Nepal SBI Bank Ltd.

Unaudited Interim Financial Statement of FY 2082/83

Condensed Consolidated Statement of Financial Position
As on Poush 30, 2082 (14.01.2026)

Amount in NPR

Particulars	Group		Bank	
	This Quarter ending Poush 30, 2082	Immediate Previous Year Ending Asadh 32, 2082	This Quarter ending Poush 30, 2082	Immediate Previous Year Ending Asadh 32, 2082
Assets				
Cash and cash equivalent	39,081,014,851	29,687,617,519	39,080,891,278	29,687,603,836
Due from Nepal Rastra Bank	10,613,909,276	8,666,097,331	10,613,909,276	8,666,097,331
Placement with Bank and Financial Institutions	18,898,463,751	17,364,567,766	18,795,963,751	17,284,567,766
Derivative financial instruments	1,812,850	-	1,812,850	-
Other trading assets	253,787,061	188,206,595	130,438,000	89,076,000
Loan and advances to B/FIs	6,532,446,712	6,612,393,707	6,532,446,712	6,612,393,707
Loans and advances to customers	141,991,958,695	134,963,770,657	141,991,958,695	134,963,770,657
Investment securities	32,173,396,422	30,038,217,116	32,173,396,422	30,038,217,116
Current tax assets	297,770,400	295,807,898	292,034,810	290,017,278
Investment in subsidiaries	-	-	188,888,889	188,888,889
Investment in associates	-	-	-	-
Investment property	1,013,141,726	931,344,784	1,013,141,726	931,344,784
Property and equipment	1,298,180,343	1,286,008,659	1,296,294,236	1,284,254,727
Goodwill and Intangible assets	42,190,231	37,466,228	42,145,644	37,392,565
Deferred tax assets	459,693,457	458,002,875	458,559,730	457,032,001
Other assets	2,247,034,617	2,298,788,803	2,230,720,369	2,287,347,757
Total Assets	**254,904,800,393**	**232,828,289,938**	**254,842,602,388**	**232,818,004,414**
Liabilities				
Due to Bank and Financial Institutions	4,550,455,822	2,408,669,242	4,550,455,822	2,408,669,242
Due to Nepal Rastra Bank	-	-	-	-
Derivative financial instruments	-	20,865,632	-	20,865,632
Deposits from customers	216,052,140,755	199,447,493,073	216,104,869,319	199,603,443,876
Borrowing	-	-	-	-
Current tax liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other liabilities	4,303,627,411	4,384,819,402	4,300,045,547	4,376,204,253
Debt securities issued	8,840,854,550	5,845,264,573	8,840,854,550	5,845,264,573
Subordinated liabilities	-	-	-	-
Total liabilities	**233,747,078,538**	**212,107,111,921**	**233,796,225,238**	**212,254,447,575**
Equity				
Share capital	10,899,158,068	10,899,158,068	10,899,158,068	10,899,158,068
Share premium	-	-	-	-
Retained earnings	1,291,247,185	1,333,707,150	1,201,306,332	1,197,117,473
Reserves	8,967,316,602	8,488,312,798	8,945,912,750	8,467,281,298
Total equity attributable to equity holders	**21,157,721,855**	**20,721,178,016**	**21,046,377,150**	**20,563,556,839**
Non-controlling interest			-	
Total equity	**21,157,721,855**	**20,721,178,016**	**21,046,377,150**	**20,563,556,839**
Total liabilities and equity	**254,904,800,393**	**232,828,289,938**	**254,842,602,388**	**232,818,004,414**

Condensed Consolidated Statement of Profit or Loss and Comprehensive Income
For the Second Quarter Ended Poush, 2082 (14.01.2026)

