Siddhartha Bank Limited
Unaudited Financial Results
(2nd Quarter of Fiscal Year 2082/83)

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	16,458,644,873	30,796,901,868	16,541,637,017	30,739,759,143
Due from Nepal Rastra Bank	13,593,274,682	14,875,796,713	13,593,274,682	14,875,796,713
Placements with Bank and Financial Institutions	9,164,092,172	7,405,231,218	9,164,092,172	7,405,231,218
Derivative financial instruments	33,160,701	15,995,407	33,160,701	15,995,407
Other trading assets	144,171,816	250,375,488	-	200,625
Loan and advances to B/FIs	8,460,430,849	8,098,097,875	8,460,430,849	8,098,097,875
Loans and advances to customers	225,627,041,403	214,471,321,149	225,613,159,020	214,456,490,823
Investment securities	67,978,760,336	54,889,028,906	67,564,370,773	54,719,357,052
Current tax assets	259,902,713	232,694,663	257,634,807	222,830,637
Investment in subsidiaries	-	-	51,000,000	51,000,000
Investment in associates	-	-	-	-
Investment property	772,035,232	725,635,232	772,035,232	725,635,232
Property and equipment	3,143,420,622	3,219,416,537	3,130,331,856	3,201,785,434
Goodwill and Intangible assets	116,686,098	122,793,048	112,552,460	117,948,376
Deferred tax assets	-	-	-	-
Other assets	4,028,814,348	4,215,842,403	3,979,740,248	4,181,218,594
Total Assets	**349,780,435,845**	**339,319,130,508**	**349,273,419,817**	**338,811,347,130**
Liabilities				
Due to Bank and Financial Institutions	4,148,208,115	3,092,528,164	4,148,208,115	3,092,528,164
Due to Nepal Rastra Bank	391,922,787	391,922,787	391,922,787	391,922,787
Derivative financial instruments	60,905,565	19,709,982	60,905,565	19,709,982
Deposits from customers	290,153,950,549	280,004,522,783	290,470,798,265	280,321,367,829
Borrowing	4,229,680,376	5,839,097,142	4,229,680,376	5,839,097,142
Current Tax Liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	367,568,583	481,065,018	365,580,514	478,302,259
Other liabilities	6,741,420,877	6,404,043,943	6,356,437,422	6,040,433,137
Debt securities issued	12,000,000,000	11,662,559,000	12,000,000,000	11,662,559,000
Subordinated Liabilities	-	-	-	-
Total liabilities	**318,093,656,853**	**307,895,448,820**	**318,023,533,045**	**307,845,920,300**
Equity				
Share capital	14,794,479,199	14,089,980,190	14,794,479,199	14,089,980,190
Share premium	-	-	-	-
Retained earnings	685,497,271	1,951,104,307	584,501,584	1,837,866,593
Reserves	15,967,735,335	15,133,062,311	15,870,905,989	15,037,580,047
Total equity attributable to equity holders	**31,447,711,805**	**31,174,146,808**	**31,249,886,772**	**30,965,426,830**
Non-controlling interest	239,067,188	249,534,881	-	-
Total equity	**31,686,778,993**	**31,423,681,689**	**31,249,886,772**	**30,965,426,830**
Total liabilities and equity	**349,780,435,845**	**339,319,130,508**	**349,273,419,817**	**338,811,347,130**

