

As at 13 April 2018 (3rd quarter of FY 2074/75)

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 the paid up capital of Siddhartha Capital Limited (SCL). 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 Share Registrar.

- The Bank has held call deposits of Rs. 557.16 million of SCL as at 13 April 2018 (Chaitra end 2074).
- Till the end of 3rd quarter, SCL earned interest income of Rs. 25.79 million and Rs. 0.38 million Share RTS fee from the Bank.
- The Bank has received DP related income of Rs. 0.44 million and technical service fee of Rs. 3.20 million from SCL till the end of 3rd quarter.
- Above figures have been eliminated from the Balance Sheet and Profit and Loss Account of the Group.

b) Major Financial Indicators

Earnings Per Share (annualized)	Rs. 20.52
Market Value Per Share	Rs. 305
Price Earnings Ratio (P/E Ratio)	14.86
Net Worth Per Share	Rs. 144.95
Total Assets Value Per Share	Rs.1,324.49
Liquidity Ratio	21.48%

2. Management Analysis

- a. The Bank has formulated long term as well as short term plans which will positively contribute in the days to come.
- b. The Bank has introduced new products and has re-aligned its existing products as per the changing market needs.
- c. Total business volume (Deposits & Loans) of the Bank has been increased by Rs. 27,078 million i.e. 16.92% in this fiscal year.
- d. The Bank has 100 branches (including 3 extension counters) till the end of 3rd quarter and is planning to continue branch expansion in coming days as well. Besides this, the Bank is serving its customers through 107 ATMs and 99 branchless banking.

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 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 various factors such as market forces, economic conditions and government policies are major influencing factors for the 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)

Maximum Price	Rs. 380
Minimum Price	Rs. 276
Closing Price	Rs. 305
Total Traded Shares	924,697 Shares
Total Traded Days	55 Days

5. Problems and Challenges

Internal

- a) Increased staff and operational costs.
- b) Recruiting and retention of quality human resources
- c) Challenges in increasing non-interest revenue.

External

- a) Cut throat competition.
- b) Scarcity of lendable fund.
- c) Volatility in money/ capital market.
- d) Increasing trend of trade deficit.

Strategies to overcome Challenges

- a) Focus on new and high yielding products and services.
- b) Optimum utilization of resources.
- c) Focus on SME, retail loans and non funded business.
- d) Expansion of branches for expanding customer base and growth.
- e) Exploring new avenues of resources and investment.
- f) Implementation of better cost management practices by continuous focus on efficiency and productivity.
- g) Developing human resources through trainings and motivating them for growths.

6. Corporate Governance

The Bank believes in growth that is equally matched by uncompromising compliance to legal, statutory and regulatory requirements. Proper work ethics, integrity and transparency of operations are paramount to the Bank's business. The entire business operations and working culture have been designed to meet the highest level of corporate governance. The Bank has focused in streamlining policies, guidelines and operational manuals as per the dynamics of the business environment and ensuring compliance to these policies for smooth operations. In line with commitment to corporate governance, as required by NRB directive and circulars, the required plans, procedures and structures are in place and regularly being reviewed and monitored by Board, Board Level Committees and Management of the Bank.

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.