	12,156,619	465,680	42,566,609
Non operating expense	-	-	-	-	-	-	-	-
Profit before income tax	**471,772,579**	**1,836,026,743**	**466,372,340**	**1,706,545,607**	**461,528,743**	**1,804,853,203**	**462,337,645**	**1,688,408,033**
Income tax expense								
Current Tax	164,471,281	613,321,248	140,370,583	530,210,361	158,548,391	601,591,799	138,701,294	524,230,164
Deferred Tax income (expense)	-	-	-	-	-	-	-	-
Profit/(loss) for the period	**307,301,298**	**1,222,705,495**	**326,001,757**	**1,176,335,245**	**302,980,352**	**1,203,261,404**	**323,636,352**	**1,164,177,868**
Earnings per share:								
Basic earnings per share (Annualised)	-	14.96	-	14.39	-	14.72	-	14.24
Diluted earnings per share (Annualised)	-	14.96	-	14.39	-	14.72	-	14.24
Condensed Consolidated Statement of Comprehensive Income								
Profit/(loss) for the period	307,301,298	1,222,705,495	326,001,757	1,176,335,245	302,980,352	1,203,261,404	323,636,352	1,164,177,868
Other Comprehensive Income/ (Expenses)	10,373,489	14,547,537	17,352,504	(91,300,081)	10,373,489	14,547,537	17,352,504	(91,300,081)
Total comprehensive Income	**317,674,787**	**1,237,253,031**	**343,354,262**	**1,085,035,165**	**313,353,841**	**1,217,808,940**	**340,988,856**	**1,072,877,788**
Profit attributable to:								
Equity holders of the Bank	317,674,787	1,237,253,031	343,354,262	1,085,035,165	313,353,841	1,217,808,940	340,988,856	1,072,877,788
Non-controlling interest	-	-	-	-	-	-	-	-
Total	**317,674,787**	**1,237,253,031**	**343,354,262**	**1,085,035,165**	**313,353,841**	**1,217,808,940**	**340,988,856**	**1,072,877,788**

Ratios as per NRB Directives

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Chaitra 31, 2081	This Quarter	Up to This Quarter (YTD) Chaitra 30, 2080	This Quarter	Up to This Quarter (YTD) Chaitra 31, 2081	This Quarter	Up to This Quarter (YTD) Chaitra 30, 2080
Capital fund to RWA		12.44%		13.22%		12.44%		13.22%
Tier 1 Capital to RWA		9.47%		10.00%		9.47%		10.00%
Tier 2 Capital to RWA		2.97%		3.22%		2.97%		3.22%
Return on Assets (Annualized)		0.76%		0.79%		0.75%		0.78%
Return on Equity (Annualized)		8.22%		8.44%		8.14%		8.41%
Non-Performing loan (NPL) to total loan		4.06%		1.98%		4.06%		1.98%
Total loan loss provision to Total NPL		91.37%		180.61%		91.37%		180.61%
Cost of Funds		5.35%		7.50%		5.35%		7.50%
Credit to Deposit Ratio (As per NRB)		75.49%		72.49%		75.49%		72.49%
Average Base Rate (As per NRB)		6.73%		8.95%		6.73%		8.95%
Interest Rate Spread		3.77%		3.99%		3.77%		3.99%

Statement of Distributable Profit or Loss
For the Third quarter ended Chaitra 31, 2081 (13.04.2025)

Amount in NPR

Particulars	Current Year (Upto this Quarter YTD)	Previous Year (Corresponding Quarter YTD)
Net profit or (loss) as per statement of profit or loss	**1,203,261,404**	**1,164,177,868**
Appropriations:		
a. General reserve	240,652,281	232,835,574
b. Foreign exchange fluctuation fund	4,281,420	6,288,306
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	3,139,916	6,015,641
e. Employees' training fund	8,752,465	193,083
f. Other (Debenture Redemption Reserve)	285,513,413	190,677,000
Profit or (loss) before regulatory adjustment	**660,921,909**	**728,168,265**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	148,741,691	(229,947,144)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(353,723,999)	-
e. Deferred tax assets recognised (-)/ reversal (+)	6,234,659	(39,128,606)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	14,547,511	(7,077,591)
i. Other (+/-) (Fair Value Gain on Trading Assets)	(1,866,000)	-
Net Profit for the Third Quarter end available for distirubtion	**474,855,771**	**452,014,925**
Opening Retained Earning as on Shrawan 1	1,101,641,220	1,070,548,188
Adjustment (+/-)	194,296,817	-
Distribution:		
Bonus shares issued	-	-
Cash Dividend Paid	719,260,431	688,202,752
Total Distributable profit or (loss) as on Quarter end date	**1,051,533,376**	**834,360,360**
Annualised Distributable Profit/Loss per share	**11.10**	**9.38**

