Siddhartha Bank Limited

262,505,964,466

14,089,980,190

(271,202,749

26,223,403,140

26,223,403,140

Unaudited Financial Results

(3rd Quarter of Fiscal Year 2080/81)

Condensed Consolidated Statement of Financial Position Amount in NPR Immediate Previous Immediate Previous This Quarter Ending Year Ending (Audited) Assets Cash and cash equivalent 10,388,646,542 9,509,388,237 11,554,080,479 10,290,734,500 11,571,313,935 Due from Nepal Rastra Banl 9,509,388,23 9,000,713,492 9,000,713,492 5,011,346,934 Placements with Bank and Financial Institutions 5,011,346,93 7,802,63 17,320,155 7,802,63 106,598,775 109,407,897 Other trading assets Loans and advances to B/FIs 5,352,430,27 5,352,430,27 5,170,773,907 193,018,987,215 184,019,363,44 Loans and advances to customers Investment securities 55,254,302,480 62,728,867,19 54,806,790,267 62,480,476,034 Current tax assets 930,361,669 267,328,784 928,598,60 Investment in subsidiaries 51,000,00 51,000,000 Investment in associates 695,097,285 654,537,489 695,097,28 654,537,489 Investment property 3,501,494,515 3,579,515,87 3,475,099,000 3,548,089,446 Property and equipmen Goodwill and Intangible asse 148,903,29 166,000,283 Deferred tax assets 4,638,154,70 Other assets **Total Assets** 289,201,913,594 286,371,971,442 288,729,367,606 285,977,915,326 Liabilities 10.335.683.974 11.613.657.572 Due to Bank and Financial Institutions 11,613,657,572 10,335,683,974 288,453,474 Due to Nepal Rastra Bank 391,922,78 288,453,47 391,922,78 8,846,745 23,887,25 Deposits from customers 226,372,140,526 223,307,001,27 226,667,382,465 223,654,669,691 Borrowing 7,603,013,09 7,312,480,16 7,603,013,093 7,312,480,160 Current Tax Liabilities Deferred tax liabilities 420,116,638 435,961,886 501,929,292 489,092,72 Other liabilities 5,798,115,250 5,613,687,917 5,968,405,78 5,400,594,51

Condensed Consolidated Statement of Profit or Loss

260,665,537,246

14,089,980,190

756,129,84

25,485,521,014

262,592,398,010

14,089,980,190

(184,534,249)

26,395,330,486

	Co	ondensed Co	onsolidated	Statement	of Profit or	LOSS		Amount in NPR	
		Gro	ир		Bank				
Particulars	Curren	t 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)	2.
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	ĺ
Net interest income	1,917,221,670	6,037,320,638	2,070,054,022	6,115,635,135	1,909,524,106	6,013,382,615	2,058,283,769	6,076,157,917	l
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	
Net fee and commission income	404,769,028	1,136,601,551	393,873,253	1,044,777,418	374,621,939	1,031,884,151	367,416,515	980,228,006	
Net interest, fee and commission income	2,321,990,698	7,173,922,189	2,463,927,275	7,160,412,553	2,284,146,045	7,045,266,766	2,425,700,284	7,056,385,923	
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	
Total operating income	2,471,193,912	7,608,611,690	2,554,809,456	7,593,078,716	2,437,814,484	7,488,978,810	2,531,022,646	7,488,850,185	
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	3.
Net operating income	1,945,337,296	5,898,690,855	1,585,193,201	5,430,986,891	1,911,957,867	5,779,057,975	1,561,406,392	5,326,758,360	
Operating expense									
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	j
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	j
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	j
Operating Profit	804,149,170	2,507,810,757	487,674,949	2,188,990,896	790,404,816	2,445,968,658	480,483,228	2,137,750,665	
Non operating income	-	1,428,803	93,587	1,280,632	-	1,428,803	93,587	1,280,632	1
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	1
Profit before income tax	799,581,288	2,490,072,662	486,216,803	2,188,719,796	785,836,934	2,428,230,562	479,025,083	2,137,479,564	
Income tax expense									4.
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	-	-	-	-	-	-	-	-	1
Profit 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	
Condensed Consolidated Stateme									
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	1
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	1
Total Comprehensive Income	483,842,158	1,556,648,618	3,553,308	1,540,534,329	473,296,286	1,520,379,403	(904,519)	1,505,242,544	
Basic earnings per share	16.06	16.34	9.64	14.42	15.93	16.10	9.57	14.24	1
Diluted earnings per share	16.06	16.34	9.64	14.42	15.93	16.10	9.57	14.24	1
Profit attributable to:									1
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	1

3,553,308 1,540,534,329 **Ratios as per NRB Directives**

473,296,286

1,520,379,403

(271,202,749)

		Gro	ир		Bank			
Particulars	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
Farticulars	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:

Debt securities issued

Subordinated Liabilities

Total liabilities

Share premium

Retained earnings

Non-controlling interest **Total equity**

Total liabilities and equity

Total equity attributable to equity holders

Equity

- 1. The above figures are subject to change as per the direction of the regulators and/or statutory auditor 2. The figures for 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

483,842,158

1,556,648,618

- 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. Average base rate of preceeding three months of the Bank as of Chaitra 2080 is 8.71%
- 6. 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
- 7. 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.

