

As at 14 January 2011 (2<sup>nd</sup> 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)	17.91
Market Value Per Share	Rs. 307.00
Price Earnings Ratio (P/E Ratio)	17.15
Liquidity (CRR)	5.65%
Net Assets value per share	1,584.45
Net worth Per Share	127.73

**2. Management Analysis**

a) Despite of recent liquidity problem in banking industry, Bank has achieved 8% growth in its deposit portfolio compared to previous quarter of this fiscal year and 16% growth compare to the same quarter last year. The Bank has increased its total assets by 11% from previous quarter of this fiscal year and 7% from same quarter last year. Shareholders fund as of 2<sup>nd</sup> quarter of this fiscal year is decreased by 3% as compared to the previous quarter due to the proposed cash dividend, which has been transferred to other liabilities after getting approval from Nepal Rastra Bank.

b) The Bank has introduced three more branches in this quarter, totaling 38 Branches and 1 extension counter at service of our valued customers and planning to open few more in near future.

c) We have been constantly reviewing our liquidity position and keeping adequate liquid assets to meet the requirement.

**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 related to lending.

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:  
The value and the price of the share are generally guided by demand and supply of shares, performance of the bank and its dividend policies, and policies of the regulatory bodies, economic and political environment, global economy etc. Since all the bank's share is transacted at secondary market and price is determined through perfect market variable management have no comment on the movement of share price.

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. 316
Minimum Price	Rs. 290
Closing Price	Rs. 307
Total Transaction	30,720 Shares
Transacted Day	54 Days

## 5. Problems and Challenges

### Internal

- a) Increasing cost of fund and maintaining the level of spread
- b) Increasing cost of operation
- c) Difficulty in recruiting quality Human Resource

### External

- a). Unstable political environment
- b) Tight liquidity situation.
- c). Competitive environment.

### Strategy to Overcome Challenges

- a) Identification of new business avenues
- b) Introduction of new products and services
- c) Optimum utilization of resources.
- d) Enhancement of customer service.

## 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 be it back office or front office, 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.

## 7. Declaration by CEO

To the best of my knowledge and belief, I, declare that the information disclosed in this report are true reflection of the Bank's position and performance and confirm that no data have been concealed willfully and that will have material impact to take the investment decision by any investor & depositor.