Siddhartha Bank Limited Unaudited Financial Results

1st Quarter of Fiscal Year 2078/79

616,674,235

3,972,342,784

8,162,559,000

221,207,417,054

10,962,299,199

1,634,158,511

8,026,750,401

20,623,208,111

20,623,208,111

241,830,625,165

Condensed Consolidated Statement of Financial Position

	Gre	oup	Bank				
	This Quarter Ending	Immediate Previous Year Ending (Unaudited)	This Quarter Ending	Immediate Previous Year Ending (Unaudited)			
	10,772,276,615	6,079,927,016	10,725,935,500	5,976,055,588			
	5,284,804,411	7,740,641,992	5,284,804,411	7,740,641,992			
ncial	3,085,799,189	3,308,708,365	3,085,799,189	3,308,708,365			
	-	52,423,254	-	52,423,254			
	194,491,646	253,950,104	-	-			
	6,682,843,999	6,027,862,003	6,682,843,999	6,027,862,003			
s	173,183,089,824	158,550,906,036	173,174,629,476	158,541,874,108			
	38,614,701,072	41,761,121,395	38,298,225,072	41,645,615,645			
	-	275,154,560	-	279,741,739			
	-	-	51,000,000	51,000,000			
	-	-	-	-			
	291,042,098	291,042,098	291,042,098	291,042,098			
	1,516,693,824	1,466,037,615	1,503,255,606	1,451,931,804			
	76,337,470	81,767,169	75,168,675	81,501,245			
	-	-	-	-			
	2,724,920,760	3,297,360,103	2,657,921,139	3,221,106,302			
	242,427,000,908	229,186,901,710	241,830,625,165	228,669,504,143			
utions	9,708,935,111	7,717,011,244	9,708,935,111	7,717,011,244			
	14,152,646,809	5,859,906,910	14,152,646,809	5,859,906,910			
	19,232,781	-	19,232,781	-			
	183,236,565,251	180,438,924,523	183,529,244,205	180,924,009,324			
	963,600,000	-	963,600,000	-			
	92,720,296	-	82,182,129	-			

