सांग्रिला डेभलपमेन्ट बैंक लि.
Shangri-la Development Bank Ltd.
स्थानीय विकासको आधार
(नेपाल राष्ट्र बैंकबाट "ख" वर्गको इजाजत प्राप्त संस्था)

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Unaudited Financial Results (Quarterly)

As on 4th Quarter (32/03/2082) for the Fiscal Year 2081/082

Statement of Financial Position

As on 32 Ashadh 2082 (16 July 2025)

Amount in NPR

Particulars	Ashadh end 2082	Ashadh end 2081
Assets		
Cash and cash equivalent	2,454,326,693	2,829,192,223
Due from Nepal Rastra Bank	2,498,535,495	2,035,039,344
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments.	-	-
Other trading assets	-	-
Loan and advances to B/FIs	2,868,266,918	3,203,895,233
Loans and advances to customers	43,021,486,725	41,786,970,569
Investment securities	10,979,490,324	10,616,265,854
Current tax assets	-	-
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	528,099,838	288,161,842
Property and equipment	730,612,928	676,286,592
Goodwill and Intangible assets	16,461,269	15,013,965
Deferred tax assets	61,035,278	60,548,177
Other assets	259,717,103	701,447,925
Total Assets	**63,418,032,571**	**62,212,821,722**
Liabilities		
Due to bank and financial institutions	1,530,882,452	1,561,069,493
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	54,668,494,389	54,028,104,358
Borrowing	-	-
Current Tax Liabilities	5,710,892	14,306,571
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	892,620,979	878,090,195
Debt securities issued	747,212,038	746,875,419
Subordinated Liabilities	-	-
Total Liabilities	**57,844,920,750**	**57,228,446,035**
Equity		
Share capital	3,556,255,720	3,430,971,303
Share premium	-	-
Retained earnings	413,845,637	131,878,334
Reserves	1,603,010,465	1,421,526,050
Total equity attributable to equity holders	**5,573,111,821**	**4,984,375,687**
Non-controlling interest	-	-
Total Equity	**5,573,111,821**	**4,984,375,687**
Total Liabilities and Equity	**63,418,032,571**	**62,212,821,722**

Statement of Profit or Loss

For the Quarter ended 32 Ashadh 2082 (16 July 2025)

Amount in NPR

Particulars	Ashadh end 2082		Ashadh end 2081	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Interest income	1,262,885,175	5,186,440,560	1,493,084,672	6,396,794,787
Interest expense	811,118,420	3,305,537,481	1,034,363,586	4,489,931,436
Net interest income	**451,766,755**	**1,880,903,079**	**458,721,086**	**1,906,863,351**
Fee and commission income	64,955,036	236,669,457	55,702,227	219,368,176
Fee and commission expense	6,663,442	20,557,125	7,219,759	21,380,310
Net fee and commission income	**58,291,594**	**216,112,332**	**48,482,468**	**197,987,866**
Net interest, fee and commission income	**510,058,349**	**2,097,015,411**	**507,203,554**	**2,104,851,217**
Net trading income	-	-	-	-
Other operating income	16,104,298	175,061,645	85,589,119	92,789,767
Total operating income	**526,162,646**	**2,272,077,055**	**592,792,672**	**2,197,640,984**
Impairment charge/ (reversal) for loans and other losses	88,963,724	344,639,445	(43,312,682)	357,010,445
Net operating income	**437,198,922**	**1,927,437,610**	**636,105,354**	**1,840,630,539**
Operating expense				
Personnel expenses	157,947,706	667,806,718	225,048,067	688,404,780
Other operating expenses	33,058,454	313,051,700	12,899,952	290,722,003
Depreciation & amortization	93,873,121	172,374,159	81,631,704	158,086,117
Operating Profit	**152,319,641**	**774,205,033**	**316,525,631**	**703,417,639**
Non operating income	658,785	1,778,411	619,637	827,454
Non operating expense	19,301,063	21,994,176	1,913,798	4,171,041
Profit before income tax	**133,677,363**	**753,989,268**	**315,231,470**	**700,074,051**
Income tax expense	30,800,585	216,894,157	80,340,823	195,793,598
Current Tax	57,581,004	243,674,576	104,593,362	220,046,136
Deferred Tax Income / Expenses	(26,780,419)	(26,780,419)	(24,252,539)	(24,252,539)
Profit for the year	**102,876,778**	**537,095,112**	**234,890,647**	**504,280,453**

