# **Siddhartha Bank Limited Unaudited Financial Results**

3rd Quarter of Fiscal Year 2079/80

11,662,559,000

14,089,980,190

(456,641,017)

23,005,708,418

23,005,708,418

250,826,061,608

COI	iluelisea Colisoliaate	d Statement of Financ	Liai Position	Amount in NPR			
	Group		Bank				
	This Quarter Ending	Immediate Previous Year Ending (Audited)	This Quarter Ending	Immediate Previous Year Ending (Audited)			
	11,802,661,509	7,936,444,278	11,936,895,521	7,928,989,024			
	7,775,570,067	5,730,448,535	7,775,570,067	5,730,448,535			
ns	1,293,893,816	320,313,255	1,293,893,816	320,313,255			
	5,054,021	19,694,323	5,054,021	19,694,323			
	159,326,147	158,762,749	-				
	5,966,348,020	6,403,394,142	5,966,348,020	6,403,394,142			
	181,502,125,045	178,597,694,694	181,491,543,049	178,587,363,232			
	57,619,465,229	57,591,637,732	57,255,339,229	57,368,161,732			
	567,804,948	214,652,905	558,514,814	221,065,203			
	-	-	51,000,000	51,000,000			
	-	-	-	-			
	312,871,374	213,307,612	312,871,374	213,307,612			
	3,275,948,377	3,111,858,718	3,247,059,261	3,077,068,355			
	149,522,704	73,722,348	147,770,528	71,490,971			
	-	-	-	-			
	3,877,376,166	4,364,344,920	3,789,910,325	4,334,727,127			
	274,307,967,423	264,736,276,211	273,831,770,025	264,327,023,510			
	9,200,983,615	7,234,641,506	9,200,983,615	7,234,641,506			
	4,613,071,417	24,965,102,753	4,613,071,417	24,965,102,753			
	4,863,049	19,359,606	4,863,049	19,359,606			
	212,134,246,223	191,156,475,501	212,563,318,149	191,550,643,583			
	7,202,250,000	1,022,800,000	7,202,250,000	1,022,800,000			
	-	-	-	-			
	-	-	-	-			
	228,896,444	222,407,228	245,712,504	239,223,287			
	5,883,940,245	6,468,899,300	5,333,303,873	6,034,819,684			
		/					

