Siddhartha Bank Limited

Unaudited Financial Results (4th Quarter of Fiscal Year 2080/81)

Cor	ndensed Consolidate	d Statement of Financ	ial Position	Amount in NPR	
	Group)	Bank		
	This Quarter Ending	Immediate Previous Year Ending (Audited)	This Quarter Ending	Immediate Previous Year Ending (Audited)	
Assets					
Cash and cash equivalent	10,441,869,298	11,571,313,935	10,437,706,974	11,554,080,479	
Due from Nepal Rastra Bank	21,774,774,285	9,000,713,492	21,774,774,285	9,000,713,492	
Placements with Bank and Financial Institutions	6,562,120,179	5,011,346,934	6,562,120,179	5,011,346,934	
Derivative financial instruments	4,976,896	17,320,155	4,976,896	17,320,155	
Other trading assets	130,055,901	109,407,897	, , , , , , , , , , , , , , , , , , ,		
Loans and advances to B/FIs	5,767,824,492	5,170,773,907	5,767,824,492	5,170,773,907	
Loans and advances to customers	195,332,911,482	184,019,363,443	195,321,030,763	184,009,571,040	
Investment securities	47,778,800,192	62,728,867,192	47,539,523,640	62,480,476,034	
Current tax assets	263,199,457	267,328,784	264,128,274	263,764,947	
Investment in subsidiaries	-	-	51,000,000	51,000,000	
Investment in associates	-	-	-	-	
Investment property	727,570,174	654,537,489	727,570,174	654,537,489	
Property and equipment	3,520,847,214	3,579,515,879	3,495,812,526	3,548,089,446	
Goodwill and Intangible assets	147,496,201	167,612,308	146,146,602	166,000,283	
Deferred tax assets		-	-	-	
Other assets	4,800,143,695	4,073,870,027	4,759,246,792	4,050,241,119	
Total Assets	297,252,589,465	286,371,971,442	296,851,861,596	285,977,915,326	
Liabilities	237,232,333,133	200/07 2/57 2/ 1.12	250/052/002/050	200/577/520/520	
Due to Bank and Financial Institutions	3,578,162,810	11,613,657,572	3,578,162,810	11,613,657,572	
Due to Nepal Rastra Bank	391,922,787	288,453,474	391,922,787	288,453,474	
Derivative financial instruments	3,984,885	23,887,253	3,984,885	23,887,253	
Deposits from customers	240,980,783,485	223,307,001,273	241,329,082,024	223,654,669,691	
Borrowing	5,964,375,769	7,312,480,160	5,964,375,769	7,312,480,160	
Current Tax Liabilities	3/30 1/37 3/7 03	7,512,100,100	5/30 1/37 5/7 03	-	
Provisions		_	_	_	
Deferred tax liabilities	505,652,906	489,092,725	520,038,853	501,929,292	
Other liabilities	6,085,059,216	5,968,405,789	5,734,647,925	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	11,002,339,000	11,002,333,000	11,002,559,000	11,002,559,000	
Total liabilities	269,172,500,857	260,665,537,246	269,184,774,054	260,671,324,359	
Equity	209,172,300,637	200,003,337,240	209,104,774,034	200,071,324,339	
Share capital	14,089,980,190	14,089,980,190	14,089,980,190	14,089,980,190	
Share premium	17,005,500,150	14,003,300,130	14,003,300,190	14,005,980,190	
Retained earnings	464,212,627	756,129,848	366,660,316	663,610,438	
Reserves	13,298,535,269	10,639,410,976	13,210,447,036	10,553,000,339	
Total equity attributable to equity holders	27,852,728,085	25,485,521,014	27,667,087,542	25,306,590,967	
Non-controlling interest	227,360,522	220,913,182	27,007,007,342	23,300,390,907	
Total equity	28,080,088,608	25,706,434,196	27,667,087,542	25,306,590,967	
Total liabilities and equity	297,252,589,465	286,371,971,442	296,851,861,596	285,977,915,326	
rotar nabilities and equity	297,232,309,403	200,3/1,3/1,442	Z30,031,001,390	203,377,313,320	

