

# Siddhartha Bank Limited

## Unaudited Financial Results

4<sup>th</sup> Quarter Ended of Fiscal Year 2076/77

### Condensed Consolidated Statement of Financial Position

Amount in NPR

| Particulars  | Group                  |  | Bank                   |  |
|--|------------------------|--|------------------------|--|
|  | This Quarter Ending    | Immediate Previous Year Ending (Audited) | This Quarter Ending    | Immediate Previous Year Ending (Audited) |
| <b>Assets</b>                                      |                        |  |                        |  |
| Cash and cash equivalent                           | 5,962,454,404          | 8,196,416,706                            | 5,959,208,400          | 8,155,811,617                            |
| Due from Nepal Rastra Bank                         | 9,507,945,122          | 6,105,971,370                            | 9,507,945,122          | 6,105,971,370                            |
| Placements with Bank and Financial Institutions    | 1,067,033,917          | 1,033,120,216                            | 1,067,033,917          | 1,033,120,216                            |
| Derivative financial instruments                   | 11,972,844,047         | 7,254,007,312                            | 11,972,844,047         | 7,254,007,312                            |
| Other trading assets                               | 178,081,148            | 110,711,362                              | 147,021,248            | 80,731,130                               |
| Loans and advances to B/FIs                        | 4,004,351,952          | 3,273,145,232                            | 4,004,351,952          | 3,273,145,232                            |
| Loans and advances to customers                    | 123,454,315,433        | 104,877,100,287                          | 123,448,089,751        | 104,876,299,989                          |
| Investment securities                              | 22,827,665,018         | 17,775,997,054                           | 22,502,829,318         | 17,490,997,054                           |
| Current tax assets                                 | 315,020,547            | 155,614,886                              | 313,258,188            | 154,337,310                              |
| Investment in subsidiaries                         | -                      | -  | 51,000,000             | 51,000,000                               |
| Investment in associates                           | -                      | -  | -                      | -  |
| Investment property                                | 136,607,745            | 123,350,704                              | 136,607,745            | 123,350,704                              |
| Property and equipment                             | 1,390,737,623          | 1,303,844,846                            | 1,379,725,544          | 1,279,315,069                            |
| Goodwill and Intangible assets                     | 102,314,936            | 34,537,435                               | 101,985,674            | 33,939,390                               |
| Deferred tax assets                                | -                      | -  | -                      | -  |
| Other assets                                       | 2,114,076,693          | 1,661,315,938                            | 2,076,906,421          | 1,623,233,867                            |
| <b>Total Assets</b>                                | <b>183,033,448,585</b> | <b>151,905,133,348</b>                   | <b>182,668,807,327</b> | <b>151,535,260,260</b>                   |
| <b>Liabilities</b>                                 |                        |  |                        |  |
| Due to Bank and Financial Institutions             | 6,759,236,798          | 8,404,327,731                            | 6,759,236,798          | 8,404,327,731                            |
| Due to Nepal Rastra Bank                           | 20,054,195             | 984,061,065                              | 20,054,195             | 984,061,065                              |
| Derivative financial instruments                   | 11,862,128,229         | 7,129,133,079                            | 11,862,128,229         | 7,129,133,079                            |
| Deposits from customers                            | 139,172,356,368        | 114,555,895,583                          | 139,609,497,543        | 114,923,367,534                          |
| Borrowing  | -                      | -  | -                      | -  |
| Current Tax Liabilities                            | -                      | -  | -                      | -  |
| Provisions   | -                      | -  | -                      | -  |
| Deferred tax liabilities                           | 130,430,588            | 70,533,100                               | 130,271,978            | 70,374,490                               |
| Other liabilities                                  | 3,597,901,132          | 2,418,556,149                            | 3,149,240,519          | 2,026,882,127                            |
| Debt securities issued                             | 5,162,559,000          | 2,966,079,000                            | 5,162,559,000          | 2,966,079,000                            |
| Subordinated Liabilities                           | -                      | -  | -                      | -  |
| <b>Total liabilities</b>                           | <b>166,704,666,310</b> | <b>136,528,585,708</b>                   | <b>166,692,988,262</b> | <b>136,504,225,026</b>                   |
| <b>Equity</b>                                      |                        |  |                        |  |
| Share capital                                      | 9,787,767,142          | 8,887,604,540                            | 9,787,767,142          | 8,887,604,540                            |
| Share premium                                      | -                      | 122,091,505                              | -                      | 122,091,505                              |
| Retained earnings                                  | 1,026,378,825          | 1,882,072,319                            | 944,687,434            | 1,801,400,742                            |
| Reserves   | 5,316,694,335          | 4,290,488,197                            | 5,243,364,489          | 4,219,938,447                            |
| <b>Total equity attributable to equity holders</b> | <b>16,130,840,302</b>  | <b>15,182,256,561</b>                    | <b>15,975,819,065</b>  | <b>15,031,035,234</b>                    |
| Non-controlling interest                           | 197,941,973            | 194,291,079                              | -                      | -  |
| <b>Total equity</b>                                | <b>16,328,782,275</b>  | <b>15,376,547,640</b>                    | <b>15,975,819,065</b>  | <b>15,031,035,234</b>                    |
| <b>Total liabilities and equity</b>                | <b>183,033,448,585</b> | <b>151,905,133,348</b>                   | <b>182,668,807,327</b> | <b>151,535,260,260</b>                   |

