Shree Investment and Finance Co. Ltd.

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Unaudited Interim Financial Statement of FY 2082/83 (1st Quarter)

Condensed Statement of Financial Position

As on Quarter ended Ashwin 2082 (October 17, 2025)

Amount in NPR

Particulars	This quarter ending	Immediate previous year ending
Assets		
Cash and cash equivalent	623,122,552	632,095,318
Due from Nepal Rastra Bank	341,617,892	424,587,408
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments		
Other trading assets	-	-
Loans and advances to B/Fis	253,093,500	257,944,500
Loans and advances to customers	6,217,158,390	6,159,539,342
Investment Securities	2,178,963,410	2,206,258,287
Current tax assets	28,056,206	29,172,800
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	14,602,600	14,602,600
Property Plant and Equipment	149,325,521	151,701,277
Goodwill and Intangible assets	4,137,635	1,914,696
Deferred tax assets	-	-
Other assets	55,762,042	47,764,898
TOTAL ASSETS	**9,865,839,748**	**9,925,581,127**
LIABILITIES		
Due to Bank and Financial Institutions	237,530,844	367,335,525
Due to Nepal Rastra Bank	190,000,000	170,000,000
Derivative financial instruments		
Deposits from customers	7,900,173,446	7,834,807,500
Borrowing		
Current Tax Liabilities	-	-
Provisions		
Deferred tax liabilities	24,284,550	34,921,365
Other liabilities	104,005,143	96,205,266
Debt securities issued		
Subordinated Liabilities		
TOTAL LIABILITIES	**8,455,993,982**	**8,503,269,657**
EQUITY		
Share Capital	1,000,000,000	1,000,000,000
Share premium		-
Retained Earnings	64,344,775	62,800,232
Reserves	345,500,990	359,511,238
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	**1,409,845,765**	**1,422,311,470**
NON-CONTROLLING INTEREST	-	-
TOTAL EQUITY	**1,409,845,765**	**1,422,311,470**
TOTAL LIABILITIES & EQUITY	**9,865,839,748**	**9,925,581,127**

Condensed Statement of Profit or Loss

For the Quarter ended Ashwin 2082 (October 17, 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	196,358,534	196,358,534	252,568,106	252,568,106
Interest expense	131,009,097	131,009,097	169,763,365	169,763,365
Net interest income	**65,349,438**	**65,349,438**	**82,804,741**	**82,804,741**
Fee and commission income	5,644,013	5,644,013	12,212,213	12,212,213
Fee and commission expense	21,861	21,861	22,327	22,327
Net fee and commission income	**5,622,152**	**5,622,152**	**12,189,887**	**12,189,887**
Net interest, fee and commission income	**70,971,590**	**70,971,590**	**94,994,627**	**94,994,627**
Net trading income	-	-	-	-
Other operating income	2,338,664	2,338,664	1,506,351	1,506,351
Total operating income	**73,310,253**	**73,310,253**	**96,500,978**	**96,500,978**
Impairment charge/(reversal) for loans and other losses	34,976,462	34,976,462	58,756,919	58,756,919
Net operating income	**38,333,791**	**38,333,791**	**37,744,060**	**37,744,060**
Operating expense				
Personnel expenses	19,866,529	19,866,529	18,333,550	18,333,550
Other operating expenses	11,699,740	11,699,740	11,572,826	11,572,826
Depreciation & amortisation	1,847,817	1,847,817	1,907,405	1,907,405
Operating Profit	**4,919,705**	**4,919,705**	**5,930,278**	**5,930,278**
Non operating income	-	-	-	-
Non operating expense	-	-	-	-
Profit before income tax	**4,919,705**	**4,919,705**	**5,930,278**	**5,930,278**
Income tax expense			-	
Current Tax	1,475,911	1,475,911	1,779,083	1,779,083
Deferred Tax Income/ (Expenses)	-	-		
Profit for the period	**3,443,793**	**3,443,793**	**4,151,195**	**4,151,195**
Other comprehensive income	(18,016,008)	(18,016,008)	16,769,445	16,769,445
Total comprehensive income	**(14,572,214)**	**(14,572,214)**	**20,920,640**	**20,920,640**
Basic Earnings per Share		1.38		1.69
Diluted Earnings per Share		1.38		1.69
Total comprehensive income attributable to:				
Equity holders of the Company	(14,572,214)	(14,572,214)	20,920,640	20,920,640
Non-controlling interest	-	-	-	-
Total	**(14,572,214)**	**(14,572,214)**	**20,920,640**	**20,920,640**