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	5,097,982,831	10,434,139,938	5,454,927,999	11,324,082,589	5,096,308,855	10,431,270,070	5,450,677,042	11,316,423,953
Interest expense	2,929,916,980	6,101,033,257	3,423,517,477	7,200,426,304	2,930,865,194	6,103,257,856	3,422,910,700	7,200,370,339
Net interest income	**2,168,065,851**	**4,333,106,681**	**2,031,410,521**	**4,123,656,285**	**2,165,443,661**	**4,328,012,214**	**2,027,766,342**	**4,116,053,614**
Fees and commission income	606,682,915	1,300,937,987	555,111,145	1,124,134,805	570,898,876	1,199,320,036	521,777,825	1,020,386,917
Fees and commission expense	128,862,385	255,539,355	133,423,576	258,517,882	125,793,043	239,788,759	129,642,324	240,352,543
Net fee and commission income	**477,820,530**	**1,045,398,633**	**421,687,569**	**865,616,923**	**445,105,833**	**959,531,277**	**392,135,501**	**780,034,374**
Net interest, fee and commission income	**2,645,886,381**	**5,378,505,314**	**2,453,098,090**	**4,989,273,208**	**2,610,549,494**	**5,287,543,491**	**2,419,901,843**	**4,896,087,988**
Net trading income	119,053,242	183,276,344	4,816,241	73,233,294	100,357,387	198,404,690	12,983,821	75,196,491
Other operating income	180,124,529	496,466,195	150,919,961	306,561,938	177,575,953	493,160,039	148,845,279	302,106,446
Total operating income	**2,945,064,153**	**6,058,247,853**	**2,608,834,291**	**5,369,068,441**	**2,888,482,833**	**5,979,108,221**	**2,581,730,943**	**5,273,390,925**
Impairment charge/(reversal) for loan and other losses	63,793,460	1,452,559,987	1,260,132,241	2,265,145,984	63,793,460	1,452,559,987	1,260,132,241	2,265,145,984
Net operating income	**2,881,270,692**	**4,605,687,866**	**1,348,702,051**	**3,103,922,457**	**2,824,689,373**	**4,526,548,234**	**1,321,598,702**	**3,008,244,941**
Operating expense								
Personnel expense	911,859,372	1,709,663,222	709,407,892	1,470,331,694	896,208,226	1,677,259,761	697,868,426	1,439,421,669
Other operating expense	410,055,235	770,302,586	348,857,618	697,214,738	404,220,354	756,445,900	341,673,908	681,975,440
Depreciation & Amortisation	64,876,935	130,310,208	68,986,739	136,925,002	61,947,380	124,436,331	66,209,257	131,441,025
Operating Profit	**1,494,479,150**	**1,995,411,849**	**221,449,802**	**799,451,024**	**1,462,313,413**	**1,968,406,243**	**215,847,111**	**755,406,808**
Non operating income	302,064	643,876	52,200	9,709,940	213,036	470,952	50,134	9,707,874
Non operating expense	-	23,066,204	2,431,023	2,431,023	-	23,066,204	2,431,023	2,431,023
Profit before income tax	**1,494,781,214**	**1,972,989,521**	**219,070,980**	**806,729,942**	**1,462,526,449**	**1,945,810,992**	**213,466,223**	**762,683,659**
Income tax expense								
Current Tax	469,640,998	636,491,301	67,002,923	253,318,073	459,964,568	619,157,742	65,321,496	232,454,189
Deferred Tax	-	-	-	-	-	-	-	-
Profit for the period	**1,025,140,216**	**1,336,498,220**	**152,068,057**	**553,411,868**	**1,002,561,881**	**1,326,653,249**	**148,144,727**	**530,229,471**
Condensed Consolidated Statement of Comprehensive Income								
Profit or loss for the period	1,025,140,216	1,336,498,220	152,068,057	553,411,868	1,002,561,881	1,326,653,249	148,144,727	530,229,471
Other Comprehensive Income	305,607,767	(264,825,014)	(51,295,275)	(51,295,275)	303,043,482	(263,017,404)	(425,950,393)	(52,346,212)
Total Comprehensive Income	**1,330,747,983**	**1,071,673,206**	**100,772,782**	**502,116,593**	**1,305,605,363**	**1,063,635,846**	**(277,805,666)**	**477,883,259**
Basic earnings per share	28.08	17.86	4.15	7.17	27.79	17.98	4.11	7.19
Diluted earnings per share	28.08	17.86	4.15	7.17	27.79	17.98	4.11	7.19
Profit attributable to:								
Equity holders of the Bank	1,318,428,099	1,052,740,899	(275,397,425)	477,747,259	1,305,605,363	1,063,635,846	(277,805,666)	477,883,259
Non-Controlling Interest	12,319,883	18,932,306	2,313,800	24,369,334	-	-	-	-
Total	**1,330,747,983**	**1,071,673,206**	**(273,083,625)**	**502,116,593**	**1,305,605,363**	**1,063,635,846**	**(277,805,666)**	**477,883,259**

