Shree Investment and Finance Co. Ltd.

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Unaudited Interim Financial Statement of FY 2082/83 (4th Quarter)

Condensed Consolidated Statement of Financial Position

As on Quarter ended Ashad 2083 (July 16, 2026)

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending (Audited)
ASSETS		
Cash and cash equivalent	1,176,180,637	632,095,320
Due from Nepal Rastra Bank	719,842,090	424,587,408
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loans and advances to B/Fis	297,650,430	257,944,500
Loans and advances to customers	5,874,216,463	6,155,431,149
Investment securities	2,164,904,361	2,198,827,498
Current tax assets	55,909,041	30,575,192
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	14,602,600	14,602,600
Property Plant and Equipment	122,079,780	132,621,913
Goodwill and Intangible assets	1,993,449	1,914,697
Deferred tax assets	-	-
Other assets	19,338,107	33,624,546
TOTAL ASSETS	**10,446,716,959**	**9,882,224,823**
LIABILITIES		
Due to Bank and Financial Institutions	327,812,838	367,361,995
Due to Nepal Rastra Bank	110,000,000	170,000,000
Derivative financial instruments	-	-
Deposits from customers	8,462,851,839	7,834,781,029
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	16,153,571	15,915,561
Other liabilities	131,684,794	78,723,960
Debt securities issued	-	-
Subordinated Liabilities	-	-
TOTAL LIABILITIES	**9,048,503,042**	**8,466,782,545**
EQUITY		
Share Capital	1,000,000,000	1,000,000,000
Share Premium	-	-
Retained Earnings	40,283,737	65,639,436
Reserves	357,930,179	349,802,842
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	**1,398,213,916**	**1,415,442,278**
NON-CONTROLLING INTEREST	-	-
TOTAL EQUITY	**1,398,213,916**	**1,415,442,278**
TOTAL LIABILITIES & EQUITY	**10,446,716,959**	**9,882,224,823**

Condensed Consolidated Statement of Profit or Loss

For the Quarter ended Ashad 2083 (July 16, 2026)

Amount in NPR

Particulars	Current Year		Previous Year	
	This Quarter	Up to This Quarter YTD)	This Quarter	Up to This Quarter (YTD Audited)
Interest income	173,815,258	705,713,298	179,923,729	829,353,956
Interest expense	111,542,650	477,435,648	137,018,632	599,236,547
Net interest income	**62,272,609**	**228,277,650**	**42,905,097**	**230,117,409**
Fee and commission income	5,240,497	20,831,895	7,225,194	34,352,050
Fee and commission expense	55,277	124,969	89,248	75,386
Net fee and commission income	**5,185,221**	**20,706,926**	**7,135,946**	**34,276,664**
Net interest, fee and commission income	**67,457,829**	**248,984,577**	**50,041,042**	**264,394,073**
Net other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Other operating income	2,314,906	8,237,683	7,567,892	11,292,941
Total operating income	**69,772,735**	**257,222,259**	**57,608,935**	**275,687,014**
Impairment charge/(reversal) for loans and other losses	1,509,140	58,757,518	(10,008,770)	49,405,218
Net operating income	**68,263,595**	**198,464,742**	**67,617,705**	**226,281,796**
Operating expense				
Personnel expenses	23,330,124	75,444,872	20,910,064	76,471,466
Other operating expenses	13,364,656	49,987,079	15,033,525	37,433,696
Depreciation & Amortization	1,775,376	7,009,529	1,926,354	16,124,589
Operating Profit	**29,793,439**	**66,023,261**	**29,747,761**	**96,252,045**
Non operating income	-	-	-	-
Non operating expense	-	-	-	-
Profit before income tax	**29,793,439**	**66,023,261**	**29,747,761**	**96,252,045**
Income tax expense			-	
Current Tax expenses	8,938,032	19,806,978.42	8,924,328	28,187,868
Deferred Tax Expenses/(Income)	-	-	-	(1,588,991)
Profit for the period	**20,855,408**	**46,216,283**	**20,823,432**	**69,653,168**
Other Comprehensive income	(3,573,763)	555,356	(2,744,176)	9,709,850
Total Comprehensive Income	**17,281,644**	**46,771,639**	**18,079,256**	**79,363,018**
Basic earnings per share		4.62		6.97
Diluted earnings per share		4.62		6.97
Total Comprehensive income attributable to:				
Equity holders of the company	17,281,644	46,771,639	18,079,256	79,363,018
Non controlling interest	-	-	-	-
Total	**17,281,644**	**46,771,639**	**18,079,256**	**79,363,018**

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 32 Ashad 2083

(As Per NRB Regulation)

Amount in NPR

Particulars	Current Year Upto this Quarter YTD	Previous Year Corresponding Quarter YTD (Audited)
Net profit or (loss) as per statement of profit or loss	**46,216,283**	**69,653,168**
Appropriations:		
a. General reserve	(9,243,257)	(13,930,634)
b. Foreign exchange fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund	116,742	(141,694)
e. Employee's training fund	(739,118)	(892,402)
f. Other		(6,477,603)
Profit or (loss) before regulatory adjustment	**36,350,651**	**48,210,835**
Regulatory Adjustment:		
a. Interest receivable (-)/previous accured interest received (+)	2,293,651	10,059,744
b. Short loan loss provision in accounts (-)/reversal (+)		
c. Short provision for possible losses on investment (-)/reversal (+)		1,379,894
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	-	1,931,924
e. Deferred tax assets recognised (-)/reversal (+)		(374,278)
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	**38,644,301**	**61,208,119**
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	**40,283,737**	**65,639,436**
Annualised Distributable Profit/Loss per share	**4.03**	**6.56**

Ratios as per NRB Directive

Particulars	Current Year		Previous Year	
	This Quarter	Upto this Quarter YTD	This Quarter	Upto this Quarter YTD
Capital fund to RWA		19.12%		18.07%
Non-performing loan (NPL) to total loan		3.74%		2.57%
Total loan loss provision to Total NPL		100.63%		107.26%
Cost of Funds		4.90%		6.50%
Credit to Deposit Ratio		71.39%		78.31%
Base Rate		6.46%		8.18%
Interest Rate Spread		3.68%		4.01%
Tier 1 Capital to RWA		18.16%		17.19%
Return on Equity		3.29%		4.92%
Return on Assets		0.45%		0.74%

Securities Registration and Issue Regulation 2073, Related to (Rule-26 (1), Annexure-14) for the Fourth 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)	4.62
Price Earnings Ratio (Times)	110.13
Net worth per share (NPR)	139.82
Total Assets Per share (NPR)	1,044.67
Liquidity Ratio (%)	42.12

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) : 603.00	Minimum Price(NPR) : 500.00
Closing price (NPR) : 509.00	Total units traded : 833,346
Total no. of transactions : 4,504	No. of transaction days: 64

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 signification 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.