

As at 16 July 2011 (4th quarter of FY 2010/11)

Publication of Information as Required by Securities Registration and Issuance Regulation 2065 (Related to Sub Rule (2) of Rule 22)

1. a) Related Party Disclosure:

There is no any transaction with related party during the review period.

b) Major Financial Indicators

Earning Per Share (annualized)	19.39
Market Value Per Share	Rs. 270
Price Earnings Ratio (P/E Ratio)	13.92
Liquidity ratio	24.33%
Net Assets value per share	1,553.70
Net worth Per Share	138.92

2. Management Analysis

a) Despite of the tight liquidity situation in banking industry, the Bank has been able to retain and maintain a positive growth in deposits portfolio and comfortable liquidity position during the review period. There has been an increase in the Bank's income and reserves due to retention of the profit for the year.

b) The Bank is in the process of introducing various deposit products suitable for different customer segments. Recently bank has introduced the Club Siddhartha Product to increase its customer base with various value added benefit. There is a continuation of business process reengineering for operational efficiency. The Bank is introducing various card related services like debit/Prepaid/Credit cards along with SMS alert application based mobile banking system. The bank has also successfully piloted branchless banking system in one of the remote village in Dailekh district using biometric based smart card by managing cash distribution to the beneficiaries of World Food Program "Cash for Work Program"

3. Details Regarding Legal Actions

a) Case filed by or to organized institution during the quarter- There is no other major case except those arising in normal course of banking business and mention in the following related to lending.

a.i) The bank has filed case to Revenue Tribunal against IRD/LTPO with regard to income tax assessment for FY 2061/62 & FY 2062/63.

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 market forces, economic variables, government policies etc are the major influencing factors for movement in share price, 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. 292
Minimum Price	Rs. 182
Closing Price	Rs. 270
Total Transaction	62,660 Shares
Transacted Day	55 Days

5. Problems and Challenges

Internal

- Continuous improvement in business process to enhance operational efficiency,
- Increasing cost of operations,
- Difficulties in recruiting and retaining quality human resource.

External

- Unstable socio- political situation,
- Uncertainty on government plan and policy,
- Increasing cost of fund and maintaining the reasonable interest spread,
- Limited business opportunities,
- Competitive environment.

Strategy to Overcome Challenges

- Identification of new business avenues,
- Optimum utilization of resources,
- Continuous enhancement of quality of product & services,
- Diversification of products & services,
- Continuous focus on operational efficiency,
- Implementation of better cost management practice

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 operation 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, the required plans, procedures, structures etc are in place and regularly reviewed and monitoring by board, board level committee and the management of the bank.

7. Declaration by CEO

I, as 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 report is true, accurate and complete and there are no other matters concealed that can adversely affect the informed investment decision by the investors.