### Condensed Consolidated Statement of Profit or Loss

Amount in NPR

| Particulars   | Group                |                          |                             |                          | Bank                 |                          |                             |                          |
|---|----------------------|--------------------------|-----------------------------|--------------------------|----------------------|--------------------------|-----------------------------|--------------------------|
|   | Current Year         |                          | Previous Year Corresponding |                          | Current Year         |                          | Previous Year Corresponding |                          |
|   | This Quarter         | Up To This Quarter (YTD) | This Quarter                | Up To This Quarter (YTD) | This Quarter         | Up To This Quarter (YTD) | This Quarter                | Up To This Quarter (YTD) |
| Interest income   | 3,937,079,707        | 15,479,496,186           | 3,601,094,493               | 13,009,278,279           | 3,935,167,752        | 15,445,928,276           | 3,600,206,855               | 12,972,540,680           |
| Interest expense  | 2,523,609,033        | 9,834,706,641            | 2,325,117,718               | 8,277,274,812            | 2,532,705,549        | 9,858,018,399            | 2,341,281,716               | 8,305,212,902            |
| <b>Net interest income</b>                                      | <b>1,413,470,674</b> | <b>5,644,789,545</b>     | <b>1,275,976,775</b>        | <b>4,732,003,467</b>     | <b>1,402,462,203</b> | <b>5,587,909,877</b>     | <b>1,258,925,138</b>        | <b>4,667,327,777</b>     |
| Fees and commission income                                      | 255,695,899          | 1,147,824,042            | 325,177,821                 | 1,106,109,151            | 241,425,884          | 1,073,838,929            | 294,890,395                 | 1,016,548,229            |
| Fees and commission expense                                     | 37,301,762           | 195,650,690              | 59,815,761                  | 182,165,552              | 36,075,744           | 188,581,886              | 54,025,792                  | 171,261,922              |
| <b>Net fee and commission income</b>                            | <b>218,394,137</b>   | <b>952,173,352</b>       | <b>265,362,060</b>          | <b>923,943,598</b>       | <b>205,350,140</b>   | <b>885,257,043</b>       | <b>240,864,604</b>          | <b>845,286,308</b>       |
| <b>Net interest, fee and commission income</b>                  | <b>1,631,864,811</b> | <b>6,596,962,897</b>     | <b>1,541,338,835</b>        | <b>5,655,947,065</b>     | <b>1,607,812,343</b> | <b>6,473,166,920</b>     | <b>1,499,789,742</b>        | <b>5,512,614,085</b>     |
| Net trading income  | 140,773,517          | 512,791,798              | 112,963,835                 | 456,136,761              | 138,760,127          | 511,718,730              | 110,652,473                 | 453,355,380              |
| Other operating income  | 1,573,777            | 163,771,180              | 38,859,046                  | 122,499,466              | 1,573,768            | 161,585,533              | 36,365,390                  | 120,180,985              |
| <b>Total operating income</b>                                   | <b>1,774,212,105</b> | <b>7,273,525,875</b>     | <b>1,693,161,716</b>        | <b>6,234,583,292</b>     | <b>1,748,146,238</b> | <b>7,146,471,183</b>     | <b>1,646,807,605</b>        | <b>6,086,150,450</b>     |
| Impairment charge/(reversal) for loan and other losses          | (295,310,362)        | 727,816,833              | (195,696,795)               | 188,116,798              | (295,310,362)        | 727,816,833              | (195,696,795)               | 188,116,798              |
| <b>Net operating income</b>                                     | <b>2,069,522,467</b> | <b>6,545,709,042</b>     | <b>1,888,858,511</b>        | <b>6,046,466,494</b>     | <b>2,043,456,600</b> | <b>6,418,654,350</b>     | <b>1,842,504,400</b>        | <b>5,898,033,652</b>     |
| <b>Operating expense</b>  |                      |                          |                             |                          |                      |                          |                             |                          |
| Personnel expense   | 670,006,689          | 2,272,898,575            | 524,926,188                 | 1,725,787,715            | 662,141,470          | 2,236,953,110            | 514,205,062                 | 1,689,202,319            |
| Other operating expense   | 242,252,145          | 934,928,035              | 276,225,433                 | 800,291,984              | 239,133,273          | 919,109,168              | 272,981,050                 | 783,731,904              |
