Nepal SBI Bank Ltd.

Unaudited Interim Financial Statement of FY2082/83

Condensed Consolidated Statement of Financial Position
As on Ashwin 31, 2082 (17.10.2025)

Amount in NPR

Particulars	Group		Bank	
	This Quarter ending Ashwin 31, 2082	Immediate Previous Year Ending Asadh 32, 2082	This Quarter ending Ashwin 31, 2082	Immediate Previous Year Ending Asadh 32, 2082
Assets				
Cash and cash equivalent	36,349,686,862	5,147,400,258	36,349,673,178	29,687,603,836
Due from Nepal Rastra Bank	8,918,922,632	8,666,097,331	8,918,922,632	8,666,097,331
Placement with Bank and Financial Institutions	22,227,600,519	17,364,567,766	22,125,100,519	17,284,567,766
Derivative financial instruments	38,246,772	-	38,246,772	-
Other trading assets	225,501,001	188,121,066	127,126,000	89,076,000
Loan and advances to B/FIs	6,594,409,166	6,612,393,707	6,594,409,166	6,612,393,707
Loans and advances to customers	138,976,729,430	134,965,733,934	138,976,729,430	134,965,733,934
Investment securities	30,523,515,159	54,579,704,347	30,523,515,159	30,039,487,087
Current tax assets	119,968,425	294,173,508	115,854,435	288,650,402
Investment in subsidiaries	-	-	188,888,889	188,888,889
Investment in associates	-	-	-	-
Investment property	943,543,784	931,344,784	943,543,784	931,344,784
Property and equipment	1,292,832,297	1,285,596,336	1,291,143,521	1,284,254,727
Goodwill and Intangible assets	37,451,690	37,463,701	37,392,565	37,392,565
Deferred tax assets	464,120,594	462,274,347	463,149,718	461,476,097
Other assets	1,329,372,011	2,232,032,590	1,312,778,465	2,220,687,029
Total Assets	**248,041,900,342**	**232,766,903,676**	**248,006,474,234**	**232,757,654,153**
Liabilities				
Due to Bank and Financial Institutions	992,280,276	2,408,669,242	992,280,276	2,408,669,242
Due to Nepal Rastra Bank	-	-	-	-
Derivative financial instruments	-	20,865,632	-	20,865,632
Deposits from customers	212,903,607,842	199,447,493,073	212,979,028,706	199,603,443,876
Borrowing	-	-	-	-
Current tax liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other liabilities	4,148,185,222	4,332,802,150	4,141,960,383	4,324,234,048
Debt securities issued	8,840,367,999	5,845,264,573	8,840,367,999	5,845,264,573
Subordinated liabilities	-	-	-	-
Total liabilities	**226,884,441,338**	**212,055,094,669**	**226,953,637,364**	**212,202,477,370**
Equity				
Share capital	10,899,158,068	10,899,158,068	10,899,158,068	10,899,158,068
Share premium	-	-	-	-
Retained earnings	1,593,559,382	1,366,042,180	1,509,884,911	1,230,357,619
Reserves	8,664,741,553	8,446,608,759	8,643,793,890	8,425,661,095
Total equity attributable to equity holders	**21,157,459,004**	**20,711,809,007**	**21,052,836,870**	**20,555,176,783**
Non-controlling interest			-	
Total equity	**21,157,459,004**	**20,711,809,007**	**21,052,836,870**	**20,555,176,783**
Total liabilities and equity	**248,041,900,342**	**232,766,903,676**	**248,006,474,234**	**232,757,654,153**

Condensed Consolidated Statement of Profit or Loss and Comprehensive Income
For the First quarter ended Ashwin 31, 2082 (17.10.2025)