	Co	ondensed Co	onsolidated	Statement	of Profit or	Loss		Amount in NPR		
		Gro	ир		Bank					
Particulars	Curren	t Year	Previous Year (Previous Year Corresponding		t Year	Previous Year Corresponding		l	
Particulars	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	6,180,139,801	25,764,060,872	7,372,121,064	27,709,848,736	6,176,166,784	25,744,837,768	7,364,969,037	27,670,966,196	2	
Interest expense	4,193,488,963	17,740,089,396	5,256,184,259	19,478,276,795	4,195,968,591	17,751,256,959	5,256,583,857	19,486,423,098		
Net interest income	1,986,650,838	8,023,971,476	2,115,936,806	8,231,571,941	1,980,198,193	7,993,580,808	2,108,385,181	8,184,543,098	l	
Fees and commission income	514,995,676	1,978,388,833	510,056,423	1,816,905,447	478,810,586	1,814,482,351	472,294,112	1,693,079,336	l	
Fees and commission expense	122,916,931	449,708,537	112,157,181	374,228,787	118,880,129	422,667,743	106,901,204	347,458,421	l	
Net fee and commission income	392,078,745	1,528,680,296	397,899,242	1,442,676,660	359,930,457	1,391,814,608	365,392,909	1,345,620,915	i	
Net interest, fee and commission income	2,378,729,583	9,552,651,772	2,513,836,047	9,674,248,601	2,340,128,650	9,385,395,416	2,473,778,089	9,530,164,013		
Net trading income	60,124,876	233,209,102	57,670,325	188,745,057	45,058,448	230,227,768	46,501,451	191,735,761	l	
Other operating income	124,102,818	385,708,094	53,438,736	355,030,167	122,509,678	381,052,402	49,098,351	336,328,302	i	
Total operating income	2,562,957,277	10,171,568,967	2,624,945,108	10,218,023,824	2,507,696,776	9,996,675,587	2,569,377,892	10,058,228,076	l	
Impairment charge/(reversal) for loan and other losses	(478,232,788)	1,231,688,047	(974,530,647)	1,187,561,177	(478,232,788)	1,231,688,047	(974,530,647)	1,187,561,177		
Net operating income	3,041,190,065	8,939,880,920	3,599,475,756	9,030,462,647	2,985,929,565	8,764,987,540	3,543,908,539	8,870,666,900	i	
Operating expense									3.	
Personnel expense	744,595,478	2,986,183,356	725,871,456	2,896,297,115	730,118,370	2,935,126,414	713,108,799	2,852,235,828	l	
Other operating expense	43,704,882	1,001,127,564	31,740,386	934,306,821	38,916,208	982,609,210	29,967,972	917,442,986	l	
Depreciation & Amortisation	296,339,273	488,208,810	287,875,712	456,879,613	293,761,308	478,149,579	285,600,683	448,006,336	l	
Operating Profit	1,956,550,433	4,464,361,190	2,553,988,202	4,742,979,098	1,923,133,679	4,369,102,337	2,515,231,085	4,652,981,749	ı	
Non operating income	9,967,070	11,395,873	12,191,156	13,471,787	9,835,844	11,264,646	12,191,156	13,471,787	l	
Non operating expense	1,095,000	20,261,898	99,642,809	101,194,542	1,095,000	20,261,898	99,642,809	101,194,542	l	
Profit before income tax	1,965,422,503	4,455,495,164	2,466,536,548	4,655,256,344	1,931,874,523	4,360,105,085	2,427,779,431	4,565,258,995	ı	
Income tax expense									ı	
Current Tax	648,122,515	1,410,814,978	773,308,684	1,436,635,657	638,058,121	1,382,197,954	765,063,618	1,412,442,144	ı	
Deferred Tax	(37,628,522)	(37,628,522)	(10,533,501)	(10,533,501)	(37,628,522)	(37,628,522)	(13,954,496)	(13,954,496)	١.	
Profit for the period	1,354,928,509	3,082,308,708	1,703,761,366	3,229,154,188	1,331,444,923	3,015,535,653	1,676,670,310	3,166,771,347	4	
Condensed Consolidated Stateme									1	
Profit or loss for the period	1,354,928,509	3,082,308,708	1,703,761,366	3,229,154,188	1,331,444,923	3,015,535,653	1,676,670,310	3,166,771,347	1	
Other Comprehensive Income	322,045,382	151,313,801	632,261,321	646,844,330	318,640,348	154,929,022	630,399,663	645,541,169	i	
Total Comprehensive Income	1,676,973,891	3,233,622,509	2,336,022,687	3,875,998,518	1,650,085,272	3,170,464,674	2,307,069,973	3,812,312,516	1	
Basic earnings per share	36.98	21.66	46.56	22.70	36.69	21.40	46.21	22.48	i	
Diluted earnings per share	36.98	21.66	46.56	22.70	36.69	21.40	46.21	22.48	i	
Profit attributable to:									i	
Equity holders of the Bank	1,663,798,467	3,202,675,170	2,321,835,857	3,844,792,377	1,650,085,272	3,170,464,674	2,307,069,973	3,812,312,516	i	
Non-Controlling Interest	13,175,423	30,947,339	14,186,830	31,206,141	-	-	-	-	i	
Total	1,676,973,891	3,233,622,509	2,336,022,687	3,875,998,518	1,650,085,272	3,170,464,674	2,307,069,973	3,812,312,516	ı	

