Siddhartha Bank Limited
Unaudited Financial Results
(1st Quarter of Fiscal Year 2083/84)

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)
Assets				
Cash and cash equivalent	23,301,182,584	25,975,158,502	23,238,363,766	25,960,314,314
Due from Nepal Rastra Bank	14,511,489,808	15,785,408,536	14,511,489,808	15,785,408,536
Placements with Bank and Financial Institutions	17,542,462,666	15,766,311,489	17,542,462,666	15,766,311,489
Derivative financial instruments	242,757,236	27,990,195	242,757,236	27,990,195
Other trading assets	77,050,858	274,681,267	-	-
Loan and advances to B/FIs	7,891,525,541	8,785,342,157	7,891,525,541	8,785,342,157
Loans and advances to customers	244,051,227,580	234,113,513,761	244,040,700,682	234,101,143,892
Investment securities	75,517,349,399	80,246,017,876	75,127,893,205	80,124,985,701
Current tax assets	-	214,340,979	-	212,000,163
Investment in subsidiaries	-	-	51,000,000	51,000,000
Investment in associates	-	-	-	-
Investment property	906,959,370	893,652,365	906,959,370	893,652,365
Property and equipment	2,955,136,676	2,893,264,138	2,834,243,088	2,874,015,393
Goodwill and Intangible assets	114,094,181	119,403,172	110,022,297	115,980,570
Deferred tax assets	-	-	-	-
Other assets	4,189,381,446	4,950,488,893	4,133,362,627	4,994,399,673
Total Assets	**391,300,617,343**	**390,045,573,330**	**390,630,780,286**	**389,692,544,448**
Liabilities				
Due to Bank and Financial Institutions	3,583,533,662	4,477,738,128	3,583,533,662	4,477,738,128
Due to Nepal Rastra Bank	313,538,230	313,538,230	313,538,230	313,538,230
Derivative financial instruments	3,734,407	66,167,753	3,734,407	66,167,753
Deposits from customers	334,471,340,661	326,608,304,536	334,821,737,055	327,016,400,520
Borrowing	87,342,504	2,445,931,194	87,342,504	2,445,931,194
Current Tax Liabilities	167,723,571	-	160,041,330	-
Provisions	-	-	-	-
Deferred tax liabilities	279,859,175	345,234,252	277,969,152	343,254,149
Other liabilities	6,464,149,133	6,432,067,110	5,899,079,075	6,150,358,828
Debt securities issued	9,500,000,000	12,000,000,000	9,500,000,000	12,000,000,000
Subordinated Liabilities	-	-	-	-
Total liabilities	**354,871,221,344**	**352,688,981,203**	**354,646,975,415**	**352,813,388,801**
Equity				
Share capital	**19,773,927,119**	**18,294,479,199**	**19,773,927,119**	**18,294,479,199**
Ordinary shares	16,273,927,119	14,794,479,199	16,273,927,119	14,794,479,199
Perpetual Non-Cumulative Preference Shares	3,500,000,000	3,500,000,000	3,500,000,000	3,500,000,000
Share premium	-	-	-	-
Retained earnings	491,191,081	1,783,951,243	390,639,514	1,665,674,474
Reserves	15,920,948,147	17,019,227,811	15,819,238,238	16,919,001,974
Total equity attributable to equity holders	**36,186,066,347**	**37,097,658,254**	**35,983,804,871**	**36,879,155,648**
Non-controlling interest	243,329,653	258,933,874	-	-
Total equity	**36,429,396,000**	**37,356,592,128**	**35,983,804,871**	**36,879,155,648**
Total liabilities and equity	**391,300,617,343**	**390,045,573,330**	**390,630,780,286**	**389,692,544,448**

