



# Shree Investment and Finance Co. Ltd.

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## Unaudited Interim Financial Statement of FY 2081/82 (4th Quarter)

### Condensed Statement of Financial Position As on Quarter ended Ashad 2082 (July 16, 2025)

Amount in NPR

Particulars	This quarter ending	Immediate previous year ending (Audited)
<b>Assets</b>		
Cash And Cash Equivalent	632,095,318	565,651,040
Due From Nepal Rastra Bank	424,587,408	358,667,440
Placement With Bank And Financial Institutions	-	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans And Advances To B/Fis	257,944,500	212,024,800
Loans And Advances To Customers	6,159,539,342	5,393,053,710
Investment Securities	2,206,258,287	2,316,572,297
Current Tax Assets	29,172,800	3,376,091
Investment In Subsidiaries	-	-
Investment In Associates	-	-
Investment Property	14,602,600	14,602,600
Property Plant And Equipment	151,701,277	152,691,118
Goodwill And Intangible Assets	1,914,696	2,694,959
Deferred Tax Assets	-	-
Other Assets	47,764,898	22,361,780
<b>Total Assets</b>	<b>9,925,581,127</b>	<b>9,041,695,835</b>
<b>Liabilities</b>		
Due To Bank And Financial Institutions	367,335,525	44,915,594
Due To Nepal Rastra Bank	170,000,000	186,875,063
Derivative Financial Instruments	-	-
Deposits From Customers	7,834,807,500	7,373,425,075
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred Tax Liabilities	34,921,365	14,082,418
Other Liabilities	96,205,266	78,876,780
Debt Securities Issued	-	-
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>8,503,269,657</b>	<b>7,698,174,931</b>
<b>Equity</b>		
Share Capital	1,000,000,000	981,683,200
Share Premium	-	-
Retained Earnings	62,800,232	23,712,159
Reserves	359,511,238	338,125,545
<b>Total Equity Attributable To Equity Holders</b>	<b>1,422,311,470</b>	<b>1,343,520,904</b>
<b>Non-controlling Interest</b>	-	-
<b>Total Equity</b>	<b>1,422,311,470</b>	<b>1,343,520,904</b>
<b>Total Liabilities &amp; Equity</b>	<b>9,925,581,127</b>	<b>9,041,695,835</b>

### Condensed Statement of Profit or Loss For the Quarter ended Ashad 2082 (July 16, 2025)

Amount in NPR

Particulars	Current Year		Previous Year	
	This Quarter	Up to this Quarter (YTD)	This Quarter	Up to this Quarter (YTD)
Interest income	179,923,729	828,280,875	236,865,745	946,200,581
Interest expense	137,018,632	595,098,281	176,173,250	743,961,128
<b>Net interest income</b>	<b>42,905,097</b>	<b>233,182,594</b>	<b>60,692,495</b>	<b>202,239,453</b>
Fee and commission income	7,225,194	31,555,371	7,485,637	29,387,026
Fee and commission expense	89,248	150,918	62,052	54,478
<b>Net fee and commission income</b>	<b>7,135,946</b>	<b>31,404,453</b>	<b>7,423,585</b>	<b>29,332,549</b>
<b>Net interest, fee and commission income</b>	<b>50,041,042</b>	<b>264,587,046</b>	<b>68,116,080</b>	<b>231,572,002</b>
Net trading income	-	-	-	-
Other operating income	7,567,892	15,323,626	2,958,801	4,918,014
<b>Total operating income</b>	<b>57,608,935</b>	<b>279,910,673</b>	<b>71,074,881</b>	<b>236,490,016</b>
Impairment charge/(reversal) for loans and other losses	(10,008,770)	49,405,218	(20,031,884)	23,408,195
<b>Net operating income</b>	<b>67,617,705</b>	<b>230,505,455</b>	<b>91,106,765</b>	<b>213,081,821</b>
<b>Operating expense</b>				
Personnel expenses	20,910,064	74,445,681	24,924,121	73,487,323
Other operating expenses	15,033,525	48,483,729	13,493,024	37,066,350
Depreciation & amortisation	1,926,354	7,675,169	1,795,701	15,401,375
<b>Operating Profit</b>	<b>29,747,761</b>	<b>99,900,875</b>	<b>50,893,919</b>	<b>87,126,773</b>
Non operating income	-	-	-	-
Non operating expense	-	-	-	-
<b>Profit before income tax</b>	<b>29,747,761</b>	<b>99,900,875</b>	<b>50,893,919</b>	<b>87,126,773</b>
Income tax expense	-	-	-	-
Current Tax	8,924,328	29,970,262	15,268,176	26,774,124
Deferred Tax Income/ (Expenses)	-	-	-	(1,306,675)
<b>Profit for the period</b>	<b>20,823,432</b>	<b>69,930,612</b>	<b>35,625,743</b>	<b>61,659,323</b>
Other comprehensive income	(2,744,176)	15,752,681	10,778,152	(10,200,330)
<b>Total comprehensive income</b>	<b>18,079,256</b>	<b>85,683,293</b>	<b>46,403,895</b>	<b>51,458,993</b>
Basic Earnings per Share		6.99		6.28
Diluted Earnings per Share		6.99		6.28
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	18,079,256	85,683,293	46,403,895	51,458,993
Non-controlling interest	-	-	-	-
<b>Total</b>	<b>18,079,256</b>	<b>85,683,293</b>	<b>46,403,895</b>	<b>51,458,993</b>