Ratios as per NRB Directives											
		Gro	ир		Bank						
Particulars	Curren	t Year	Previous Year	Corresponding	Curren	t Year	Previous Year Corresponding				
ruitculuis	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	12.16%	12.16%	12.49%	12.49%	12.15%	12.15%	12.47%	12.47%			
Non-Performing Loan (NPL) to Total Loan	2.22%	2.22%	2.01%	2.01%	2.22%	2.22%	2.01%	2.01%			
Net Non-Performing Loan to Total Loan	0.75%	0.75%	0.96%	0.96%	0.75%	0.75%	0.96%	0.96%			
Total loan loss provision to Total NPL	137.41%	137.41%	129.70%	129.70%	137.41%	137.41%	129.70%	129.70%			
Cost of Funds	5.95%	5.95%	7.82%	7.82%	5.95%	5.95%	7.82%	7.82%			
Credit to Deposit Ratio	78.70%	78.70%	77.16%	77.16%	78.70%	78.70%	77.16%	77.16%			
Base Rate (monthly)	8.11%	8.11%	9.91%	9.91%	8.11%	8.11%	9.91%	9.91%			
Interest Rate Spread	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%			
Return on Equity (Annualized)	19.56%	11.46%	27.74%	13.54%	19.52%	11.39%	27.76%	13.50%			
Return on Assets (Annualized)	1.80%	1.06%	2.40%	1.17%	1.77%	1.03%	2.37%	1.15%			

Notes:

- 1. 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 4. Provision for Gratuity and Leave encashment have been provided for as per draft actuarial valuation report. The provision created and expense booked might vary with certified actuarial valuation
- 5. Average base rate of preceeding three months of the Bank as of Ashadh 2081 is 8.20%
- 6. 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
- Detailed interim report has been published in Bank's website (www.siddharthabank.com).

Statement of Distributable Profit

Amount in NPR

	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	3,015,535,653	3,166,771,347		
Appropriations:				
a. General reserve	(608,081,829)	(633,354,269)		
b. Foreign exchange fluctuation fund	(28,496,337)	(24,190,256)		
c. Capital redemption reserve	(1,460,426,500)	(1,460,426,500)		
d. Corporate social responsibility fund	(6,154,738)	(31,667,713)		
e. Employees' training fund	(5,818,439)	(21,371,100)		
f. Other				
i) Investment Adjustment Reserve	-	(6,105,167)		
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	24,873,494			
Profit or (loss) before regulatory adjustment	931,431,303	989,656,341		
Regulatory adjustments:				
a. Interest receivable (-)/previous accrued interest received (+)	(227,018,394)	(252,880,021)		
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 (+)	(46,010,591)	(277,974,823)		
e. Deferred tax assets recognised (-)/ reversal (+)	(87,315,515)	(95,861,873)		
f. Goodwill recognised (-)/ impairment of Goodwill (+)				
g. Bargain purchase gain recognised (-)/reversal (+)		-		
h. Actuarial loss recognised (-)/reversal (+)	(56,468,824)	88,753,234		
i. Other				
Net Profit for the quarter ended Ashadh 2081 available for distribution	514,617,978	451,692,858		
Opening Retained Earning as on Shrawan 1, 2080	663,610,438	1,359,868,480		
Adjustment (+/-): Income tax deposited in accordance with section 27 of Finance Act, 2080*	(218,379,935)	-		
Distribution:				
Bonus shares issued		(1,065,553,357)		
Cash dividend paid	(593,188,166)	(82,397,543)		
Total Distributable profit or (loss) as on Ashadh 31, 2081	366,660,316	663,610,438		
Annualised Distributable Profit/Loss per share	2.60	4.71		

