Nepal SBI Bank Ltd.

Unaudited Interim Financial Statement of FY2081/82

Condensed Consolidated Statement of Financial Position
As on Ashadh 32, 2082 (16.07.2025)

Amount in NPR

Particulars	Group		Bank	
	This Quarter ending Ashadh 32, 2082	Immediate Previous Year Ending Ashadh 31, 2081	This Quarter ending Ashadh 32, 2082	Immediate Previous Year Ending Ashadh 31, 2081
Assets				
Cash and cash equivalent	5,147,400,258	11,217,326,825	5,147,386,575	11,217,312,652
Due from Nepal Rastra Bank	8,666,097,331	9,672,790,114	8,666,097,331	9,672,790,114
Placement with Bank and Financial Institutions	17,364,567,766	2,766,819,189	17,284,567,766	2,766,819,189
Derivative financial instruments	-	1,631,672	-	1,631,672
Other trading assets	188,121,066	194,094,078	89,076,000	81,551,000
Loan and advances to B/FIs	6,612,393,707	6,265,884,193	6,612,393,707	6,265,884,193
Loans and advances to customers	134,965,733,934	125,979,115,095	134,965,733,934	125,979,115,095
Investment securities	54,579,704,347	47,833,055,676	54,579,704,347	47,833,055,676
Current tax assets	294,173,508	511,841,238	288,650,402	510,037,482
Investment in subsidiaries	-	-	188,888,889	188,888,889
Investment in associates	-	-	-	-
Investment property	931,344,784	324,222,120	931,344,784	324,222,120
Property and equipment	1,285,596,336	1,300,109,589	1,284,254,727	1,298,765,701
Goodwill and Intangible assets	37,463,701	9,289,013	37,392,565	9,024,693
Deferred tax assets	462,274,347	444,440,463	461,476,097	443,642,214
Other assets	2,232,032,590	2,228,334,699	2,220,687,029	2,217,840,820
Total Assets	**232,766,903,676**	**208,748,953,961**	**232,757,654,153**	**208,810,581,507**
Liabilities				
Due to Bank and Financial Institutions	2,408,669,242	3,730,125,507	2,408,669,242	3,730,125,507
Due to Nepal Rastra Bank	-	-	-	-
Derivative financial instruments	20,865,632	-	20,865,632	-
Deposits from customers	199,447,493,073	175,320,160,459	199,603,443,876	175,514,855,972
Borrowing	-	-	-	-
Current tax liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other liabilities	4,332,802,150	4,271,217,290	4,324,234,048	4,266,105,840
Debt securities issued	5,845,264,573	5,843,554,047	5,845,264,573	5,843,554,047
Subordinated liabilities	-	-	-	-
Total liabilities	**212,055,094,669**	**189,165,057,304**	**212,202,477,370**	**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	1,366,042,180	1,211,801,190	1,230,357,619	1,101,641,220
Reserves	8,446,608,759	7,871,943,185	8,425,661,095	7,854,146,639
Total equity attributable to equity holders	**20,711,809,007**	**19,583,896,657**	**20,555,176,783**	**19,455,940,141**
Non-controlling interest			-	
Total equity	**20,711,809,007**	**19,583,896,657**	**20,555,176,783**	**19,455,940,141**
Total liabilities and equity	**232,766,903,676**	**208,748,953,961**	**232,757,654,153**	**208,810,581,507**

Condensed Consolidated Statement of Profit or Loss and Comprehensive Income
For the Fourth quarter ended Ashadh 32, 2082 (16.07.2025)

