

**Nepal SBI Bank Ltd.**  
**Unaudited Interim Financial Statement of FY2075/76**  
**Condensed Consolidated Statement of Financial Position**  
As on Quarter ended Chaitra 30, 2075 (13.04.2019)

Amount in NPR

Particulars	Group		Bank	
	This Quarter ending Chaitra 30, 2075	Immediate Previous Year Ending Asadh 32,2075	This Quarter ending Chaitra 30, 2075	Immediate Previous Year Ending Asadh 32,2075
<b>Assets</b>				
Cash and cash equivalent	12,676,564,936	10,483,612,597	12,675,652,273	10,480,237,366
Due from Nepal Rastra Bank	4,436,442,589	5,647,349,586	4,436,442,589	5,647,349,586
Placement with Bank and Financial Institutions	1,211,900,000	9,500,000	1,200,000,000	-
Derivative financial instruments	92,835,404	-	92,835,404	-
Other trading assets	18,541,153	21,332,281	18,541,153	20,404,281
Loan and advances to B/FIs	4,963,654,931	2,872,201,921	4,963,654,931	2,872,201,921
Loans and advances to customers	85,794,388,300	72,363,660,048	85,794,388,300	72,363,660,048
Investment securities	8,941,994,950	8,646,148,778	8,941,994,950	8,646,148,778
Current tax assets	263,558,157	221,915,853	263,558,157	219,486,240
Investment in subsidiaries	-	-	188,888,889	188,888,889
Investment in associates	-	-	-	-
Investment property	-	-	-	-
Property and equipment	851,272,468	849,895,606	845,463,015	843,967,110
Goodwill and Intangible assets	10,297,830	5,210,736	9,753,133	4,533,821
Deferred tax assets	242,747,896	236,073,744	242,747,896	236,210,436
Other assets	307,805,862	1,016,992,514	300,811,926	1,015,581,419
<b>Total Assets</b>	<b>119,812,004,476</b>	<b>102,373,893,664</b>	<b>119,974,732,616</b>	<b>102,538,669,895</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	1,716,625,000	2,709,590,000	1,716,625,000	2,709,590,000
Due to Nepal Rastra Bank	1,085,901,398	-	1,085,901,398	-
Derivative financial instruments	-	6,812,345	-	6,812,345
Deposits from customers	99,886,806,455	84,027,267,545	100,083,441,180	84,227,327,384
Borrowing	-	-	-	-
Current tax liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	136,692	-	-	-
Other liabilities	2,611,801,520	1,805,095,366	2,607,477,610	1,793,836,373
Debt securities issued	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Subordinated liabilities	-	-	-	-
<b>Total liabilities</b>	<b>106,301,271,065</b>	<b>89,548,765,256</b>	<b>106,493,445,188</b>	<b>89,737,566,102</b>
<b>Equity</b>				
Share capital	8,449,250,523	8,046,905,260	8,449,250,523	8,046,905,260
Share premium	-	381,759,941	-	381,759,941
Retained earnings	1,489,819,616	1,231,817,312	1,471,346,867	1,218,765,930
Reserves	3,571,663,272	3,164,645,895	3,560,690,038	3,153,672,662
<b>Total equity attributable to equity holders</b>	<b>13,510,733,411</b>	<b>12,825,128,408</b>	<b>13,481,287,428</b>	<b>12,801,103,793</b>
<b>Non-controlling interest</b>				
<b>Total equity</b>	<b>13,510,733,411</b>	<b>12,825,128,408</b>	<b>13,481,287,428</b>	<b>12,801,103,793</b>
<b>Total liabilities and equity</b>	<b>119,812,004,476</b>	<b>102,373,893,664</b>	<b>119,974,732,616</b>	<b>102,538,669,895</b>

**Nepal SBI Bank Ltd.**  
**Condensed Consolidated Statement of Profit or Loss**  
For the quarter ended Chaitra 30, 2075 (13.04.2019)