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	5,365,817,867	5,365,817,867	5,336,157,108	5,336,157,108	5,364,943,019	5,364,943,019	5,334,961,216	5,334,961,216
Interest expense	2,974,802,819	2,974,802,819	3,171,116,278	3,171,116,278	2,975,249,494	2,975,249,494	3,172,392,662	3,172,392,662
Net interest income	**2,391,015,048**	**2,391,015,048**	**2,165,040,830**	**2,165,040,830**	**2,389,693,525**	**2,389,693,525**	**2,162,568,553**	**2,162,568,553**
Fees and commission income	772,040,950	772,040,950	694,255,073	694,255,073	694,104,934	694,104,934	628,421,160	628,421,160
Fees and commission expense	135,570,467	135,570,467	126,676,970	126,676,970	123,395,729	123,395,729	113,995,716	113,995,716
Net fee and commission income	**636,470,484**	**636,470,484**	**567,578,103**	**567,578,103**	**570,709,205**	**570,709,205**	**514,425,444**	**514,425,444**
Net interest, fee and commission income	**3,027,485,532**	**3,027,485,532**	**2,732,618,933**	**2,732,618,933**	**2,960,402,730**	**2,960,402,730**	**2,676,993,997**	**2,676,993,997**
Net trading income	195,844,587	195,844,587	64,223,102	64,223,102	199,594,122	199,594,122	98,047,304	98,047,304
Other operating income	152,149,011	152,149,011	316,341,665	316,341,665	163,416,958	163,416,958	315,584,086	315,584,086
Total operating income	**3,375,479,131**	**3,375,479,131**	**3,113,183,700**	**3,113,183,700**	**3,323,413,810**	**3,323,413,810**	**3,090,625,387**	**3,090,625,387**
Impairment charge/(reversal) for loan and other losses	673,925,191	673,925,191	1,388,766,526	1,388,766,526	673,925,191	673,925,191	1,388,766,526	1,388,766,526
Net operating income	**2,701,553,940**	**2,701,553,940**	**1,724,417,174**	**1,724,417,174**	**2,649,488,619**	**2,649,488,619**	**1,701,858,861**	**1,701,858,861**
Operating expense								
Personnel expense	970,558,970	970,558,970	797,803,850	797,803,850	949,336,871	949,336,871	781,051,535	781,051,535
Other operating expense	402,969,870	402,969,870	360,247,351	360,247,351	389,885,675	389,885,675	352,225,546	352,225,546
Depreciation & Amortisation	66,067,683	66,067,683	65,433,274	65,433,274	59,738,106	59,738,106	62,488,951	62,488,951
Operating Profit	**1,261,957,417**	**1,261,957,417**	**500,932,699**	**500,932,699**	**1,250,527,967**	**1,250,527,967**	**506,092,830**	**506,092,830**
Non operating income	6,654,128	6,654,128	341,811	341,811	6,632,381	6,632,381	257,917	257,917
Non operating expense	18,338,901	18,338,901	23,066,204	23,066,204	18,338,901	18,338,901	23,066,204	23,066,204
Profit before income tax	**1,250,272,644**	**1,250,272,644**	**478,208,307**	**478,208,307**	**1,238,821,447**	**1,238,821,447**	**483,284,543**	**483,284,543**
Income tax expense								
Current Tax	399,411,943	399,411,943	166,850,303	166,850,303	387,255,584	387,255,584	159,193,174	159,193,174
Deferred Tax	-	-	-	-	-	-	-	-
Profit for the period	**850,860,700**	**850,860,700**	**311,358,003**	**311,358,003**	**851,565,863**	**851,565,863**	**324,091,369**	**324,091,369**
Condensed Consolidated Statement of Comprehensive Income								
Profit or loss for the period	850,860,700	850,860,700	311,358,003	311,358,003	851,565,863	851,565,863	324,091,369	324,091,369
Other Comprehensive Income	(160,089,868)	(160,089,868)	(570,432,780)	(570,432,780)	(159,879,680)	(159,879,680)	(566,060,886)	(566,060,886)
Total Comprehensive Income	**690,770,833**	**690,770,833**	**(259,074,776)**	**(259,074,776)**	**691,686,183**	**691,686,183**	**(241,969,517)**	**(241,969,517)**
Basic earnings per share	18.41	18.41	7.35	7.35	18.76	18.76	7.82	7.82
Diluted earnings per share	18.41	18.41	7.35	7.35	18.76	18.76	7.82	7.82
Profit attributable to:								
Equity holders of the Bank	676,975,054	676,975,054	(265,687,200)	(265,687,200)	691,686,183	691,686,183	(241,969,517)	(241,969,517)
Non-Controlling Interest	13,795,779	13,795,779	6,612,423	6,612,423	-	-	-	-
Total	**690,770,833**	**690,770,833**	**(259,074,776)**	**(259,074,776)**	**691,686,183**	**691,686,183**	**(241,969,517)**	**(241,969,517)**