Amount in NPR

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Ashadh 32, 2082	Corresponding Previous Year This Quarter	Up to This Quarter (YTD) Ashadh 31, 2081	This Quarter	Up to This Quarter (YTD) Ashadh 32, 2082	Corresponding Previous Year This Quarter	Up to This Quarter (YTD) Ashadh 31, 2081
Interest income	2,152,700,728	15,474,467,808	4,575,793,186	17,897,560,265	4,155,453,612	15,462,931,028	4,572,775,161	17,894,542,227
Interest expense	465,836,232	10,195,899,597	3,071,635,060	12,801,698,425	2,428,097,580	10,200,619,155	3,072,984,527	12,820,996,787
Net interest income	**1,686,864,496**	**5,278,568,211**	**1,504,158,126**	**5,095,861,840**	**1,727,356,032**	**5,262,311,873**	**1,499,790,634**	**5,073,545,440**
Fee and commission income	497,258,185	1,427,718,284	369,586,664	1,300,046,763	394,382,145	1,369,514,934	362,414,598	1,266,600,900
Fee and commission expense	68,795,079	155,489,639	53,455,664	140,150,224	51,662,566	153,335,401	57,431,728	135,771,616
Net fee and commission income	**428,463,105**	**1,272,228,645**	**316,131,000**	**1,159,896,540**	**342,719,579**	**1,216,179,533**	**304,982,870**	**1,130,829,285**
Net interest, fee and commission income	**2,115,327,602**	**6,550,796,855**	**1,820,289,126**	**6,255,758,380**	**2,070,075,612**	**6,478,491,406**	**1,804,773,504**	**6,204,374,725**
Net trading income	168,489,117	277,955,423	56,115,338	165,581,643	75,702,846	280,831,438	50,700,535	161,963,256
Other operating income	(2,239,598)	29,507,945	11,178,344	42,925,886	2,062,170	29,018,818	11,563,129	43,310,671
Total operating income	**2,281,577,122**	**6,858,260,223**	**1,887,582,808**	**6,464,265,909**	**2,147,840,628**	**6,788,341,661**	**1,867,037,168**	**6,409,648,652**
Impairment charge/(reversal) for loans and other losses	228,511,820	1,028,551,878	(151,729,767)	648,310,292	302,720,106	1,028,551,878	(151,729,767)	648,310,292
Net operating income	**2,053,065,302**	**5,829,708,345**	**2,039,312,575**	**5,815,955,617**	**1,845,120,522**	**5,759,789,783**	**2,018,766,935**	**5,761,338,360**
Operating expense								
Personnel expenses	653,390,407	1,999,103,146	640,949,241	1,986,661,980	624,764,600	1,978,266,858	635,067,555	1,968,209,778
Other operating expenses	256,253,270	772,043,556	180,615,116	696,405,401	228,689,733	767,740,851	174,838,440	691,228,362
Depreciation & amortisation	34,821,800	282,566,410	18,576,077	266,320,687	50,570,567	279,989,869	18,352,635	265,550,492
Operating Profit	**1,108,599,825**	**2,775,995,234**	**1,199,172,140**	**2,866,567,549**	**941,095,621**	**2,733,792,205**	**1,190,508,304**	**2,836,349,728**
Non operating income	2,640,440	41,790,638	(15,723,482)	23,426,716	29,634,019	41,790,638	(15,723,482)	26,843,127
Non operating expense	65,545,597	65,545,597	-	-	65,545,597	65,545,597	-	-
Profit before income tax	**1,045,694,668**	**2,752,240,275**	**1,183,448,658**	**2,889,994,265**	**905,184,043**	**2,710,037,246**	**1,174,784,822**	**2,863,192,855**
Income tax expense								
Current Tax	415,425,912	945,636,273	358,932,759	889,143,120	330,520,761	932,112,560	358,832,816	883,062,980
Deferred Tax Income (Expenses)	24,655,435	24,655,435	17,731,301	17,731,301	24,655,435	24,655,435	19,643,011	19,643,011
Profit/(loss) for the period	**654,924,191**	**1,831,259,436**	**842,247,200**	**2,018,582,445**	**599,318,717**	**1,802,580,120**	**835,595,017**	**1,999,772,886**
Earnings per share:								
Basic earnings per share (Annualised)	-	16.80	-	18.52	-	16.54	-	18.35
Diluted earnings per share (Annualised)	-	16.80	-	18.52	-	16.54	-	18.35

Condensed Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	654,924,191	1,831,259,436	842,247,200	2,018,582,445	599,318,717	1,802,580,120	835,595,017	1,999,772,886
Other Comprehensive Income/ (Expenses)	107,217,034	15,916,953	(12,050,812)	(103,350,893)	1,369,416	15,916,953	(12,050,812)	(103,350,893)
Total comprehensive Income	**762,141,225**	**1,847,176,389**	**830,196,388**	**1,915,231,552**	**600,688,133**	**1,818,497,073**	**823,544,205**	**1,896,421,993**
Profit attributable to:								
Equity holders of the Bank	762,141,225	1,847,176,389	830,196,388	1,915,231,552	600,688,133	1,818,497,073	823,544,205	1,896,421,993
Non-controlling interest	-	-	-	-	-	-	-	-
Total	**762,141,225**	**1,847,176,389**	**830,196,388**	**1,915,231,552**	**600,688,133**	**1,818,497,073**	**823,544,205**	**1,896,421,993**

Ratios as per NRB Directives

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Ashadh 32, 2082	This Quarter	Up to This Quarter (YTD) Ashadh 31, 2081	This Quarter	Up to This Quarter (YTD) Ashadh 32, 2082	This Quarter	Up to This Quarter (YTD) Ashadh 31, 2081
Capital fund to RWA		13.03%		13.24%		13.03%		13.24%
Tier 1 Capital to RWA		9.74%		10.06%		9.74%		10.06%
CET 1 Capital to RWA		9.74%		10.06%		9.74%		10.06%
Non-performing loan (NPL) to Total loan		3.35%		1.96%		3.35%		1.96%
Total Loan Loss Provision to Total NPL		116.47%		170.08%		116.47%		170.08%
Cost of Funds		5.18%		7.12%		5.18%		7.12%
Credit to Deposit Ratio (As per NRB)		70.75%		74.35%		70.75%		74.35%
Average Base Rate (As per NRB)		6.29%		8.30%		6.29%		8.30%
Interest Rate Spread (As per NRB)		3.52%		3.99%		3.52%		3.99%
Return on Equity (Annualized)		9.09%		10.64%		9.01%		10.60%
Return on Assets (Annualized)		0.83%		1.02%		0.82%		1.01%

