

Siddhartha Bank Limited
Unaudited Financial Results
2nd Quarter of Fiscal Year 2078/79

Condensed Consolidated Statement of Financial Position

Amount in NPR

Table with columns: Group (This Quarter Ending, Immediate Previous Year Ending (Audited)), Bank (This Quarter Ending, Immediate Previous Year Ending (Audited)). Rows include Assets, Liabilities, and Equity.

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.

Table with columns: Particulars, Payment Solutions, Remittance, Treasury, Microbanking, Banking, Total. Rows include Revenues, Segment Profit (loss) before tax, Segment Assets, Segment Liabilities.

Publication of Information as Required by Securities Registration and Issuance Regulation 2073 (Related to Sub Rule (1) of Rule 26)

1. a) Related Party Disclosure

Group comprises of Siddhartha Bank Ltd. (Parent Co.) and Siddhartha Capital Ltd. (Subsidiary Co.). The Bank has 51% shareholding in Siddhartha Capital Limited (SCL) and SCL is licensed as a Mutual Fund Manager and Depository from Securities Board of Nepal (SEBON) as per Mutual Fund Regulation 2010...

- The Bank has held call deposits of Rs. 272.74 million of SCL as at 14 January 2022 (Push end 2078).
Till the end of 2nd quarter of FY 2078/79, SCL earned interest income of Rs. 2.42 million and Rs. 0.25 million Share RTS fee from the Bank.

b) Major Financial Indicators

Table with 2 columns: Indicator, Value. Rows include Earnings Per Share, Price Earnings Ratio (P/E Ratio), Net Worth Per Share, Total Assets Value Per Share, Liquidity Ratio.

2. Management Analysis

- 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 excellence through digitization.
b) The Bank has been giving continuity to its business process reengineering to achieve optimum efficiency.

3. 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.
b) 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.

4. 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 transactions and its movement.
b) Maximum, minimum and last share price of the organized institution including total transaction and transacted days during the quarter.

Table with 2 columns: Indicator, Value. Rows include Maximum Price, Minimum Price, Closing Price, Total Traded Shares, Total Transaction No., Total Traded Days.

5. Problems and Challenges

- Internal
a) 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.

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.

6. Corporate Governance

- 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 operations of the Bank.

7. Declaration by CEO:

I, 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.

Condensed Consolidated Statement of Profit or Loss

Amount in NPR

Table with columns: Group (Current Year, Previous Year Corresponding), Bank (Current Year, Previous Year Corresponding). Rows include Interest income, Net interest income, Operating income, Profit before income tax, Profit for the period, etc.

Ratios as per NRB Directives

Table with columns: Group (Current Year, Previous Year Corresponding), Bank (Current Year, Previous Year Corresponding). Rows include Capital Fund to RWA, Non-Performing Loan (NPL) to Total Loan, Cost of Funds, Credit to Deposit Ratio, etc.

Notes

- 1. The above figures are subject to change as per the direction of the regulators and/or statutory auditor.
2. The figures for corresponding previous year quarter have been restated and regrouped wherever necessary.
3. Loans and advances include accrued interest receivable & staff loans and are presented net of impairment charges.

Statement of Distributable Profit

Amount in NPR

Table with 2 columns: Description, Amount. Rows include Net Profit for the period ended Poush 2078, Appropriations, Profit required to be appropriated to Statutory Reserve, Profit required to be transferred to Regulatory Reserve, Net Profit for the period ended Poush 2078 available for distribution.