8. Detailed interim report has been published in Bank's website (www.siddharthabank.com). **Statement of Distributable Profit**

Amount in NPR

(456,641,019)

1,505,242,544

(904,519)

	Bar	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	1,684,090,729	1,490,101,037				
Appropriations:						
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						
Transfer of realised loss up to FY 2079-80 on maturity of mutual fund measured at fair value through OCI	(9,787,380)	-				
Profit or (loss) before regulatory adjustment	213,353,781	61,301,935				
Regulatory adjustments:						
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	-	-				
Net Profit for the quarter ended Chaitra 2080 available for distribution	(341,625,021)	(668,558,597)				
Opening Retained Earning as on Shrawan 1, 2080	663,610,438	1,359,868,480				
Adjustment (+/-)	-	-				
Distribution:						
Bonus shares issued	-	(1,065,553,357)				
Cash dividend paid	(593.188.166)	(82,397,545)				

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

	Payment Solution		Remittance		Treasury		Banking		Total	
Particulars	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
Segment Profit (loss) before tax	190,770,023	86,457,011	61,433,837	44,049,693	1,314,876,002	1,099,054,419	861,150,699	907,918,440	2,428,230,562	2,137,479,564
Segment assets	771,025,775	557,911,572	4,082,734,386	3,321,211,620	18,240,779,262	19,036,566,119	265,634,828,182	250,916,080,715	288,729,367,606	273,831,770,025
Segment liabilities	580,255,752	471,454,561	4,021,300,549	3,277,161,926	16,925,903,259	17,937,511,700	267,201,908,045	252,145,641,838	288,729,367,606	273,831,770,025

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

14,089,980,190

25,306,590,967

285,977,915,326

663,610,438

260,671,324,359

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 NPR 295.24 million of SCL as at 12 April 2024 (Chaitra end 2080).
- Till the end of 3rd quarter of FY 2080/81, SCL earned interest income of NPR 10.32 million and NPR 0.50 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

Earnings Per Share	NPR 16.10	
Price Earnings Ratio (P/E Ratio)	13.91	
Net Worth Per Share	NPR 186.11	
Total Assets Value Per Share	NPR 2,049.18	
Liquidity Ratio	26.59%	

Management Analysis

- a) There has been positive changes in reserves, income and liquidity position of the Bank.
- The Bank has formulated its strategy comprising long term as well as short-term plans focusing on sustained growth through customer service excellence and digital first approach
- c) The Bank has been reengineering its processes to attain optimal efficiency.
- d) The Bank has continued to invest in IT infrastructure for digitization, automated work flows and enhanced security
- mechanism so as to strengthen its digital offerings to customers. The Bank has been utilizing its capital to the optimum level.
- Sluggishness in economic activities has hampered loan recovery efforts and led to a rise in non-performing assets of the Bank

Details regarding legal actions

- a) Case filed by or to organized institution during the quarter:
 - There are normal business related legal issues which don't have significant 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

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
- Maximum, minimum and last share price of the organized institution including total transaction and transacted days during the quarter

Maximum Price	NPR 260.20
Minimum Price	NPR 212.20
Closing Price	NPR 224
Total Traded Shares	1,857,248
Total Transaction No.	7,898
Total Traded Days	58 Days

5. Problems and Challenges

Internal

- a) Retention of skilled human resources due to growing trend of moving abroad
- b) Increased cost of doing business.
- c) Challenges in increment of fees based revenue.
- d) Challenges in recovery of loans and maintaining assets quality.

- a) Changes in unpredictable laws, policies and regulations.
- Competition among banks and financial institutions
- c) Sluggishness in economic activities.
- d) Limited scope of avenues for investment and return.
- e) Increasing trend of cyber frauds and operational risks.
- f) Current international conflicts affecting economy of the country.

Strategies to overcome challenges

- a) Economies in business through digitization and continuous process reengineering.
- b) Enhancing security mechanism by strengthening IT Infrastructures.
- c) Strengthening focus on recovery for improving assets quality.
- d) Better focus on low capital charge consuming portfolio
- e) Research and development of new products/ services and revising existing ones.
- Explore new avenues of revenue generation.
- g) Building performance culture for growth and instill employee values.
- h) Enhancement of customer experience by offering diverse products and services digitally.

6. Corporate Governance

- · Corporate governance is a critical aspect of the Bank's operations and the Bank's governance framework is of paramount importance, in the face of numerous operational and market challenges
- Strategic leadership, stringent oversight and compliance based controls are crucial in ensuring sustainable growth of
- Board of Directors and Board Level Committees along with Management Team are committed to uphold good corporate governance practices which are in line with regulatory requirements and best practices. The Board is responsible for formulating robust risk management policy and overseeing the Bank's risk management
- and internal control frameworks. Risk Management Committee and Audit Committee assist the Board in fulfilling its risk management and internal control
- Executive Committee, Management Credit Committee, Asset Liability Management 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.

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



Total Distributable profit or (loss) as on Chaitra 30, 2080

Annualized Distributable Profit/Loss per share