897,542,147 5,444,130,834

8,162,559,000

208,520,074,658

10,962,299,199

1,370,398,864

8,112,231,772

20,444,929,835

20,666,827,052

229,186,901,710

Condensed Consolidated Statement of Profit or Loss

621,298,103

4,492,414,378 8,162,559,000

221,449,971,729

10,962,299,199

1,709,048,284

8.107.319.372

20,778,666,855

20,977,029,178

242,427,000,908

	•	Condensed (Consolidated	Statement	t of Profit o	r Loss		Amount in NPR	
	Group Bank								
Particulars	Current		Previous Year C	Corresponding	Currer	nt Year	Previous Year C	Corresponding	
Particulars	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	4,500,349,767	4,500,349,767	3,750,438,093	3,750,438,093	4,494,013,849	4,494,013,849	3,741,491,525	3,741,491,525	3. De
Interest expense	2,743,159,551	2,743,159,551	2,396,121,657	2,396,121,657	2,743,772,066	2,743,772,066	2,397,749,282	2,397,749,282	a)
Net interest income	1,757,190,216	1,757,190,216	1,354,316,436	1,354,316,436	1,750,241,783	1,750,241,783	1,343,742,243	1,343,742,243	
Fees and commission income	492,096,435	492,096,435	287,156,451	287,156,451	420,011,806	420,011,806	251,599,469	251,599,469	
Fees and commission expense	81,217,231	81,217,231	56,051,573	56,051,573	69,481,127	69,481,127	40,189,633	40,189,633	b)
Net fee and commission income	410,879,204	410,879,204	231,104,878	231,104,878	350,530,679	350,530,679	211,409,836	211,409,836	
Net interest, fee and commission income	2,168,069,420	2,168,069,420	1,585,421,314	1,585,421,314	2,100,772,462	2,100,772,462	1,555,152,079	1,555,152,079	c)
Net trading income	102,041,007	102,041,007	107,500,604	107,500,604	133,461,930	133,461,930	106,114,930	106,114,930	C)
Other operating income	362,121,921	362,121,921	87,000,282	87,000,282	345,385,394	345,385,394	80,753,729	80,753,729	
Total operating income	2,632,232,348	2,632,232,348	1,779,922,200	1,779,922,200	2,579,619,786	2,579,619,786	1,742,020,738	1,742,020,738	4. Ar
Impairment charge/(reversal) for loan and other losses	208,513,639	208,513,639	260,821,932	260,821,932	208,513,639	208,513,639	260,821,932	260,821,932	a)
Net operating income	2,423,718,709	2,423,718,709	1,519,100,268	1,519,100,268	2,371,106,147	2,371,106,147	1,481,198,806	1,481,198,806	
Operating expense									
Personnel expense	731,055,963	731,055,963	512,724,306	512,724,306	719,374,467	719,374,467	500,850,945	500,850,945	b)
Other operating expense	256,202,442	256,202,442	198,737,388	198,737,388	250,052,643	250,052,643	203,689,763	203,689,763	
Depreciation & Amortisation	46,205,658	46,205,658	53,307,986	53,307,986	45,331,077	45,331,077	52,375,859	52,375,859	
Operating Profit	1,390,254,646	1,390,254,646	754,330,588	754,330,588	1,356,347,960	1,356,347,960	724,282,239	724,282,239	
Non operating income	269,501	269,501	108,901	108,901	57,169	57,169	108,901	108,901	
Non operating expense	1,075,081	1,075,081	24,679	24,679	1,075,081	1,075,081	24,679	24,679	
Profit before income tax	1,389,449,066	1,389,449,066	754,414,810	754,414,810	1,355,330,048	1,355,330,048	724,366,461	724,366,461	
Income tax expense									
Current Tax	416,834,718	416,834,718	232,740,749	232,740,749	406,599,013	406,599,013	223,726,244	223,726,244	
Deferred Tax	-	-	-	-	-	-	-	-	
Profit for the period	972,614,348	972,614,348	521,674,061	521,674,061	948,731,035	948,731,035	500,640,217	500,640,217	5. Pr
Condensed Consolidated State	ment of Comprehensiv	e Income							In
Profit or loss for the period	972,614,348	972,614,348	521,674,061	521,674,061	948,731,035	948,731,035	500,640,217	500,640,217	a)

726,909,479

1,248,583,540

.238.276.95

1,248,583,540

10.306.584

(654.561.193

294,169,842

(654,561,193

294,169,842

294,169,842

33.61

726,909,479

1,227,549,696

Ratios as per NRB Directives

Other Comprehensive Income

Total Comprehensive Income

Basic earnings per share (Annualized)

Diluted earnings per share (Annualized)

Profit attributable to: Faulty holders of the Bank

Non-Controlling Interest

	Group				Bank			
Particulars	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	13.05%	13.05%	14.03%	14.03%	13.05%	13.05%	14.02%	14.02%
Non-Performing Loan (NPL) to Total Loan	0.54%	0.54%	1.32%	1.32%	0.54%	0.54%	1.32%	1.32%
Total loan loss provision to Total NPL	344.50%	344.50%	152.28%	152.28%	344.50%	344.50%	152.28%	152.28%
Cost of Funds	5.55%	5.55%	6.12%	6.12%	5.55%	5.55%	6.12%	6.12%
Credit to Deposit Ratio	87.75%	87.75%	81.01%	81.01%	87.75%	87.75%	81.01%	81.01%
Base Rate	7.57%	7.57%	8.10%	8.10%	7.57%	7.57%	8.10%	8.10%
Interest Rate Spread	3.47%	3.47%	4.38%	4.38%	3.47%	3.47%	4.38%	4.38%
Return on Equity (Annualized)	17.92%	17.92%	12.08%	12.08%	18.02%	18.02%	11.85%	11.85%
Return on Assets (Annualized)	1.58%	1.58%	1.03%	1.03%	1.52%	1.52%	0.99%	0.99%

1. Appropriations

a. General Reserve

g. Others

b. Capital Redemption Reserve

d. Corporate Social Responsibility Fund

f. Debenture Redemption Reserve

c. Exchange Fluctuation Fund

e. Employees Training Fund

Assets

Institutions

Cash and cash equivalent Due from Nepal Rastra Bank Placements with Bank and Finan

