



# Shree Investment and Finance Co. Ltd.

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## Unaudited Interim Financial Statement of FY 2082/83 (2<sup>nd</sup> Quarter)

### Condensed Consolidated Statement of Financial Position As on Quarter ended Poush 2082 (January 14, 2026)

Particulars	Amount in NPR	
	This Quarter Ending	Immediate Previous Year Ending (Audited)
<b>ASSETS</b>		
Cash and cash equivalent	177,960,620	632,095,320
Due from Nepal Rastra Bank	1,214,549,297	424,587,408
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loans and advances to B/Fis	282,800,430	257,944,500
Loans and advances to customers	6,076,778,219	6,155,431,149
Investment securities	2,208,824,694	2,198,827,498
Current tax assets	40,362,416	30,575,192
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	14,602,600	14,602,600
Property Plant and Equipment	123,814,286	132,621,913
Goodwill and Intangible assets	3,105,049	1,914,697
Deferred tax assets	-	-
Other assets	25,610,879	33,624,546
<b>TOTAL ASSETS</b>	<b>10,168,408,491</b>	<b>9,882,224,823</b>
<b>LIABILITIES</b>		
Due to Bank and Financial Institutions	329,257,598	367,361,995
Due to Nepal Rastra Bank	190,000,000	170,000,000
Derivative financial instruments	-	-
Deposits from customers	8,174,861,443	7,834,781,029
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	15,422,603	15,915,561
Other liabilities	96,411,263	78,723,960
Debt securities issued	-	-
Subordinated Liabilities	-	-
<b>TOTAL LIABILITIES</b>	<b>8,805,952,907</b>	<b>8,466,782,545</b>
<b>EQUITY</b>		
Share Capital	1,000,000,000	1,000,000,000
Share premium	-	-
Retained Earnings	4,069,733	65,639,436
Reserves	358,385,851	349,802,842
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>1,362,455,584</b>	<b>1,415,442,278</b>
<b>NON-CONTROLLING INTEREST</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>1,362,455,584</b>	<b>1,415,442,278</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>10,168,408,491</b>	<b>9,882,224,823</b>

### Statement of Distributable Profit or Loss For the Quarter Ended 30 Poush 2082

Particulars	Amount in NPR	
	Current Year Upto this Quarter YTD	Previous Year Corresponding Quarter YTD
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>12,163,543</b>	<b>14,160,362</b>
<b>Appropriations:</b>		
a. General reserve	(2,432,709)	(2,832,072)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(69,635)	(141,604)
e. Employee's training fund	(663,583)	(373,098)
f. Other	-	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>8,997,616</b>	<b>10,813,589</b>
<b>Regulatory Adjustment:</b>		
a. Interest receivable (-)/previous accrued interest received (+)	(6,567,319)	(5,294,653)
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	-	-
<b>Net Profit for the Quarter end available for distribution</b>	<b>2,430,297</b>	<b>5,518,936</b>
<b>Opening retained earning</b>	<b>65,639,436</b>	<b>23,712,159</b>
<b>Adjustment(+/-)</b>		
<b>Distribution:</b>		
Bonus shares issued	-	(18,316,800)
Cash Dividend Paid	(64,000,000)	(948,932)
<b>Total Distributable profit or (loss) as on Quarter end date</b>	<b>4,069,733</b>	<b>9,965,363</b>

Ratio %	Current year Upto this quarter (YTD)	Previous year Upto this quarter (YTD)
Capital fund to RWA	17.64%	17.82%
Non-performing loan (NPL) to total loan	3.83%	3.71%
Total loan loss provision to Total NPL	90.65%	86.20%
Cost of Funds	5.87%	7.22%
Credit to Deposit Ratio	75.26%	75.67%
Base Rate	7.46%	8.89%
Interest Rate Spread	3.84%	4.36%
Tier 1 Capital to RWA	16.59%	16.52%
Return on Equity	1.79%	2.09%
Return on Assets	0.24%	0.30%

### Securities Registration and Issue Regulation 2073, Related to (Rule-26 (1), Annexure-14) for the second 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. There has been no transaction between related parties.

