



Siddhartha Bank

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Unaudited Financial Results (Quarterly) As at 1st Quarter (17/10/2010) of the Fiscal Year 2067/068

Rs. In'000

S.N.	Particulars	This Quarter Ending 17/10/2010	Previous Quarter Ending 16/07/2010	Corresponding Previous Year Quarter Ending 17/10/2009
1	Total Capital and Liabilities (1.1 to 1.7)	22,386,597	22,772,378	18,503,217
1.1	Paid Up Capital	1,561,048	1,310,436	1,087,204
1.2	Reserve and Surplus	500,335	421,957	395,248
1.3	Debenture and Bond	227,770	227,770	227,770
1.4	Borrowings	784,550	345,000	650,000
1.5	Deposits (a+b)	18,907,602	20,196,940	15,805,888
	a. Domestic Currency	17,922,051	19,094,083	15,009,375
	b. Foreign Currency	985,551	1,102,857	796,513
1.6	Income Tax Liability	38,984	9,394	32,114
1.7	Other Liabilities	366,308	260,880	304,992
2	Total Assets (2.1 to 2.7)	22,386,597	22,772,378	18,503,217
2.1	Cash and Bank Balance	1,197,402	2,377,373	835,185
2.2	Money at Call and Short Notice	757,750	699,042	141,193
2.3	Investments	2,857,107	2,452,726	2,167,543
2.4	Loans and Advances (a+b+c+d+e+f)*	16,688,826	16,653,852	14,785,391
	a. Real Estate Loan	3,339,281	3,309,035	2,275,549
	b. Home/Housing Loan	748,209	702,829	718,313
	c. Margin Type Loan	537,642	598,913	443,369
	d. Term Loan	3,425,601	3,389,735	2,677,334
	e. Overdraft Loan/ TR Loan/ WC Loan	7,179,337	7,121,791	7,435,470
	f. Others	1,458,756	1,531,548	1,235,355
2.5	Fixed Assets	393,921	366,931	122,695
2.6	Non- Banking Assets	-	-	-
2.7	Other Assets	491,591	222,454	451,211
3	Profit and Loss Account	Up to This Quarter	Up to Previous Quarter	Up to Corresponding Previous Year Quarter
3.1	Interest Income	632,562	2,018,298	401,126
3.2	Interest Expenses	449,713	1,406,540	271,924
	A. Net Interest Income (3.1 -3.2)	182,849	611,758	129,203
3.3	Fees, Commission and Discount	13,791	42,758	10,345
3.4	Other Operating Income	15,709	50,806	18,581
3.5	Foreign Exchange Gain/Loss (Net)	1,418	12,168	10,003
	B. Total Operating Income (A+3.3+3.4+3.5)	213,767	717,490	168,132
3.6	Staff Expenses	29,893	103,681	19,549
3.7	Other Operating Expenses	52,251	174,955	31,707
	C. Operating Profit Before Provision (B-3.6-3.7)	131,623	438,854	116,875
3.8	Provision for Possible Losses	12,554	65,322	17,106
	D. Operating Profit (C-3.8)	119,069	373,532	99,770
3.9	Non- Operating Income/Expenses (Net)	-	10,859	-
3.10	Write Back of Provision for Possible Loss	-	-	-
	E. Profit from Regular Activities (D+3.9+3.10)	119,069	384,391	99,770
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	F. Profit Before Bonus and Taxes (E+3.11)	119,069	384,391	99,770
3.12	Provision for Staff Bonus	10,824	34,945	9,070
3.13	Provision for Taxes	32,473	111,204	27,210
	G. Net Profit/Loss (F- 3.12-3.13)	75,772	238,242	63,490
4	Ratios	At the end of This Quarter	At the end of Previous Quarter	At the end of corresponding Previous Year
4.1	Capital Fund to RWA	12.18%	11.05%	11.20%
4.2	Non- Performing Loan (NPL) to Total Loan	1.00%	0.53%	0.46%
4.3	Total Loan Loss Provision to Total NPL	150.63	270.57%	280.51%
4.4	Cost of Funds	8.77%	7.36%	6.50%
4.5	Credit to Deposit Ratio (Calculated as per NRB Directive)	84.88%	81.21%	90.93%
	Additional Information			
a	Average Yield	12.68%	10.90%	9.37%
b	Average Cost	9.83%	8.28%	6.99%
c	Net Interest Spread	2.85%	2.62%	2.38%
d	Return on Equity	14.60%	14.42%	16.61%
e	Return on Assets	1.30%	1.10%	1.32