Notes: 1. *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 adjusted in opening retained earnings.

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

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

Particulars	Digital Payments		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	Current Quarter	Corresponding Previous Year Quarter
Revenues from external customers	576,179,888	569,258,868	78,075,822	90,489,156	4,192,208,046	4,097,053,909	23,335,401,180	25,148,779,451	28,181,864,936	29,905,581,384
Intersegment revenues	18,148,456	10,374,377	355,602,855	302,842,711	147,861,004	175,160,636	9,651,821,563	11,269,441,655	10,173,433,879	11,757,819,378
Segment Profit (loss) before tax	170,099,019	175,529,774	94,897,612	67,762,591	2,049,789,953	1,537,920,382	2,045,318,501	2,784,046,249	4,360,105,085	4,565,258,995
Segment assets	541,531,472	608,085,477	4,142,780,660	3,511,705,727	4,828,324,551	18,085,543,851	287,339,224,913	263,772,580,272	296,851,861,596	285,977,915,326
Segment liabilities	475,647,054	432,923,647	4,142,780,660	3,443,943,137	4,827,678,467	16,549,900,984	287,405,755,414	265,551,147,560	296,851,861,596	285,977,915,326

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 348.30 million of SCL as at 15 July 2024 (Ashadh end 2081).
- Till the end of 4th quarter of FY 2080/81, SCL earned interest income of NPR 13.26 million and NPR 0.69 million Share RTS fee from the Bank
- The Bank has received DP related income of Rs. 2.49 million from SCL till the end of 4th quarter.
- 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 21.40
Price Earnings Ratio (P/E Ratio)	13.22
Net Worth Per Share	NPR 196.36
Total Assets Value Per Share	NPR 2,106.83
Liquidity Ratio	29.70%

Management Analysis

- a) There have been positive changes in reserves, income and liquidity position of the Bank.
- b) The Bank has formulated strategy comprising both long term and short-term plans, focusing on sustained growth through customer service excellence and digital first approach.
- c) The Bank has been reengineering its processes to achieve optimal efficiency.
- d) The Bank continues to invest in IT infrastructure for digitization, automated work flows and enhanced security mechanism to strengthen digital offerings to customers.
- The Bank has been optimizing the utilization of the capital.
- f) Sluggish economic activities have hampered loan recovery efforts and led to an increase in the Bank's non-performing

Details regarding legal actions

assets.

- 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:
- 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 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 290	
Minimum Price	NPR 214	
Closing Price	NPR 283	
Total Traded Shares	3,439,572	
Total Transaction No.	9,951	
Total Traded Days	61 Days	

5. Problems and Challenges

Internal

- a) Retaining skilled human resources amid the growing trend of emigration.
- b) Increased cost of doing business.
- c) Difficulties in increasing fees-based revenue.
- d) Challenges in recovery of loans and maintaining assets quality.
- e) Stress in capital adequacy.

External

- a) Unpredictable changes in laws, policies and regulations.
- Intense competition among banks and financial institutions.
- Sluggish economic activities
- Limited investment opportunities and low returns.
- Growing incidence of cyber frauds and operational risks.
- f) International conflicts impacting the national economy.

Strategies to overcome challenges

- a) Achieving business economies through digitization and ongoing process reengineering.
- Enhancing security measures by strengthening IT Infrastructures.
- Intensifying focus on credit recovery to improve asset quality.
- Prioritizing low capital charge consuming portfolios
- Conducting research and developing new products and services while revising existing ones.
- Exploring new avenues for revenue generation.
- Fostering performance driven culture and instilling core values in employees.
- Enhancing customer experience by offering a diverse range of digital products and 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
- 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

