

Siddhartha Bank Limited  
Unaudited Financial Results  
(3<sup>rd</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                           | 10,290,734,500         | 11,571,313,935                           | 10,388,646,542         | 11,554,080,479                           |
| Due from Nepal Rastra Bank                         | 9,509,388,237          | 9,000,713,492                            | 9,509,388,237          | 9,000,713,492                            |
| Placements with Bank and Financial Institutions    | 5,708,469,551          | 5,011,346,934                            | 5,708,469,551          | 5,011,346,934                            |
| Derivative financial instruments                   | 7,802,631              | 17,320,155                               | 7,802,631              | 17,320,155                               |
| Other trading assets                               | 106,598,775            | 109,407,897                              | -                      | -  |
| Loans and advances to B/FIs                        | 5,352,430,275          | 5,170,773,907                            | 5,352,430,275          | 5,170,773,907                            |
| Loans and advances to customers                    | 193,031,312,985        | 184,019,363,443                          | 193,018,987,215        | 184,009,571,040                          |
| Investment securities                              | 55,254,302,486         | 62,728,867,192                           | 54,806,790,267         | 62,480,476,034                           |
| Current tax assets                                 | 930,361,669            | 267,328,784                              | 928,598,607            | 263,764,947                              |
| Investment in subsidiaries                         | -                      | -  | 51,000,000             | -  |
| Investment in associates                           | -                      | -  | -                      | -  |
| Investment property                                | 695,097,285            | 654,537,489                              | 695,097,285            | 654,537,489                              |
| Property and equipment                             | 3,501,494,515          | 3,579,515,879                            | 3,475,099,000          | 3,548,089,446                            |
| Goodwill and Intangible assets                     | 150,327,298            | 167,612,308                              | 148,903,291            | 166,000,283                              |
| Deferred tax assets                                | -                      | -  | -                      | -  |
| Other assets                                       | 4,663,593,390          | 4,073,870,027                            | 4,638,154,707          | 4,050,241,119                            |
| <b>Total Assets</b>                                | <b>289,201,913,594</b> | <b>286,371,971,442</b>                   | <b>288,729,367,606</b> | <b>285,977,915,326</b>                   |
| <b>Liabilities</b>                                 |                        |  |                        |  |
| Due to Bank and Financial Institutions             | 10,335,683,974         | 11,613,657,572                           | 10,335,683,974         | 11,613,657,572                           |
| Due to Nepal Rastra Bank                           | 391,922,787            | 288,453,474                              | 391,922,787            | 288,453,474                              |
| Derivative financial instruments                   | 8,846,745              | 23,887,253                               | 8,846,745              | 23,887,253                               |
| Deposits from customers                            | 226,372,140,526        | 223,307,001,273                          | 226,667,382,465        | 223,654,669,691                          |
| Borrowing  | 7,603,013,091          | 7,312,480,160                            | 7,603,013,091          | 7,312,480,160                            |
| Current Tax Liabilities                            | -                      | -  | -                      | -  |
| Provisions   | -                      | -  | -                      | -  |
| Deferred tax liabilities                           | 420,116,638            | 489,092,725                              | 435,961,886            | 501,929,292                              |
| Other liabilities                                  | 5,798,115,250          | 5,968,405,789                            | 5,400,594,518          | 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>262,592,398,010</b> | <b>260,665,537,246</b>                   | <b>262,505,964,466</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                                  | (184,534,249)          | 756,129,848                              | (271,202,749)          | 663,610,438                              |