11,662,559,000

12,524,426,835

1,449,435,636

21,769,824,277

21,984,031,318

242,752,244,893

Total liabilities and equity		274,307,967,423 264,736,276,211 273,831,770,025					25	264,327,023,510		
	C	Condensed C	onsolidated	Statement	of Profit or	Loss		Amount in NPR		
		Gro	oup			Bai	nk			
Particulars	Curre	ent Year	Previous Year	Corresponding	Curren	t Year	Previous Year (	Corresponding		
raiticulais	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	6,893,030,477	20,337,727,672	5,419,432,900	14,412,608,378	6,883,368,818	20,305,997,159	5,408,771,932	14,387,361,217		
Interest expense	4,822,976,455		3,652,574,649	9,621,797,439	4,825,085,050	14,229,839,242	3,654,364,482	9,626,004,746		
Net interest income	2,070,054,022	6,115,635,135	1,766,858,251	4,790,810,939	2,058,283,769	6,076,157,917	1,754,407,450	4,761,356,471	2.	
Fees and commission income	478,493,967	1,306,849,024	385,228,741	1,252,664,982	446,127,802	1,220,785,224	344,321,720	1,108,437,607		
Fees and commission expense	84,620,714	262,071,606	90,921,392	257,733,420	78,711,287	240,557,217	76,359,580	225,899,987		
Net fee and commission income	393,873,253	1,044,777,418	294,307,349	994,931,562	367,416,515	980,228,006	267,962,140	882,537,620		
Net interest, fee and commission income	2,463,927,275	7,160,412,553	2,061,165,600	5,785,742,501	2,425,700,284	7,056,385,923	2,022,369,590	5,643,894,091		
Net trading income	3,878,595	131,074,731	74,429,343	309,832,201	21,293,503	145,234,310	102,448,718	355,034,252		
Other operating income	87,003,586		79,678,882	541,505,301	84,028,859	287,229,951	78,566,529	523,629,432		
Total operating income	2,554,809,456	7,593,078,716	2,215,273,825	6,637,080,003	2,531,022,646	7,488,850,185	2,203,384,837	6,522,557,775		
Impairment charge/(reversal) for loan and other losses	969,616,254	2,162,091,824	358,507,020	429,692,739	969,616,254	2,162,091,824	358,507,020	429,692,739	3.	
Net operating income	1,585,193,201	5,430,986,891	1,856,766,805	6,207,387,264	1,561,406,392	5,326,758,360	1,844,877,817	6,092,865,036		
Operating expense										
Personnel expense	730,421,481	2,170,425,660	779,672,850	2,160,863,090	720,685,724	2,139,127,029	771,361,315	2,128,938,184		
Other operating expense	308,942,697	902,566,435	294,976,921	824,022,361	304,283,850	887,475,014	287,844,445	805,887,423		
Depreciation & Amortisation	58,154,075		46,757,038	139,976,690	55,953,589	162,405,653	46,131,037	137,646,586		
Operating Profit	487,674,949	2,188,990,896	735,359,996	3,082,525,123	480,483,228	2,137,750,665	739,541,020	3,020,392,843		
Non operating income	93,587	1,280,632	129,598	7,821,477	93,587	1,280,632	129,573	7,609,720		
Non operating expense	1,551,732		150,000	16,844,239	1,551,732	1,551,732	150,000	16,844,239		
Profit before income tax	486,216,803	2,188,719,796	735,339,594	3,073,502,361	479,025,083	2,137,479,564	739,520,593	3,011,158,324	4	
Income tax expense										
Current Tax	152,857,723	663,326,973	227,018,183	941,299,625	150,123,830	647,378,527	228,272,483	922,596,414		
Deferred Tax		-	-	-	-	-	-	-		
Profit for the period	333,359,080		508,321,411	2,132,202,736	328,901,252	1,490,101,037	511,248,110	2,088,561,910		
Condensed Consolidated Stateme										
Profit or loss for the period	333,359,080		508,321,411	2,132,202,736	328,901,252	1,490,101,037	511,248,110	2,088,561,910		
Other Comprehensive Income	(329,805,772)		(382,561,269)	(819,313,138)	(329,805,772)	15,141,506	(382,561,269)	(819,313,138)		
Total Comprehensive Income	3,553,308		125,760,142	1,312,889,598	(904,519)	1,505,242,544	128,686,841	1,269,248,772		
Basic earnings per share	9.64		14.84	20.10	9.57	14.24	14.88	19.89		
Diluted earnings per share	9.64	14.42	14.84	20.10	9.57	14.24	14.88	19.89	1	

11,662,559,000

14,089,980,190

(376,418,238)

23,170,157,414

23,377,157,429

250,930,809,994

,329	12	3,700	,142	1,314	2,009,390	(3
Ra	atios	as	per	NRB	Directiv	es

127,194,225

1,291,505,593

(904,519)

1,505,242,544

128,686,841

1,269,248,772

		Gro	ир		Bank			
Particulars	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
raidculais	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	12.03%	12.03%	12.82%	12.82%	12.02%	12.02%	12.81%	12.81%
Non-Performing Loan (NPL) to Total Loan	3.95%	3.95%	1.12%	1.12%	3.95%	3.95%	1.12%	1.12%
Total loan loss provision to Total NPL	79.39%	79.39%	174.77%	174.77%	79.39%	79.39%	174.77%	174.77%
Cost of Funds	8.36%	8.36%	7.31%	7.31%	8.36%	8.36%	7.31%	7.31%
Credit to Deposit Ratio	80.41%	80.41%	89.75%	89.75%	80.41%	80.41%	89.75%	89.75%
Base Rate	10.45%	10.45%	9.53%	9.53%	10.45%	10.45%	9.53%	9.53%
Interest Rate Spread	4.18%	4.18%	3.74%	3.74%	4.18%	4.18%	3.74%	3.74%
Return on Equity (Annualized)	5.99%	8.96%	9.78%	13.25%	6.05%	9.00%	9.99%	13.35%
Return on Assets (Annualized)	0.50%	0.75%	0.88%	1.19%	0.50%	0.75%	0.85%	1.18%

