

Siddhartha Bank Limited

Unaudited Financial Results

(4th Quarter of Fiscal Year 2081/82)

Condensed Consolidated Statement of Financial Position

Amount in NPR

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), International Remittance Business and Treasury. Treasury Department acts as the fund manager of the Bank.

Particulars	International Remittance Business		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
Revenues from external customers	76,113,985	78,075,822	4,257,835,512	4,192,208,046	21,167,126,569	23,893,294,564	25,501,076,066	28,163,578,432
Intersegment revenues	326,903,917	355,602,855	126,242,083	147,861,004	7,978,014,219	9,669,970,019	8,431,160,219	10,173,433,878
Segment Profit (loss) before tax	102,616,129	94,897,612	2,291,815,000	2,049,789,384	2,642,657,262	2,331,078,964	5,037,088,391	4,475,765,960
Segment assets	5,435,965,723	4,142,780,045	5,609,561,492	5,236,820,115	327,734,636,838	287,961,817,346	338,780,164,055	297,341,417,507
Segment liabilities	5,333,349,594	4,142,780,045	2,839,502,787	5,184,574,462	330,607,311,673	288,014,062,999	338,780,164,055	297,341,417,507

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 deposits of NPR 316.85 million of SCL as at 16 July 2025 (Ashadh end 2082).
 - Till the end of 4th quarter of FY 2081/82, SCL earned interest income of NPR 5.20 million and NPR 0.30 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 24.10
Price Earnings Ratio (P/E Ratio)	15.93
Net Worth Per Share	NPR 219.97
Total Assets Value Per Share	NPR 2,404.4
Liquidity Ratio	34.01%

2. **Management Analysis**
- a) There is positive changes in reserves, income and overall liquidity position.

b) A comprehensive strategy encompassing both long-term and short-term plans has been formulated with an emphasis on sustainable growth driven by customer service excellence and a digital-first approach.

c) The Bank is actively reengineering its internal processes to enhance operational efficiency and productivity.

d) Continued investment in IT infrastructure has supported the Bank's focus on digitization, automated workflows, and robust security frameworks to strengthen its digital service offerings.

e) The Bank has been optimizing the utilization of the capital.

f) However, sluggish economic activity has impacted loan recovery efforts, resulting in an increase in non-performing assets (NPAs).
3. **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.
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.

Maximum Price	NPR 403
Minimum Price	NPR 261
Closing Price	NPR 383.77
Total Traded Shares	76,78,713
Total Transaction No.	16,079
Total Traded Days	63 Days

5. **Problems and Challenges**
- Internal**

a) Retaining skilled human resources amid the increasing trend of emigration.

b) Increased cost of doing business.

c) Difficulties in increasing fees-based revenue.

d) Loan recovery remains challenging affecting the maintenance of overall assets quality.

e) Stress in capital adequacy.

External

a) Unpredictable changes in laws, policies and regulations.

b) Competition among banks and financial institutions.

c) Sluggish economic activities.

d) Investment opportunities remain limited, resulting in relatively low returns.

e) Growing incidence of cyber frauds and operational risks.

f) International conflicts and global uncertainties impacting the national economy.
- Strategies to overcome challenges
- a) Achieving cost efficiency and scale through digitization and continuous process reengineering.

b) Strengthening IT Infrastructures and security systems to enhance cyber resilience.

c) Intensifying efforts in credit recovery to improve asset quality.

d) Prioritizing lending to portfolios with lower capital charge.

e) Conducting market research and innovating new products/ services while refining existing ones.

f) Exploring new avenues for revenue generation.

g) Promoting performance driven culture and instilling core values in employees.

h) Enhancing customer experience through a comprehensive suite of digital products/ services.
6. **Corporate Governance**