Amount in NPR

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Ashwin 31, 2082	Corresponding Previous Year This Quarter	Up to This Quarter (YTD) Ashwin 30, 2081	This Quarter	Up to This Quarter (YTD) Ashwin 31, 2082	Corresponding Previous Year This Quarter	Up to This Quarter (YTD) Ashwin 30, 2081
Interest income	3,745,944,008	3,745,944,008	4,141,995,978	4,141,995,978	3,744,074,157	3,744,074,157	4,141,207,353	4,141,207,353
Interest expense	2,424,396,628	2,424,396,628	2,790,801,578	2,790,801,578	2,425,415,412	2,425,415,412	2,792,847,893	2,792,847,893
Net interest income	**1,321,547,380**	**1,321,547,380**	**1,351,194,400**	**1,351,194,400**	**1,318,658,745**	**1,318,658,745**	**1,348,359,460**	**1,348,359,460**
Fee and commission income	375,866,769	375,866,769	327,887,057	327,887,057	362,167,370	362,167,370	309,044,638	309,044,638
Fee and commission expense	31,756,041	31,756,041	33,750,231	33,750,231	30,868,383	30,868,383	31,760,538	31,760,538
Net fee and commission income	**344,110,729**	**344,110,729**	**294,136,825**	**294,136,825**	**331,298,988**	**331,298,988**	**277,284,099**	**277,284,099**
Net interest, fee and commission income	**1,665,658,109**	**1,665,658,109**	**1,645,331,225**	**1,645,331,225**	**1,649,957,733**	**1,649,957,733**	**1,625,643,559**	**1,625,643,559**
Net trading income	51,153,861	51,153,861	52,788,333	52,788,333	60,574,311	60,574,311	51,206,860	51,206,860
Other operating income	53,489,960	53,489,960	12,902,145	12,902,145	53,489,960	53,489,960	12,902,145	12,902,145
Total operating income	1,770,301,930	1,770,301,930	1,711,021,703	1,711,021,703	**1,764,022,004**	1,764,022,004	1,689,752,564	1,689,752,564
Impairment charge/(reversal) for loans and other losses	287,577,046	287,577,046	(277,615,892)	(277,615,892)	287,577,046	287,577,046	(277,615,892)	(277,615,892)
Net operating income	**1,482,724,884**	**1,482,724,884**	**1,988,637,594**	**1,988,637,594**	**1,476,444,958**	**1,476,444,958**	**1,967,368,455**	**1,967,368,455**
Operating expense								
Personnel expenses	512,539,123	512,539,123	501,738,273	501,738,273	507,812,730	507,812,730	495,227,427	495,227,427
Other operating expenses	175,053,608	175,053,608	215,747,123	215,747,123	173,917,382	173,917,382	183,109,623	183,109,623
Depreciation & amortisation	79,631,652	79,631,652	43,882,121	43,882,121	78,967,337	78,967,337	76,016,764	76,016,764
Operating Profit	**715,500,500**	**715,500,500**	**1,227,270,077**	**1,227,270,077**	**715,747,508**	**715,747,508**	**1,213,014,641**	**1,213,014,641**
Non operating income	774,210	774,210	838,593	838,593	774,210	774,210	838,593	838,593
Non operating expense	-	-	-	-	-	-	-	-
Profit before income tax	**716,274,710**	**716,274,710**	**1,228,108,670**	**1,228,108,670**	**716,521,718**	**716,521,718**	**1,213,853,234**	**1,213,853,234**
Income tax expense								
Current Tax	217,708,548	217,708,548	403,004,229	403,004,229	214,956,515	214,956,515	399,202,040	399,202,040
Deferred Tax Income (Expenses)								
Profit/(loss) for the period	**498,566,162**	**498,566,162**	**825,104,440**	**825,104,440**	**501,565,203**	**501,565,203**	**814,651,193**	**814,651,193**
Earnings per share:								
Basic earnings per share (Annualised)	-	18.30	-	30.28	-	18.41	-	29.90
Diluted earnings per share (Annualised)	-	18.30	-	30.28	-	18.41	-	29.90

Condensed Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	498,566,162	498,566,162	825,104,440	825,104,440	501,565,203	501,565,203	814,651,193	814,651,193
Other Comprehensive Income/ (Expenses)	(3,905,116)	(3,905,116)	11,187,020	11,187,020	(3,905,116)	(3,905,116)	11,187,020	11,187,020
Total comprehensive Income	**494,661,046**	**494,661,046**	**836,291,460**	**836,291,460**	**497,660,087**	**497,660,087**	**825,838,213**	**825,838,213**
Profit attributable to:								
Equity holders of the Bank	494,661,046	494,661,046	836,291,460	836,291,460	497,660,087	497,660,087	825,838,213	825,838,213
Non-controlling interest	-	-	-	-	-	-	-	-
Total	**494,661,046**	**494,661,046**	**836,291,460**	**836,291,460**	**497,660,087**	**497,660,087**	**825,838,213**	**825,838,213**