Other trading assets Loans and advances to B/FIs Loans and advances to customers

Investment securities Current tax assets Investment in subsidiaries

Investment in associates

Property and equipment

Goodwill and Intangible assets

Due to Bank and Financial Institut

Derivative financial instruments

Due to Nepal Rastra Bank

Deposits from customers

Current Tax Liabilities

Deferred tax liabilities

Debt securities issued

Subordinated Liabilities **Total liabilities**

Other liabilities

Investment property

Deferred tax assets

Other assets

Total Assets

Liabilities

Borrowing

Provisions

Equity

Share capital

Total equity

Share premium

Retained earnings

Non-controlling interest

Total liabilities and equity

Total equity attributable to equity holders

Derivative financial instruments

Notes . The above figures are subject to change as per the direction of the regulators and/or statutory auditor.

Net Profit for the period ended Ashwin 2078

1.1 Profit required to be appropriated to Statutory Reserve

(654.561.193)

318,053,155

11.702.823

318,053,155

(654,561,193

318,053,155

306,350,33

11.702.823

318,053,155

726,909,479

1,248,583,540

.238.276.956

1,248,583,540

10.306.584

- . The figures for corresponding previous year quarter have been restated and regrouped wherever necessary
- . 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 amount derived as per norms prescribed by NRB and as per Para 63 of NAS 39.
- CD ratio of previous year has been restated in line with the current CD ratio computation method as prescribed by NRB Provision for Gratuity and Leave encashment have been provided for as per Bank's estimation and hence actuarial gain/loss has not been seperately disclosed. The provision created and expense booked might vary if actuarial 6. Corporate Governance
- valuation is conducted by a certified actuary. In first quarter of FY 2078/79, the Bank has EPS of Rs. 33.61 and ROE of 18.02% which has increased mainly due to dividend income received in first quarter reflected under "other operating income"
- . Detailed interim report has been published in Bank's website (www.siddharthabank.com)
- 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.