### Notes:

Profit attributable to: Equity holders of the Bank

Non-Controlling Interest

**Assets** 

Cash and cash equivalent Due from Nepal Rastra Bank

Placements with Bank and Financial Institution Derivative financial instruments 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 Investment property Property and equipment Goodwill and Intangible assets Deferred tax assets Other assets **Total Assets** 

Due to Bank and Financial Institution Due to Nepal Rastra Bank Derivative financial instruments Deposits from customers

Borrowing Current Tax Liabilities

Provisions

Deferred tax liabilities Other liabilities

Debt securities issued

**Total liabilities** Equity

Share capital

Share premium

Total equity

Retained earnings

Non-controlling interes

Total equity attributable to

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

1,368,973

2,184,335

1,523,241,354

- 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. Impairment loss on loans and advances has been measured at higher amount derived as per norms prescribed by NRB and as per carve out issued by The Institute of Chartered Accountants of Nepal regarding Para 5.5-Impairment.
- 4. Provision for Gratuity and Leave encashment have been provided for as per estimated actuarial valuation and hence actuarial gain/loss has not been seperately disclosed. The provision created and expense booked might vary if actuarial valuation is conducted by a certified actuary.
- 5. Quarterly average base rate of the Bank for third quarter of FY 2079/80 is 10.61%
- 6. 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
- 7. Detailed interim report has been published in Bank's website (www.siddharthabank.com).

## **Statement of Distributable Profit**

**Amount in NPR** 

Bank

Particulars	Current Year (Upto this Qtr YTD)	Previous Year (Upto this Qtr YTD)
Net profit or (loss) as per statement of profit or loss	1,490,101,037	2,088,561,910
Appropriations:		
a. General reserve	(298,020,207)	(417,712,382)
b. Foreign exchange fluctuation fund	(20,558,010)	(10,905,495)
c. Capital redemption reserve	(1,095,319,875)	(641,194,543)
d. Corporate social responsibility fund	(14,901,010)	(20,885,619)
e. Employees' training fund	-	-
f. Other	-	-
Profit or (loss) before regulatory adjustment	61,301,935	997,863,871
Regulatory adjustments:		
a. Interest receivable (-)/previous accrued interest received (+)	(667,135,361)	(190,451,596)
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 (+)	(62,725,170)	47,097,270
e. Deferred tax assets recognised (-)/ reversal (+)	-	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other	-	-
Net Profit for the quarter ended Chaitra 2079 available for distribution	(668,558,597)	854,509,546
Opening Retained Earning as on Shrawan 1, 2079	1,359,868,480	1,808,628,800
Adjustment (+/-)	-	-
Distribution:		
Bonus shares issued	(1,065,553,356)	(1,562,127,636)
Cash Dividend Paid	(82,397,545)	(82,217,244)
Total Distributable profit or (loss) as on Chaitra 30, 2079	(456,641,017)	1,018,793,466
Annualised Distributable Profit/Loss per share	(4.37)	10.92