- Corporate governance is a critical aspect of the Bank's operations, with its governance framework being crucial in navigating numerous operational and market challenges.
 - Strategic leadership, rigorous oversight and compliance-based controls are essential for the Bank's sustainable growth.
 - The Board of Directors, along with Board Level Committees and Management Team, are committed to upholding exemplary corporate governance practices that align with regulatory requirements and industry best practices.
 - The Board is responsible for formulating a robust risk management policy and overseeing the Bank's risk management and internal control frameworks.
 - Risk Management Committee and Audit Committee support the Board in fulfilling its risk management and internal control responsibilities.
 - Committees such as Executive Committee, Management Credit Committee, Asset Liability Management Committee and Operation Risk Management Committee ensure the Bank's operations are effective and efficient.
 - Good corporate governance is integral to the Bank, safeguarding stakeholder's interest.
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.
- 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 | 5,546,953,716 | 22,324,860,014 | 6,151,330,017 | 25,735,251,088 | 5,545,712,983 | 22,312,191,826 | 6,147,357,000 | 25,716,027,983 |
| Interest expense | 3,439,483,676 | 13,868,450,418 | 4,228,190,016 | 17,774,790,449 | 3,441,997,328 | 13,872,271,708 | 4,230,669,644 | 17,785,958,012 |
| Net interest income | 2,107,470,039 | 8,456,409,596 | 1,923,140,001 | 7,960,460,639 | 2,103,715,655 | 8,439,920,119 | 1,916,687,356 | 7,930,069,971 |
| Fees and commission income | 588,070,249 | 2,296,048,061 | 503,263,287 | 1,966,656,444 | 545,343,612 | 2,097,288,147 | 479,717,041 | 1,815,388,806 |
| Fees and commission expense | 107,971,833 | 485,325,729 | 86,719,681 | 413,511,287 | 103,962,253 | 455,773,418 | 85,266,722 | 389,054,337 |
| Net fee and commission income | 480,098,416 | 1,810,722,332 | 416,543,606 | 1,553,145,157 | 441,381,359 | 1,641,514,729 | 394,450,318 | 1,426,334,469 |
| Net interest, fee and commission income | 2,587,568,455 | 10,267,131,928 | 2,339,683,607 | 9,513,605,795 | 2,545,097,014 | 10,081,434,848 | 2,311,137,674 | 9,356,404,440 |
| Net trading income | 243,601,636 | 438,679,367 | 69,707,584 | 242,791,810 | 229,552,705 | 424,180,147 | 54,675,273 | 239,844,593 |
| Other operating income | 222,335,953 | 663,126,395 | 110,260,195 | 371,865,471 | 222,885,592 | 651,225,371 | 122,509,678 | 381,052,402 |
| Total operating income | 3,053,506,044 | 11,368,937,690 | 2,519,651,387 | 10,128,263,077 | 2,997,535,311 | 11,156,840,365 | 2,488,322,625 | 9,977,301,435 |
| Impairment charge/(reversal) for loan and other losses | (901,093,547) | 1,315,361,418 | (658,797,695) | 1,051,123,141 | (901,093,547) | 1,315,361,418 | (658,797,695) | 1,051,123,141 |
| Net operating income | 3,954,599,591 | 10,053,576,271 | 3,178,449,081 | 9,077,139,936 | 3,898,628,858 | 9,841,478,947 | 3,147,120,320 | 8,926,178,295 |
| Operating expense | | | | | | | | |
| Personnel expense | 932,164,668 | 3,307,918,971 | 788,097,395 | 3,029,685,273 | 916,527,608 | 3,246,207,091 | 772,893,174 | 2,977,901,219 |
| Other operating expense | 45,434,232 | 1,097,280,742 | 46,651,783 | 1,004,074,465 | 36,704,142 | 1,065,580,229 | 41,935,183 | 985,628,185 |
| Depreciation & Amortisation | 305,841,415 | 511,202,642 | 296,339,824 | 488,209,362 | 302,834,724 | 499,833,902 | 293,761,308 | 478,149,579 |
