



Shree Investment and Finance Co. Ltd.

P.o.Box:10717, Dillibazar, Kathmandu, Ph: 4522038, 4526146, 4515344, Fax:4521779
E-mail: info@shreefinance.com.np, www.shreefinance.com.np

Unaudited Interim Financial Statement of FY 2082/83 (3rd Quarter)

Condensed Consolidated Statement of Financial Position As on Quarter ended Chaitra 2082 (April 13, 2026)

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending (Audited)
ASSETS		
Cash and cash equivalent	1,154,066,212	632,095,320
Due from Nepal Rastra Bank	518,300,122	424,587,408
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loans and advances to B/Fis	287,750,430	257,944,500
Loans and advances to customers	6,044,604,350	6,155,431,149
Investment securities	2,220,758,439	2,198,827,498
Current tax assets	44,707,621	30,575,192
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	14,602,600	14,602,600
Property Plant and Equipment	122,495,937	132,621,913
Goodwill and Intangible assets	3,247,299	1,914,697
Deferred tax assets	-	-
Other assets	24,560,786	33,624,546
TOTAL ASSETS	10,435,093,796	9,882,224,823
LIABILITIES		
Due to Bank and Financial Institutions	408,157,053	367,361,995
Due to Nepal Rastra Bank	110,000,000	170,000,000
Derivative financial instruments	-	-
Deposits from customers	8,396,471,724	7,834,781,029
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	21,932,820	15,915,561
Other liabilities	107,688,777	78,723,960
Debt securities issued	-	-
Subordinated Liabilities	-	-
TOTAL LIABILITIES	9,044,250,374	8,466,782,545
EQUITY		
Share Capital	1,000,000,000	1,000,000,000
Share premium	-	-
Retained Earnings	19,535,249	65,639,436
Reserves	371,308,173	349,802,842
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	1,390,843,423	1,415,442,278
NON-CONTROLLING INTEREST	-	-
TOTAL EQUITY	1,390,843,423	1,415,442,278
TOTAL LIABILITIES & EQUITY	10,435,093,796	9,882,224,823

Statement of Distributable Profit or Loss For the Quarter Ended 30 Chaitra 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	25,360,875	49,107,180
Appropriations:		
a. General reserve	(5,072,175)	(9,821,436)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(112,954)	(491,072)
e. Employee's training fund	(777,727)	(821,015)
f. Other	-	-
Profit or (loss) before regulatory adjustment	19,398,020	37,973,657
Regulatory Adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(1,502,207)	(6,244,501)
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	17,895,813	31,729,156
Opening retained earning	65,639,436	23,712,159
Adjustment(+/-)	-	-
Distribution:		
Bonus shares issued	-	(18,316,800)
Cash Dividend Paid	(64,000,000)	(964,042)
Total Distributable profit or (loss) as on Quarter end date	19,535,249	36,160,473

Ratio %	Current year	Previous year
	Upto this quarter (YTD)	Upto this quarter (YTD)
Capital fund to RWA	18.47%	17.72%
Non-performing loan (NPL) to total loan	4.02%	3.75%
Total loan loss provision to Total NPL	91.29%	79.99%
Cost of Funds	5.26%	6.69%
Credit to Deposit Ratio	72.92%	76.13%
Base Rate	6.80%	8.31%
Interest Rate Spread	3.78%	4.06%
Tier 1 Capital to RWA	17.44%	16.91%
Return on Equity	2.42%	4.77%
Return on Assets	0.33%	0.69%

Securities Registration and Issue Regulation 2073, Related to (Rule-26 (1), Annexure-14) for the third 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)	3.38
Price Earnings Ratio (Times)	164.43
Net worth per share (NPR)	139.08
Total Assets Per share (NPR)	1,043.51
Liquidity Ratio (%)	40.31

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) : 687.40	Minimum Price(NPR) : 515.00
Closing price (NPR) : 556.00	Total units traded : 2,639,393
Total no. of transactions : 10,442	No. of transaction days: 53

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 and slowdown in the economy.
- Increasing cyber security and digital risk.
- Geopolitical tensions and ongoing international conflicts pose a significant threat to economic stability.

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 Consolidated Statement of Profit or Loss and Comprehensive Income For the Quarter ended Chaitra 2082 (April 13, 2026)

Amount in NPR

Particulars	Current Year		Previous Year	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Interest income	165,417,550	531,898,040	198,320,155	648,357,146
Interest expense	114,382,034	365,892,998	137,468,884	458,079,649
Net interest income	51,035,516	166,005,042	60,851,270	190,277,497
Fee and commission income	6,535,990	15,591,398	8,186,806	24,330,177
Fee and commission expense	23,565	69,692	10,906	61,670
Net fee and commission income	6,512,425	15,521,706	8,175,900	24,268,506
Net interest, fee and commission income	57,547,941	181,526,747	69,027,170	214,546,003
Net other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Other operating income	1,817,489	5,922,777	2,515,833	7,755,734
Total operating income	59,365,430	187,449,524	71,543,002	222,301,736
Impairment charge/(reversal) for loans and other losses	10,973,091	57,248,378	(11,930,977)	59,413,988
Net operating income	48,392,339	130,201,146	83,473,979	162,887,748
Operating expense				
Personnel expenses	16,477,471	52,114,748	21,845,771	53,535,617
Other operating expenses	11,324,930	36,622,423	9,774,994	33,450,202
Depreciation & Amortization	1,736,605	5,234,153	1,929,189	5,748,815
Operating Profit	18,853,333	36,229,822	49,924,026	70,153,114
Non operating income	-	-	-	-
Non operating expense	-	-	-	-
Profit before income tax	18,853,333	36,229,822	49,924,026	70,153,114
Income tax expense				
Current Tax expenses	5,656,000	10,868,947	14,977,208	21,045,934
Deferred Tax Expenses/(Income)	-	-	-	-
Profit for the period	13,197,333	25,360,875	34,946,818	49,107,180
Other Comprehensive income	13,979,910	4,129,119	13,966,769	18,496,857
Total Comprehensive Income	27,177,242	29,489,995	48,913,587	67,604,037
Basic earnings per share	3.38			6.55
Diluted earnings per share	3.38			6.55
Total Comprehensive income attributable to:				
Equity holders of the company	27,177,242	29,489,995	48,913,587	67,604,037
Non controlling interest	-	-	-	-
Total	27,177,242	29,489,995	48,913,587	67,604,037

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