Statement of Distributable Profit

Amount in NPR 948,731,035

420,822,808 189,746,207 9,487,310

221,589,291

Information about reportable segments

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

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
111,084,069	64,293,623	62,331,656	12,785,725	911,991,967	432,822,947	87,789,443	128,574,684	4,219,733,010	3,541,591,574	5,392,930,145	4,180,068,553
-	-	108,874,387	22,964,286	28,591,276	17,541,392	-	-	1,536,909,540	1,510,992,573	1,674,375,203	1,551,498,250
45,293,320	(12,236,793)	76,658,512	15,464,824	676,027,589	303,055,184	59,983,081	15,685,698	497,367,546	402,397,549	1,355,330,048	724,366,461
417,426,641	240,250,543	1,705,830,469	1,216,970,302	16,497,680,035	14,584,500,476	2,837,794,011	200,752,000	220,371,894,010	181,643,259,694	241,830,625,165	197,885,733,014
369,240,512	250,909,081	1,626,034,701	1,201,023,799	15,821,040,557	14,281,160,174	2,776,823,039	182,802,156	221,237,486,356	181,969,837,805	241,830,625,165	197,885,733,014
	Current Quarter 111,084,069 - 45,293,320 417,426,641	Current Quarter 111,084,069 64,293,623 45,293,320 (12,236,793) 417,426,641 240,250,543	Current Quarter Corresponding Previous Year Quarter Current Quarter 111,084,069 64,293,623 62,331,656 - - 108,874,387 45,293,320 (12,236,793) 76,658,512 417,426,641 240,250,543 1,705,830,469	Current Quarter Corresponding Previous Year Quarter Current Quarter Current Quarter Current Year Quarter 111,084,069 64,293,623 62,331,656 12,785,725 - 108,874,387 22,964,286 45,293,320 (12,236,793) 76,658,512 15,464,824 417,426,641 240,250,543 1,705,830,469 1,216,970,302	Current Quarter Corresponding Previous Year Quarter Current Quarter Corresponding Previous Year Quarter Current Year Quarter 111,084,069 64,293,623 62,331,656 12,785,725 911,991,967 - 108,874,387 22,964,286 28,591,276 45,293,320 (12,236,793) 76,658,512 15,464,824 676,027,589 417,426,641 240,250,543 1,705,830,469 1,216,970,302 16,497,680,035	Current Quarter Corresponding Previous Year Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter Current Quarter Current Quarter 111,084,069 64,293,623 62,331,656 12,785,725 911,991,967 432,822,947 - 108,874,387 22,964,286 28,591,276 17,541,392 45,293,320 (12,236,793) 76,658,512 15,464,824 676,027,589 303,055,184 417,426,641 240,250,543 1,705,830,469 1,216,970,302 16,497,680,035 14,584,500,476	Current Quarter Corresponding Previous Year Quarter Current Previous Quarter Corresponding Previous Quarter Current Quarter Current Quarter <th< td=""><td>Current Quarter Corresponding Previous Year Quarter Current Quarter Previous Year Quarter - - 108,874,387 22,964,286 28,591,276 17,541,392 - - - - 108,874,387 22,964,286 676,027,589 303,055,184 59,983,081 15,685,698 417,426,641 240,250,543 1,705,830,469 1,216,970,302 16,497,680,035 14,584,500,476 2,837,794,011 200,752,000</td><td>Current Quarter Corresponding Previous Year Quarter Current Quarter Quarter Quarter Quarter Quarter</td><td>Current Quarter Corresponding Previous Year Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter Cur</td><td>Current Quarter Corresponding Previous Year Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter Current Quarter Current Quarter Current Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter Corresponding Quarter Current Quarter Current Quarter Corresponding Quarter Current Quarter Corresponding Quarter Current Quarter Corresponding Quarter Current Quarter Current Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter</td></th<>	Current Quarter Corresponding Previous Year Quarter Current Quarter Previous Year Quarter - - 108,874,387 22,964,286 28,591,276 17,541,392 - - - - 108,874,387 22,964,286 676,027,589 303,055,184 59,983,081 15,685,698 417,426,641 240,250,543 1,705,830,469 1,216,970,302 16,497,680,035 14,584,500,476 2,837,794,011 200,752,000	Current Quarter Corresponding Previous Year Quarter Current Quarter Quarter Quarter Quarter Quarter	Current Quarter Corresponding Previous Year Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter Cur	Current Quarter Corresponding Previous Year Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter Current Quarter Current Quarter Current Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter Corresponding Quarter Current Quarter Current Quarter Corresponding Quarter Current Quarter Corresponding Quarter Current Quarter Corresponding Quarter Current Quarter Current Quarter Current Quarter Corresponding Previous Year Quarter Current Quarter

Publication of Information as Required by Securities Registration and Issuance

Regulation 2073 (Related to Sub Rule (1) of Rule 26)

a) Related Party Disclosure

roup comprises of Siddhartha Bank Ltd. (Parent Co.) and Siddhartha Capital Ltd. (Subsidiary Co.) he Bank has 51% shareholding in Siddhartha Capital Limited (SCL) and SCL is licensed as a Mutual und Manager and Depository from Securities Board of Nepal (SEBON) as per Mutual Fund Regulation 1010 and also obtained the license for merchant banking business from SEBON in 2015. The Bank has ppointed subsidiary as its Registrar to Share.

- The Bank has held call deposits of Rs. 292.68 million of SCL as at 17 October 2021 (Ashwin end 2078).
- Till the end of 1st quarter of FY 2078/79, SCL earned interest income of Rs. 0.61 million and Rs. 0.125 million Share RTS fee from the Bank.
- All intra-group balances and transactions arising from intra-group transactions are eliminated from the Statement of Financial Position and Statement of Profit or Loss of the Group.