| Operating Profit | 2,671,159,277 | 5,137,173,916 | 2,047,360,079 | 4,555,170,837 | 2,642,562,384 | 5,029,857,726 | 2,038,530,655 | 4,484,499,312 |
| Non operating profit | 6,238,773 | 16,250,067 | 9,835,844 | 11,264,646 | 6,193,114 | 16,190,574 | 9,835,844 | 11,264,646 |
| Non operating expense | 1,973,954 | 8,959,909 | 831,100 | 19,997,998 | 1,973,954 | 8,959,909 | 831,100 | 19,997,998 |
| Profit before income tax | 2,675,424,095 | 5,144,464,074 | 2,056,364,823 | 4,546,437,485 | 2,646,781,544 | 5,037,088,391 | 2,047,535,398 | 4,475,765,961 |
| Income tax expense | | | | | | | | |
| Current Tax | 951,689,638 | 1,705,005,946 | 692,725,722 | 1,455,418,185 | 943,096,873 | 1,665,143,241 | 684,359,645 | 1,428,499,479 |
| Deferred Tax | (23,340,575) | (23,340,575) | (31,261,794) | (31,261,794) | (23,340,575) | (23,340,575) | (32,762,202) | (32,762,202) |
| Profit for the period | 1,747,075,032 | 3,462,798,704 | 1,394,900,894 | 3,122,281,093 | 1,727,025,246 | 3,395,285,726 | 1,395,937,954 | 3,080,028,684 |
| Condensed Consolidated Statement of Comprehensive Income | | | | | | | | |
| Profit or loss for the period | 1,747,075,032 | 3,462,798,704 | 1,394,900,894 | 3,122,281,093 | 1,727,025,246 | 3,395,285,726 | 1,395,937,954 | 3,080,028,684 |
| Other Comprehensive Income | 35,218,801 | 97,299,989 | 659,758,285 | 489,026,704 | 33,789,528 | 93,138,281 | 656,353,252 | 492,641,925 |
| Total Comprehensive Income | 1,782,293,833 | 3,560,098,693 | 2,054,659,179 | 3,611,307,797 | 1,760,814,774 | 3,488,424,007 | 2,052,291,206 | 3,572,670,608 |
| Basic earnings per share | 47.86 | 24.24 | 38.41 | 21.93 | 47.59 | 24.10 | 38.47 | 21.86 |
| Diluted earnings per share | 47.86 | 24.24 | 38.41 | 21.93 | 47.59 | 24.10 | 38.47 | 21.86 |
| Profit attributable to: | | | | | | | | |
| Equity holders of the Bank | 1,771,769,094 | 3,512,483,096 | 2,053,498,873 | 3,592,375,575 | 1,760,814,774 | 3,488,424,007 | 2,052,291,206 | 3,572,670,608 |
| Non-Controlling Interest | 10,524,739 | 47,615,596 | 1,160,307 | 18,932,223 | - | - | - | - |
| Total | 1,782,293,833 | 3,560,098,693 | 2,054,659,179 | 3,611,307,797 | 1,760,814,774 | 3,488,424,007 | 2,052,291,206 | 3,572,670,608 |
- 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 | 11.78% | 11.78% | 11.90% | 11.90% | 11.77% | 11.77% | 11.88% | 11.88% |
| Tier-I capital to RWA | 9.89% | 9.89% | 9.39% | 9.39% | 9.88% | 9.88% | 9.38% | 9.38% |
| CET I Capital to RWA | 9.89% | 9.89% | 9.39% | 9.39% | 9.88% | 9.88% | 9.38% | 9.38% |
| Non-Performing Loan (NPL) to Total Loan | 2.62% | 2.62% | 2.17% | 2.17% | 2.62% | 2.62% | 2.17% | 2.17% |
| Net Non-Performing Loan to Total Loan | 0.66% | 0.66% | 0.73% | 0.73% | 0.66% | 0.66% | 0.73% | 0.73% |
| Total loan loss provision to Total NPL | 124.30% | 124.30% | 136.29% | 136.29% | 124.30% | 124.30% | 136.29% | 136.29% |
| Cost of Funds | 4.39% | 4.39% | 5.95% | 4.39% | 4.39% | 4.39% | 5.95% | 5.95% |
| Credit to Deposit Ratio | 76.92% | 76.92% | 77.16% | 77.16% | 76.92% | 76.92% | 77.16% | 77.16% |
| Base Rate (monthly) | 6.42% | 6.42% | 8.11% | 6.42% | 6.42% | 6.42% | 8.11% | 8.11% |
| Interest Rate Spread | 3.98% | 3.98% | 3.99% | 3.99% | 3.98% | 3.98% | 3.99% | 3.99% |
| Return on Equity (Annualized) | 22.64% | 11.55% | 20.08% | 11.57% | 22.71% | 11.50% | 20.31% | 11.54% |
| Return on Assets (Annualized) | 2.13% | 1.09% | 1.85% | 1.07% | 2.11% | 1.07% | 1.86% | 1.06% |
- Notes:

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.

4. In accordance with NFRS 9- Expected Credit Loss Related Guidelines, 2024 issued by Nepal Rastra Bank, impairment charge on loans and advances has been measured at higher amount derived as per existing regulatory provisions in Unified Directives and ECL calculation methodology.

5. Recognition of interest income is based upon Guidance Note on Interest Income Recognition, 2025 issued by Nepal Rastra Bank.

6. Provision for Gratuity and Leave encashment have been provided as per draft actuarial valuation report. The provision created and expense booked might vary with certified actuarial valuation report.

7. Average base rate of preceeding three months of the Bank as of Ashad 2082 is 6.34%.

8. 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.

9. 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) |
| Net profit or (loss) as per statement of profit or loss | 3,395,285,726 | 3,080,028,684 |
| Appropriations: | | |
| a. General reserve | (775,031,081) | (620,980,435) |
| b. Foreign exchange fluctuation fund | (13,270,673) | (28,496,337) |
| c. Capital redemption reserve | (1,460,426,500) | (1,460,426,500) |
| d. Corporate social responsibility fund | (4,856,754) | (6,799,669) |
| e. Employees' training fund | - | (5,818,439) |
| f. Other | | |
| i) Investment Adjustment Reserve | (30,000,000) | - |
| ii) Transfer of realised gain/(loss) up to previous year on equities/mutual funds measured at fair value through OCI sold/matured during the year from fair value reserve | 479,869,682 | 24,873,494 |
| Profit or (loss) before regulatory adjustment | 1,591,570,398 | 982,380,798 |
| Regulatory adjustments: | | |
| a. Interest receivable (-)/previous accrued interest received (+) | 331,730,735 | (120,898,518) |
| 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 (+) | 97,220,555 | (46,010,591) |
| e. Deferred tax assets recognised (-)/ reversal (+) | (23,340,575) | (82,449,195) |
| f. Goodwill recognised (-)/ impairment of Goodwill (+) | - | - |
| g. Bargain purchase gain recognised (-)/reversal (+) | - | - |
| h. Actuarial loss recognised (-)/reversal (+) | (151,156,276) | (4,703,213) |
| i. Other | - | - |
| Net Profit available for distribution | 1,846,024,837 | 728,319,280 |
| Opening Retained Earning as on Shrawan 1, 2081 | 580,361,617 | 663,610,438 |
| Adjustment (+/-) : | - | (218,379,935) |
| Distribution: | | |
| Bonus shares issued | - | - |
| Cash Dividend Paid | (563,599,208) | (593,188,166) |
| Total Distributable profit or (loss) as on Ashad 32, 2082 | 1,862,787,246 | 580,361,617 |
| Distributable Profit/Loss per share | 13.22 | 4.12 |
- Notes:

1. The Bank has allocated NPR 1.46 billion to Capital Redemption Reserve on account of outstanding debentures for redemption purpose.
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