| Depreciation & Amortisation                                     | 56,898,623           | 201,883,888              | 43,358,297                  | 149,414,175              | 55,893,614           | 196,950,476              | 41,390,149                  | 141,395,226              |
| <b>Operating Profit</b>   | <b>1,100,365,010</b> | <b>3,135,998,544</b>     | <b>1,044,348,593</b>        | <b>3,370,972,620</b>     | <b>1,086,288,243</b> | <b>3,065,641,596</b>     | <b>1,013,928,139</b>        | <b>3,283,704,203</b>     |
| Non operating income  | 8,500                | 644,497                  | 11,366,407                  | 18,160,018               | 207,064              | 10,952,052               | 16,786,100                  |                          |
| Non operating expense   | 1,711,507            | 39,218,977               | 1,021,617                   | 1,021,617                | 1,711,507            | 39,218,977               | 1,021,617                   | 1,021,617                |
| <b>Profit before income tax</b>                                 | <b>1,098,662,003</b> | <b>3,097,424,064</b>     | <b>1,054,693,383</b>        | <b>3,388,111,021</b>     | <b>1,084,576,736</b> | <b>3,026,629,683</b>     | <b>1,023,858,575</b>        | <b>3,299,468,687</b>     |
| <b>Income tax expense</b>                                       |                      |                          |                             |                          |                      |                          |                             |                          |
| Current Tax   | 383,591,394          | 1,002,673,745            | 385,149,335                 | 1,085,174,627            | 379,365,814          | 981,435,431              | 376,114,424                 | 1,058,797,458            |
| Deferred Tax  | (47,576,488)         | (47,576,488)             | (15,918,590)                | (15,918,590)             | (47,576,488)         | (47,576,488)             | (17,017,093)                | (17,017,093)             |
| <b>Profit for the period</b>                                    | <b>762,647,097</b>   | <b>2,142,326,807</b>     | <b>685,466,638</b>          | <b>2,318,854,984</b>     | <b>752,787,410</b>   | <b>2,092,770,740</b>     | <b>664,761,244</b>          | <b>2,257,688,323</b>     |
| <b>Condensed Consolidated Statement of Comprehensive Income</b> |                      |                          |                             |                          |                      |                          |                             |                          |
| Profit or loss for the period                                   | 762,647,097          | 2,142,326,807            | 685,466,638                 | 2,318,854,984            | 752,787,410          | 2,092,770,740            | 664,761,244                 | 2,257,688,323            |
| Other Comprehensive Income                                      | 216,640,734          | 250,772,611              | (96,065,419)                | (235,324,594)            | 216,640,734          | 250,772,611              | (96,065,419)                | (235,324,594)            |
| <b>Total Comprehensive Income</b>                               | <b>979,287,831</b>   | <b>2,393,099,418</b>     | <b>589,397,219</b>          | <b>2,083,530,390</b>     | <b>969,428,144</b>   | <b>2,343,543,351</b>     | <b>568,695,825</b>          | <b>2,022,363,729</b>     |
| Basic earnings per share  | 30.26                | 21.89                    | 27.19                       | 23.69                    | 29.86                | 21.38                    | 26.37                       | 23.07                    |
| Diluted earnings per share                                      | 30.26                | 21.89                    | 27.19                       | 23.69                    | 29.86                | 21.38                    | 26.37                       | 23.07                    |
| <b>Profit attributable to:</b>                                  |                      |                          |                             |                          |                      |                          |                             |                          |
| Equity holders of the Bank                                      | 974,456,584          | 2,368,816,945            | 579,253,536                 | 2,053,558,726            | 969,428,144          | 2,343,543,351            | 568,695,825                 | 2,022,363,729            |
| Non-Controlling Interest  | 4,831,247            | 24,282,473               | 15,143,683                  | 29,971,664               | -                    | -                        | -                           | -                        |
| <b>Total</b>  | <b>979,287,831</b>   | <b>2,393,099,418</b>     | <b>589,397,219</b>          | <b>2,083,530,390</b>     | <b>969,428,144</b>   | <b>2,343,543,351</b>     | <b>568,695,825</b>          | <b>2,022,363,729</b>     |

