

**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 35.18 million of SCL as at 13 January 2025 (Poush end 2081).
- Till the end of 2nd quarter of FY 2081/82, SCL earned interest income of NPR 0.73 million and NPR 0.25 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 25.5 million.

b) Major Financial Indicators

Earnings Per Share	Rs. 7.55
Price Earnings Ratio (P/E Ratio)	39.21
Net Worth Per Share	Rs. 198.61
Total Assets Value Per Share	Rs. 2,172.24
Liquidity Ratio	25.68%

2. Management Analysis

- a) There have been positive changes in liquidity position of the Bank whereas loan loss provision has impacted income and reserves of the Bank in this quarter.
- b) The Bank has formulated long term strategies and short-term plans focusing on sustained growth through customer service excellence and digital first approach.
- c) The Bank continues to invest in IT infrastructure for digitization, automated work flows and enhanced security mechanism to strengthen digital offerings to customers.
- d) The Bank has been optimizing the utilization of the capital.
- e) Slowdown in economic activities have hampered loan recovery efforts and led to an increase in the Bank's non-performing assets.

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. 370
Minimum Price	Rs. 293
Closing Price	Rs. 296
Total Traded Shares	2,550,503
Total Transaction No.	8,638
Total Traded Days	55 Days

5. Problems and Challenges

Internal

- a) Retaining skilled and experienced human resources.
- b) Rising cost of doing business.
- c) Limited scope for increasing fees-based revenue.
- d) Challenges in loan recovery, leading to deteriorating assets quality.
- e) Stress in capital adequacy.

External

- a) Unpredictable changes in laws, policies and regulations.
- b) Sluggish economic activities.
- c) Limited investment opportunities and low returns.
- d) Growing incidence of cyber frauds and operational risks in an increasing digital environment.

Strategies to overcome Challenges

- a) Leveraging technology and digital transformation.
- b) Strengthening IT infrastructure and implement robust cybersecurity.
- c) Intensifying focus on loan recovery and resolution of NPAs.
- d) Prioritizing low capital charge consuming portfolios.
- e) Diversify revenue streams.
- f) Foster employee engagement and instill core values to reduce attrition.
- g) Improve customer engagement through seamless omni channel experiences across digital platforms.

6. Corporate Governance

- Corporate governance is a critical aspect of the Bank's operations, with its governance framework being crucial in navigating numerous operational and market challenges.
- Strategic leadership, rigorous oversight and compliance-based controls are essential for the Bank's sustainable growth.
- The Board of Directors, along with Board Level Committees and Management Team, are committed to upholding exemplary corporate governance practices that align with regulatory requirements and industry best practices.
- The Board is responsible for formulating a robust risk management policy and overseeing the Bank's risk management and internal control frameworks.
- Risk Management Committee and Audit Committee support the Board in fulfilling its risk management and internal control responsibilities.
- Committees such as Executive Committee, Management Credit Committee, Asset Liability Management Committee and Operation Risk Management Committee ensure the Bank's operations are effective and efficient.
- Good corporate governance is integral to the Bank, safeguarding stakeholder's interest.

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.