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 3rd Quarter (30/12/2082) for the Fiscal Year 2082/083

Statement of Financial Position

As on 30 Chaitra 2082 (13 April 2026)

Amount in NPR

Particulars	Chaitra end 2082	Ashadh end 2082
Assets		
Cash and cash equivalent	1,916,345,553	2,454,642,710
Due from Nepal Rastra Bank	2,713,662,057	2,497,928,135
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	1,226,065,757	2,868,266,918
Loans and advances to customers	45,367,084,364	42,823,895,737
Investment securities	11,025,106,779	10,979,490,324
Current tax assets	-	-
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	578,862,771	528,099,838
Property and equipment	698,965,070	733,378,400
Goodwill and Intangible assets	15,054,086	16,461,269
Deferred tax assets	49,999,121	53,980,914
Other assets	565,835,600	575,269,438
Total Assets	**64,156,981,159**	**63,531,413,683**
Liabilities		
Due to bank and financial institutions	1,447,922,064	1,530,882,450
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	55,110,264,012	54,668,494,391
Borrowing	-	-
Current Tax Liabilities	30,582,190	56,216,196
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	891,598,017	901,007,453
Debt securities issued	747,298,958	747,212,038
Subordinated Liabilities	-	-
Total Liabilities	**58,227,665,241**	**57,903,812,528**
Equity		
Share capital	3,734,068,506	3,556,255,720
Share premium	-	-
Retained earnings	197,035,456	368,366,412
Reserves	1,998,211,956	1,702,979,022
Total equity attributable to equity holders	**5,929,315,918**	**5,627,601,154**
Non-controlling interest	-	-
Total Equity	**5,929,315,918**	**5,627,601,154**
Total Liabilities and Equity	**64,156,981,159**	**63,531,413,683**

Statement of Profit or Loss

For the Quarter ended 30 Chaitra 2082 (13 April 2026)

Amount in NPR

Particulars	Chaitra end 2082		Chaitra end 2081	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Interest income	1,064,585,000	3,401,489,129	1,279,999,473	3,923,555,384
Interest expense	535,101,895	1,783,933,574	769,161,643	2,494,419,061
Net interest income	**529,483,105**	**1,617,555,555**	**510,837,830**	**1,429,136,324**
Fee and commission income	65,408,211	193,100,873	54,887,351	171,714,421
Fee and commission expense	4,675,144	12,314,793	4,938,873	13,893,683
Net fee and commission income	**60,733,068**	**180,786,080**	**49,948,478**	**157,820,738**
Net interest, fee and commission income	**590,216,172**	**1,798,341,635**	**560,786,308**	**1,586,957,062**
Net trading income	-	-	-	-
Other operating income	14,853,488	64,013,234	132,654,729	158,957,347
Total operating income	**605,069,660**	**1,862,354,869**	**693,441,037**	**1,745,914,409**
Impairment charge/(reversal) for loans and other losses	10,214,991	187,057,758	47,134,671	255,675,721
Net operating income	**594,854,669**	**1,675,297,111**	**646,306,366**	**1,490,238,688**
Operating expense				
Personnel expenses	207,325,901	577,859,733	184,083,156	509,859,011
Other operating expenses	103,911,216	315,832,806	97,510,624	279,993,246
Depreciation & amortization	22,748,440	69,422,207	26,089,925	78,501,038
Operating Profit	**260,869,112**	**712,182,365**	**338,622,662**	**621,885,393**
Non operating income	3,137,575	4,775,005	972,708	1,119,626
Non operating expense	4,102,055	23,127,079	85,322	2,693,113
Profit before income tax	**259,904,632**	**693,830,291**	**339,510,048**	**620,311,906**
Income tax expense	77,971,390	209,299,210	101,853,014	186,093,572
Current Tax	77,971,390	209,299,210	101,853,014	186,093,572
Deferred Tax Income / Expenses	-	-	-	-
Profit for the year	**181,933,243**	**484,531,081**	**237,657,033**	**434,218,334**

Condensed Statement of Other Comprehensive Income

Amount in NPR

Particulars	Chaitra end 2082		Chaitra end 2081	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Profit for the period	181,933,243	484,531,081	237,657,033	434,218,334
Total Other Comprehensive Income	26,245,460	9,290,850	24,702,811	15,170,916
Total Comprehensive income for the period	**208,178,703**	**493,821,931**	**262,359,844**	**449,389,250**
Profit attributable to:				
Equity holders of the bank	208,178,703	493,821,931	262,359,844	449,389,250
Non-controlling interest	-	-	-	-
Profit for the period	**208,178,703**	**493,821,931**	**262,359,844**	**449,389,250**
Earning per share				
Basic earning per share		17.30		16.28
Diluted earning per share		17.30		16.28

