च.नं. : शा.रे.डे.बैं.लि./२०८१/०८२/४०९६

मिति : २०८१/१०/०८

श्री नेपाल धितोपत्र बोर्ड
खुमलटार, ललितपुर ।

बिषय : त्रैमासिक प्रतिवेदन पेश गरिएको सम्बन्धमा ।

महोदय,
उपरोक्त सम्बन्धमा यस शाइन रेसुङ्गा डेभलपमेण्ट बैक लिमिटेडको २०८१ पौष मसान्तको धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को नियम २६ को उपनियम १ को अनुसूची १४ सँग सम्वधित विवरण यसै पत्रसाथ सँलग्न गरी पठाइएको ब्यहोरा जानकारीको लागि अनुरोध गर्दछौं । साथै, उल्लेखित प्रतिवेदन मिति २०८१ माघ ७ गतेको राष्ट्रिय दैनिक पत्रिका "आर्थिक अभियान" मा प्रकाशन गरिएको ब्यहोरा समेत यसै पत्रसाथ जानकारीका लागी अनुरोध गर्दछौं ।

बोधार्थ
१. श्री नेपाल स्टक एक्सचेन्ज लिमिटेड
युएनआई शान्तिमार्ग
भद्रकाली, काठमाण्डौं ।

भवदीय,

SHINE RESUNGA
DEVELOPMENT BANK LTD.

.....
प्रकाश पौडेल
प्रमुख कार्यकारी अधिकृत

Disclosure as per Securities Registration and Issuance Regulation, 2073
Related to Rule 26(1) of Annexure 14
For 2nd Quarter of F/Y 2081-82

1. Financial Statement

Statement of Financial Position and Statement of Profit or Lossas per Nepal Financial Reporting Standard (NFRS)including key financial indicators and ratios along with this report. There has been no any related party transaction during the period.

Key Financial Indicators and Ratios:

Earnings per share	: NPR 13.57 (Annualized)	P/E Ratio	: 29.99Times
Net Worth per share	: NPR 143.74	Net Asset Value per Share	: NPR 1,580.98
Liquidity Ratio	: 26.44%	Capital Adequacy Ratio	:11.87%

2. Management Analysis

a. Due to significant increment in impairment charges, there has been adverse impact on profit as compared to the corresponding quarter end of the previous fiscal year.

b. Major areas of focus;
- Maintaining quality of credit portfolio and managing non-performing loans
- Operational efficiency
- Promotion of Digital Service
- Mitigating cyber security risks

c. As per the current statement, there is no situation which might have material effect on financial position.

3. Details relating to Legal Action

a. Except for the lawsuit in the normal course of business there are no material cases filed by or against the Institution.

b. No cases have been reported regarding filing by or filed against the promoter or director of Institution for non compliance of prevailing laws or commission of criminal offence during the period.

c. No cases have been filed against any promoter or director for financial crime.

4. Analysis of Stock Performance of Development Bank

a. Share price and transaction are determined as per open market competition.

b. Maximum, minimum and closing share price including total share transaction number and days of transaction during the period were;

Max. Share Price	: NPR 497.00	Min. Share Price	: NPR 405.00
Closing price of the Share	: NPR 407.00	Number of days traded	: 55 days
Total volume of trading of shares	:32,14,252share		

(Source: website of Nepal Stock Exchange Limited)

5. Problems and Challenges

a. Internal
- Digital operations risk
- HR switching over to abroad
- Management of non-performing loans

SHINE RESUNGA DEVELOPMENT BANK LTD.

b. **External**

- Challenges in Credit growth Due to Slow economic activities
- Legal and social aspects adversely affecting management of credit recovery
- Significant increment in cyber security risks

C. **Strategy**

- Operational and digital service efficiency
- Regular investment on skill enhancement of the HR
- Process automation of services internally as well as externally
- Improving Comprehensive risk management system for adequate mitigation of risks
- Efficient management of NPL and NBA