Amount in NPR

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Poush 30, 2082	Corresponding Previous Year This Quarter	Up to This Quarter (YTD) Poush 29, 2081	This Quarter	Up to This Quarter (YTD) Poush 30, 2082	Corresponding Previous Year This Quarter	Up to This Quarter (YTD) Poush 29, 2081
Interest income	3,527,721,003	7,273,665,012	3,512,208,067	7,654,204,044	3,526,063,894	7,270,138,052	3,509,486,417	7,650,693,770
Interest expense	2,283,732,220	4,708,128,848	2,563,881,816	5,354,683,394	2,283,699,510	4,709,114,922	2,564,478,738	5,357,326,632
Net interest income	**1,243,988,783**	**2,565,536,163**	**948,326,250**	**2,299,520,650**	**1,242,364,384**	**2,561,023,129**	**945,007,678**	**2,293,367,138**
Fee and commission income	432,737,023	808,603,792	326,625,912	654,512,969	427,571,999	789,739,369	316,207,380	625,252,018
Fee and commission expense	44,064,655	75,820,695	30,501,822	64,252,053	43,491,934	74,360,316	29,954,368	61,714,906
Net fee and commission income	**388,672,368**	**732,783,097**	**296,124,090**	**590,260,915**	**384,080,065**	**715,379,053**	**286,253,012**	**563,537,111**
Net interest, fee and commission income	**1,632,661,151**	**3,298,319,260**	**1,244,450,341**	**2,889,781,565**	**1,626,444,449**	**3,276,402,182**	**1,231,260,691**	**2,856,904,249**
Net trading income	88,512,523	139,666,384	60,082,087	112,870,420	82,180,364	142,754,675	60,089,053	111,295,913
Other operating income	75,575,388	129,065,348	7,481,201	20,383,346	75,575,388	129,065,348	7,481,201	20,383,346
Total operating income	**1,796,749,062**	**3,567,050,992**	**1,312,013,628**	**3,023,035,331**	**1,784,200,201**	**3,548,222,205**	**1,298,830,944**	**2,988,583,508**
Impairment charge/(reversal) for loans and other losses	278,599,820	566,176,866	516,843,584	239,227,693	278,599,820	566,176,866	516,843,584	239,227,693
Net operating income	**1,518,149,243**	**3,000,874,126**	**795,170,044**	**2,783,807,638**	**1,505,600,382**	**2,982,045,339**	**781,987,360**	**2,749,355,815**
Operating expense								
Personnel expenses	504,207,699	1,016,746,823	396,084,188	897,822,461	499,841,292	1,007,654,023	391,676,642	886,904,069
Other operating expenses	185,077,816	360,131,424	223,136,451	438,883,574	184,234,434	358,151,816	189,345,428	372,455,052
Depreciation & amortisation	66,555,796	146,187,448	44,130,445	88,012,566	65,873,968	144,841,305	75,820,598	151,837,361
Operating Profit	**762,307,931**	**1,477,808,431**	**131,818,960**	**1,359,089,037**	**755,650,687**	**1,471,398,195**	**125,144,692**	**1,338,159,333**
Non operating income	1,174,616	1,948,826	4,326,534	5,165,127	1,174,616	1,948,826	4,326,534	5,165,127
Non operating expense	-	-	-	-	-	-	-	-
Profit before income tax	**763,482,547**	**1,479,757,257**	**136,145,494**	**1,364,254,164**	**756,825,303**	**1,473,347,021**	**129,471,226**	**1,343,324,460**
Income tax expense								
Current Tax	226,982,265	444,690,813	45,845,738	448,849,967	227,047,591	442,004,106	43,841,368	443,043,408
Deferred Tax Income (Expenses)								
Profit/(loss) for the period	**536,500,282**	**1,035,066,444**	**90,299,756**	**915,404,197**	**529,777,712**	**1,031,342,915**	**85,629,858**	**900,281,052**
Earnings per share:								
Basic earnings per share (Annualised)	-	18.99	-	16.80	-	18.93	-	16.52
Diluted earnings per share (Annualised)	-	18.99	-	16.80	-	18.93	-	16.52
Condensed Consolidated Statement of Comprehensive Income								
Profit/(loss) for the period	536,500,282	1,035,066,444	90,299,756	915,404,197	529,777,712	1,031,342,915	85,629,858	900,281,052
Other Comprehensive Income/ (Expenses)	340,416	(3,564,700)	(7,012,972)	4,174,048	340,416	(3,564,700)	(7,012,972)	4,174,048
Total comprehensive Income	**536,840,698**	**1,031,501,743**	**83,286,784**	**919,578,244**	**530,118,128**	**1,027,778,214**	**78,616,886**	**904,455,099**
Profit attributable to:								
Equity holders of the Bank	536,840,698	1,031,501,743	83,286,784	919,578,244	530,118,128	1,027,778,214	78,616,886	904,455,099
Non-controlling interest	-	-	-	-	-	-	-	-
Total	**536,840,698**	**1,031,501,743**	**83,286,784**	**919,578,244**	**530,118,128**	**1,027,778,214**	**78,616,886**	**904,455,099**

Ratios as per NRB Directives

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Poush 30, 2082	This Quarter	Up to This Quarter (YTD) Poush 29, 2081	This Quarter	Up to This Quarter (YTD) Poush 30, 2082	This Quarter	Up to This Quarter (YTD) Poush 29, 2081
Capital fund to RWA		14.12%		12.87%		14.12%		12.87%
Tier 1 Capital to RWA		9.42%		9.73%		9.42%		9.73%
CET 1 Capital to RWA		9.42%		9.73%		9.42%		9.73%
Non-performing loan (NPL) to total loan		2.64%		3.55%		2.64%		3.55%
Total Loan Loss Provision to Total NPL		154.89%		96.61%		154.89%		96.61%
Cost of Funds		4.23%		5.58%		4.23%		5.58%
Credit to Deposit Ratio (As per NRB)		68.68%		72.82%		68.68%		72.82%
Average Base Rate (As per NRB)		5.68%		7.14%		5.68%		7.14%
Interest Rate Spread		3.54%		3.77%		3.54%		3.77%
Return on Equity (Annualized)		9.89%		9.30%		9.91%		9.21%
Return on Assets (Annualized)		0.85%		0.85%		0.85%		0.83%