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	12.19%	12.19%	11.20%	11.20%	12.18%	12.18%	11.19%	11.19%
Tier-I capital to RWA	9.67%	9.67%	9.05%	9.06%	9.66%	9.66%	9.05%	9.05%
CET I Capital to RWA	9.67%	9.67%	9.05%	9.06%	9.66%	9.66%	9.05%	9.05%
Non-Performing Loan (NPL) to Total Loan	3.45%	3.45%	4.50%	4.50%	3.45%	3.45%	4.50%	4.50%
Net Non-Performing Loan to Total Loan	1.04%	1.04%	2.11%	2.11%	1.04%	1.04%	2.11%	2.11%
Total loan loss provision to Total NPL	107.58%	107.58%	85.06%	85.06%	107.58%	107.58%	85.06%	85.06%
Cost of Funds	3.90%	3.90%	5.07%	5.07%	3.90%	3.90%	5.07%	5.07%
Credit to Deposit Ratio	79.05%	79.05%	83.78%	83.78%	79.05%	79.05%	83.78%	83.78%
Base Rate (monthly)	5.60%	5.60%	6.93%	6.93%	5.60%	5.60%	6.93%	6.93%
Interest Rate Spread	3.90%	3.90%	3.99%	3.99%	3.90%	3.90%	3.99%	3.99%
Return on Equity (Annualized)	13.32%	8.49%	2.19%	3.90%	13.22%	8.55%	2.17%	3.79%
Return on Assets (Annualized)	1.22%	0.78%	0.21%	0.37%	1.20%	0.77%	0.20%	0.35%

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 for as per estimated actuarial valuation. The provision created and expense booked might vary if actuarial valuation is conducted by certified actuary.
7. Lease contract have been accounted for as per NFRS 16.
8. Average base rate of preceeding three months of the Bank as of Poush 2082 is 5.68%.
9. 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.
10. 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	**1,326,653,249**	**530,229,471**
Appropriations:		
a. General reserve	(265,330,650)	(106,104,923)
b. Foreign exchange fluctuation fund	(12,969,565)	(34,378,128)
c. Capital redemption reserve	(550,000,000)	(730,213,250)
d. Corporate social responsibility fund	(2,633,929)	7,438,276
e. Employees' training fund	-	-
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	-	(421,633)
Profit or (loss) before regulatory adjustment	**495,719,105**	**(363,450,188)**
Regulatory adjustments:		
a. Interest receivable (-)/previous accrued interest received (+)	(242,315,921)	(123,300,241)
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 (+)	(23,093,280)	108,043,452
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 available for distribution	**230,309,904**	**(378,706,976)**
Opening Retained Earning as on Shrawan 1, 2082	**1,837,866,593**	**580,361,617**
Adjustment (+/-) :	-	-
Distribution:		
Bonus shares issued	(704,499,009)	-
Cash dividend paid	(779,175,904)	(563,599,208)
Total Distributable profit or (loss) as on Poush end, 2082	**584,501,584**	**(361,944,567)**
Annualised Distributable Profit/Loss per share	**5.52%**	**-**
Transfer from Capital Redemption Reserve to Capital Adjustment Reserve*	2,162,559,000	-
Total available Distributable Profit including Capital Adjustment Reserve*	**2,747,060,584**	**-**
Total available Annualised Distributable Profit Per share *	**20.13%**	**-**

Notes of Statement of Distributable Profit:

1. Annualised distributable profit per share has been calculated without annualizing balance of retained earnings.
2. The Bank has allocated NPR 550 million to Capital Redemption Reserve on account of outstanding debentures for redemption purpose.
   * Debenture of NPR 2,162,559,000 matured on 28th Poush 2082. 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 Ajustment Reserve, which has not been annualized for the purpose of calculating available annualized distributable profit/(loss) per share. This reserve is available solely for the distribution of bonus shares.

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	35,308,572	30,640,365	2,328,870,899	1,923,712,428	9,958,446,318	10,752,539,104	12,322,625,789	12,706,891,897
Intersegment revenues	166,218,251	170,538,478	46,354,095	68,245,870	3,706,046,397	4,161,476,011	3,918,618,743	4,400,260,359
Segment Profit (loss) before tax	52,313,819	53,051,923	1,309,589,870	980,546,097	583,907,303	(270,914,360)	1,945,810,992	762,683,660
Segment assets	5,867,060,974	4,579,685,315	3,825,111,625	9,674,177,832	339,581,247,219	291,814,672,379	349,273,419,817	306,068,535,528
Segment liabilities	5,814,747,155	4,526,633,392	2,530,369,765	8,679,001,029	340,928,302,897	292,862,901,107	349,273,419,817	306,068,535,528