Ratios as per NRB Directives

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Ashwin 31, 2082	This Quarter	Up to This Quarter (YTD) Ashwin 30, 2081	This Quarter	Up to This Quarter (YTD) Ashwin 31, 2082	This Quarter	Up to This Quarter (YTD) Ashwin 30, 2081
Capital fund to RWA		14.32%		13.01%		14.32%		13.01%
Tier 1 Capital to RWA		9.58%		9.97%		9.58%		9.97%
CET 1 Capital to RWA		9.58%		9.97%		9.58%		9.97%
Non-performing loan (NPL) to total loan		3.01%		1.84%		3.01%		1.84%
Total Loan Loss Provision to Total NPL		133.32%		173.22%		133.32%		173.22%
Cost of Funds		4.42%		5.98%		4.42%		5.98%
Credit to Deposit Ratio (As per NRB)		67.87%		72.65%		67.87%		72.65%
Average Base Rate (As per NRB)		5.96%		7.72%		5.96%		7.72%
Interest Rate Spread		3.46%		3.76%		3.46%		3.76%
Return on Equity (Annualized)		9.53%		16.47%		9.64%		16.37%
Return on Assets (Annualized)		0.83%		1.56%		0.83%		1.54%

Statement of Distributable Profit or Loss
For the First Quarter ended Ashwin, 2082 (17.10.2025)

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	**501,565,203**	**814,651,193**
Appropriations:		
a. General reserve	100,313,041	162,930,239
b. Foreign exchange fluctuation fund	1,451,285	1,507,796
c. Capital redemption reserve	-	
d. Corporate social responsibility fund	2,283,781	6,676,175
e. Employees' training fund	(948,251)	6,007,914
f. Debenture Redemption Reserve	86,452,695	50,847,200
g. Investment Adjustment Reserve	6,064,828	
Profit or (loss) before regulatory adjustment	**305,947,825**	**586,681,870**
Regulatory adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(26,720,353)	(34,131,928)
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 (+)	(6,071,442)	(14,357,984)
e. Deferred tax assets recognised (-)/ reversal (+)	(1,673,621)	(4,794,437)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	(3,905,116)	11,187,020
i. Other (+/-)	11,950,000	-
Net Profit for the First Quarter end available for distirubtion	**279,527,292**	**544,584,541**
Opening Retained Earning as on Shrawan 1	1,230,357,619	1,324,496,772
Adjustment (+/-)	-	-
Distribution:		
Bonus shares issued	-	-
Cash Dividend Paid	-	-
Total Distributable profit or (loss) as on Quarter end date	**1,509,884,911**	**1,869,081,313**
Annualised Distributable Profit/Loss per share	**21.55**	**32.14**

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**

FIRST QUARTER REPORT AT THE END OF ASHWIN, 2082 OF FY2082/83

(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	Ashwin 31, 2082 (Rs. in '000')
Transaction during the quarter	
Technical Service Fees to SBI	21,524.46
Interest on placements with SBI Foreign Offices	269,515.06
Interest on Borrowing	Nil
Quarter End Balance	
Placements and Interest receivable from SBI Offices	24,234,116.99
Borrowing and Interest Payable to SBI Offices	Nil
Nostro Balances in SBI Offices	1,181,875.55
Card Transaction Receivable from SBI	7,292.63

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)	Ashwin 31, 2082 (Rs. in '000')
Transaction during the Quarter	
Interest Paid on Deposit to NSMBL	1,063.24
Other receivables from NSMBL	780.93
RTS, D-Mat Service Charge accrued and payable to NSMBL	3,272.49
Dividend received from NSMBL	50,000
Quarter End Balance	
Others payable to NSMBL	2491.55
Deposit maintained with NSBL	75,420.86

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	Ashwin 31, 2082 (Rs. in '000')
Quarter End Balance	
Deposits	7,163,849.97

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)	Ashwin 31, 2082 (Rs. in '000')
Board Meetings	
Audit Committee Meetings	
Risk Management Committee Meetings	324.00
Employee Service Facility Committee Meetings	
Asset (money) Laundering Prevention Committee	
Food, Lodging Expenses for Board level Meetings	241.01
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	193.16	PE Ratio	20.43
Per Share Total Assets Value	2,275.46	Liquidity Ratio	40.26
Earnings Per Share (Annualized)	18.41		

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. 50.16 Crore has been registered up to the first quarter of the Fiscal Year 2082/83 compared to Rs. 81.47 Crore in the same period last Fiscal Year 2081/82.

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 127 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: Twenty-two lawsuits have been filed against the Bank and three 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: No 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. 452.00	Total no. of transactions	7,799
Minimum Share Price	Rs. 363.00	Total Transacted no. of days	51
Closing Share Price	Rs. 376.10	Total Traded number of Shares	2,130,490

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 सम्बन्धि ऐन, २०६४ को दफा ५ को उपदफा (३) बमोजिमको आ.व. २०८२/८३ को प्रथम त्रयमाश (आश्विन २०८२) को विवरण बैंकको वेवसाइट nsbl.statebank मा प्रकाशन गरिएको व्यहोरा जानकारी गराँउदछौं ।)

नेपाल एसबिआई बैंक लिमिटेड
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