Amount in NPR

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
		Chaitra 30, 2075		Chaitra 30, 2074		Chaitra 30, 2075		Chaitra 30, 2074
Interest income	2,807,899,853	8,170,394,905	2,250,087,355	6,495,054,179	2,807,677,010	8,169,500,172	2,247,280,868	6,492,178,058
Interest expense	(1,634,237,600)	(4,797,753,407)	(1,239,279,556)	(3,594,746,550)	(1,638,814,329)	(4,812,290,191)	(1,240,680,263)	(3,600,796,440)
<b>Net interest income</b>	<b>1,173,662,253</b>	<b>3,372,641,498</b>	<b>1,010,807,799</b>	<b>2,900,307,629</b>	<b>1,168,862,681</b>	<b>3,357,209,981</b>	<b>1,006,600,605</b>	<b>2,891,381,618</b>
Fee and commission income	241,531,406	716,793,873	232,463,683	691,934,235	239,257,599	709,344,053	232,349,942	691,866,874
Fee and commission expense	(18,907,597)	(55,732,658)	(10,441,094)	(43,127,506)	(18,907,597)	(55,732,658)	(10,441,094)	(43,127,506)
<b>Net fee and commission income</b>	<b>222,623,809</b>	<b>661,061,215</b>	<b>222,022,589</b>	<b>648,806,729</b>	<b>220,350,002</b>	<b>653,611,395</b>	<b>221,908,848</b>	<b>648,739,368</b>
<b>Net interest, fee and commission income</b>	<b>1,396,286,062</b>	<b>4,033,702,713</b>	<b>1,232,830,388</b>	<b>3,549,114,358</b>	<b>1,389,212,683</b>	<b>4,010,821,376</b>	<b>1,228,509,453</b>	<b>3,540,120,986</b>
Net trading income	60,552,368	197,804,406	68,575,190	178,594,047	60,552,368	197,804,406	68,575,190	178,594,047
Other operating income	16,127,297	27,739,822	3,520,887	7,104,330	16,127,297	27,739,822	3,520,887	7,104,330
<b>Total operating income</b>	<b>1,472,965,727</b>	<b>4,259,246,941</b>	<b>1,304,926,465</b>	<b>3,734,812,735</b>	<b>1,465,892,348</b>	<b>4,236,365,604</b>	<b>1,300,605,530</b>	<b>3,725,819,363</b>
Impairment charge/(reversal) for loans and other losses	7,251,904	(138,945,589)	(34,842,103)	(141,525,366)	7,251,904	(138,945,589)	(34,842,103)	(141,525,366)
<b>Net operating income</b>	<b>1,480,217,631</b>	<b>4,120,301,352</b>	<b>1,270,084,362</b>	<b>3,593,287,369</b>	<b>1,473,144,252</b>	<b>4,097,420,015</b>	<b>1,265,763,427</b>	<b>3,584,293,997</b>
<b>Operating expense</b>								
Personnel expenses	(388,522,135)	(1,124,871,018)	(357,031,695)	(998,278,180)	(387,964,086)	(1,122,682,198)	(357,031,695)	(998,278,180)
Other operating expenses	(269,219,099)	(657,810,920)	(169,308,388)	(474,907,019)	(265,333,551)	(645,854,676)	(167,071,637)	(469,566,866)
Depreciation & amortisation	(45,542,350)	(126,338,228)	(36,286,686)	(101,116,686)	(45,192,004)	(125,346,765)	(36,286,686)	(101,116,686)
<b>Operating Profit</b>	<b>776,934,047</b>	<b>2,211,281,186</b>	<b>707,457,593</b>	<b>2,018,985,484</b>	<b>774,654,611</b>	<b>2,203,536,376</b>	<b>705,373,409</b>	<b>2,015,332,265</b>
Non operating income	50,855,337	83,102,577	1,469,170	38,440,226	50,855,337	83,102,577	1,469,170	38,440,226
Non operating expense	-	-	-	-	-	-	-	-
<b>Profit before income tax</b>	<b>827,789,384</b>	<b>2,294,383,763</b>	<b>708,926,763</b>	<b>2,057,425,710</b>	<b>825,509,948</b>	<b>2,286,638,953</b>	<b>706,842,579</b>	<b>2,053,772,491</b>
Income tax expense								
Current Tax	(248,336,815)	(688,315,129)	(240,623,496)	(674,924,603)	(247,652,984)	(685,991,686)	(240,098,507)	(673,987,557)
Deferred Tax	-	-	-	-	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>579,452,569</b>	<b>1,606,068,634</b>	<b>468,303,267</b>	<b>1,382,501,107</b>	<b>577,856,964</b>	<b>1,600,647,267</b>	<b>466,744,072</b>	<b>1,379,784,934</b>