### formation about reportable segments

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

	Payment Solution		Remittance		Treasurey		Banking		Total	
Particulars	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	413,939,201	367,225,804	63,157,545	43,098,865	2,879,014,261	2,078,674,700	18,604,416,269	13,893,072,860	21,960,527,276	16,382,072,230
Intersegment revenues	6,189,143	-	211,410,305	124,547,858	128,735,189	83,584,211	8,212,506,675	5,303,105,889	8,558,841,312	5,511,237,958
Segment Profit (loss) before tax	86,457,011	115,332,520	44,049,693	43,887,079	1,099,054,419	1,298,942,641	907,918,440	1,552,996,084	2,137,479,564	3,011,158,324
Segment assets	557,911,572	425,987,622	3,321,211,620	2,140,202,407	19,036,566,119	20,104,108,370	250,916,080,715	224,452,943,028	273,831,770,025	247,123,241,427
Segment liabilities	471,454,561	304,229,821	3,277,161,926	2,094,069,312	17,937,511,700	18,803,871,928	252,145,641,838	225,921,070,367	273,831,770,025	247,123,241,427

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

#### a) Related Party Disclosure

11,662,559,000

12,524,426,835

1,359,868,480

21,597,874,092

21,597,874,092

242,729,149,419

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 and also obtained the license for merchant banking business from SEBON in 2015. The Bank has appointed subsidiary as its Registrar to Share.

- The Bank has held deposits of Rs. 429.07 million of SCL as at 13 April 2023 (Chaitra end 2079).
- Till the end of 3rd quarter of FY 2079/80, SCL earned interest income of Rs. 7.75 million and Rs. 0.38 million Share
- 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.

#### b) Major Financial Indicators

Earnings Per Share	Rs. 14.24	
Price Earnings Ratio (P/E Ratio)	18.18	
Net Worth Per Share	Rs. 163.28	
Total Assets Value Per Share	Rs. 1,943.45	
Liquidity Ratio	27.82%	

#### 2. Management Analysis

- a) The Bank has formulated its strategy comprising long term as well as short-term plans which focuses on sustainable growth, business diversification and service excellence through digital first.
- The Bank has continued its process reengineering to achieve optimum efficiency. The Bank has made significant investment in IT infrastructure and automated work flows along with improvement in
- data security for better internal control system and risk management.
- The Bank has utilized its capital to the optimum level.
- e) The Bank continuously monitors the targets set and reviews the achievements on periodic basis.

#### 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.
- c) 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

- 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

Maximum Price	Rs. 312
Minimum Price	Rs. 246
Closing Price	Rs. 259
Total Traded Shares	2,281,591
Total Transaction No.	12,059
Total Traded Days	56 Days

## 5. Problems and Challenges

## Internal

- Attainment of reasonable level of cost of operations.
- Challenges in increment of fees based revenue.
- c) Challenges in maintaining quality of assets.

## **External**

- a) Risk to the Bank due to changes in policies/ regulations.
- b) Competition among banks and financial institutions
- c) Volatile and unpredictable market conditions.
- d) Spike in delinquencies and non-performing loans.
- e) Increasing trend of cyber frauds and operational risks.

## Strategies to overcome Challenges

- a) Economies in business through automation.
- b) IT Infrastructures shall be further strengthened for security of digital transactions.
- c) Prudent management of assets and liabilities for optimum utilization of resources.
- d) Improvement in assets portfolio mix.
- e) Strengthening risk based pricing model and enhanced focus on low capital requiring business.
- f) Research on new products & services and scale up existing ones.
- g) Explore new avenues of investment for generation of non-interest revenue.
- h) Business sourcing through digital channels.
- i) Building performance culture for growth and instill employee value.
- j) Customer experience enhancement through digitization.

### 6. Corporate Governance

- · The Bank is committed to maintain high standards of corporate governance by compliance to legal and regulatory requirements.
  - Board of Directors and board level committees along with Management Team are committed to uphold good corporate governance practices in the Bank.
- Required policies, process and structures are in place and are regularly being reviewed and monitored by Board of Directors and Board Level Committees who meets on a regular basis.
- Audit Committee ensures the establishment of effective internal controls and provides recommendations to the management regarding internal controls and compliance issues as appropriate. 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. Good corporate governance is an integral part of the Bank to safeguard the interest of stakeholders.

## 7. Declaration by CEO

I, officiating 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.