### Notes to Interim Financial Results

- The above financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) in line with NRB Directives. In compliance with NRB's Expected Credit Loss Guidelines, finance has de-recognised interest income on loan and advances classified as life time ECL under stage 3. Finance has calculated the expected credit loss figure under ECL guidelines, which is lower than the provision calculated as per Unified Directives. The finance has considered the provision as prescribed by Unified Directives.
- Loan and advances include interest receivable on loans and are presented net of loan impairments.
- The figures are subject to change if directed by NRB or external auditors.
- Figures are regrouped where necessary.
- There are no related party transactions with related parties apart from BOD allowance to BOD members, salary and allowances to CEO.
- The above unaudited interim financial statements has been updated in the Company's website: [www.shreefinance.com.np](http://www.shreefinance.com.np)

### Statement of Distributable Profit or Loss For the Quarter Ended 32 Ashad 2082 (As per NRB Regulation)

Amount in NPR

Particulars	Current Year Upto this Quarter YTD	Previous Year Corresponding Quarter YTD (Audited)
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>69,930,612</b>	<b>61,659,323</b>
<b>Appropriations:</b>		
a. General reserve	(13,986,122)	(12,331,865)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(144,469)	121,257
e. Employee's training fund	(1,030,244)	393,997
f. Other	(6,477,603)	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>48,292,174</b>	<b>49,842,712</b>
<b>Regulatory adjustment:</b>		
a. Interest receivable (-)/previous accrued interest received (+)	10,076,741	(9,615,045)
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 (+)	-	(1,721,790)
e. Deferred tax assets recognised (-)/reversal (+)	-	-
f. Goodwill recognised (-)/impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	548,919
i. Other	-	-
<b>Net Profit for the Quarter end available for distribution</b>	<b>58,368,915</b>	<b>39,054,796</b>
Opening retained earning	23,712,159	50,765,644
Adjustment (+/-)	-	(16,533,279)
<b>Distribution:</b>		
Bonus shares issued	(18,316,800)	-
Cash Dividend Paid	(964,042)	(49,575,002)
<b>Total Distributable profit or (loss) as on Quarter end date</b>	<b>62,800,232</b>	<b>23,712,159</b>
<b>Annualised Distributable Profit/Loss per share</b>	<b>6.28</b>	<b>2.42</b>

Ratio %	Current Year	Previous Year
	Upto This Quarter (YTD)	Upto This Quarter (YTD)
Capital fund to RWA	18.07%	19.53%
Non-performing loan (NPL) to total loan	2.57%	2.86%
Total loan loss provision to Total NPL	107.26%	80.09%
Cost of Funds	6.50%	9.00%
Credit to Deposit Ratio	78.31%	74.64%
Base Rate	8.18%	10.99%
Interest Rate Spread	4.01%	4.49%
Tier 1 Capital to RWA	17.19%	18.38%
Return on Equity	4.92%	4.59%
Return on Assets	0.74%	0.65%

### Securities Registration and Issue Regulation 2073, Related to (Rule-26 (1), Annexure-14) for the Fourth Quarter Report of FY 2081/82

- Financial Statement:**  
Statement of Financial Position and Statement of Profit or Loss as per Nepal Financial Reporting Standards (NFRS) including key financial indicators and ratios along with this report.  
**Key Financial Indicators and Ratios:**  
Earnings Per Share (NPR) : 6.99  
Price Earnings Ratio (Times) : 77.33  
Net worth per share (NPR) : 142.23  
Total Assets Per share (NPR) : 992.56  
Liquidity Ratio (%) : 35.50

- Management Analysis**
  - Management is continually focused on strengthening the balance sheet, diversifying the portfolio to meet the evolving needs of economy, perusing sustainable growth, investing in high-quality assets, ensuring business continuity, optimizing resource utilization and further improving management practices and workplace efficiency.
  - This national-level financial institution has been providing services through its central office along with 13 branch offices. In the coming days, the institution's management is committed to enhancing the quality of services, formulating and implementing timely business plans, exploring new investment areas, establishing new branches, and offering modern banking and financial services and facilities in line with business diversification and customer needs. Digital banking has been prioritized.
  - No specific incident occurred during the period that could have impact on reserve, profit or cash flow.
- Details related to legal Proceedings**
  - During this quarterly period, the financial institution has not filed any lawsuits against anyone, nor has it received any notices of lawsuits filed against it.
  - No lawsuits have been filed against the institution's promoters or directors, nor have they been accused of violating applicable regulations or committing criminal offenses.
  - No lawsuits have been filed against any promoter or director in connection with financial crimes.
- Analysis of Stock Performance of FI**
  - Share price and transaction are determined as per open market competition.
  - Maximum, minimum and closing share price including total share transaction number and days of transaction during the period were:  
Maximum price (NPR) : 608.20 Minimum Price(NPR) : 481.00  
Closing price (NPR) : 543.54 Total units traded : 1,842,680  
Total no. of transactions : 13,582 No. of transaction days: 63

- Problems and Challenges**  
**Internal:**
  - Skill and experienced manpower retention.
  - Management of non-performing loans and NBA.
  - Challenges of improving non-interest revenue.
  - Challenges of mobilizing excess liquidity.**External:**
  - Intense market competition.
  - Low credit demand.
  - Increasing cyber security and digital risk.
  - Slowdown in the economy.
- Corporate Governance**  
The FI's prioritizes adherence to corporate governance guidelines issued by the Nepal Rastra Bank and other regulatory authorities. The Board of Directors, Audit Committee and management are committed to strengthen good corporate governance practices in the FI's. Additionally, internal policies have been formulated and enforced to ensure orderly business conduct.

- Declaration by CEO**  
As of this date, I hereby accept responsibility for the accuracy of the information and details provided in this report. I further declare that, to the best of my knowledge and belief, the contents of this report are true, accurate, and complete, and that no material information relevant to investors has been concealed.