**Nepal SBI Bank Ltd.**  
**Consolidated Statement of Comprehensive Income**  
For the Third quarter ended Chaitra 30, 2075 (13.04.2019)

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD) Chaitra 30, 2075	This Quarter	Up to This Quarter (YTD) Chaitra 30, 2074	This Quarter	Up to This Quarter (YTD) Chaitra 30, 2075	This Quarter	Up to This Quarter (YTD) Chaitra 30, 2074
<b>Profit for the year</b>	<b>579,452,569</b>	<b>1,606,068,634</b>	<b>468,303,267</b>	<b>1,382,501,107</b>	<b>577,856,964</b>	<b>1,600,647,267</b>	<b>466,744,072</b>	<b>1,379,784,934</b>
<b>Other comprehensive income</b>								
<b>a) Items that will not be reclassified to profit or loss</b>								
Gains/(losses) from investments in equity instruments measured at fair value	(4,925,557)	(21,791,539)	-	-	(4,925,557)	(21,791,539)	-	-
Gains/(loss) on revaluation								
Actuarial gains/(loss) on defined benefit plans								
Income tax relating to above items	1,477,667	6,537,462	-	-	1,477,667	6,537,462	-	-
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>(3,447,890)</b>	<b>(15,254,077)</b>	<b>-</b>	<b>-</b>	<b>(3,447,890)</b>	<b>(15,254,077)</b>	<b>-</b>	<b>-</b>
<b>b) Items that are or may be reclassified to profit or loss</b>								
Gains/(losses) on cash flow hedge								
Exchange gains/(losses) (arising from translating financial assets of foreign operation)								
Income tax relating to above items								
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>								
<b>c) Share of other comprehensive income of associate accounted as per equited method</b>								
<b>Other comprehensive income for the year, net of income tax</b>	<b>(3,447,890)</b>	<b>(15,254,077)</b>	<b>-</b>	<b>-</b>	<b>(3,447,890)</b>	<b>(15,254,077)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>576,004,679</b>	<b>1,590,814,557</b>	<b>468,303,267</b>	<b>1,382,501,107</b>	<b>574,409,074</b>	<b>1,585,393,190</b>	<b>466,744,072</b>	<b>1,379,784,934</b>

**Profit attributable to:**

Equity holders of the Bank	576,004,679	1,590,814,557	468,303,267	1,382,501,107	574,409,074	1,585,393,190	466,744,072	1,379,784,934
Non-controlling interest	-	-	-	-	-	-	-	-
<b>Total</b>	<b>576,004,679</b>	<b>1,590,814,557</b>	<b>468,303,267</b>	<b>1,382,501,107</b>	<b>574,409,074</b>	<b>1,585,393,190</b>	<b>466,744,072</b>	<b>1,379,784,934</b>

**Earnings per share:**

Basic earnings per share		19.01		17.18		18.94		17.15
Annualised Basic earnings per share		25.34		22.91		25.26		22.86
Diluted earnings per share		19.01		17.18		18.94		17.15

**Ratios as per NRB Directives**

Particulars	Group				Bank			
	Current Year		Previous Year		Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
		Chaitra 30, 2075		Chaitra 30, 2074		Chaitra 30, 2075		Chaitra 30, 2074
Capital fund to RWA		13.30%		14.72%		13.30%		14.51%
Non-Performing loan (NPL) to total loan		0.19%		0.13%		0.19%		0.13%
Total loan loss provision to Total NPL		652.40%		858.31%		652.40%		858.31%
Cost of Funds		5.86%		5.25%		5.86%		5.25%
Credit to Deposit Ratio		75.58%		79.25%		75.58%		79.25%
Base Rate		9.73%		9.89%		9.73%		9.89%
Interest Rate Spread		4.80%		5.24%		4.80%		5.24%

