

**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 190.65 million of SCL as at 13 April 2025 (Chaitra end 2081).
- Till the end of 3<sup>rd</sup> quarter of FY 2081/82, SCL earned interest income of NPR 2.42 million and NPR 0.37 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 including dividend income received from SCL amounting NPR 25.50 million.

**b) Major Financial Indicators**

Earnings Per Share	Rs. 15.89
Price Earnings Ratio (P/E Ratio)	17.84
Net Worth Per Share	Rs. 207.48
Total Assets Value Per Share	Rs. 2,222.03
Liquidity Ratio	26.40%

**2. Management Analysis**

- a) There have been positive changes in income, reserves and liquidity position of the Bank.
- b) The Bank has developed comprehensive long-term strategies and short-term operational plans centered around sustained growth through customer service excellence and digital first approach.
- c) The Bank continues to prioritize digital transformation by investing in advanced IT infrastructure, automation of internal workflows and implementation of enhanced cybersecurity measures.
- d) The Bank has been optimizing capital utilization through strategic lending, diversification of investment portfolios, and maintaining adequate capital buffers in line with regulatory requirements.
- e) Slowdown in economic activities have hampered loan recovery efforts.
- f) The Bank is integrating Environmental, Social, and Governance (ESG) practices into its operations.

**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	Rs. 314
Minimum Price	Rs. 271.50
Closing Price	Rs. 283.37
Total Traded Shares	2,622,517
Total Transaction No.	9,286
Total Traded Days	56 Days

## 5. Problems and Challenges

### **Internal**

- Retaining skilled, experienced and digitally adaptive human resources.
- Increased cost of doing business.
- Scope for expanding fees-based income remains narrow due to market limitations.
- Challenges in loan recovery, leading to deteriorating assets quality.
- Loan recovery challenges, particularly in sectors hit by economic slowdown, have led to deterioration in asset quality and increased provisioning.
- Stress in capital adequacy.

### **External**

- Unpredictable changes in laws, policies and regulations.
- Persistently sluggish economic activities have limited credit demand and affected borrower's repayment capacity.
- Limited range of viable investment opportunities, coupled with low-yield and rising risk, hampers returns on capital.
- With increasing digitization, the risk of cyber frauds has escalated.

### **Strategies to overcome Challenges**

- Leveraging technology and digital transformation.
- Enhanced Cybersecurity and Risk Governance.
- Intensifying focus on loan recovery and resolution of NPAs.
- Prioritizing low capital charge consuming portfolios.
- Diversify revenue streams.
- Foster employee engagement and instill core values to reduce attrition.
- Ensuring all employees are adequately trained and digitally literate as the Bank transitions to more tech-driven processes.
- Improve customer engagement through seamless omni channel experiences across digital platforms.
- Promote environmentally sustainable lending and invest in green financing.

## 6. Corporate Governance

Corporate governance is a cornerstone of Siddhartha Bank's operations, providing a structured framework to ensure transparency, accountability, and responsible decision-making. The Bank recognizes that sound governance is essential for navigating operational complexities, regulatory compliance and market uncertainties.

The Bank's governance structure is built on three pillars: strategic leadership, rigorous oversight and compliance-based internal controls, which collectively support long-term sustainable growth.

The Board of Directors, supported by its Board-Level Committees and the Senior Management Team, is committed to upholding exemplary corporate governance practices in alignment with regulatory directives issued by Nepal Rastra Bank (NRB) and industry best practices.

The Board is responsible for setting the Bank's strategic direction, formulating a comprehensive risk management policy, and ensuring the effectiveness of internal control

systems. Board level committees play a critical role in assisting the Board in these areas, providing regular oversight on emerging risks, compliance and audit findings.

In addition, the Bank has established several management-level committees, including: Executive Committee, Management Credit Committee, Asset Liability Management Committee (ALCO) and Operational Risk Management Committee. These committees ensure that decision-making processes are efficient, well-informed, and aligned with the Bank's objectives.

Good corporate governance is embedded in the Bank's culture and operations, ensuring protection of stakeholder interests, regulatory compliance, ethical conduct, and long-term value creation.

## **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.