Condensed Statement of Other Comprehensive Income

Particulars	Ashadh end 2082		Ashadh end 2081	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Profit for the period	102,876,778	537,095,112	234,890,647	504,280,453
Total Other Comprehensive Income	46,180,159	61,351,074	51,252,283	23,620,463
Total Comprehensive income for the period	**149,056,936**	**598,446,186**	**286,142,930**	**527,900,916**
Profit attributable to:				
Equity holders of the bank	149,056,936	598,446,186	286,142,930	527,900,916
Non-controlling interest	-	-	-	-
Profit for the period	**149,056,936**	**598,446,186**	**286,142,930**	**527,900,916**
Earning per share				
Basic earning per share		15.10		14.70
Diluted earning per share		15.10		14.70

RATIOS AS PER NRB DIRECTIVE

Particulars	Ashadh end 2082		Ashadh end 2081	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Tier 1 Capital to RWA		11.03%		10.14%
CET Capital to RWA		11.03%		10.14%
Capital Fund to RWA		14.41%		12.99%
Non Performing Loan (NPL) to Total Loan		5.64%		3.93%
Total Loan Loss Provision to Total NPL		81.98%		101.71%
Cost of Funds		5.01%		6.78%
Credit to Deposit Ratio		83.07%		80.93%
Base Rate		7.08%		9.20%
Interest Spread Rate		4.14%		4.58%
Return on Assets		0.85%		0.82%
Return on Equity		9.77%		10.40%

Statement of Distributable Profit or Loss

As on 32 Ashadh 2082 (16 July 2025) (As per NRB Regulation)

Amount in NPR

Particulars	Ashadh end 2082	Ashadh end 2081
Net profit or (loss) as per statement of profit or loss	**537,095,112**	**504,280,453**
Appropriations:		
a. General reserve	(110,867,030)	(107,273,685)
b. Foreign exchange fluctuation fund	(117,549)	(127,824)
c. Capital redemption reserve	(107,142,857)	(107,142,857)
d. Corporate social responsibility fund	(5,370,951)	(5,042,805)
e. Employees' training fund	-	-
f. Fair Value Reserve	17,240,036	32,087,973
g. Investment Adjustment Reserve	-	-
h. Others	-	-
Profit or (loss) before regulatory adjustment	**330,836,761**	**316,781,256**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	120,191,168	(80,171,817)
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 (+)	(81,293,329)	(103,222,925)
e. Deferred tax assets recognised (-)/ reversal (+)	-	(14,129,483)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	-	-
Unrealised Gain/(Loss) on Investment Securities	44,111,037	(1,333,302)
Net Profit Available for Distribution	**413,845,637**	**117,923,728**
Opening Retained Earning as on Shrawan 1	**131,878,334**	**202,296,590**
Adjustment(+,-)		(16,363,473)
Distributions:		
Bonus Shares Issued	125,284,417	163,379,586
Cash Dividend Paid	6,593,917	8,598,926
Total Distributable Profit or (Loss)	**413,845,637**	**131,878,334**
Annualised Distributable Profit/Loss per share	11.64%	3.84%

Note:

1. Above financial statements are prepared in accordance with Nepal Financial Reporting Standard (NFRS) in line with NRB Directive. The bank has recognized interest income on cash basis for loans and advances classified as life-time ECL under Stage 3. Separate reporting of impairment calculation as per Expected Credit Loss Model shall be done to NRB.
2. Unaudited financial figures are subject to change as instructed by External Auditors and Regulatory Authority.
3. Loan and Advances include staff loan and accrued interest receivable on loans and are presented net of loan impairment.
4. Personnel expenses include employee bonus calculation as per Bonus Act, 2030.
5. Previous year figures have been adjusted wherever necessary.