**Statement of Distributable Profit:**

<b>Net Profit for the period end third quarter Chaitra 2075</b>	<b>1,600,647,267</b>
1. Appropriations	
<b>1.1 Profit required to be appropriated to statutory reserve</b>	<b>(393,226,108)</b>
a. General Reserve	(320,129,453)
b. Capital Redemption Reserve	(75,000,000)
c. Exchange Fluctuation Fund	(5,402,990)
d. Corporate Social Responsibility Fund	8,067,000
e. Employees Training Fund	(760,665)
f. Other	-
<b>1.2 Profit required to be transfer to Regulatory Reserve</b>	<b>(29,045,346)</b>
a. Transfer to Regulatory Reserve	(29,045,346)
b. Transfer from Regulatory Reserve	
<b>Net Profit for the period end third quarter, 30th Chaitra 2075 available for distribution</b>	<b>1,178,375,813</b>

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

- The above figures may undergo change as per statutory audit and/ or as per direction of Nepal Rastra Bank.
- Group includes Nepal SBI Bank Ltd. (NSBL, Parent Company) and Nepal SBI Merchant Banking Ltd. (NSMBL, Subsidiary Company) where intergroup transactions have been eliminated.
- The impairment loss on loan and advances have been measured as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per
- Figures have been regrouped/ rearranged wherever necessary for previous year corresponding quarter, however the financial position has been reflected as per local GAAP, opting carve-out on NAS 34 Para 2
- Employee bonus has been calculated as per provision of bonus act 2030 and included in personnel expenses.
- Estimation of current quarter provision for gratuity and leave has been provided as per the bank's policy which may vary after actuarial valuation.
- The detailed interim financial results have also been published in bank's website, [www.nepalsbi.com.np](http://www.nepalsbi.com.np).

**Nepal SBI Bank Ltd.**  
**Condensed Consolidated Statement of Changes in Equity**  
For the Third quarter ended Chaitra 30, 2075 (13.04.2019)

Particulars	Group											Non-controlling interest	Total equity
	Attributable to equity holders of the Bank												
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total			
Balance at Sawan 1, 2074	6,924,892,999	-	1,694,804,484	19,814,792	97,192,162	165,227,628	-	1,160,848,872	471,924,355	10,534,705,292	-	10,534,705,292	
Adjustment/Restatement:										-		-	
Corporate Social Repsonsibility Fund	-	-	-	-	-	-	-	-	15,232,375	15,232,375	-	15,232,375	
Staff Training and Development Fund	-	-	-	-	-	-	-	-	5,539,340	5,539,340	-	5,539,340	
NSMBL adjustment								(110,123)		(110,123)		(110,123)	
EIR adjustment on loan								(30,966,862)		(30,966,862)		(30,966,862)	
Previous Year NFRS reserve						(49,568,288)		49,568,288		-		-	
Deferred Tax Adjustment					(48,357,971)			-		(48,357,971)		(48,357,971)	
Adjusted/Restated balance at Sawan 1, 2074	6,924,892,999	-	1,694,804,484	19,814,792	48,834,191	115,659,340	-	1,179,340,175	492,696,070	10,476,042,051	-	10,476,042,051	
Profit for the year	-	-	-	-	-	-	-	2,031,911,696	-	2,031,911,696	-	2,031,911,696	
Other comprehensive income	-	-	-	-	-	(47,534,323)	-	-	(4,300,954)	(51,835,277)	-	-	
Total comprehensive income for the year	-	-	-	-	-	(47,534,323)	-	2,031,911,696	(4,300,954)	1,980,076,419	-	1,980,076,419	
Contributions and Distribution to owners	-	-	404,702,225	8,591,186	297,418,267	-	-	(833,561,184)	122,849,506	-	-	-	
Share issued	46,905,260	381,759,941								428,665,201		428,665,201	
Share based payments										-		-	
Dividends to equity holders										-		-	
Bonus shares issued	1,075,107,001							(1,086,218,112)	11,111,111	-		-	
Cash dividend paid								(56,584,579)		(56,584,579)		(56,584,579)	
Others (Share issue expenses)								(3,070,684)		(3,070,684)		(3,070,684)	
Total contributions by and distributions	1,122,012,261	381,759,941	404,702,225	8,591,186	297,418,267	-	-	(1,979,434,559)	133,960,617	369,009,938	-	369,009,938	
Balance at Asar end 2075	8,046,905,260	381,759,941	2,099,506,709	28,405,978	346,252,458	68,125,017	-	1,231,817,312	622,355,733	12,825,128,408	-	12,825,128,408	