6. **Corporate Governance**

To meet the provision regarding Corporate Governance,Development Bank has strictly followed all the rules & regulation issued to BFIs through Unified Directives, Circulars, BAFIA, Companies Act, SEBON Rules & Regulation and all other rules/regulations issued to BFIs. Development Bank has setup different committees like Audit Committee, Risk Management Committee, Employee Services & Facilities Committee, and Anti-money Laundering Prevention Committeewhich are active in their respective field and chaired by non-executive member of Board of Directors.Similarly Recruitment Committee, Assets Liability Management Committee and Corporate Governance Cell and other relevant committees are formed at staff level and are active in their respective field. Issues raised &recommendations made by NRB, internal &external auditor have been followed up strictly & in effective manner for better performance of Development Bank.

7. **Declaration by CEO**

I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report, Also hereby declare that to the best of my knowledge and belief, the information contained in this report are true, accurate and complete.No material information for the investors has been concealed.

SHINE RESUNGA DEVELOPMENT BANK LTD.

Head Office : Butwal-11, Kalikanagar, Rupandehi
Tel : 071-415502, 415503
E-mail: info@srdb.com.np, URL: www.srdb.com.np

Unaudited Financial Results (Quarterly)

As on Quarter ended 29th Poush 2081

Condensed Statement of Financial Position

For the Quarter ended 29th Poush 2081

Particulars	This Quarter Ending	Immediate Previous year Ending (Audited)
Assets	Amount in NPR	Amount in NPR
Cash and cash equivalent	3,810,769,353	2,224,033,789
Due from Nepal Rastra Bank	3,091,307,587	2,738,488,699
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	1,634,345,107	1,759,277,363
Loan and advances to Customers	54,835,689,104	52,002,767,569
Investment Securities	12,331,207,849	13,604,205,803
Current Tax Assets	96,658,529	56,477,550
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	157,053,995	130,017,343
Property & equipment	611,444,370	611,067,762
Goodwill and Intangible assets	137,882,551	139,469,886
Deferred tax assets	-	-
Other assets	377,635,451	390,612,716
Total Assets	77,083,993,896	73,656,418,480
Liabilities		
Due to Bank and Financial Institutions	420,773,654	369,025,734
Due to Nepal Rastra Bank	-	-
Derivative Financial Instruments	-	-
Deposit from customer	69,303,795,107	65,956,224,347
Borrowings	365,678	4,610,241
Current Tax Liabilities	-	-
Provisions	-	-
Deferred Tax Liabilities	50,888,023	41,311,498
Other Liabilities	299,749,429	393,341,894
Debt Securities Issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	70,075,571,891	66,764,513,714
Equity		
Share Capital	4,875,701,680	4,733,690,951
Share Premium	-	-
Retained Earnings	228,218,607	417,351,437
Reserves	1,904,501,718	1,740,862,378
Total Equity Attributable to equity holders	7,008,422,005	6,891,904,766
Non-controlling interest	-	-
Total Equity	7,008,422,005	6,891,904,766
Total Liabilities and Equity	77,083,993,896	73,656,418,480

Statement of Distributable Profit or Loss

As on 29th Poush 2081 (As per NRB Regulation)

Amount in NPR

Particulars	Current year	Previous Year Corresponding (Un-Audited)
Net profit or (Loss) as per statement of profit or Loss	330,856,563	371,207,896
Appropriations:		
a. General reserve	(66,171,313)	(74,241,579)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(3,308,566)	(3,712,079)
e. Employees' training fund	-	-
f. Other	-	-
Profit or (loss) before regulatory adjustment	261,376,684	293,254,238
Regulatory adjustment :		
a. Interest Receivable(-)/ previous accured interest received(+)	(58,358,096)	(236,625,739)
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(+)	(13,456,141)	7,040,349
e. Deffered tax assets recognized (-)/ reversal(+)	-	-
f. Goodwill recognized (-)/ impariment of Goodwill (+)	-	-
g. Bargain purchase gain recognized(-)/reversal(+)	-	-
h. Actuarial loss recognized (-)/reversal(+)	-	-
i. Other	-	-
Net profit or (Loss) for the Quarter end, available for distribution	189,562,447	63,668,848
Opening Retained Earnings Sharawan 1, 2081	417,351,437	477,279,572
Share Premium	-	-
Distribution		
Bonus Share Issued	(142,010,729)	(449,807,737)
Cash Dividend Paid	(236,684,548)	(23,674,091)
Total Distributable Profit or (Loss) as on Quarter end Poush 29, 2081	228,218,607	67,466,592
Distributable Profit Per share (Annualized)	9.36%	2.85%