Disclosure for above financial statement prepared as per Nepal Financial Reporting Standards (NFRS)

1. The above figures may undergo change as per statutory audit and/ or as per direction of Nepal Rastra Bank.
2. The Bank's financial statements have been prepared based on Nepal Financial Reporting Standard.
3. The Bank is currently in the process of implementation of ECL for impairment of loan and advances as per NFRS-9. The impairment loss on loan and advances have been measured as per norms prescribed by Nepal Rastra Bank for loan loss provision which may vary with the implementation of NFRS 9 i.e. impairment under expected credit loss model.
4. Recognition of interest income (accrued) on Non-Performing loan and advances has been suspended on best possible estimate.
5. Group includes Nepal SBI Bank Ltd. (NSBL, Parent Company) and Nepal SBI Merchant Banking Ltd. (NSMBL, Subsidiary Company) where intergroup transactions have been eliminated.
6. Figures have been regrouped/ rearranged wherever necessary for previous year corresponding quarter, however the financial position has been reflected as per local GAAP.
7. Employee bonus has been calculated as per provision of bonus act 2030 and included in personnel expenses.
8. Estimation of current quarter provision for gratuity and leave has been provided as per the bank's policy and as per the actuarial valuation.
9. Share Capital includes Bonus Share of 3.80% approved by 31st AGM of the Bank.
10. The detailed interim financial results have also been published in bank's **website: nsbl.statebank.**

THIRD QUARTER REPORT AT THE END OF CHAITRA, 2081 OF FY2081/82

(Published for the Purpose of Rule 26 (1) of the Securities Registration and Issue Regulation, 2073)

1. Financial Statements:

a. Statement of Financial Position and Statement of Profit or Loss as per Nepal Financial Reporting Standard: Published along with this report.

b. Related Party Transactions:

Parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions, or one other party controls both. The definition includes subsidiaries, associates, directors, key management personnel etc.

Parent company

The parent company, State Bank of India holds 55% of the issued ordinary shares of the Bank, which is also the ultimate parent company.

State Bank of India (SBI) Group	Chaitra 31, 2081 (Rs. in '000')
Transaction during the quarter	
Technical Service Fees to SBI	21,143.99
Interest on placements with SBI Foreign Offices	228,727.59
Interest on Borrowing	Nil
Quarter End Balance	
Placements and Interest receivable from SBI Offices	20,071,514.09
Borrowing and Interest Payable to SBI Offices	Nil
Nostro Balances in SBI Offices	747,357.74
Card Transaction Payables to SBI	4,470.93

Subsidiary

Transactions between the Bank and its subsidiary, Nepal SBI Merchant Banking Limited (NSMBL), also meet the definition of related party transactions. These transactions are eliminated on consolidation.

Subsidiary - Nepal SBI Merchant Banking Ltd. (NSMBL)	Chaitra 31, 2081 (Rs. in '000')
Transaction during the Quarter	
Interest Paid on Deposit to NSMBL	1,084.00
Other receivables from NSMBL	316.74
RTS, D-Mat Service Charge accrued and payable to NSMBL	1,636.89
Quarter End Balance	
Others payable to NSMBL	1,320.15
Deposit maintained with NSBL	155,975.52

Other Principal Promoter Representing in the Board (s)

Employee Provident Fund, Nepal holds 15% shares in the Bank and has a representation to the Bank's Board, is also considered to be the related party of the Bank.

Employee Provident Fund (EPF) Nepal	Chaitra 31, 2081 (Rs. in '000')
Quarter End Balance	
Deposits	6,187,715.76

Directors and other Key Management Personnel (KMP)

The Bank's Directors, Key Management Personnel and persons connected with them, are also considered to be related parties for disclosure purposes. Personnel representing the Central Management Committee (CENMAC) are considered as KMP.

Transaction during the Quarter (Allowances and Expenses)	Chaitra 31, 2081 (Rs. in '000')
Board Meetings	357.00
Audit Committee Meetings	
Risk Management Committee Meetings	
Employee Service Facility Committee Meetings	
Asset (money) Laundering Prevention Committee	
Food, Lodging Expenses for Board level Meetings	2,675.69
Travelling & Halting Expenses for Board level Meetings	

Key Management Personnel

There is no observation of the transactions between the Bank and Key Management Personnel other than as prescribed under staff service byelaws and relating to remuneration.