| Reserves   | 12,489,884,546         | 10,639,410,976                           | 12,404,625,699         | 10,553,000,339                           |
| <b>Total equity attributable to equity holders</b> | <b>26,395,330,486</b>  | <b>25,485,521,014</b>                    | <b>26,223,403,140</b>  | <b>25,306,590,967</b>                    |
| Non-controlling interest                           | 214,185,097            | 220,913,182                              | -                      | -  |
| <b>Total equity</b>                                | <b>26,609,515,584</b>  | <b>25,706,434,196</b>                    | <b>26,223,403,140</b>  | <b>25,306,590,967</b>                    |
| <b>Total liabilities and equity</b>                | <b>289,201,913,594</b> | <b>286,371,971,442</b>                   | <b>288,729,367,606</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   | 6,041,078,210        | 19,583,921,071           | 6,893,030,477               | 20,337,727,672           | 6,036,010,513        | 19,568,670,984           | 6,883,368,818               | 20,305,997,159           |
| Interest expense  | 4,123,856,540        | 13,546,600,433           | 4,822,976,455               | 14,222,092,537           | 4,126,486,407        | 13,555,288,369           | 4,825,085,050               | 14,229,839,242           |
| <b>Net interest income</b>                                      | <b>1,917,221,670</b> | <b>6,037,320,638</b>     | <b>2,070,054,022</b>        | <b>6,115,635,135</b>     | <b>1,909,524,106</b> | <b>6,013,382,615</b>     | <b>2,058,283,769</b>        | <b>6,076,157,917</b>     |
| Fees and commission income                                      | 506,144,055          | 1,463,393,157            | 478,493,967                 | 1,306,849,024            | 469,844,841          | 1,335,671,765            | 446,127,802                 | 1,220,785,224            |
| Fees and commission expense                                     | 101,375,027          | 326,791,606              | 84,620,714                  | 262,071,606              | 95,222,902           | 303,787,614              | 78,711,287                  | 240,557,217              |
| <b>Net fee and commission income</b>                            | <b>404,769,028</b>   | <b>1,136,601,551</b>     | <b>393,873,253</b>          | <b>1,044,777,418</b>     | <b>374,621,939</b>   | <b>1,031,884,151</b>     | <b>367,416,515</b>          | <b>980,228,006</b>       |
| <b>Net interest, fee and commission income</b>                  | <b>2,321,990,698</b> | <b>7,173,922,189</b>     | <b>2,463,927,275</b>        | <b>7,160,412,553</b>     | <b>2,284,146,045</b> | <b>7,045,266,766</b>     | <b>2,425,700,284</b>        | <b>7,056,385,923</b>     |
| Net trading income  | 53,281,959           | 173,084,226              | 3,878,595                   | 131,074,731              | 58,936,673           | 185,169,320              | 21,293,503                  | 145,234,310              |
| Other operating income  | 95,921,256           | 261,605,276              | 87,003,586                  | 301,591,431              | 94,731,765           | 258,542,724              | 84,028,859                  | 287,229,951              |
| <b>Total operating income</b>                                   | <b>2,471,193,912</b> | <b>7,608,611,690</b>     | <b>2,554,809,456</b>        | <b>7,593,078,716</b>     | <b>2,437,814,484</b> | <b>7,488,978,810</b>     | <b>2,531,022,646</b>        | <b>7,488,850,185</b>     |
| Impairment charge/(reversal) for loan and other losses          | 525,856,616          | 1,709,920,835            | 969,616,254                 | 2,162,091,824            | 525,856,616          | 1,709,920,835            | 969,616,254                 | 2,162,091,824            |
| <b>Net operating income</b>                                     | <b>1,945,337,296</b> | <b>5,898,690,855</b>     | <b>1,585,193,201</b>        | <b>5,430,986,891</b>     | <b>1,911,957,867</b> | <b>5,779,057,975</b>     | <b>1,561,406,392</b>        | <b>5,326,758,360</b>     |
| <b>Operating expense</b>  |                      |                          |                             |                          |                      |                          |                             |                          |
| Personnel expense   | 751,058,357          | 2,241,587,878            | 730,421,481                 | 2,170,425,660            | 739,516,327          | 2,205,008,044            | 720,685,724                 | 2,139,127,029            |
| Other operating expense   | 325,742,582          | 957,422,682              | 308,942,697                 | 902,566,435              | 320,171,351          | 943,693,001              | 304,283,850                 | 887,475,014              |
| Depreciation & Amortisation                                     | 64,387,187           | 191,869,538              | 58,154,075                  | 169,003,901              | 61,865,372           | 184,388,272              | 55,953,589                  | 162,405,653              |