) Major Financial Indicators

Earnings Per Share	Rs. 33.61
Price Earnings Ratio (P/E Ratio)	13.66
Net Worth Per Share	Rs. 188.13
Total Assets Value Per Share	Rs. 2,206.02
Liquidity Ratio	21.15%

2. Management Analysis

897,200,460

4,843,841,616

8,162,559,000

208,404,528,554

10,962,299,199

1,269,322,095

8 033 354 295

20,264,975,589

20,264,975,589

228,669,504,143

- a) The Bank has formulated its strategy comprising long term as well as short-term plans which focuses on sustainable growth, product diversification, operational efficiency, risk mitigation and customer service excellency through digitization.
- b) The Bank has been giving continuity to its business process reengineering to achieve optimum efficiency. COVID-19 pandemic has hampered the economic growth of the country as well as stakeholders of the
- Bank. This has created stress on the business growth, reserves and profitability of the Bank as well. d) The Bank has utilized its capital to the optimum level.
- e) Earnings per share of the Bank is Rs. 33.61 in the first quarter of FY 2078/79 which has almost doubled than of previous year corresponding quarter. The main contribution is from dividend income reflected under the head "Other Operating Income". Dividend income earned by the Bank is Rs. 331 million and the Bank has received dividend income from most of the shares/ mutual funds invested in this first quarter only. The Bank expects very low contribution in income in coming quarters from dividend.

Details Regarding Legal Actions

- a) Case filed by or to organized institution during the quarter:
- There are normal business-related legal issues which have insignificant impact in the Bank's overall business
- 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

Analysis of share transaction and progress of organized institution

- a) Management's view of share transactions of organized institution of securities market: Since the price of the share is determined by open market operation, the management holds a neutral view on share
- Maximum, minimum and last share price of the organized institution including total transaction and transacted days during the quarter.

Maximum Price	Rs. 605
Minimum Price	Rs. 449
Closing Price	Rs. 459
Total Traded Shares	11,436,497
Total Transaction No.	46,112
Total Traded Days	57 Days

Problems and Challenges

Internal

726,909,479

1,227,549,696

1,227,549,696

-) Attainment of reasonable level of cost of operations.
- b) Challenges in increasing non-interest revenue.
- c) Challenges in recovery of loans. d) Increment of interest spread to the level of regulatory limit.
- External
- a) Risk to the bank due to changes in policies and regulations. b) Competition among banks and financial institutions.
- c) Increasing trend of cyber frauds.
- d) COVID pandemic which has affected the fragile recovery.
- e) Pressure in liquidity and loanable funds.

Strategies to overcome Challenges

- a) COVID-19 pandemic: · The Bank has established a mechanism to interact regularly with the borrowers and has been
- addressing their problems to the extent possible. The Bank shall continue to focus on borrower's needs to help them recover from the impact of
- pandemic and more attention has been given to highly impacted customer segments. The Bank shall monitor the effect of this pandemic regularly so as to maintain desired NPA level.
- The Bank shall further encourage customers to shift towards digital transactions. The infrastructure
- shall be strengthened accordingly for security of digital transactions to restrain the cyber risk. b) Implementation of better cost management practices.
- c) Further strengthening risk based pricing model.
- d) Focus on new, diversified and high yielding products and services.
- e) Focus on low capital requiring business.
- f) Focus on non-funded business and explore new avenues for investment diversification and generation of non-interest revenue.
- g) Business sourcing through digital channels.
- h) Building Performance Culture for growth.
- Prudent management of assets and liabilities for optimum utilization of resources and improvement in assets portfolio mix.
- i) Customer experience enhancement through implementation of CRM system.

- The Bank is committed to maintain high standards of corporate governance by compliance to legal, statutory and regulatory requirements.
- Executive Committee (EXCOM), Asset Liability Management Committee (ALCO), Management Credit Committee and Operation Risk Management Committee are in place to ensure effective and efficient
- Audit Committee ensures the establishment of effective internal controls and provides recommendations to the management regarding internal controls and compliance issues as appropriate.
- by Board of Directors and Board Level Committees who meets on a regular basis.

Required policies, process and structures are in place and are regularly being reviewed and monitored

- Good Corporate Governance is an integral part of the Bank to safeguard the interest of stakeholders. 7. Declaration by CEO:
- I, Acting CEO of the Bank, take responsibility for the truthfulness of the information and details disclosed in this report. I also hereby declare that to the best of my knowledge and belief, the information disclosed in this report are true, fair and complete and have not concealed any matters that can adversely affect



the investment decision of the investors

1.2 Profit required to be transferred to Regulatory Reserve a. Transfer to Regulatory Reserve b. Transfer from Regulatory Reserve

230,097,465 230,097,465 Net Profit for the period ended Ashwin 2078 available for distribution 297,810,762