Notes to Interim Financial Results

1 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.

2 Loan and advances include interest receivable on loans and are presented net of loan impairments.

3 The figures are subject to change if directed by NRB or external auditors.

4 Figures are regrouped where necessary.

5 There are no related party transactions with related parties apart from BOD allowance to BOD members, salary and allowances to CEO.

6 The above unaudited interim financial statements has been updated in the Company's website: www.shreefinance.com.np

Statement of Distributable Profit or Loss
For the Quarter Ended 31 Ashwin 2082

(As per NRB Regulation)

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	**3,443,793**	**4,151,195**
Appropriations:		
a. General reserve	(688,759)	(830,239)
b. Foreign exchange fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund	(10,098)	(41,512)
e. Employee's training fund	(499,706)	(405,074)
f. Other		
Profit or (loss) before regulatory adjustment	**2,245,231**	**2,874,369**
Regulatory adjustment :		
a. Interest receivable (-)/previous accured interest received (+)	(700,688)	(35,815,658)
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 (+)	-	-
e. Deferred tax assets recognised (-)/reversal (+)		
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/reversal (+)		
h. Actuarial loss recognised (-)/reversal (+)	-	
i. Other		
Net Profit for the Quarter end available for distribution	1,544,543	(32,941,288)
Opening retained earning	62,800,232	23,826,005
Adjustment(+/-)		
Distribution:		
Bonus shares issued	-	
Cash Dividend Paid	-	
Total Distributable profit or (loss) as on Quarter end date	64,344,775	(9,115,283)

Ratio %	Current Year	Previous Year
	Upto This Quarter (YTD)	Upto This Quarter (YTD)
Capital fund to RWA	18.50%	17.87%
Non-performing loan (NPL) to total loan	3.34%	3.19%
Total loan loss provision to Total NPL	97.77%	92.50%
Cost of Funds	6.23%	8.28%
Credit to Deposit Ratio	79.60%	79.91%
Base Rate	7.96%	10.06%
Interest Rate Spread	3.96%	4.38%
Tier 1 Capital to RWA	17.57%	16.51%
Return on Equity	0.99%	1.22%
Return on Assets	0.14%	0.18%

Securities Registration and Issue Regulation 2073, Related to (Rule-26 (1), Annexure-14) for the First Quarter Report, of FY 2082/83

1. 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 are presented along with this report.

Key Financial Indicators and Ratios:

Earnings Per Share (NPR)	1.38
Price Earnings Ratio (Times)	333.21
Net worth per share (NPR)	140.98
Total Assets Per share (NPR)	986.58
Liquidity Ratio (%)	34.62

2. Management Analysis

- Management is continuously focused on strengthening the balance sheet, diversifying the portfolio to meet the evolving needs of economy, pursuing 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 enhance 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.

3. 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.

4. 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) : 586.00	Minimum Price(NPR) : 459.00
Closing price (NPR) : 459.00	Total units traded : 1,017,144
Total no. of transactions : 6,935	No. of transaction days: 51

5. Problems and Challenges

Internal:

- Skill and experienced human resources 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.
- Political instability and slowdown in the economy.

6. 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 company. Additionally, internal policies have been formulated and enforced to ensure orderly business conduct.

7. 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.