

**As at 13 April 2017 (3rd quarter of FY 2073/74)**

**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:**

The Bank has established Siddhartha Capital Limited as a subsidiary company holding 51% of the paid up capital of the Siddhartha Capital Ltd (SCL). SCL is licensed by Securities Board of Nepal as a Mutual Fund Manger and Depository as per the Mutual Fund Regulation 2010 and also get the license for merchant banking business from SEBON in 2015. The Bank has appointed subsidiary as its Share Registrar.

The Bank has held call deposit of Siddhartha Capital Ltd, Which stood at Rs 568.60 million as of 13 April 2017 (Chaitra End 2073). Till the end of this Quarter, Siddhartha Capital earned interest income of Rs 15.99 million from the Bank and the Bank has received technical service fee Rs. 1.27 million & DP related income Rs. 1.05 million from the Capital during the period. These figures have also been eliminated from the Balance Sheet and Profit and Loss Account of the Group.

**b) Major Financial Indicators**

Earnings Per Share (annualized)	Rs.24.30
Market Value Per Share	Rs. 775
Price Earnings Ratio (P/E Ratio)	31.89
Liquidity ratio	22.39%
Net Assets value per share	Rs.1,666.28
Net worth Per Share	Rs. 153.76

**2. Management Analysis**

- a. The Bank has delineated long term and short term plans whose impact on performance of the Bank has been positively contributed to the Bank's performance and will also be positively contribute to the Bank in the days to come.
- b. The Bank has been regularly introducing various new products and has been re-aligning its existing products as per the changing market needs.
- c. The Bank and the group continue to consolidate its business and hope to achieve its future growth target.
- d. Total Business volume (Deposit & Loan) of the Bank have been increased by Rs. 22,476 million or 17.69 % since the beginning of the current fiscal year and have been also increased by 43,859 million or 44.30 % as compared with corresponding period of previous year. Corresponding previous year quarter figures have taken from unaudited financial of Siddhartha Bank Limited before merger with then Business Universal Development Bank Ltd.

**3. Details Regarding Legal Actions**

- a) Case filed by or to organized institution during the quarter-  
There are normal business related legal issues which have no significant impact in the Banks 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 various factors such as market forces, economic variables and government policies are the major influencing factors for movement in share prices, the management holds a neutral view on share transaction and its movement.
- b) Maximum, minimum and last share price of the organized institutions including total transaction and transacted days during the quarter. (Source: [www.nepalstock.com](http://www.nepalstock.com))

Maximum Price	Rs. 965
Minimum Price	Rs. 520
Closing Price	Rs. 775
Total Transaction	949,241 Shares
Transacted Day	50 Days

#### 5. Problems and Challenges

The Bank has considered the following internal and external factors as its problems and challenges.

##### Internal

- a) Maintaining cost of operations at reasonable level,
- b) Difficulties in recruiting and retaining quality human resource,

##### External

- a) Volatile interest rate and money market rate,
- b) Volatile foreign exchange market,
- c) Tight liquidity prevailing in the market,
- d) Competitive environment,
- e) Unpredictable political situations

##### Strategy to Overcome Challenges

- a) Focus on new and high yielding services by optimum utilization of fund,
- b) Optimum utilization of resources,
- c) Continuous enhancement of quality of product & services,
- d) Diversification of products & services,
- e) Continuous focus on operational efficiency,
- f) Implementation of better cost management practices,
- g) Developing human resource through training and development programs.

#### 6. Corporate Governance

We believe in growth that is equally matched by uncompromising compliance to legal, statutory and regulatory requirements. Proper work ethics, integrity and transparency of our operations are paramount to our business philosophy. The entire business operations and working culture have been designed to meet the highest level of corporate governance. We are cautiously focused in streamlining policies, guidelines and operating manuals as per the dynamics of the business environment and ensuring compliance to these policies for smooth operations. In line with our commitment in corporate governance, as required by NRB's Directive, the required plans, procedures, structures etc are in place and regularly being reviewed and monitored by Board, Board level committee and the management of the Bank.

#### 7. Declaration by CEO

I, individually accept responsibility for the accuracy of the information and details contained in this report. I also hereby declare that to the best of my knowledge and belief, the information contained in this reports are true, accurate and complete and there are no other matters concealed that can adversely affect the investment decision of the investors.