#### Key Financial Indicators and Ratios:

Earnings Per Share (NPR)	2.43
Price Earnings Ratio (Times)	210.05
Net worth per share (NPR)	136.25
Total Assets Per share (NPR)	1,016.84
Liquidity Ratio (%)	38.08

#### 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 practice 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: (Source: Website of Nepal Stock Exchange)

Maximum price (NPR) : 534.00	Minimum Price(NPR) : 460.00
Closing price (NPR) : 511.00	Total units traded : 644,322
Total no. of transactions : 4,298	No. of transaction days: 55

#### 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, complete, and that no material information relevant to investors has been concealed.

### Condensed Statement of Profit or Loss and Comprehensive Income For the Quarter ended Poush 2082 (January 14, 2026)

Particulars	Amount in NPR			
	This Quarter	Up to This Quarter YTD	This Quarter	Up to This Quarter (YTD)
Interest income	170,121,956	366,480,490	197,468,885	450,036,991
Interest expense	120,501,868	251,510,964	150,847,400	320,610,765
<b>Net interest income</b>	<b>49,620,088</b>	<b>114,969,526</b>	<b>46,621,486</b>	<b>129,426,226</b>
Fee and commission income	3,411,395	9,055,408	3,931,158	16,143,371
Fee and commission expense	24,266	46,127	28,438	50,764
<b>Net fee and commission income</b>	<b>3,387,129</b>	<b>9,009,281</b>	<b>3,902,720</b>	<b>16,092,607</b>
<b>Net interest, fee and commission income</b>	<b>53,007,217</b>	<b>123,978,807</b>	<b>50,524,206</b>	<b>145,518,833</b>
Net Trading Income	-	-	-	-
Other operating income	1,766,624	4,105,287	3,733,550	5,239,901
<b>Total operating income</b>	<b>54,773,841</b>	<b>128,084,094</b>	<b>54,257,756</b>	<b>150,758,734</b>
Impairment charge/(reversal) for loans and other losses	11,298,825	46,275,287	12,588,046	71,344,965
<b>Net operating income</b>	<b>43,475,016</b>	<b>81,808,807</b>	<b>41,669,709</b>	<b>79,413,769</b>
<b>Operating expense</b>				
Personnel expenses	15,770,748	35,637,277	13,356,296	31,689,846
Other operating expenses	13,597,753	25,297,493	12,102,382	23,675,208
Depreciation & Amortization	1,649,730	3,497,547	1,912,221	3,819,626
<b>Operating Profit</b>	<b>12,456,785</b>	<b>17,376,490</b>	<b>14,298,811</b>	<b>20,229,089</b>
Non operating income	-	-	-	-
Non operating expense	-	-	-	-
<b>Profit before income tax</b>	<b>12,456,785</b>	<b>17,376,490</b>	<b>14,298,811</b>	<b>20,229,089</b>
Income tax expense	-	-	-	-
Current Tax expenses	3,737,035	5,212,947	4,289,643	6,068,727
Deferred Tax Expenses/(Income)	-	-	-	-
<b>Profit for the period</b>	<b>8,719,749</b>	<b>12,163,543</b>	<b>10,009,168</b>	<b>14,160,362</b>
Other Comprehensive Income	8,165,217	(9,850,790)	(12,239,357)	4,530,088
<b>Total Comprehensive Income</b>	<b>16,884,967</b>	<b>2,312,752</b>	<b>(2,230,189)</b>	<b>18,690,450</b>
Basic earnings per share	-	2.43	-	2.83
Diluted earnings per share	-	2.43	-	2.83
<b>Total Comprehensive income attributable to:</b>				
Equity holders of the company	16,884,967	2,312,752	(2,230,189)	18,690,450
Non controlling interest	-	-	-	-
<b>Total</b>	<b>16,884,967</b>	<b>2,312,752</b>	<b>(2,230,189)</b>	<b>18,690,450</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 have been updated in the Company's website: [www.shreefinance.com.np](http://www.shreefinance.com.np)