

# Siddhartha Bank Limited

## Unaudited Financial Results

(2<sup>nd</sup> Quarter of Fiscal Year 2080/81)

### 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	9,611,684,248	11,571,313,935	9,723,592,366	11,554,080,479
Due from Nepal Rastra Bank	10,916,001,282	9,000,713,492	10,916,001,282	9,000,713,492
Placements with Bank and Financial Institutions	3,022,646,501	5,011,346,934	3,022,646,501	5,011,346,934
Derivative financial instruments	37,500,193	17,320,155	37,500,193	17,320,155
Other trading assets	104,160,890	109,407,897	-	-
Loans and advances to B/FIs	5,783,991,786	5,170,773,907	5,783,991,786	5,170,773,907
Loans and advances to customers	190,924,530,820	184,019,363,443	190,915,239,458	184,009,571,040
Investment securities	56,682,730,280	62,728,867,192	56,217,447,034	62,480,476,034
Current tax assets	754,010,100	267,328,784	756,014,880	263,764,947
Investment in subsidiaries	-	-	51,000,000	51,000,000
Investment in associates	-	-	-	-
Investment property	649,941,740	654,537,489	649,941,740	654,537,489
Property and equipment	3,527,363,663	3,579,515,879	3,499,889,446	3,548,089,446
Goodwill and Intangible assets	163,053,408	167,612,308	161,510,124	166,000,283
Deferred tax assets	-	-	-	-
Other assets	5,678,612,440	4,073,870,027	5,653,913,997	4,050,241,119
<b>Total Assets</b>	<b>287,856,227,351</b>	<b>286,371,971,442</b>	<b>287,388,686,819</b>	<b>285,977,915,326</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	14,203,879,314	11,613,657,572	14,203,879,314	11,613,657,572
Due to Nepal Rastra Bank	391,922,787	288,453,474	391,922,787	288,453,474
Derivative financial instruments	38,089,964	23,887,253	38,089,964	23,887,253
Deposits from customers	220,733,429,906	223,307,001,273	221,078,293,416	223,654,669,691
Borrowing	7,386,188,653	7,312,480,160	7,386,188,653	7,312,480,160
Current tax liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	447,227,970	489,092,725	463,469,571	501,929,292
Other liabilities	6,863,830,383	5,968,405,789	6,410,751,312	5,613,687,917
Debt securities issued	11,662,559,000	11,662,559,000	11,662,559,000	11,662,559,000
Subordinated Liabilities	-	-	-	-
<b>Total liabilities</b>	<b>261,727,127,978</b>	<b>260,665,537,246</b>	<b>261,635,154,018</b>	<b>260,671,324,359</b>
<b>Equity</b>				
Share capital	14,089,980,190	14,089,980,190	14,089,980,190	14,089,980,190
Share premium	-	-	-	-
Retained earnings	(222,235,108)	756,129,848	(304,536,614)	663,610,438
Reserves	12,052,336,671	10,639,410,976	11,968,089,225	10,553,000,339
<b>Total equity attributable to equity holders</b>	<b>25,920,081,753</b>	<b>25,485,521,014</b>	<b>25,753,532,801</b>	<b>25,306,590,967</b>
Non-controlling Interest	209,017,620	220,913,182	-	-
<b>Total equity</b>	<b>26,129,099,373</b>	<b>25,706,434,196</b>	<b>25,753,532,801</b>	<b>25,306,590,967</b>
<b>Total liabilities and equity</b>	<b>287,856,227,351</b>	<b>286,371,971,442</b>	<b>287,388,686,819</b>	<b>285,977,915,326</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	6,624,862,836	13,542,842,861	6,574,130,483	13,444,697,195	6,619,563,876	13,532,660,471	6,564,189,204	13,422,628,340
Interest expense	4,482,622,582	9,422,743,893	4,671,434,820	9,399,116,082	4,485,586,923	9,428,801,962	4,674,892,295	9,404,754,192
<b>Net interest income</b>	<b>2,142,240,254</b>	<b>4,120,098,968</b>	<b>1,902,695,662</b>	<b>4,045,581,113</b>	<b>2,133,976,953</b>	<b>4,103,858,509</b>	<b>1,889,296,909</b>	<b>4,017,874,148</b>
Fees and commission income	450,148,775	957,249,102	403,013,896	828,355,057	418,473,675	865,826,924	387,479,666	774,657,421
Fees and commission expense	107,790,204	225,416,579	91,114,079	177,450,892	105,475,791	208,564,712	88,028,315	161,845,930
<b>Net fee and commission income</b>	<b>342,358,571</b>	<b>731,832,523</b>	<b>311,899,817</b>	<b>650,904,165</b>	<b>312,997,884</b>	<b>657,262,212</b>	<b>299,451,352</b>	<b>612,811,491</b>
<b>Net interest, fee and commission income</b>	<b>2,484,598,825</b>	<b>4,851,931,491</b>	<b>2,214,595,479</b>	<b>4,696,485,278</b>	<b>2,446,974,837</b>	<b>4,761,120,721</b>	<b>2,188,748,260</b>	<b>4,630,685,639</b>