<b>Balance at Sawan 1, 2075</b>	<b>8,046,905,260</b>	<b>381,759,941</b>	<b>2,099,506,709</b>	<b>28,405,978</b>	<b>346,252,458</b>	<b>68,125,017</b>	<b>-</b>	<b>1,231,817,312</b>	<b>622,355,733</b>	<b>12,825,128,408</b>	<b>-</b>	<b>-</b>	<b>12,825,128,408</b>
Previous Year adjustment								(36,990,829)		(36,990,829)			(36,990,829)
<b>Adjusted/Restated balance at Sawan 1, 2075</b>	<b>8,046,905,260</b>	<b>381,759,941</b>	<b>2,099,506,709</b>	<b>28,405,978</b>	<b>346,252,458</b>	<b>68,125,017</b>	<b>-</b>	<b>1,194,826,483</b>	<b>622,355,733</b>	<b>12,788,137,579</b>	<b>-</b>	<b>-</b>	<b>12,788,137,579</b>
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,606,068,634</b>	<b>-</b>	<b>1,606,068,634</b>	<b>-</b>	<b>-</b>	<b>1,606,068,634</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,254,077)</b>	<b>-</b>	<b>(15,254,077)</b>	<b>-</b>	<b>(15,254,077)</b>	<b>-</b>	<b>-</b>	<b>(15,254,077)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,254,077)</b>	<b>-</b>	<b>1,606,068,634</b>	<b>-</b>	<b>1,590,814,557</b>	<b>-</b>	<b>-</b>	<b>1,590,814,557</b>
<b>Contributions and Distribution to owners</b>	<b>-</b>	<b>(381,759,941)</b>	<b>320,129,453</b>	<b>5,402,990</b>	<b>29,045,346</b>	<b>-</b>	<b>-</b>	<b>(40,511,513)</b>	<b>67,693,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Share issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Dividends to equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Bonus shares issued	402,345,263	-	-	-	-	-	-	(402,345,263)	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(868,218,726)	-	(868,218,726)	-	-	(868,218,726)
Others (Share issue expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions</b>	<b>402,345,263</b>	<b>(381,759,941)</b>	<b>320,129,453</b>	<b>5,402,990</b>	<b>29,045,346</b>	<b>-</b>	<b>-</b>	<b>(1,311,075,502)</b>	<b>67,693,664</b>	<b>(868,218,726)</b>	<b>-</b>	<b>-</b>	<b>(868,218,726)</b>
<b>Balance at Asar end 2075</b>	<b>8,449,250,523</b>	<b>-</b>	<b>2,419,636,162</b>	<b>33,808,968</b>	<b>375,297,804</b>	<b>52,870,940</b>	<b>-</b>	<b>1,489,819,616</b>	<b>690,049,397</b>	<b>13,510,733,410</b>	<b>-</b>	<b>-</b>	<b>13,510,733,410</b>