Additional Disclosure as per Securities Registration and Issuance Regulation - 2073 (Sub-Rule (1) of Rule 26, Annex 14) for Fourth Quarter of FY 2081/82

A. Financial Statement

i) Statement of Financial Position and Statement of Profit or Loss Published along with this report.

ii) Key financial indicators and ratios

Earnings per share	Rs. 15.10	Liquidity Ratio	26.15 %
Return on Equity (ROE) (Annualized)	9.77%	Total Assets per Share	Rs. 1783.28
Price Earnings Ratio (P/E Ratio)	30.65	Capital Adequacy Ratio	14.41%
Net Worth per Share	Rs.156.71		

B. Related Party Disclosure

Parties are considered to be related if any one party has the ability to control the other party or exercise the significant influence over the other party in making or operation decision. The Development Bank do not have the related party, therefore there is no such transaction.

C. Management Analysis

i) The Development Bank has been focusing on cost management, diversified investments, technological up-gradation, and optimum utilization of resources and automation of work.

ii) Deposits have been increased by 1.10% and Loans and Advances has been increased by 2.00% till the Quarter end with reference to immediate Previous Year Ending.

iii) The Development Bank is improvising its IT Infrastructure as well and adopting digitization.

iv) The Development Bank aims to achieve its financial goals through sustainable profitability and measured growth in balance sheet size. Our business models remain robust and we continue to seek sound growth with a high degree of customers' satisfaction.

D. Details to Legal Action

i) Except in the normal course of business, no lawsuit of material nature has been filed by or against the bank during the review quarter period.

ii) No legal suit related to criminal activity has been filed by or against the directors and promoters of the Development Bank during the period.

iii) No legal suit has been filed against any director of the organization for any kind actions related to financial crime.

E. Analysis of share transaction and progress of the bank

i) Management view on share transaction of the bank at securities market- since price and transaction of the bank's shares are being determined at Nepal Stock Exchange through open share market operation, management view on this is neutral.

ii) Maximum, Minimum and last share price of the Development Bank including total number of shares traded and days of transaction during the quarter.

Maximum Value	Minimum Value	Closing Price	Transaction volume (No. of shares)	Days of Transaction
Rs. 467	Rs. 378	Rs. 462.82	4,888,362	63

F. Problem and Challenges

Internal

- Digital operation risk
- Low credit demand
- Assets quality management
- Challenges in increasing non-interest revenue
- Timely recovery of loans
- Recruitment and retention of quality human resources.

External

- Challenges in credit growth due to slow economic activities.
- Changing regulatory framework and its timely adaptation.
- Political instability and current national economic status have resulted distress in the business environment.
- Global economy, inflation and war has an adverse effect on national economy resulting price hikes.

G. Strategy

- Digital awareness and financial literacy.
- Efficient management of assets and liabilities.
- Focus on NPL and NBA management.
- Focus on internal control and comprehensive risk management.
- Closely monitoring internal and external environment changes and adopting proactive approaches.
- Different strategies around marketing, innovation and digital banking.
- Developing human resources through online trainings and motivating them for growth.

H. Corporate Governance

i) Board of Directors

Committees like Risk Management Committee, Employee Service & Benefit Committee, Audit Committee, AML/CFT Committee have been constituted to carry out banking operations and these committees have been involved in major policy/plans related decisions.

ii) Internal control System

In order to strengthen the internal control mechanism of the Development Bank, a separate independent Internal Audit Department has been established. The Department carries out audit of various auditable areas on a continuous manner and makes necessary recommendations to Audit Committee. Accordingly, Audit Committee holds regular meetings to analyze the recommendation and bring about necessary changes.

iii) Internal policies, regulations and Directives

In order to carry out various functionalities smoothly and to mitigate risks emanating from business functions, the Development Bank has installed a sound operations system. All activities of the Development Bank are guided by strong internal policies, manuals and guidelines which are reviewed on a periodic basis to address new developments and requirements. The Development Bank has Compliance Department to monitor compliance with all regulatory and statutory requirements.

I. Declaration by the Chief Executive Officer on the truthfulness and accuracy of information.

I hereby declare that all the information provided in this document is true, complete and factual and that I take personal responsibility to any deviations thereof. I also declare that the Development Bank's information or data that assists investors make their investment decisions have not been concealed in any way.