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 14 January 2026 (Poush end 2082).
- Till the end of 2nd quarter of FY 2082/83, SCL earned interest income of NPR 2.61 million 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 17.98
Price Earnings Ratio (P/E Ratio)	21.45
Net Worth Per Share	NPR 211.23
Total Assets Value Per Share	NPR 2,360.84
Liquidity Ratio	30.40%

2. Management Analysis

a) There have been positive changes in the business, income and liquidity position of the Bank.
b) The Bank continued its strategic focus on enhancing customer service excellence through digital-first initiatives and ongoing process optimization to drive operational efficiency.
c) Investments in IT infrastructure, automation, and cybersecurity remained a key priority, aimed at strengthening secure and reliable digital service delivery.
d) The Bank maintained a strong emphasis on prudent and efficient capital deployment to support sustainable and long-term growth.
e) Sluggish economic conditions affected recovery of loans.
f) The Bank continued to strengthen its risk management framework, credit underwriting standards, and monitoring mechanisms to mitigate emerging credit and operational risks

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 416
Minimum Price	NPR 320.5
Closing Price	NPR 385.8
Total Traded Shares	5,060,355
Total Transaction No.	10,808
Total Traded Days	55 Days

5. Problems and Challenges

Internal

a) Pressure on loan recovery and maintaining asset quality.
b) Impact of slower economic momentum and political uncertainty on asset growth.
c) Limited scope for expansion of fee-based income amid competitive pricing and subdued transactional volumes.
d) Challenges in attracting and retaining skilled human resources.
e) Increase in operating costs, contributing to a higher cost of doing business.

External

a) Evolving regulatory and supervisory requirements, requiring continuous alignment and system enhancements.
b) Intensifying competition among BFIs, exerting pressure on margins and pricing.
c) Volatile macroeconomic conditions with cautious private sector credit demand.
d) Limited investment avenues and subdued yields impacting treasury and investment income.
e) Heightened cybersecurity and operational risks.
f) Global economic uncertainty and geopolitical developments.

Strategies to overcome challenges

a) Active liquidity management to mitigate margin pressures and maintain funding stability.
b) Accelerating digital transformation through automation, AI and advanced analytics.
c) Enhancing operational efficiency via lean process design and cost optimization.
d) Strengthen cybersecurity and information technology infrastructure
e) Intensifying efforts in credit recovery and portfolio monitoring to sustain asset quality and minimize credit risk.
f) Promote innovation through continuous R&D of new products while enhancing customer experience with a diverse range of digital and personalized financial solutions.
g) Identify new revenue streams beyond traditional interest income to diversify the Bank's income base.
h) Strengthening stress testing, capital planning and scenario analysis to enhance financial resilience.
i) Fostering performance driven culture and instilling core values in employees.

6. Corporate Governance

- Corporate governance remains a defining pillar of the Bank's integrity and resilience. The Bank's governance framework is designed to promote transparency, accountability and sound decision-making across all levels of the organization.
- The Board of Directors provides strategic leadership and policy guidance, ensuring that the Bank's long-term objectives are achieved in line with its vision, regulatory expectations and stakeholder interests. The Board continuously reviews governance standards to align them with evolving industry practices and NRB directives.
- Board level committees, including Risk Management Committee, Audit Committee and AML/ CFT Committee, play a vital role in ensuring prudent risk oversight, robust internal controls and adherence to ethical and compliance standards.
- At the management level, committees such as the Executive Committee, Management Credit Committee, Asset Liability Management Committee (ALCO) and Operational Risk Management Committee work in close coordination to ensure effective execution of the Bank's strategies, sound credit decisions, liquidity management and operational efficiency.
- The Bank emphasizes risk-based governance, ensuring that all significant business and operational risks are identified, assessed and mitigated through proactive management and a comprehensive internal control framework.
- The Bank continues to embed a compliance and performance-driven culture, supported by strong internal audit functions, transparent disclosures and continuous staff training on governance and ethical conduct.
- Upholding high standards of corporate governance has enabled the Bank to sustain stakeholder confidence, reinforce institutional trust and position itself as a responsible and well-governed financial institution.

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

Head Office: Naxal, Kathmandu, Nepal
P.O.Box: 13806, Ph.: 01-5970720, 5970020
Fax: 01-4442921, **SWIFT:** SIDDNPKA
Email: info@sbl.com.np / customercare@sbl.com.np
Web: www.siddharthabank.com