

Siddhartha Bank Limited  
Unaudited Financial Results  
2<sup>nd</sup> Quarter of Fiscal Year 2077/78

Condensed Consolidated Statement of Financial Position

Amount in NPR

	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	11,881,240,279	5,970,144,076	11,834,249,848	5,959,187,692
Due from Nepal Rastra Bank	8,571,409,366	9,507,945,122	8,571,409,366	9,507,945,122
Placements with Bank and Financial Institutions	2,873,507,249	1,067,074,180	2,873,507,249	1,067,074,180
Derivative financial instruments	13,906,708,921	11,972,844,047	13,906,708,921	11,972,844,047
Other trading assets	325,004,996	222,536,048	216,043,937	147,021,248
Loans and advances to B/FIs	4,927,804,062	4,004,351,952	4,927,804,062	4,004,351,952
Loans and advances to customers	138,377,248,381	123,578,951,049	138,368,795,208	123,572,725,466
Investment securities	26,486,336,592	22,783,305,318	26,103,160,592	22,502,829,318
Current tax assets	359,755,583	298,749,292	369,154,995	296,973,967
Investment in subsidiaries	-	-	51,000,000	51,000,000
Investment in associates	-	-	-	-
Investment property	136,607,745	136,607,745	136,607,745	136,607,745
Property and equipment	1,430,065,302	1,433,352,217	1,414,303,950	1,422,340,138
Goodwill and Intangible assets	85,272,983	102,314,935	85,071,540	101,985,674
Deferred tax assets	-	-	-	-
Other assets	1,810,520,007	1,763,205,398	1,766,409,531	1,725,562,617
<b>Total Assets</b>	<b>211,171,481,466</b>	<b>182,841,381,377</b>	<b>210,624,226,944</b>	<b>182,468,449,165</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	4,727,755,377	6,759,236,798	4,727,755,377	6,759,236,798
Due to Nepal Rastra Bank	4,027,481,042	20,054,195	4,027,481,042	20,054,195
Derivative financial instruments	13,814,793,550	11,862,128,229	13,814,793,550	11,862,128,229
Deposits from customers	157,518,951,016	139,172,356,368	157,791,481,644	139,609,497,543
Borrowing	-	-	-	-
Current Tax Liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	766,626,535	159,557,228	766,284,848	159,215,541
Other liabilities	3,476,006,179	3,340,584,674	3,011,133,729	2,884,487,184
Debt securities issued	8,162,559,000	5,162,559,000	8,162,559,000	5,162,559,000
Subordinated Liabilities	-	-	-	-
<b>Total liabilities</b>	<b>192,494,172,699</b>	<b>166,476,476,491</b>	<b>192,301,489,190</b>	<b>166,457,178,489</b>
<b>Equity</b>				
Share capital	9,787,767,142	9,787,767,142	9,787,767,142	9,787,767,142
Share premium	-	-	-	-
Retained earnings	1,203,687,545	1,327,984,010	1,124,071,372	1,245,988,052
Reserves	7,487,124,283	5,050,882,970	7,410,899,240	4,977,515,481
<b>Total equity attributable to equity holders</b>	<b>18,478,578,970</b>	<b>16,166,634,123</b>	<b>18,322,737,754</b>	<b>16,011,270,676</b>
Non-controlling interest	198,729,796	198,270,764	-	-
<b>Total equity</b>	<b>18,677,308,766</b>	<b>16,364,904,886</b>	<b>18,322,737,754</b>	<b>16,011,270,676</b>
<b>Total liabilities and equity</b>	<b>211,171,481,466</b>	<b>182,841,381,377</b>	<b>210,624,226,944</b>	<b>182,468,449,165</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	3,491,140,734	7,241,578,827	3,746,088,265	7,568,194,484	3,482,824,339	7,224,315,864	3,732,237,330	7,544,433,134
Interest expense	2,294,715,709	4,690,837,366	2,388,317,066	4,762,233,511	2,295,271,396	4,693,020,678	2,390,223,475	4,770,599,275
<b>Net interest income</b>	<b>1,196,425,025</b>	<b>2,550,741,461</b>	<b>1,357,771,199</b>	<b>2,805,960,973</b>	<b>1,187,552,943</b>	<b>2,531,295,186</b>	<b>1,342,013,855</b>	<b>2,773,833,859</b>
Fees and commission income	361,740,615	648,897,066	345,778,744	622,315,476	323,003,681	574,603,150	326,286,440	580,842,233
Fees and commission expense	64,221,468	120,273,041	58,854,210	104,645,708	59,531,495	107,838,249	57,188,652	100,152,419
<b>Net fee and commission income</b>	<b>297,519,147</b>	<b>528,624,025</b>	<b>286,924,534</b>	<b>517,669,768</b>	<b>263,472,186</b>	<b>466,764,901</b>	<b>269,097,788</b>	<b>480,689,814</b>
<b>Net interest, fee and commission income</b>	<b>1,493,944,172</b>	<b>3,079,365,486</b>	<b>1,644,695,733</b>	<b>3,323,630,741</b>	<b>1,451,025,129</b>	<b>2,998,060,087</b>	<b>1,611,111,643</b>	<b>3,254,523,674</b>