Statement of Distributable Profit or Loss
For the Fourth Quarter ended Ashadh, 2082 (16.07.2025)

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	**1,802,580,120**	**1,999,772,886**
Appropriations:		
a. General reserve	360,516,024	399,954,577
b. Foreign exchange fluctuation fund	4,774,446	7,728,837
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	1,449,451	11,110,576
e. Employees' training fund	5,526,310	1,581,174
f. Other (Debenture Redemption Reserve)	431,531,750	254,236,000
Profit or (loss) before regulatory adjustment	**998,782,140**	**1,325,161,722**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	128,732,135	(341,251,544)
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 (+)	(259,270,364)	(204,259,935)
e. Deferred tax assets recognised (-)/ reversal (+)	(24,655,435)	(19,643,011)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	11,913,355	(21,733,103)
i. Other (+/-) (Fair Value Gain on Trading Assets)	(7,525,000)	-
Net Profit for the Fourth Quarter end available for distirubtion	**847,976,831**	**738,274,129**
Opening Retained Earning as on Shrawan 1	1,101,641,220	1,070,548,188
Adjustment (+/-)	-	(18,978,345)
Distribution:		
Bonus shares issued	-	-
Cash Dividend Paid	719,260,431	688,202,752
Total Distributable profit or (loss) as on Quarter end date	**1,230,357,619**	**1,101,641,220**
Annualised Distributable Profit/Loss per share	**11.29**	**10.49**

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 has adopted NFRS 9 for ECL Model and presented in financial statement as per the Expected Credit Loss Related Guidelines, 2024 issued by NRB.
4. Recognition of interest income on Non-Performing loan and advances has been done as per Guidance Note on Interest Income Recognition, 2025 issued by NRB.
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. The detailed interim financial results have also been published in bank's website: **nsbl.statebank**

FOURTH QUARTER REPORT AT THE END OF ASHADH 2082 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% shares in the Bank, which is also the ultimate parent company.

State Bank of India (SBI) Group	Ashadh 32, 2082 (Rs. in '000')
Transaction during the quarter	
Technical Service Fees to SBI	20,926.00
Interest on placements with SBI Foreign Offices	246,244.60
Interest on Borrowing	Nil
Quarter End Balance	
Placements and Interest receivable from SBI Offices	19,764,408.52
Borrowing and Interest Payable to SBI Offices	Nil
Nostro Balances in SBI Offices	995,165.31
Card Transaction Payables to SBI	24,030.29

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)	Ashadh 32, 2082 (Rs. in '000')
Transaction during the Quarter	
Interest Paid on Deposit to NSMBL	1,251.66
Other receivables from NSMBL	497.72
RTS, D-Mat Service Charge accrued and payable to NSMBL	2,056.72
Quarter End Balance	
Others payable to NSMBL	1,559.00
Deposit maintained with NSBL	155,950.80

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	Ashadh 32, 2082 (Rs. in '000')
Quarter End Balance	
Deposits	6,825,309.66

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)	Ashadh 32, 2082 (Rs. in '000')
Board Meetings	342.00
Audit Committee Meetings	
Risk Management Committee Meetings	
Employee Service Facility Committee Meetings	
Asset (money) Laundering Prevention Committee	
Food, Lodging Expenses for Board level Meetings	1,295.45
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	188.59	PE Ratio	26.60
Per Share Total Assets Value	2,135.56	Liquidity Ratio	37.32
Earnings Per Share (Annualized)	16.54		

2. Managerial Analysis

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

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

ii. **Income:** Net Profit of Rs. 180.26 Crore has been registered up to the fourth quarter of the Fiscal Year 2081/82 compared to Rs. 199.98 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:

i. Bank has formulated a short term, medium term and long-term strategy covering to FY 2086/87 for 5 years. Bank has also formulated Annual Business Plan and Budget for FY 2082/83. 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 53 districts with a total of 151 Outlets and 125 ATMs. The outlets include 101 Branches, 22 Extension Counters, 7 Provincial Offices, 20 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: Seven lawsuits have been filed against the Bank and two lawsuits have been filed by the Bank in respect of general matters during the quarter.

b. Lawsuits filed by the Bank against different defaulting borrowers/guarantors for recovery of its dues: One lawsuit has 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. 451.00	Total no. of transactions	10,313
Minimum Share Price	Rs. 372.20	Total Transacted no. of days	63
Closing Share Price	Rs. 439.98	Total Traded number of Shares	3,666,179

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.
- 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

(सुचनाको हक सम्बन्धी ऐन, २०६४ को दफा ५ को उपदफा (३) बमोजिमको आ.व. २०८१/८२ को चौथो त्रयमाश (आषाढ २०८२) को विवरण बैंकको वेवसाइटः **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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