Particulars	Bank											Non-controlling interest	Total equity
	Attributable to equity holders of the Bank												
	Share Capital	Share premium	General reserve	Exchange equalisation	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total			
Balance at Shawan 1, 2074	6,924,892,999	-	1,694,804,484	19,814,792	97,319,505	165,227,628		1,144,987,363	471,924,355	10,518,971,126	-	-	10,518,971,126
Adjustment/Restatement:										-		-	-
Corporate Social Repsonsibility Fund	-	-	-	-		-	-	-	15,232,375	15,232,375	-	-	15,232,375
Staff Training and Development Fund	-	-	-	-		-	-	-	5,539,340	5,539,340	-	-	5,539,340
EIR adjustment on loan								(30,966,862)		(30,966,862)		-	(30,966,862)
Previous Year NFRS reserve						(49,568,288)		49,568,288		-		-	-
Deferred Tax adjustment					(48,357,971)			-		(48,357,971)		-	(48,357,971)
Adjusted/Restated balance at Shawan 1, 2074	6,924,892,999	-	1,694,804,484	19,814,792	48,961,534	115,659,340	-	1,163,588,789	492,696,070	10,460,418,008	-	-	10,460,418,008
Profit for the year	-	-	-	-	-	-	-	2,023,511,124	-	2,023,511,124	-	-	2,023,511,124
Other comprehensive income, net of tax	-	-	-	-	-	(47,534,323)	-	-	(4,300,954)	(51,835,277)	-	-	(51,835,277)
Total comprehensive income for the year	-	-	-	-	-	(47,534,323)	-	2,023,511,124	(4,300,954)	1,971,675,847	-	-	1,971,675,847
Contributions and Distribution to owners	-	-	404,702,225	8,591,186	297,428,802	-	-	(833,571,719)	122,849,506	-			
Share issued	46,905,260	381,759,941								428,665,201			428,665,201
Share based payments										-			-
Dividends to equity holders										-			-
Bonus shares issued	1,075,107,001							(1,075,107,001)		-			-
Cash dividend paid								(56,584,579)		(56,584,579)			(56,584,579)
Others (Share issue expenses)								(3,070,684)		(3,070,684)			(3,070,684)
Total contributions by and distributions	1,122,012,261	381,759,941	404,702,225	8,591,186	297,428,802	-	-	(1,968,333,983)	122,849,506	369,009,938	-	-	369,009,938
Balance at Asar end 2075	8,046,905,260	381,759,941	2,099,506,709	28,405,978	346,390,336	68,125,017	-	1,218,765,930	611,244,622	12,801,103,793	-	-	12,801,103,793

Balance at Shawan 1, 2075	8,046,905,260	381,759,941	2,099,506,709	28,405,978	346,390,336	68,125,017	-	1,218,765,930	611,244,622	12,801,103,793	-	-	12,801,103,793
Adjustment/Restatement:										-		-	-
Previous Year adjustment								(36,990,829)		(36,990,829)		-	(36,990,829)
Adjusted/Restated balance at Shawan 1, 2075	8,046,905,260	381,759,941	2,099,506,709	28,405,978	346,390,336	68,125,017	-	1,181,775,101	611,244,622	12,764,112,964	-	-	12,764,112,964
Profit for the year								1,600,647,267		1,600,647,267		-	1,600,647,267
Other comprehensive income, net of tax	-	-	-	-	-	(15,254,077)	-	-		(15,254,077)		-	(15,254,077)
Total comprehensive income for the year	-	-	-	-	-	(15,254,077)	-	1,600,647,267	-	1,585,393,190	-	-	1,585,393,190
Contributions and Distribution to owners	-	(381,759,941)	320,129,453	5,402,990	29,045,346	-	-	(40,511,513)	67,693,664	-	-	-	-
Share issued										-		-	-
Share based payments										-		-	-
Dividends to equity holders										-		-	-
Bonus shares issued	402,345,263							(402,345,263)		-		-	-
Cash dividend paid								(868,218,726)		(868,218,726)		-	(868,218,726)
Others (Share issue expenses)										-		-	-
Total contributions by and distributions	402,345,263	(381,759,941)	320,129,453	5,402,990	29,045,346	-	-	(1,311,075,501)	67,693,664	(868,218,725)	-	-	(868,218,725)
Balance at Asar end 2075	8,449,250,523	-	2,419,636,162	33,808,968	375,435,682	52,870,940	-	1,471,346,868	678,938,286	13,481,287,428	-	-	13,481,287,428

**Nepal SBI Bank Ltd.**  
**Condensed Consolidated Statement of cash flows**  
For the Third quarter ended Chaitra 30, 2075 (13.04.2019)