Net trading income	227,823,645	335,324,249	145,598,388	253,959,250	220,380,283	326,495,213	143,640,401	254,456,213
Other operating income	167,435,723	254,436,005	31,639,491	106,833,908	158,538,199	239,291,928	31,419,157	105,946,124
<b>Total operating income</b>	<b>1,889,203,540</b>	<b>3,669,125,740</b>	<b>1,821,933,612</b>	<b>3,684,423,899</b>	<b>1,829,943,611</b>	<b>3,563,847,228</b>	<b>1,786,171,201</b>	<b>3,614,926,010</b>
Impairment charge/(reversal) for loan and other losses	445,247,019	706,068,951	207,889,640	523,705,710	445,247,019	706,068,951	207,889,640	523,705,710
<b>Net operating income</b>	<b>1,443,956,521</b>	<b>2,963,056,789</b>	<b>1,614,043,972</b>	<b>3,160,718,189</b>	<b>1,384,696,592</b>	<b>2,857,778,277</b>	<b>1,578,281,561</b>	<b>3,091,220,300</b>
<b>Operating expense</b>								
Personnel expense	527,256,035	1,039,980,341	531,233,688	1,055,430,143	515,990,742	1,017,589,972	522,644,358	1,036,856,546
Other operating expense	210,655,499	409,392,887	237,429,484	452,525,269	206,526,807	401,351,164	233,285,735	443,271,537
Depreciation & Amortisation	50,680,785	103,988,771	47,838,829	93,250,825	49,503,350	101,879,209	46,550,351	90,492,929
<b>Operating Profit</b>	<b>655,364,202</b>	<b>1,409,694,790</b>	<b>797,541,971</b>	<b>1,559,511,952</b>	<b>612,675,693</b>	<b>1,336,957,932</b>	<b>775,801,117</b>	<b>1,520,599,287</b>
Non operating income	338,901	447,802	424,754	542,933	308,901	417,802	-	114,000
Non operating expense	-	24,679	37,378,468	37,378,468	-	24,679	37,378,468	37,378,468
<b>Profit before income tax</b>	<b>655,703,103</b>	<b>1,410,117,913</b>	<b>760,588,257</b>	<b>1,522,676,417</b>	<b>612,984,594</b>	<b>1,337,351,055</b>	<b>738,422,649</b>	<b>1,483,334,819</b>
<b>Income tax expense</b>								
Current Tax	207,700,212	440,440,961	239,961,372	468,587,821	194,884,660	418,610,904	233,311,690	456,785,342
Deferred Tax	-	-	-	-	-	-	-	-
<b>Profit for the period</b>	<b>448,002,891</b>	<b>969,676,952</b>	<b>520,626,885</b>	<b>1,054,088,596</b>	<b>418,099,934</b>	<b>918,740,151</b>	<b>505,110,959</b>	<b>1,026,549,478</b>
<b>Condensed Consolidated Statement of Comprehensive Income</b>								
Profit or loss for the period	448,002,891	969,676,952	520,626,885	1,054,088,596	418,099,934	918,740,151	505,110,959	1,026,549,478
Other Comprehensive Income	704,606,575	1,431,516,054	219,438,925	69,875,734	704,606,575	1,431,516,054	219,438,925	69,875,734
<b>Total Comprehensive Income</b>	<b>1,152,609,466</b>	<b>2,401,193,006</b>	<b>740,065,810</b>	<b>1,123,964,330</b>	<b>1,122,706,509</b>	<b>2,350,256,205</b>	<b>724,549,884</b>	<b>1,096,425,212</b>
Basic earnings per share	18.77	19.87	21.81	21.60	17.52	18.82	21.16	21.03
Diluted earnings per share	18.77	19.87	21.81	21.60	17.52	18.82	21.16	21.03
<b>Profit attributable to:</b>								
Equity holders of the Bank	1,137,957,017	2,376,233,974	732,463,006	1,110,470,162	1,122,706,509	2,350,256,205	724,549,884	1,096,425,212
Non-Controlling Interest	14,652,449	24,959,032	7,602,804	13,494,168	-	-	-	-
<b>Total</b>	<b>1,152,609,466</b>	<b>2,401,193,006</b>	<b>740,065,810</b>	<b>1,123,964,330</b>	<b>1,122,706,509</b>	<b>2,350,256,205</b>	<b>724,549,884</b>	<b>1,096,425,212</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	13.85%	13.85%	12.87%	12.87%	13.84%	13.84%	12.86%	12.86%
Non-Performing Loan (NPL) to Total Loan	1.91%	1.91%	1.55%	1.55%	1.91%	1.91%	1.55%	1.55%
Total loan loss provision to Total NPL	111.89%	111.89%	115.97%	115.97%	111.89%	111.89%	115.97%	115.97%
Cost of Funds	5.40%	5.40%	7.27%	7.27%	5.40%	5.40%	7.27%	7.27%
Credit to Deposit Ratio	76.81%	76.81%	78.41%	78.41%	76.81%	76.81%	78.41%	78.41%
Base Rate	7.38%	7.38%	10.04%	10.04%	7.38%	7.38%	10.04%	10.04%
Interest Rate Spread	4.20%	4.20%	5.17%	5.17%	4.20%	4.20%	5.17%	5.17%
Return on Equity (Annualized)	10.49%	11.10%	14.02%	13.88%	9.99%	10.73%	13.91%	13.82%
Return on Assets (Annualized)	0.87%	0.92%	1.26%	1.25%	0.81%	0.87%	1.23%	1.22%

