

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 Rs. 347.67 million of SCL as at 16 July 2023 (Ashadh end 2080).
- Till the end of 4th quarter of FY 2079/80, SCL earned interest income of Rs. 10.85 million and Rs. 0.79 million Share RTS fee from the Bank.
- The Bank has received DP related income of Rs. 1.19 million from SCL in FY 2079/80.
- 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	Rs. 22.64
Price Earnings Ratio (P/E Ratio)	11.17
Net Worth Per Share	Rs. 180.73
Total Assets Value Per Share	Rs. 2,030.68
Liquidity Ratio	30.95%

2. Management Analysis

- a) There has been positive changes in the reserves, income and liquidity position of the Bank.
- b) The Bank has formulated its strategy comprising long term as well as short-term plans which focuses on sustainable growth, business diversification and service excellence with digital first approach. The Bank has been continuously monitoring the goals set in annual plans.
- c) The Bank has been reengineering its processes so as to achieve optimum efficiency.
- d) The Bank has invested in IT infrastructure for automated work flows with security for better internal control and risk management.
- e) The Bank has been utilizing its capital to the optimum level.

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. 264.80
Minimum Price	Rs. 238
Closing Price	Rs. 253
Total Traded Shares	2,069,547
Total Transaction No.	10,332
Total Traded Days	62 Days

5. Problems and Challenges

Internal

- Increased cost of operations.
- Retention of quality and skilled human resources.
- Challenges in increment of fees based revenue.
- Challenges in maintaining quality of assets.

External

- Changes in policies/ regulations.
- Competition among banks and financial institutions.
- Volatile and unpredictable market conditions.
- Sluggishness in economic activities.
- Increasing trend of cyber frauds and operational risks.

Strategies to overcome Challenges

- Economies in business through automation and continuous process reengineering.
- IT Infrastructures strengthening with enhanced security.
- Prudent management of assets and liabilities.
- Improvement in assets portfolio mix.
- Enhanced focus on low capital charge consuming portfolio.
- Research and development of new products/ services and scaling up existing ones.
- Explore new avenues for non-interest revenue generation.
- Business sourcing through digital channels.
- Building performance culture for growth and instill employee values.
- Customer experience enhancement through digitization.

6. Corporate Governance

- The Bank is committed to maintain high standards of corporate governance by compliance to legal and regulatory requirements.
- Board of Directors and Board Level Committees along with Management Team are committed to uphold good corporate governance practices in the Bank.
- Required policies, SOPs and structures are in place and are regularly being reviewed and monitored on a regular basis.
- Audit Committee ensures the establishment of effective internal controls and provides recommendations to the management regarding internal controls and compliance issues.
- 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.