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	12.30%	12.30%	12.22%	12.22%	12.29%	12.29%	12.21%	12.21%
Tier-I capital to RWA	10.17%	10.17%	9.68%	9.68%	10.16%	10.16%	9.67%	9.67%
CET I Capital to RWA	9.04%	9.04%	9.68%	9.68%	9.03%	9.03%	9.67%	9.67%
Non-Performing Loan (NPL) to Total Loan	3.70%	3.70%	3.80%	3.80%	3.70%	3.70%	3.80%	3.80%
Net Non-Performing Loan to Total Loan	1.08%	1.08%	1.33%	1.33%	1.08%	1.08%	1.33%	1.33%
Total loan loss provision to Total NPL	104.09%	104.09%	100.51%	100.51%	104.09%	104.09%	100.51%	100.51%
Cost of Funds	3.27%	3.27%	4.12%	4.12%	3.27%	3.27%	4.12%	4.12%
Credit to Deposit Ratio	75.29%	75.29%	81.23%	81.23%	75.29%	75.29%	81.23%	81.23%
Base Rate (monthly)	4.87%	4.87%	5.90%	5.90%	4.87%	4.87%	5.90%	5.90%
Interest Rate Spread	3.68%	3.68%	3.98%	3.98%	3.68%	3.68%	3.98%	3.98%
Return on Equity (Annualized)	9.27%	9.27%	3.91%	3.91%	9.28%	9.28%	4.12%	4.12%
Return on Assets (Annualized)	0.79%	0.79%	0.36%	0.36%	0.79%	0.79%	0.38%	0.38%

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. Perpetual non cumulative preference share has been excluded while computing earnings per share, net worth per share, total assets value per share, return on equity and return on assets.
7. Provision for Gratuity and Leave encashment have been provided for as per estimated actuarial valuation. The provision created and expense booked might vary after actuarial valuation is conducted by certified actuary.
8. Lease contract have been accounted for as per NFRS 16.
9. Average base rate of preceeding three months of the Bank as of Ashwin 2083 is 4.88%.
10. 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.
11. 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	**851,565,863**	**324,091,369**
Appropriations:		
a. General reserve	(168,803,568)	(64,818,274)
b. Foreign exchange fluctuation fund	(6,183,035)	(7,892,502)
c. Capital redemption reserve	(194,444,444)	(275,000,000)
d. Corporate social responsibility fund	18,873,969	5,536,659
e. Employees' training fund	-	-
f. Other		
i) Investment adjustment reserve	-	-
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	(7,548,021)	-
iii) Other		
Profit or (loss) before regulatory adjustment	**493,460,762**	**(18,082,748)**
Regulatory adjustments:		
a. Interest receivable (-)/previous accrued interest received (+)	(195,886,035)	(180,494,153)
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 (+)	(6,622,896)	(23,093,280)
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 (Interest Capitalized Term Loan)	(12,966,955)	-
Net Profit for the year end Ashwin 2083 available for distribution	**277,984,876**	**(221,670,181)**
Dividend of perpetual non cumulative preference shares	(73,571,918)	-
Opening Retained Earning as on Shrawan 1, 2083	**1,665,674,474**	**1,837,866,593**
Adjustment (+/-) :	-	-
Distribution:		
Bonus shares issued	-	-
Cash dividend paid	(1,479,447,920)	-
Total Distributable profit or (loss) as on Ashwin end, 2083	**390,639,514**	**1,616,196,413**
Annualised Distributable Profit/Loss per share (Equity shares)	**6.07%**	**11.47%**
Opening balance of Capital Adjustment Reserve available for distribution	683,111,080	-
Transfer from Capital Redemption Reserve to Capital Adjustment Reserve	2,500,000,000	
Total available distributable Profit including Capital Adjustment Reserve	**3,573,750,595**	**1,616,196,413**
Total available Annualised distributable Profit/Loss Per share (Equity shares)	**25.63%**	**11.47%**

Notes of Statement of Distributable Profit:

1. Annualised distributable profit per share (Equity shares) has been calculated after deducting proportionate dividend to preference shareholders.
2. Debenture of NPR 2,500,000,000 matured on 25th Bhadra 2083. Upon maturity, corresponding Capital Redemption Reserve created for redemption has been transferred to Capital Adjustment Reserve. Accordingly, the Bank has additionally disclosed total available distributable profit including Capital Adjustment Reserve. This reserve is available solely for the distribution of bonus shares.
3. The Bank has opening balance of Rs. 683.11 million in Capital Adjustment Reserve, which was transferred from the Debenture Redemption Reserve in previous year.