1. *Above Financial Statements are prepared in accordance with Nepal Financial Reporting Standard (NFRS) as per NRB directive except Guideline on Expected Credit Loss (ECL) Model.*
2. *Previous year figures have been regrouped, rearranged and restated wherever necessary.*
3. *If the Statutory and Supervisory authority notify any remarks to change, the unaudited statement of financial position and statement of profit or loss could be changed accordingly.*
4. *Detail Interim Financial Reports are published in www.srdb.com.np*

Condensed Statement of Profit or Loss

For the Quarter ended 29th Poush 2081

Amount in NPR

Particulars	Current Year		Previous Year Corresponding ((Un-Audited)	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	1,549,482,713	3,243,676,000	1,757,373,736	3,587,935,711
Interest Expenses	908,487,835	1,943,800,435	1,227,400,147	2,546,573,795
Net Interest income	**640,994,878**	**1,299,875,565**	**529,973,589**	**1,041,361,916**
Fees and commission income	84,595,689	165,253,370	95,915,788	180,198,836
Fees and commission expenses	7,651,463	13,794,229	6,412,955	11,098,604
Net Fees and commission income	**76,944,226**	**151,459,141**	**89,502,833**	**169,100,231**
Net Interest, fee and commission income	**717,939,104**	**1,451,334,706**	**619,476,422**	**1,210,462,147**
Net trading income	-	-	-	-
Other operating income	10,249,466	26,750,373	3,832,475	8,575,606
Total operating income	**728,188,569**	**1,478,085,078**	**623,308,897**	**1,219,037,753**
Impairment charge/(reversal) for loans and other losses	375,534,230	496,702,871	101,322,232	145,228,213
Net operating income	**352,654,340**	**981,382,208**	**521,986,665**	**1,073,809,540**
Operating expense				
Personnel expenses	120,941,637	297,192,685	131,529,660	293,892,963
Other operating expense	80,392,395	161,409,890	73,365,505	152,658,625
Depreciation & Amortisation	20,377,878	39,757,751	17,369,472	34,225,301
Operating profit	**130,942,430**	**483,021,882**	**299,722,028**	**593,032,650**
Non operating income	-	-	-	500,000
Non operating expenses	-	7,923,497	2,175,157	2,175,157
Profit before income tax	**130,942,430**	**475,098,385**	**297,546,871**	**591,357,494**
Income Tax Expense				
Current Tax	39,449,730	144,241,822	117,993,434	220,149,598
Deferred Tax			-	
Profit/(loss) for the period	**91,492,700**	**330,856,563**	**179,553,437**	**371,207,896**

Statement of Other Comprehensive Income

Profit/(loss) for the period	91,492,700	330,856,563	179,553,437	371,207,896
Other Comprehensive Income	1,012,531	22,345,224	62,797,826	41,118,190
Total Comprehensive Income	**92,505,231**	**353,201,787**	**242,351,263**	**412,326,086**
Basic earnings per share (Annualized)		13.57		15.68
Diluted earnings per share (Annualized)		13.57		15.68
Profit attributable to:				
Equity holders of the Bank	92,505,231	353,201,787	242,351,263	412,326,086
Non-controlling interest	-	-	-	-
Total	**92,505,231**	**353,201,787**	**242,351,263**	**412,326,086**