| <b>Operating Profit</b>   | <b>804,149,170</b>   | <b>2,507,810,757</b>     | <b>487,674,949</b>          | <b>2,188,990,896</b>     | <b>790,404,816</b>   | <b>2,445,968,658</b>     | <b>480,483,228</b>          | <b>2,137,750,665</b>     |
| Non operating income  | -                    | 1,428,803                | 93,587                      | 1,280,632                | -                    | 1,428,803                | 93,587                      | 1,280,632                |
| Non operating expense   | 4,567,882            | 19,166,898               | 1,551,732                   | 1,551,732                | 4,567,882            | 19,166,898               | 1,551,732                   | 1,551,732                |
| <b>Profit before income tax</b>                                 | <b>799,581,288</b>   | <b>2,490,072,662</b>     | <b>486,216,803</b>          | <b>2,188,719,796</b>     | <b>785,836,934</b>   | <b>2,428,230,562</b>     | <b>479,025,083</b>          | <b>2,137,479,564</b>     |
| <b>Income tax expense</b>                                       |                      |                          |                             |                          |                      |                          |                             |                          |
| Current Tax   | 242,691,976          | 762,692,463              | 152,857,723                 | 663,326,973              | 238,568,669          | 744,139,833              | 150,123,830                 | 647,378,527              |
| Deferred Tax  | -                    | -                        | -                           | -                        | -                    | -                        | -                           | -                        |
| <b>Profit for the period</b>                                    | <b>556,889,312</b>   | <b>1,727,380,199</b>     | <b>333,359,080</b>          | <b>1,525,392,823</b>     | <b>547,268,265</b>   | <b>1,684,090,729</b>     | <b>328,901,252</b>          | <b>1,490,101,037</b>     |
| <b>Condensed Consolidated Statement of Comprehensive Income</b> |                      |                          |                             |                          |                      |                          |                             |                          |
| Profit or loss for the period                                   | 556,889,312          | 1,727,380,199            | 333,359,080                 | 1,525,392,823            | 547,268,265          | 1,684,090,729            | 328,901,252                 | 1,490,101,037            |
| Other Comprehensive Income                                      | (73,047,154)         | (170,731,581)            | (329,805,772)               | 15,141,506               | (73,971,978)         | (163,711,327)            | (329,805,772)               | 15,141,506               |
| <b>Total Comprehensive Income</b>                               | <b>483,842,158</b>   | <b>1,556,648,618</b>     | <b>3,553,308</b>            | <b>1,540,534,329</b>     | <b>473,296,286</b>   | <b>1,520,379,403</b>     | <b>(904,519)</b>            | <b>1,505,242,544</b>     |
| Basic earnings per share  | 16.06                | 16.34                    | 9.64                        | 14.42                    | 15.93                | 16.10                    | 9.57                        | 14.24                    |
| Diluted earnings per share                                      | 16.06                | 16.34                    | 9.64                        | 14.42                    | 15.93                | 16.10                    | 9.57                        | 14.24                    |
| <b>Profit attributable to:</b>                                  |                      |                          |                             |                          |                      |                          |                             |                          |
| Equity holders of the Bank                                      | 478,674,681          | 1,538,876,703            | 1,368,973                   | 1,523,241,354            | 473,296,286          | 1,520,379,403            | (904,519)                   | 1,505,242,544            |
| Non-Controlling Interest  | 5,167,477            | 17,771,916               | 2,184,335                   | 17,292,975               | -                    | -                        | -                           | -                        |
| <b>Total</b>  | <b>483,842,158</b>   | <b>1,556,648,618</b>     | <b>3,553,308</b>            | <b>1,540,534,329</b>     | <b>473,296,286</b>   | <b>1,520,379,403</b>     | <b>(904,519)</b>            | <b>1,505,242,544</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                     | 11.74%       | 11.74%                   | 12.03%                      | 12.03%                   | 11.73%       | 11.73%                   | 12.02%                      | 12.02%                   |
| Non-Performing Loan (NPL) to Total Loan | 2.52%        | 2.52%                    | 3.95%                       | 3.95%                    | 2.52%        | 2.52%                    | 3.95%                       | 3.95%                    |