Notes

- The above figures are subject to change as per the direction of the regulators and/or statutory auditor.
- The figures for corresponding previous year quarter have been restated and regrouped wherever necessary.
- Carve-outs issued by ICAN 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 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 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.
- 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

<b>Net Profit for the period ended Poush 2077</b>	<b>918,740,151</b>
<b>1. Appropriations</b>	
<b>1.1 Profit required to be appropriated to Statutory Reserve</b>	<b>656,882,621</b>
a. General Reserve	183,748,030
b. Capital Redemption Reserve	-
c. Exchange Fluctuation Fund	3,076,409
d. Corporate Social Responsibility Fund	9,187,402
e. Employees Training Fund	19,232,205
f. Debenture Redemption Reserve	441,638,575
g. Others	-
<b>1.2 Profit required to be transferred to Regulatory Reserve</b>	<b>398,795,214</b>
a. Transfer to Regulatory Reserve	398,795,214
b. Transfer from Regulatory Reserve	-
<b>Net Profit for the period ended Poush 2077 available for distribution</b>	<b>(136,937,684)</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	137,523,591	135,486,847	28,939,325	15,344,155	1,056,940,242	719,864,910	274,595,148	242,153,614	6,867,125,650	7,372,942,178	8,365,123,956	8,485,791,704
Intersegment revenues	-	-	49,728,004	23,663,424	40,085,249	54,262,948	-	-	3,038,190,778	2,735,464,970	3,128,004,031	2,813,391,342
Segment Profit (loss) before tax	32,941,152	15,311,265	35,731,316	10,151,390	780,332,148	424,803,258	33,279,585	40,157,125	455,066,855	992,911,783	1,337,351,055	1,483,334,819
Segment assets	307,659,292	200,344,747	1,467,858,921	644,731,356	17,935,881,270	11,067,203,889	2,623,102,544	72,446,132	188,289,724,919	156,705,982,581	210,624,226,944	168,690,708,704
Segment liabilities	256,850,166	181,403,978	1,431,236,060	633,567,673	17,155,008,276	10,641,727,287	2,585,715,206	27,788,930	189,195,417,238	157,206,220,836	210,624,226,944	168,690,708,704

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 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 call deposits of Rs. 272.53 million of SCL as at 13 January 2021 (Poush end 2077).
- Till the end of 2<