### Ratios as per NRB Directives

| Particulars                             | Group        |                          |                             |                          | Bank         |                          |                             |                          |
|---|--------------|--------------------------|-----------------------------|--------------------------|--------------|--------------------------|-----------------------------|--------------------------|
|   | Current Year |                          | Previous Year Corresponding |                          | Current Year |                          | Previous Year Corresponding |                          |
|   | This Quarter | Up To This Quarter (YTD) | This Quarter                | Up To This Quarter (YTD) | This Quarter | Up To This Quarter (YTD) | This Quarter                | Up To This Quarter (YTD) |
| Capital Fund to RWA                     | 13.00%       | 13.00%                   | 12.82%                      | 12.82%                   | 12.97%       | 12.97%                   | 12.77%                      | 12.77%                   |
| Non-Performing Loan (NPL) to Total Loan | 1.56%        | 1.56%                    | 0.75%                       | 0.75%                    | 1.56%        | 1.56%                    | 0.75%                       | 0.75%                    |
| Total loan loss provision to Total NPL  | 122.10%      | 122.10%                  | 206.88%                     | 206.88%                  | 122.10%      | 122.10%                  | 206.88%                     | 206.88%                  |
| Cost of Funds                           | 6.59%        | 6.59%                    | 7.54%                       | 7.54%                    | 6.59%        | 6.59%                    | 7.54%                       | 7.54%                    |
| Credit to Deposit Ratio                 | 72.85%       | 72.85%                   | 76.85%                      | 76.85%                   | 72.85%       | 72.85%                   | 76.85%                      | 76.85%                   |
| Base Rate                               | 9.03%        | 9.03%                    | 10.57%                      | 10.57%                   | 9.03%        | 9.03%                    | 10.57%                      | 10.57%                   |
| Interest Rate Spread                    | 4.33%        | 4.33%                    | 4.95%                       | 4.95%                    | 4.33%        | 4.33%                    | 4.95%                       | 4.95%                    |
| Return on Equity (Annualized)           | 18.68%       | 13.51%                   | 18.09%                      | 15.76%                   | 18.85%       | 13.50%                   | 17.97%                      | 15.71%                   |
| Return on Assets (Annualized)           | 1.62%        | 1.17%                    | 1.75%                       | 1.53%                    | 1.60%        | 1.15%                    | 1.70%                       | 1.49%                    |