RATIOS AS PER NRB DIRECTIVES

Particulars	Chaitra end 2082		Chaitra end 2081	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Tier 1 Capital to RWA		10.94%		10.57%
CET Capital to RWA		10.94%		10.57%
Capital Fund to RWA		14.22%		13.70%
Non Performing Loan (NPL) to Total Loan		7.87%		4.97%
Total Loan Loss Provision to Total NPL		62.95%		85.88%
Cost of Fund		3.74%		5.39%
Credit to Deposit Ratio		83.84%		83.75%
Base Rate (Month end)		5.76%		7.45%
Interest Spread Rate		4.32%		4.04%
Return on Assets		1.01%		0.91%
Return on Equity		11.09%		10.93%

Statement of Distributable Profit or Loss

As on 30 Chaitra 2082 (13 April 2026)

Amount in NPR

Particulars	Chaitra end 2082	Chaitra end 2081
Net profit or (loss) as per statement of profit or loss	**484,531,081**	**434,218,334**
Appropriations:		
a. General reserve	(97,442,940)	(86,843,667)
b. Foreign exchange fluctuation fund	(526,291)	(109,530)
c. Debenture redemption reserve	(80,357,143)	(80,357,143)
d. Corporate social responsibility fund	(4,845,311)	(4,342,183)
e. Employees' training fund	-	-
f. Fair Value Reserve	2,683,620	-
g. Investment Adjustment Reserve	-	-
h. Others	-	-
Profit or (loss) before regulatory adjustment	**304,043,016**	**262,565,811**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(81,742,848)	(17,828,610)
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 (+)	(25,264,712)	(26,138,668)
e. Deferred tax assets recognised (-)/ reversal (+)	-	6,501,821
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	-	15,170,916
Net Profit Available for Distribution	**197,035,456**	**240,271,270**
Opening Retained Earning as on Shrawan 1	**368,366,412**	**131,878,334**
Adjustment(+,-)	-	-
Distributions:		
Bonus Shares Issued	(177,812,786)	(125,284,417)
Cash Dividend Paid	**(190,553,626)**	**(6,593,917)**
Total Distributable Profit or (Loss)	**197,035,456**	**240,271,270**
Annualised Distributable Profit/Loss per share	7.04	9.01

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 statutory auditor 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

Third Quarter of FY 2082/83

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 (Annualized)	Rs. 17.30
Return on Equity (ROE) (Annualized)	11.09%
Price Earnings Ratio (P/E Ratio)	24.56
Net Worth per Share	Rs.158.79
Liquidity Ratio	25.76%
Total Assets per Share	Rs. 1,718.15
Capital Adequacy Ratio	14.22%

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 Bank does not have any related party, therefore there is no such transaction.

C. Management Analysis

I) Deposits and net loans and advances have increased by 0.64% and 1.97% respectively till the quarter end with reference to immediate previous year ending.

II) Net interest income has increased in comparison to corresponding quarter of previous year despite reduction in interest income due to lower interest rates prevailing in the market.

III) Bank has enough liquidity to meet the lending opportunities, however, low credit demand in economy has significant impact in bank's credit growth.

IV) Bank is continuously working on improvising its IT infrastructure as well and adopting digitization.

V) 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

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

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 closing share price of the 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. 463.00	Rs. 404.90	Rs. 425.00	3,548,035	53

F. Problem and Challenges

Internal

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

External

- Political instability affecting investor confidence and long-term planning
- Sluggish economic growth leading to reduced credit demand and slower recovery
- Surge in non-performing loans (NPLs) due to loan defaults
- High inflation and interest rate volatility impacting borrowing and repayment capacity
- Global economic uncertainty affecting remittances and trade, and economy
- Digital disruption and cybersecurity risks requiring rapid tech adaptation

G. Strategy

- Strengthen risk management frameworks to proactively identify and mitigate credit, market, and operational risks
- Accelerate digital transformation to improve service delivery, reduce costs, and enhance customer experience
- Promote financial literacy to improve borrower discipline and repayment behavior
- Strengthen internal governance and compliance to maintain public trust and regulatory alignment
- Develop contingency plans for political or economic disruptions to ensure business continuity
- Optimize capital planning to maintain resilience and meet regulatory capital requirements
- Monitor global trends to anticipate external shocks and adjust strategies accordingly
- Invest in staff training to build capacity for handling complex financial and regulatory environments

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 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 Bank has installed a sound operations system. All activities of the Bank are guided by strong internal policies, manuals and guidelines which are reviewed on a periodic basis to address new developments and requirements. The 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 Bank's information or data that assists investors make their investment decisions have not been concealed in any way.