Salary to the key management personnel deputed from State Bank of India (SBI), is borne by State Bank of India (SBI), the parent company under the "Technical Service Agreement (TSA)" entered with the Bank which is approved by the Nepal Rastra Bank (NRB). These key management personnel are also provided with living, medical and other related facilities as per TSA.

c. Major Financial Ratios:

Financial ratios			
Per Share Net worth	183.08	PE Ratio	28.59
Per Share Total Assets Value	2,024.35	Liquidity Ratio	34.33
Earnings Per Share (Annualized)	14.72		

2. Managerial Analysis

a. Changes in stock/reserve, income and liquidity of the Institution during the quarter, details for the reasons there of.

i. **Stock/Reserve:** N/A

ii. **Income:** Net Profit of Rs. 120.33 Crore has been registered up to the third quarter of the Fiscal Year 2081/82 compared to Rs. 116.42 Crore in the same period last Fiscal Year 2080/81.

iii. **Liquidity:** Liquidity position of the bank is satisfactory.

b. Management Analysis for future business plan:

Bank has formulated a short term, medium term and long-term strategy covering to FY 2085/86 for 5 years. Bank has also formulated Annual Business Plan and Budget for FY 2081/82. Accordingly, Bank's performance is being monitored and reviewed periodically.

ii. To tap the opportunities our Bank's network has spread over the country covering 51 districts with a total of 152 Outlets and 125 ATMs. The outlets include 100 Branches, 22 Extension Counters, 7 Provincial Offices, 22 Branchless Banking Outlets and Corporate Office. This wide presence helps us to provide better services to the customers and increases Bank's reach.

3. Legal Proceedings:

a. Lawsuits filed by/against the Bank: Eleven lawsuits have been filed against the Bank and the Bank in respect of general matters has filed no lawsuit during the quarter.

b. Lawsuits filed by the Bank against different defaulting borrowers/guarantors for recovery of its dues: Four lawsuits have been filed by the Bank against defaulting borrowers/guarantors for recovery of its dues during the quarter.

c. Lawsuits filed by/against the Promoter or director of the Bank involving violation of statutory regulations or criminal offences: No information has been received by the bank till date.

d. Case filed against any Promoter/Director for financial frauds: No information has been received by the bank till date.

4. Analysis of Stock Performance:

a. Management view on share transactions of the Organized Institution taken place at Securities Market. As the Nepal Stock Exchange is operating under the supervision of Securities Board of Nepal, management has no comment on the same.

b. Maximum, minimum, and closing share price of organized Institution including total transacted number of shares and transacted days during quarter:

Maximum Share Price	Rs. 450.80	Total no. of transactions	7,951
Minimum Share Price	Rs. 399.90	Total Transacted no. of days	56
Closing Share Price	Rs. 420.87	Total Traded number of Shares	2,813,950

5. Problems and Challenges:

a. Problems and Challenges Faced:

i. External:

- Limited avenue for long term Lending & Investment.
- Challenges to onboard and book quality assets.
- Challenges due to stress from Global and National Economic Outlook.
- Cut-throat competition on ROI in banking industry.

ii. Internal:

- Maintaining consistency in Return on Equity amidst increase in capital.
- Rationalization of cost of operation.
- Challenges for timely recovery of loans & advances.
- Retention of Skilled Manpower

b. Strategy followed by the management in solving such problems and challenges:

- Increased focus on Retail loan portfolio.
- Augmentation in liability products by way of more focus on low-cost deposits.
- Introduction of Alternate Channels/technological platforms to reduce cost.
- Regular In-House training to staff to enhance work performance.
- Good industrial relations.
- Rationalization of expansion plans.
- Focus on regularization of stressed accounts.

6. Corporate Governance

a. The Bank has been fully complying with the directives, guidelines issued by NRB regarding Corporate Governance.
b. Central Management Committee (CENMAC) and Good Governance Committee (GGC) reviews progress in various areas of operations and is conducted on regular basis.
c. Board of Directors and its Committees' meeting are conducted on a regular basis.
d. Assets and Liabilities Committee (ALCO) and Risk Management Committee (Operation risk, Credit risk and Market risk) meetings are conducted regularly.

7. Declaration of Chairman/Chief Executive on truthfulness and correctness:

I, as on date, personally take responsibility on the truthfulness of the information and description presented in this report. Further, I declare that as far as I know and understand, the descriptions in this report are true, fair, and complete and have not concealed any necessary particulars, notices and information to the investors to take informed decision.

Managing Director & CEO

(सूचनाको हक सम्बन्धी ऐन, २०६४ को दफा ५ को उपदफा (३) बमोजिमको आ.व. २०८१/८२ को तेस्रो त्रयमाश (चैत्र २०८१) को विवरण बैंकको वेवसाइट: **nsbl.statebank** मा प्रकाशन गरिएको व्यहोरा जानकारी गराँउदछौं ।)

नेपाल एसबिआई बैंक लिमिटेड
NEPAL SBI BANK LTD.
THE MOST PREFFERED BANK FOR A TRANSFORMING NEPAL

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