

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 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%

2. Management Analysis

- a) There has been positive changes in reserves, income and liquidity position of the Bank.
- b) 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.
- e) The Bank has been utilizing its capital to the optimum level.
- f) Sluggishness in economic activities has hampered loan recovery efforts and led to a rise in non-performing assets of the Bank.

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 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.

External

- a) Changes in unpredictable laws, policies and regulations.
- b) 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.
- f) 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 the Bank.
- 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 obligations.
- 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.

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.