### Notes

- The above figures are subject to change as per the direction of the Regulators/ External auditor.
- The figures for corresponding previous year quarter have been restated and regrouped wherever necessary.
- Carve-outs have been used to prepare above financials.
- Loans and advances include accrued interest receivable & staff loans and are presented net of impairment charges. Impairment loss on loans and advances has been measured at higher of amount derived as per norms prescribed by NRB and as per Para 63 of NAS 39.
- Provision for Gratuity and Leave encashment have been provided for as per draft actuarial valuation report. The provision created and expense booked might vary with certified actuarial valuation report.
- As per NRB circular dated 2077/01/06, interest rate has been deducted by 2% for eligible borrowers which has been adjusted in interest income of 4th quarter.
- Interest rate spread for corresponding previous year quarter has been restated.
- Group financial statements include Siddhartha Bank Limited (Parent Company) and Siddhartha Capital Limited (Subsidiary Company) and all intra group transactions are conducted on arm's length basis.
- Detailed interim report has been published in Bank's website (www.siddharthabank.com)

### Statement of Distributable Profit

Amount in NPR

| Particulars  | Amount               |
|--|----------------------|
| <b>Net Profit for the period ended Ashad 2077</b>                            | <b>2,092,770,740</b> |
| <b>1. Appropriations</b>   |                      |
| <b>1.1 Profit required to be appropriated to Statutory Reserve</b>           | <b>907,925,638</b>   |
| a. General Reserve   | 418,554,148          |
| b. Capital Redemption Reserve  | -                    |
| c. Exchange Fluctuation Fund   | -                    |
| d. Corporate Social Responsibility Fund                                      | 20,927,707           |
| e. Employees Training Fund   | -                    |
| f. Debenture Redemption Reserve  | 468,443,783          |
| g. Others  | -                    |
| <b>1.2 Profit required to be transfer to Regulatory Reserve</b>              | <b>318,360,347</b>   |
| a. Transfer to Regulatory Reserve  | 482,250,659          |
| b. Transfer from Regulatory Reserve  | (163,890,313)        |
| <b>Net Profit for the period ended Ashad 2077 available for distribution</b> | <b>866,484,755</b>   |

### Information about reportable segments

The Bank has identified the key segments of business on the basis of nature of operations that assist the Executive Committee of the bank in decision making process and to allocate the resources. It will help the management to assess the performance of the business segments. The business segments identified are Banking (including loans, deposits and trade operations), Payment Solutions (Cards), Remittance, Treasury and Micro Banking. Treasury Department acts as the fund manager of the Bank.

| Particulars                      | Payment Solutions |                                     | Remittance      |                                     | Treasury        |                                     | Microbanking    |                                     | Banking         |                                     | Total           |                                     |
|----------------------------------|-------------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------------|
|                                  | Current Quarter   | Corresponding Previous Year Quarter | Current Quarter | Corresponding Previous Year Quarter | Current Quarter | Corresponding Previous Year Quarter | Current Quarter | Corresponding Previous Year Quarter | Current Quarter | Corresponding Previous Year Quarter | Current Quarter | Corresponding Previous Year Quarter |
| Revenues from external customers | 282,951,418       | 248,375,793                         | 34,104,709      | 26,103,180                          | 1,453,984,731   | 1,147,254,187                       | 527,057,100     | 318,298,011                         | 14,895,180,572  | 12,839,380,201                      | 17,193,278,531  | 14,579,411,373                      |
| Intersegment revenues            | -                 | -                                   | 59,339,421      | 24,688,635                          | 87,689,387      | 47,140,094                          | -               | -                                   | 5,863,550,250   | 5,102,703,057                       | 6,010,579,058   | 5,174,531,785                       |
| Segment Profit (loss) before tax | 45,846,370        | 64,039,084                          | 25,193,775      | 3,873,921                           | 791,253,459     | 622,091,818                         | 87,486,978      | 10                                  |                 |                                     |                 |                                     |