Amount in NPR

Particulars	Group		Bank	
	Upto This Quarter	Corresponding Previous Year Upto this Quarter	Upto this Quarter	Corresponding Previous Year Upto this Quarter
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Interest received	8,042,008,074	6,495,054,179	8,041,113,341	6,492,178,058
Fees and other income received	716,793,873	354,269,456	709,344,053	354,202,095
Dividend received	2,900,435	3,526,443	2,900,435	3,526,443
Receipts from other operating activities	302,709,772	554,699,052	302,709,772	554,699,052
Interest paid	(4,797,753,407)	(3,594,746,550)	(4,812,290,191)	(3,600,796,440)
Commission and fees paid	(55,732,658)	-	(55,732,658)	-
Cash payment to employees	(1,124,871,018)	(998,278,180)	(1,122,682,198)	(998,278,180)
Other expense paid	(849,001,415)	(619,735,862)	(837,045,172)	(613,811,058)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>2,237,053,656</b>	<b>2,194,788,538</b>	<b>2,228,317,382</b>	<b>2,191,719,970</b>
<b>(Increase)/Decrease in operating assets</b>	<b>(14,772,819,210)</b>	<b>(8,597,100,103)</b>	<b>(14,765,627,677)</b>	<b>(8,684,153,380)</b>
Due from Nepal Rastra Bank	1,210,906,997	-	1,210,906,997	-
Placement with bank and financial institutions	(1,202,400,000)	3,015,349,770	(1,200,000,000)	2,936,376,086
Other trading assets	2,791,128	-	1,863,128	-
Loan and advances to bank and financial institutions	(2,091,453,010)	-	(2,091,453,010)	-
Loans and advances to customers	(13,430,728,252)	(11,169,433,616)	(13,430,728,252)	(11,169,433,616)
Other assets	738,063,927	(443,016,256)	743,783,460	(451,095,849)
<b>Increase/(Decrease) in operating liabilities</b>	<b>16,752,505,809</b>	<b>3,751,559,544</b>	<b>16,755,879,086</b>	<b>3,837,091,385</b>
Due to bank and financial institutions	(992,965,000)	-	(992,965,000)	-
Due to Nepal Rastra Bank	1,085,901,398	-	1,085,901,398	-
Deposit from customers	15,859,538,910	2,091,924,211	15,856,113,796	2,181,102,523
Borrowings	-	1,584,121,730	-	1,584,121,730
Other liabilities	800,030,501	75,513,603	806,828,892	71,867,132
<b>Net cash flow from operating activities before tax paid</b>	<b>4,216,740,255</b>	<b>(2,650,752,021)</b>	<b>4,218,568,791</b>	<b>(2,655,342,025)</b>
Income taxes paid	(729,957,433)	(674,924,603)	(730,063,603)	(673,987,557)
<b>Net cash flow from operating activities</b>	<b>3,486,782,822</b>	<b>(3,325,676,624)</b>	<b>3,488,505,188</b>	<b>(3,329,329,582)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities	(295,846,172)	-	(295,846,172)	-
Receipts from sale of investment securities	-	-	-	-
Purchase of property and equipment	(127,715,090)	(103,947,443)	(126,842,670)	(103,084,537)
Receipt from the sale of property and equipment	-	-	-	-
Purchase of intangible assets	(5,087,094)	-	(5,219,312)	-
Receipt from the sale of intangible assets	-	-	-	-
Purchase of investment properties	-	-	-	-
Receipt from the sale of investment properties	-	-	-	-
Interest received	-	-	-	-
Dividend received	3,036,598	3,577,887	3,036,598	3,577,887
<b>Net cash used in investing activities</b>	<b>(425,611,758)</b>	<b>(100,369,556)</b>	<b>(424,871,556)</b>	<b>(99,506,650)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipt from issue of debt securities	-	-	-	-
Repayment of debt securities	-	-	-	-
Receipt from issue of subordinated liabilities	-	-	-	-
Repayment of subordinated liabilities	-	-	-	-
Receipt from issue of shares	-	428,665,201	-	428,665,201
Dividends paid	(868,218,726)	-	(868,218,726)	-
Interest paid	-	-	-	-
Other receipt/payment	-	-	-	-
<b>Net cash from financing activities</b>	<b>(868,218,726)</b>	<b>428,665,201</b>	<b>(868,218,726)</b>	<b>428,665,201</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10,483,612,597</b>	<b>13,229,680,991</b>	<b>10,480,237,366</b>	<b>13,229,680,991</b>
Cash and cash equivalents at Sawan 1, 2075	10,483,612,597	13,229,680,991	10,480,237,366	13,229,680,991
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-	-	-
<b>Cash and cash equivalents at Chaitra end 2075</b>	<b>12,676,564,936</b>	<b>10,232,300,012</b>	<b>12,675,652,273</b>	<b>10,229,509,960</b>

### THIRD QUARTER REPORT AT THE END OF CHAITRA, 2075 OF FY2075/76

(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 and Loss as per Nepal Financial Reporting Standard:** Published along with this report.