Ratios as per NRB Directive

Particulars	Current Year		Previous Year Corresponding ((Un-Audited)	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Capital fund to RWA		11.87%		12.49%
Tire 1 Capital to RWA		10.53%		11.12%
CET 1 Capital to RWA		10.53%		11.12%
Non-performing loan (NPL) to Total Loan		4.40%		2.62%
Total Loan loss provision to Total NPL		82.09%		89.77%
Cost of Funds		5.37%		8.25%
Credit to Deposit Ratio		82.46%		85.27%
Base Rate		7.56%		10.30%
Interest Rate Spread		4.59%		4.60%
Return on Equity (Annualized) as per NRB Directives		9.52%		11.65%
Return on Assets (Annualized) as per NRB Directives		0.88%		1.13%

Disclosure as per Securities Registration and Issuance Regulation, 2073 Related to Rule 26(1) of Annexure 14

For 2nd Quarter of F/Y 2081/082

1. **Financial Statement:**
Statement of Financial Position and Statement of Profit or Loss as per Nepal Financial Reporting Standard (NFRS) including key financial indicators and ratios along with this report. There has been no any related party transaction during the period.

Key Financial Indicators and Ratios:

Earnings per share	NPR13.57 (Annualized)	P/E Ratio	29.99Times
Net Worth per share	NPR 143.74	Net Asset Value per Share	NPR 1,580.98
Liquidity Ratio	26.44%	Capital Adequacy Ratio	11.87%

2. **Management Analysis:**
   a. Due to significant increment in impairment charges, there has been adverse impact on profit as compared to the corresponding quarter end of the previous fiscal year.
   b. Major areas of focus;
      - Maintaining quality of credit portfolio and managing non-performing loans
      - Operational efficiency
      - Promotion of Digital Service
      - Mitigating cyber security risks
   c. As per the current statement, there is no situation which might have material effect on financial position.
3. **Details relating to Legal Action:**
   a. Except for the lawsuit in the normal course of business there are no material cases filed by or against the Institution.
   b. No cases have been reported regarding filing by or filed against the promoter or director of Institution for non compliance of prevailing laws or commission of criminal offence during the period.
   c. No cases have been filed against any promoter or director for financial crime.
4. **Analysis of Stock Performance of Development Bank:**
   a. Share price and transaction are determined as per open market competition.
   b. Maximum, minimum and closing share price including total share transaction number and days of transaction during the period were;

Max. Share Price	: NPR 497.00	Min. Share Price	: NPR 405.00
Closing price of the Share	: NPR 407.00	Number of days traded	: 55 days
Total volume of trading of shares	: 32,14,252 share		

(source// website of Nepal Stock Exchange Limited)

5. **Problems and Challenges:**
   a **Internal**
      - Digital operations risk.
      - HR switching over to abroad
      - Management of non-performing loans
   b **External**
      - Challenges in Credit growth Due to Slow economic activities.
      - Legal and social aspects adversely affecting management of credit recovery.
      - Significant increment in cyber security risks.
   c **Strategy**
      - Operational and digital service efficiency.
      - Regular investment on skill enhancement of the HR.
      - Process automation of services internally as well as externally.
      - Improving Comprehensive risk management system for adequate mitigation of risks.
      - Efficient management of NPL and NBA.
6. **Corporate Governance:**
To meet the provision regarding Corporate Governance, Development Bank has strictly followed all the rules & regulation issued to BFIs through Unified Directives, Circulars, BAFIA, Companies Act, SEBON Rules & Regulation and all other rules/regulations issued to BFIs. Development Bank has setup different committees like Audit Committee, Risk Management Committee, Employee Services & Facilities Committee, and Anti-money Laundering Prevention Committee which are active in their respective field and chaired by non-executive member of Board of Directors. Similarly Recruitment Committee, Assets Liability Management Committee and Corporate Governance Cell and other relevant committees are formed at staff level and are active in their respective field. Issues raised & recommendations made by NRB, internal & external auditor have been followed up strictly & in effective manner for better performance of Development Bank.
7. **Declaration by CEO:**
I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. Also hereby declare that to the best of my knowledge and belief, the information contained in this report are true, accurate and complete.No material information for the investors has been concealed.