Net trading income	72,120,547	119,802,268	91,012,263	127,196,137	63,097,800	126,232,647	68,919,678	123,940,807
Other operating income	66,674,085	165,684,019	69,688,230	214,587,845	68,567,007	163,810,959	64,483,378	203,201,092
<b>Total operating income</b>	<b>2,623,393,457</b>	<b>5,137,417,778</b>	<b>2,375,295,971</b>	<b>5,038,269,260</b>	<b>2,578,639,644</b>	<b>5,051,164,327</b>	<b>2,322,151,316</b>	<b>4,957,827,539</b>
Impairment charge/(reversal) for loan and other losses	(249,499,264)	1,184,064,219	299,409,863	1,192,475,570	(249,499,264)	1,184,064,219	299,409,863	1,192,475,570
<b>Net operating income</b>	<b>2,872,892,720</b>	<b>3,953,353,559</b>	<b>2,075,886,108</b>	<b>3,845,793,690</b>	<b>2,828,138,908</b>	<b>3,867,100,108</b>	<b>2,022,741,453</b>	<b>3,765,351,969</b>
<b>Operating expense</b>								
Personnel expense	877,902,222	1,490,529,521	748,684,253	1,440,004,178	865,610,323	1,465,491,717	736,751,408	1,418,441,305
Other operating expense	329,508,446	631,680,100	299,384,654	593,623,738	325,911,743	623,521,650	293,857,224	583,191,163
Depreciation & Amortisation	63,323,867	127,482,351	57,929,399	110,849,826	60,831,272	122,522,900	55,730,657	106,452,064
<b>Operating Profit</b>	<b>1,602,158,186</b>	<b>1,703,661,587</b>	<b>969,887,803</b>	<b>1,701,315,948</b>	<b>1,575,785,570</b>	<b>1,655,563,841</b>	<b>936,402,165</b>	<b>1,657,267,436</b>
Non operating income	1,100,000	1,428,803	1,100,000	1,187,045	1,100,000	1,428,803	1,100,000	1,187,045
Non operating expense	4,920,018	14,599,016	-	-	4,920,018	14,599,016	-	-
<b>Profit before income tax</b>	<b>1,598,338,168</b>	<b>1,690,491,374</b>	<b>970,987,803</b>	<b>1,702,502,993</b>	<b>1,571,965,552</b>	<b>1,642,393,628</b>	<b>937,502,165</b>	<b>1,658,454,481</b>
<b>Income tax expense</b>								
Current Tax	485,917,756	520,000,487	284,598,387	510,469,250	478,005,971	505,571,164	274,552,696	497,254,696
Deferred Tax	-	-	-	-	-	-	-	-
<b>Profit for the period</b>	<b>1,112,420,412</b>	<b>1,170,490,887</b>	<b>686,389,416</b>	<b>1,192,033,743</b>	<b>1,093,959,580</b>	<b>1,136,822,465</b>	<b>662,949,469</b>	<b>1,161,199,785</b>
<b>Condensed Consolidated Statement of Comprehensive Income</b>								
Profit or loss for the period	1,112,420,412	1,170,490,887	686,389,416	1,192,033,743	1,093,959,580	1,136,822,465	662,949,469	1,161,199,785
Other Comprehensive Income	214,582,550	(97,684,426)	557,939,364	344,947,278	222,527,629	(89,739,348)	557,939,364	344,947,278
<b>Total Comprehensive Income</b>	<b>1,327,002,962</b>	<b>1,072,806,460</b>	<b>1,244,328,780</b>	<b>1,536,981,021</b>	<b>1,316,487,209</b>	<b>1,047,083,116</b>	<b>1,220,888,833</b>	<b>1,506,147,063</b>
Basic earnings per share	32.23	16.48	19.87	16.75	31.84	16.18	19.52	16.53
Diluted earnings per share	32.23	16.48	19.87	16.75	31.84	16.18	19.52	16.53
<b>Profit attributable to:</b>								
Equity holders of the Bank	1,321,850,243	1,060,202,022	1,232,843,206	1,521,872,382	1,316,487,209	1,047,083,116	1,220,888,833	1,506,147,063
Non-Controlling Interest	5,152,719	12,604,439	11,485,574	15,108,639	-	-	-	-
<b>Total</b>	<b>1,327,002,962</b>	<b>1,072,806,460</b>	<b>1,244,328,780</b>	<b>1,536,981,021</b>	<b>1,316,487,209</b>	<b>1,047,083,116</b>	<b>1,220,888,833</b>	<b>1,506,147,063</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	11.69%	11.69%	12.33%	12.33%	11.68%	11.68%	12.33%	12.33%
Non-Performing Loan (NPL) to Total Loan	2.56%	2.56%	2.87%	2.87%	2.56%	2.56%	2.87%	2.87%
Total loan loss provision to Total NPL	120.78%	120.78%	93.96%	93.96%	120.78%	120.78%	93.96%	93.96%
Cost of Funds	7.27%	7.27%	8.70%	8.70%	7.27%	7.27%	8.70%	8.70%
Credit to Deposit Ratio	81.77%	81.77%	83.30%	83.30%	81.77%	81.77%	83.30%	83.30%
Base Rate	9.28%	9.28%	10.91%	10.91%	9.28%	9.28%	10.91%	10.91%
Interest Rate Spread	3.99%	3.99%	4.22%	4.22%	3.99%	3.99%	4.22%	4.22%
Return on Equity (Annualized)	17.60%	9.06%	12.34%	10.41%	17.57%	8.93%	12.33%	10.44%
Return on Assets (Annualized)	1.59%	0.82%	1.07%	0.90%	1.56%	0.80%	1.05%	0.89%