* Loan & Advances figure are net of loan loss provision
Unaudited financial figure may vary if directed external auditor & supervisor authority.

Publication of Information as Required by Securities Registration and Issuance Regulation 2065 (Related to Sub Rule (2) of Rule 22)

1. a) Related Party Disclosure:

There is no any transaction with related party during the review period.

b) Major Financial Indicators

Earning Per Share (annualized)	19.42
Market Value Per Share	Rs. 320.00
Price Earnings Ratio (P/E Ratio)	16.48
Liquidity (CRR)	5.58%
Net Assets value per share	1,434.08
Net worth Per Share	132.05

2. Management Analysis

- The Bank has achieved 19% growth in its deposit portfolio compared to same quarter last year. Despite of recent economic downturn Bank has increased its total assets by 21% from same quarter last year and 67% increment in total shareholders fund. We have successfully allotted right shares to our share holders this quarter.
- The Bank has introduced five more branches in this quarter, totaling 35 Branches and 1 extension counter at service of our valued customers and planning to open few more in near future. This quarter we have launched visa cards to our customers.
- We have been constantly reviewing our liquidity position and keeping adequate liquid assets to meet the requirement.

3. Details Regarding Legal Actions

- Case filed by or to organized institution during the quarter. - There is no other major case except those arising in normal course of banking business related to lending.
- Case filed by or against the Promoter or Director of organized institution regarding disobedience of prevailing law or commission of criminal offence.- None to our knowledge.
- Case filed against any Promoter or Director of organized institution regarding commission of financial crime. -None to our knowledge.

4. Analysis of share transaction and progress of organized institution

- Management's view of share transactions of organized institution of securities market: The value and the price of the share are generally guided by demand and supply of shares, performance of the bank and its dividend policies, and policies of the regulatory bodies, economic and political environment, global economy etc. Since all the bank's share is transacted at secondary market and price is determined through perfect market variable management have no comment on the movement of share price.
- Maximum, minimum and last share price of the organized institutions including total transaction and transacted days during the quarter. (Source: www.nepalstock.com)

Maximum Price	Rs 439
Minimum Price	Rs 294
Closing Price	Rs 320
Total Transaction	45,525 shares
Transacted Day	58 days

5. Problems and Challenges

Internal

- Increasing cost of fund and maintaining the level of spread
- Increasing cost of operation
- Difficulty in recruiting quality Human Resource

External

- Unstable political environment
- Tight liquidity situation.
- Competitive environment.

Strategy to Overcome Challenges

- Identification of new business avenues
- Introduction of new products and services
- Optimum utilization of resources.
- Enhancement of customer service.

6. Corporate Governance

We believe in growth that is equally matched by uncompromising compliance to legal, statutory and regulatory requirements. Proper work ethics, integrity and transparency of our operation are paramount to our business philosophy. The entire business operations be it back office or front office, have been designed to meet the highest level of corporate governance. We are cautiously focused in implementing proper policies, guidelines and operating manuals to ensure smooth operations.

7. Declaration by CEO

To the best of my knowledge and belief, I, declare that the information disclosed in this report are true reflection of the Bank's position and performance and confirm that no data have been concealed willfully and that will have material impact to take the investment decision by any investor & depositor.