

Siddhartha Bank Limited
Unaudited Financial Results
3rd Quarter of Fiscal Year 2077/78

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 (Cash, Derivative, Loans, etc.), Liabilities (Borrowing, Tax, etc.), and Equity (Share capital, Reserves, etc.).

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, Fees, Operating income, Profit before tax, and Profit after tax.

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, etc.

- Notes: 1. The above figures are subject to change... 2. The figures for corresponding previous year quarter... 3. Carve-outs issued by ICAN... 4. Loans and advances include accrued interest receivable...

Statement of Distributable Profit

Amount in NPR

Table with columns: Particulars, Amount in NPR. Rows include Net Profit for the period ended Chaitra 2077, Appropriations, Profit transferred to Regulatory Reserve, and Net Profit for the period ended Chaitra 2077 available for distribution.

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, 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. Rows include Revenues from external customers, Intersegment 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 and also obtained the license for merchant banking business from SEBON in 2015.

- The Bank has held cash deposits of Rs. 258.77 million of SCL as at 13 April 2021 (Chaitra end 2077).
• Till the end of 3rd quarter of FY 2077/78, SCL earned interest income of Rs. 2.64 million and Rs. 0.375 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.

b) Major Financial Indicators

Table with 2 columns: Indicator, Value. Rows include Earnings Per Share (Rs. 25.28), Price Earnings Ratio (P/E Ratio) (17.60), Net Worth Per Share (Rs. 181.89), Total Assets Value Per Share (Rs. 2,094.98), Liquidity Ratio (24.70%).

2. Management Analysis

- a) The country had started to heave a sigh of relief with the start of vaccine drive, but infection rates has surged up lately. Spread of new strain is more infectious which might result in sporadic lockdowns and again jeopardize the economy.
b) The Bank has formulated its strategy with long term and short-term plans which focuses on sustainable growth, product diversification, operational efficiency, risk mitigation, customer service excellency through digitization.

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: Metric, Value. Rows include Maximum Price (Rs. 451), Minimum Price (Rs. 364), Closing Price (Rs. 445), Total Traded Shares (8,423,770), Total Transaction No. (25,967), Total Traded Days (59 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) Challenges in managing liquidity.

External

- a) COVID-19 pandemic impacted the economy of the country which has effect on the repayment capacity of the borrowers. With increasing no. of cases, there is again threat in the economy which was on the road to recovery and the second wave might dent the fragile recovery.
b) Risk to the bank due to changes in policies and regulations.
c) Competition among banks and financial institutions.
d) Pressure in the interest spread.

Strategies to overcome Challenges

- a) COVID-19 pandemic:
• The Bank has conducted COVID-19 impact survey among the borrowers on various parameters related to borrowers regarding their financials, past performance with the Bank, security coverage, duration of relationship with the Bank and their view on effect of pandemic to analyze the actual impact on borrowers.
• 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 situation has forced many new users to uptake digital banking services for conducting transactions. Like in the past, the Bank will further encourage customers to shift towards digital transactions. The infrastructure shall be strengthened accordingly for security of digital transactions.

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) and Asset Liability Management Committee (ALCO) are in place to ensure effective and efficient operations of the Bank.
• Audit Committee ensures the establishment of effective internal controls and provides recommendations to the management regarding internal controls and compliance issues as appropriate.
• 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.
• Good Corporate Governance is an integral part of the Bank to safeguard the interest of stakeholders.

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.



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