#### Notes:

- The above figures are subject to change as per the direction of the regulators and/or statutory auditor.
- The figures for 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 carve out issued by The Institute of Chartered Accountants of Nepal regarding Para 5.5-Impairment.
- Provision for Gratuity and Leave encashment have been provided for as per estimated actuarial valuation and hence actuarial gain/loss has not been separately disclosed. The provision created and expense booked might vary if actuarial valuation is conducted by a certified actuary.
- Average base rate of preceding three months of the Bank as of Poush 2080 is 9.41%.
- The Bank has deposited Rs. 218 million in accordance with the provision of section 27 of Finance Act 2080 related to income tax liability arising from bargain purchase gain from merger of the entities and this has been presented under advance tax till the receipt of full text of Supreme Court's decision so as to have clarity on the tax treatment.
- 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

Particulars	Bank	
	Current Year (Upto this Qtr YTD)	Previous Year (Upto this Qtr YTD)
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>1,136,822,465</b>	<b>1,161,199,785</b>
<b>Appropriations:</b>		
a. General reserve	(227,364,493)	(232,239,957)
b. Foreign exchange fluctuation fund	(5,002,875)	(6,525,624)
c. Capital redemption reserve	(730,213,250)	(730,213,250)
d. Corporate social responsibility fund	(11,368,225)	(11,611,998)
e. Employees' training fund	-	-
f. Other	-	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>162,873,622</b>	<b>180,608,956</b>
<b>Regulatory adjustments:</b>		
a. Interest receivable (-)/previous accrued interest received (+)	(540,727,830)	(292,410,619)
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 (+)	2,895,322	(3,547,418)
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	-	-
<b>Net Profit for the quarter ended Poush 2080 available for distribution</b>	<b>(374,958,887)</b>	<b>(115,349,081)</b>
<b>Opening Retained Earning as on Shrawan 1, 2080</b>	<b>663,610,438</b>	<b>1,359,868,480</b>
<b>Adjustment (+/-)</b>	<b>-</b>	<b>-</b>
<b>Distribution:</b>		
Bonus shares issued	-	(1,065,553,357)
Cash dividend paid	(593,188,166)	(82,397,545)
<b>Total Distributable profit or (loss) as on Poush 29, 2080</b>	<b>(304,536,614)</b>	<b>96,568,499</b>
Annualized Distributable Profit/Loss per share	-	0.69

#### Notes:

- Since distributable profit till current quarter is negative, annualized distributable profit per share has been presented as nil.

### 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 and Treasury. Treasury Department acts as the fund manager of the Bank.

Particulars	Payment Solution		Remittance		Treasury		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
Revenues from external customers	321,763,507	266,974,566	33,497,454	40,209,044	2,249,220,462	1,891,570,257	12,085,478,382	12,326,860,840	14,689,959,804	14,525,614,707
Intersegment revenues	9,493,020	3,087,769	176,748,329	129,593,554	61,318,434	81,790,232	4,985,046,461	5,251,895,356	5,232,606,245	5,466,