| Total loan loss provision to Total NPL  | 131.85%      | 131.85%                  | 79.39%                      | 79.39%                   | 131.85%      | 131.85%                  | 79.39%                      | 79.39%                   |
| Cost of Funds                           | 6.40%        | 6.40%                    | 8.36%                       | 8.36%                    | 6.40%        | 6.40%                    | 8.36%                       | 8.36%                    |
| Credit to Deposit Ratio                 | 82.00%       | 82.00%                   | 80.41%                      | 80.41%                   | 82.00%       | 82.00%                   | 80.41%                      | 80.41%                   |
| Base Rate (Monthly)                     | 8.46%        | 8.46%                    | 10.45%                      | 10.45%                   | 8.46%        | 8.46%                    | 10.45%                      | 10.45%                   |
| Interest Rate Spread                    | 3.99%        | 3.99%                    | 4.18%                       | 4.18%                    | 3.99%        | 3.99%                    | 4.18%                       | 4.18%                    |
| Return on Equity (Annualized)           | 8.73%        | 8.89%                    | 5.99%                       | 8.96%                    | 8.71%        | 8.80%                    | 6.05%                       | 9.00%                    |
| Return on Assets (Annualized)           | 0.79%        | 0.81%                    | 0.50%                       | 0.75%                    | 0.78%        | 0.79%                    | 0.50%                       | 0.75%                    |

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 Chaitra 2080 is 8.71%.
- The Bank has deposited NPR 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 share premium collected from auction of right shares. The deposited amount 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>1,684,090,729</b>             | <b>1,490,101,037</b>              |
| <b>Appropriations:</b>  |                                  |                                   |
| a. General reserve  | (334,860,670)                    | (298,020,207)                     |
| b. Foreign exchange fluctuation fund  | (13,928,116)                     | (20,558,010)                      |
| c. Capital redemption reserve   | (1,095,319,875)                  | (1,095,319,875)                   |
| d. Corporate social responsibility fund   | (16,840,907)                     | (14,901,010)                      |
| e. Employees' training fund   | -                                | -                                 |
| f. Other  | -                                | -                                 |
| i) Transfer of realised loss up to FY 2079-80 on maturity of mutual fund measured at fair value through OCI     | (9,787,380)                      | -                                 |
| <b>Profit or (loss) before regulatory adjustment</b>  | <b>213,353,781</b>               | <b>61,301,935</b>                 |
| <b>Regulatory adjustments:</b>  |                                  |                                   |
| a. Interest receivable (-)/previous accrued interest received (+)   | (529,426,131)                    | (667,135,361)                     |
| 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 (+)   | (25,552,671)                     | (62,725,170)                      |
| 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 Chaitra 2080 available for distribution</b>                                 | <b>(341,625,021)</b>             | <b>(668,558,597)</b>              |
| <b>Opening Retained Earning as on Shrawan 1, 2080</b>   | <b>663,610,438</b>               | <b>1,359,868,480</b>              |
| Adjustment (+/-)  | -                                | -                                 |
| <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 Chaitra 30, 2080</b>  | <b>(271,202,749)</b>             | <b>(456,641,019)</b>              |
| Annualized Distributable Profit/Loss per share  | -                                | -                                 |
| <b>Notes:</b>   |                                  |                                   |
| 1. Since distributable profit 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 | 498,201,047      | 413,939,201                         | 53,643,127      | 63,157,545                          | 3,243,021,380   | 2,879,014,261                       | 17,554,618,043  | 18,604,416,269                      | 21,349,483,597  | 21,960,527,276                      |
| Intersegment revenues            | 13,231,282       | 6,189,143                           | 264,914,753     | 211,410,305                         | 111,342,392     | 128,735,189                         | 7,254,703,774   | 8,212,506,675                       | 7,644,192,200   | 8,558,841,312                       |