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	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	16,397,678	18,950,654	1,389,596,354	1,242,223,881	5,022,697,382	5,116,097,148	6,428,691,415	6,377,271,683
Intersegment revenues	96,842,198	87,228,538	11,723,800	20,259,261	2,038,096,590	1,877,887,120	2,146,662,588	1,985,374,919
Segment Profit (loss) before tax	31,949,676	28,716,151	588,780,934	739,088,746	618,090,837	(284,520,354)	1,238,821,447	483,284,543
Segment assets	8,078,462,372	6,063,707,469	3,850,059,428	2,773,829,123	378,702,258,486	323,088,224,344	390,630,780,286	331,925,760,938
Segment liabilities	8,046,512,695	6,034,991,318	3,270,516,168	2,049,322,717	379,313,751,423	323,841,446,902	390,630,780,286	331,925,760,938

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 350.40 million of SCL as at 17 October 2026 (Ashwin end 2083).
- Till the end of 1st quarter of FY 2083/84, SCL earned interest income of NPR 0.45 million from the Bank.
- The Bank received cash dividend of NPR 30.60 million from SCL in 1st 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 18.76
Price Earnings Ratio (P/E Ratio)	22.94
Net Worth Per Share	NPR 199.61
Total Assets Value Per Share	NPR 2,378.84
Liquidity Ratio	31.93%

Note: Earnings per share, Net Worth per share and Total Assets Value per share have been calculated excluding Perpetual Non-Cumulative Preference Shares.

2. Management Analysis

a) The Bank's business, income and liquidity position improved during the period.
b) The Bank maintained prudent, efficient capital deployment to support sustainable, long-term growth.
c) Sluggish economic conditions impacted loan recovery.
d) In 1st quarter, the Bank distributed bonus shares of 10% and cash dividend of 10% (including TDS) along with a proportionate dividend of 8.25% to the holders of Perpetual Non-Cumulative Preference Shares (PNCPS), calculated from the date of issuance.

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 460.1
Minimum Price	NPR 380.4
Closing Price	NPR 430.5
Total Traded Shares	9,581,861
Total Transaction No.	21,633
Total Traded Days	61 Days

5. Problems and Challenges

Internal

a) Rising NPAs and higher provisioning, pressuring asset quality and profit.
b) Slow economic momentum limiting quality loan growth.
c) Limited scope for fees income generation amid competitive pricing and subdued transactions.
d) Difficulty in attracting and retaining skilled human resources.
e) Rising operational cost and increasing overall cost of doing business.

External

a) Competition among BFIs, squeezing margins.
b) Weak credit demand and excess liquidity in the industry.
c) Limited investment avenues and lower yields.
d) Rising cybersecurity and operational risks.
e) Global uncertainty and geopolitical developments affecting trade.

Strategies to overcome challenges

a) Active liquidity management and lower cost of funds to protect margins.
b) Digital transformation through automation, AI and analytics.
c) Lean processes and cost optimization.
d) Strengthening cybersecurity and IT infrastructure.
e) Intensifying recovery and portfolio monitoring to contain NPAs.
f) Product innovation and personalized digital solutions.
g) Revenue diversification.
h) Strong capital buffers.

6. Corporate Governance

- Corporate governance is a core pillar of the Bank's integrity and resilience, promoting transparency, accountability and sound decision-making.
- Board of Directors provides strategic direction, aligning long-term objectives with regulatory requirements and stakeholder interests and regularly reviews governance standards.
- Board-level committees - Risk Management Committee, Audit Committee and AML/CFT Committee ensure prudent risk oversight, strong internal controls and ethical compliance.
- Management level committees – Executive Committee, Management Credit Committee, Asset Liability Management Committee (ALCO), Operational Risk Management Committee and Financial Direction Committees execute strategy, ensure sound credit decisions, manage liquidity and operational efficiency and mitigate risks.
- Significant risks are identified, assessed and mitigated through a comprehensive internal control framework. Compliance culture is reinforced through internal audit, transparent disclosures and continuous staff training on governance and ethics.

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.

SiddharthaBank

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