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 (32/03/2083) for the Fiscal Year 2082/083

Statement of Financial Position

As on 32 Ashadh 2083 (16 July 2026)

Amount in NPR

Particulars	Ashadh end 2083	Ashadh end 2082
Assets		
Cash and cash equivalent	2,024,346,301	2,454,642,710
Due from Nepal Rastra Bank	2,453,510,419	2,497,928,135
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	1,187,802,384	2,868,266,918
Loans and advances to customers	45,874,963,750	42,823,895,737
Investment securities	11,722,560,653	10,979,490,324
Current tax assets	-	-
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	730,077,816	528,099,838
Property and equipment	979,977,392	733,378,400
Goodwill and Intangible assets	14,729,137	16,461,269
Deferred tax assets	59,206,207	53,980,914
Other assets	995,345,252	575,269,438
Total Assets	**66,042,519,310**	**63,531,413,683**
Liabilities		
Due to bank and financial institutions	1,112,593,259	1,530,882,450
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	56,921,725,757	54,668,494,391
Borrowing	-	-
Current Tax Liabilities	81,025,964	56,216,196
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	850,509,942	901,007,453
Debt securities issued	747,579,924	747,212,038
Subordinated Liabilities	-	-
Total Liabilities	**59,713,434,847**	**57,903,812,528**
Equity		
Share capital	3,734,068,506	3,556,255,720
Share premium	-	-
Retained earnings	492,377,814	368,366,412
Reserves	2,102,638,143	1,702,979,022
Total equity attributable to equity holders	**6,329,084,463**	**5,627,601,154**
Non-controlling interest	-	-
Total Equity	**6,329,084,463**	**5,627,601,154**
Total Liabilities and Equity	**66,042,519,310**	**63,531,413,683**

Statement of Profit or Loss

For the Quarter ended 32 Ashadh 2083 (16 July 2026)

Amount in NPR

Particulars	Ashadh end 2083		Ashadh end 2082	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Interest income	1,373,034,231	4,774,523,360	1,462,488,875	5,386,044,260
Interest expense	570,481,849	2,354,415,423	820,155,374	3,314,574,435
Net interest income	**802,552,382**	**2,420,107,937**	**642,333,501**	**2,071,469,825**
Fee and commission income	82,065,858	275,166,731	63,497,530	235,211,951
Fee and commission expense	5,572,465	17,887,258	6,663,442	20,557,125
Net fee and commission income	**76,493,393**	**257,279,473**	**56,834,088**	**214,654,826**
Net interest, fee and commission income	**879,045,775**	**2,677,387,410**	**699,167,589**	**2,286,124,651**
Net trading income	-	-	-	-
Other operating income	211,388,103	275,401,337	16,073,933	175,031,280
Total operating income	**1,090,433,877**	**2,952,788,747**	**715,241,522**	**2,461,155,930**
Impairment charge/(reversal) for loans and other losses	(95,664,049)	91,393,710	89,804,781	345,480,502
Net operating income	**1,186,097,926**	**2,861,395,037**	**625,436,741**	**2,115,675,429**
Operating expense	-		-	
Personnel expenses	424,261,067	1,002,120,800	235,323,841	745,182,853
Other operating expenses	30,840,377	346,673,183	33,291,911	313,285,157
Depreciation & amortization	90,146,078	159,568,284	94,267,472	172,768,510
Operating Profit	**640,850,405**	**1,353,032,770**	**262,553,517**	**884,438,909**
Non operating income	16,988,536	21,763,541	672,818	1,792,444
Non operating expense	80,052,546	103,179,626	19,301,063	21,994,176
Profit before income tax	**577,786,395**	**1,271,616,685**	**243,925,272**	**864,237,178**
Income tax expense	172,379,540	381,678,750	71,471,849	257,565,421
Current Tax	173,564,631	382,863,841	91,197,904	277,291,476
Deferred Tax Income / Expenses	(1,185,091)	(1,185,091)	(19,726,055)	(19,726,055)
Profit for the year	**405,406,854**	**889,937,935**	**172,453,423**	**606,671,757**

Condensed Statement of Other Comprehensive Income

Amount in NPR

Particulars	Ashadh end 2083		Ashadh end 2082	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Profit for the period	405,406,854	889,937,935	172,453,423	606,671,757
Total Other Comprehensive Income	(18,717,989)	(9,427,139)	46,180,159	61,351,074
Total Comprehensive income for the period	**386,688,866**	**880,510,796**	**218,633,581**	**668,022,831**
Profit attributable to:				
Equity holders of the bank	386,688,866	880,510,796	218,633,581	668,022,831
Non-controlling interest	-	-	-	-
Profit for the period	**386,688,866**	**880,510,796**	**218,633,581**	**668,022,831**
Earning per share				
Basic earning per share		23.83		17.06
Diluted earning per share		23.83		17.06

RATIOS AS PER NRB DIRECTIVE

Particulars	Ashadh end 2083		Ashadh end 2082	
	This Quarter	Upto This Quarter	This Quarter	Upto This Quarter
Tier 1 Capital to RWA		11.59%		11.01%
CET Capital to RWA		11.59%		11.01%
Capital Fund to RWA		14.63%		14.39%
Non Performing Loan (NPL) to Total Loan		6.87%		5.52%
Total Loan Loss Provision to Total NPL		67.78%		81.98%
Cost of Fund		3.54%		5.01%
Credit to Deposit Ratio		83.37%		83.07%
Base Rate (Month end)		5.57%		7.08%
Interest Spread Rate		4.14%		4.14%
Return on Assets		1.37%		0.95%
Return on Equity		14.52%		10.78%

Statement of Distributable Profit or Loss

As on 32 Ashadh 2083 (16 July 2026)

Amount in NPR

Particulars	Ashadh end 2083	Ashadh end 2082
Net profit or (loss) as per statement of profit or loss	**889,937,935**	**606,671,757**
Appropriations:		
a. General reserve	(178,663,140)	(124,782,359)
b. Foreign exchange fluctuation fund	(809,373)	(117,549)
c. Debenture redemption reserve	(107,142,857)	(107,142,857)
d. Corporate social responsibility fund	(8,899,379)	(6,066,718)
e. Employees' training fund	(695,319)	-
f. Fair Value Reserve	3,377,768	17,240,036
g. Investment Adjustment Reserve	-	-
h. Others	-	-
Profit or (loss) before regulatory adjustment	**597,105,633**	**385,802,310**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(18,650,343)	89,377,494
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 (+)	(100,524,440)	(81,293,329)
e. Deferred tax assets recognised (-)/ reversal (+)	262,524	(11,766,053)
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	-	1,333,302
Net Profit Available for Distribution	**478,193,374**	**383,453,724**
Opening Retained Earning as on Shrawan 1	**368,366,412**	**131,878,334**
Adjustment(+,-)	14,184,439	(15,087,312)
Distributions:		
Bonus Shares Issued	177,812,786	125,284,417
Cash Dividend Paid	190,553,626	6,593,917
Total Distributable Profit or (Loss)	**492,377,814**	**368,366,412**
Annualised Distributable Profit/Loss per share	13.19	10.36

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

Fourth 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. 23.83	Liquidity Ratio	26.21%
Return on Equity (ROE) (Annualized)	14.52%	Total Assets per Share	Rs. 1,768.65
Price Earnings Ratio (P/E Ratio)	16.95	Capital Adequacy Ratio	14.63%
Net Worth per Share	Rs. 169.50		

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 3.27% and 3.00% 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. 443.60	Rs. 378.10	Rs. 404.00	17,07,259	64 days

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.