#### b. Related Party Transactions

Parties are considered to be 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.

#### 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 30, 2075 (Rs. in '000')
<b><u>Transaction during the quarter</u></b>	
Technical Service Fees to SBI	27,003
Interest on placements from SBI foreign offices	27,897
<b><u>Quarter end Balance</u></b>	
Placements and Interest receivable from SBI offices	1,109,264
Nostro Balances in SBI offices	4,417,380
Card Transaction Receivables from SBI	202,680

#### 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 Company Ltd	Chaitra 30, 2075 (Rs. in '000')
<b><u>Transaction during the Quarter</u></b>	
Interest Paid on Deposit to NSMBL	14,537
Management fee accrued and receivable from NSMBL	900
RTS, D-Mat Service Charge accrued and payable to NSMBL	900
<b><u>Quarter end Balance</u></b>	
Others payable to NSMBL	412
Others receivable from NSMBL	-
Deposit maintained with NSBL	196,635



**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.

<b>Employee Provident Fund (EPF) Nepal</b>	Chaitra 30, 2075 (Rs. in '000')
<b><u>Quarter end Balance</u></b>	
Deposits	6,586,105

**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.

<b><u>Transaction during the Quarter</u></b> <b><u>(Allowances and Expenses)</u></b>	<b>Chaitra 30, 2075</b> <b>(Rs. in '000')</b>
Board Meetings	525
Audit Committee Meetings	
Risk Management Committee Meetings	
Employee Service Facility Committee Meetings	
Food, Lodging Expenses for Board level meetings	6,132
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 bye-laws 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 :**

<b>Financial ratios</b>	
Per Share Net worth	Rs. 159.56
Per Share Total Assets Value	Rs. 1,419.95
Earnings Per Share	Rs. 25.26
PE Ratio	16.31 times
Liquidity Ratio	22.54 %

**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. 160.06 Crore has been registered up to third Quarter of the Fiscal Year 2075-76 compared to Rs 137.98 Crore in the same period last fiscal year 2074-75, thereby registering a growth of 16%.

**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 FY 2022-23. 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 50 district with total of 116 outlets and 115 ATM/CDM/CRMs. The outlets include 88 Branches, 19 Extension Counters, 1 INTOUCH Outlet, 7 Provincial Offices and Corporate Office. This wide presence helps us to provide better services to the customers and increases Bank's reach.

**c. Analytical details, if there are incidents or situations which may have major impact on Stock/reserve, profit or cash flow of Organized Institution, based on previous experience:**

Regulatory requirement to reduce monthly interest spread from 5% to 4.75% after Chaitra end 2075 and to 4.5% after Ashad 2076 may impact profitability.

### 3. Legal Proceedings:

- a. **Lawsuits filed by/against the Bank:** Ten different lawsuits have been filed against the Bank in respect of Credit, NPA and general matter 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. 426
Minimum Share Price	Rs. 366
Closing Share Price	Rs. 412
Total no. of transactions	1,693
Total Transacted no. of days	60
Total traded number of Shares	269,076

### 5. Problems and Challenges:

#### a. Problems and Challenges Faced:

##### i. External:

- ❖ Challenges to attract low cost deposit.
- ❖ Limited avenue for long term Lending & Investment.
- ❖ Dearth of lendable resources.

## **ii. Internal**

- ❖ Maintaining consistency in Return on Equity amidst increase in capital.
- ❖ Increasing cost of operation.

### **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 CASA.
- ❖ Introduction of Alternate Channels/technological platforms to reduce cost.
- ❖ Regular In-House training to staff to enhance work performance.
- ❖ Good industrial relations.

## **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 governance committee 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.

सूचनाको हक सम्बन्धि ऐन, २०६४ को दफा ५ को उपदफा (३) बमोजिमको आ.व. २०७५/७६ को तेस्रो त्रयमाश (चैत्र मसान्त २०७५)को विवरण बैंकको वेब साइट [www.nepalsbi.com.np](http://www.nepalsbi.com.np) मा प्रकाशन गरिएको बेहोरा जानकारी गराउँदछौं ।