Statement of Distributable Profit or Loss
For the Second Quarter ended Poush, 2082 (14.01.2026)

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	**1,031,342,915**	**900,281,052**
Appropriations:		
a. General reserve	206,268,583	180,056,210
b. Foreign exchange fluctuation fund	4,676,990	3,020,000
c. Capital redemption reserve	-	
d. Corporate social responsibility fund	3,728,507	1,795,300
e. Employees' training fund	(100,007)	10,130,849
f. Debenture Redemption Reserve	215,765,875	190,342,275
g. Investment Adjustment Reserve	-	
Profit or (loss) before regulatory adjustment	**601,002,967**	**514,936,417**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(12,835,918)	127,456,879
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 (+)	(40,710,338)	(14,357,984)
e. Deferred tax assets recognised (-)/ reversal (+)	(1,527,729)	(1,788,878)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	(5,890,221)	4,174,048
i. Other (+/-)	9,108,000	-
Net Profit for the Second Quarter end available for distirubtion	**549,146,762**	**630,420,483**
Opening Retained Earning as on Shrawan 1	1,197,117,473	1,101,641,220
Adjustment (+/-)	-	194,296,817
Distribution:		
Bonus shares issued	-	-
Cash Dividend Paid	544,957,903	719,260,431
Total Distributable profit or (loss) as on Quarter end date	**1,201,306,332**	**1,207,098,088**
Annualised Distributable Profit/Loss per share	**16.06**	**16.86**

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. Share Capital reported above does not include Bonus Share of 4% approved by 32nd AGM of the Bank citing pending of various regulatory procedures.
10. The detailed interim financial results have also been published in bank's website: **nsbl.statebank**

SECOND QUARTER REPORT AT THE END OF POUSH, 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% of the issued ordinary shares of the Bank, which is also the ultimate parent company.

State Bank of India (SBI) Group	Poush 30, 2082 (Rs. in '000')
Transaction during the quarter	
Technical Service Fees to SBI	21,913.75
Interest on placements with SBI Foreign Offices	265,697.06
Interest on Borrowing	Nil
Quarter End Balance	
Placements and Interest receivable from SBI Offices	25,895,586.58
Borrowing and Interest Payable to SBI Offices	Nil
Nostro Balances in SBI Offices	346,515.59
Card Transaction Receivable from SBI	9458.33

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)	Poush 30, 2082 (Rs. in '000')
Transaction during the Quarter	
Interest Paid on Deposit to NSMBL	1,525.73
Other receivables from NSMBL	291.91
RTS, D-Mat Service Charge accrued and payable to NSMBL	1,571.38
Dividend received from NSMBL	0
Quarter End Balance	
Others payable to NSMBL	1,279.47
Deposit maintained with NSBL	52,728.56

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	Poush 30, 2082 (Rs. in '000')
Quarter End Balance	
Deposits	8,203,410.65

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)	Poush 30, 2082 (Rs. in '000')
Board Meetings	306.00
Audit Committee Meetings	
Risk Management Committee Meetings	
Employee Service Facility Committee Meetings	
Asset (money) Laundering Prevention Committee	
Food, Lodging Expenses for Board level Meetings	637.72
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) and 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	193.10	PE Ratio	21.66
Per Share Total Assets Value	2,338.19	Liquidity Ratio	37.91%
Earnings Per Share (Annualized)	18.93		

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. 103.13 Crore has been registered up to the second quarter of the Fiscal Year 2082/83 compared to Rs. 90.03 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 153 Outlets and 127 ATMs. The outlets include 102 Branches, 22 Extension Counters, 7 Provincial Offices, 21 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: Eight lawsuits have been filed against the Bank and one lawsuit has 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: 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:

High Share Price	Rs. 435.00	Total no. of transactions	5,706
Low Share Price	Rs. 375.00	Total Transacted no. of days	55
Close Share Price	Rs. 410.00	Total Traded number of Shares	2,306,231

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.
- 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

(सुचनाको हक सम्बन्धि ऐन, २०६४ को दफा ५ को उपदफा (३) बमोजिमको आ.व. २०८२/८३ को दोश्रो त्रयमाश (पौष २०८२) 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

Corporate Office
Kamaladi, Kathmandu
Tel: 01-5970333, SWIFT: NSBINPKA