

## Unaudited Financial Results (Quarterly)

As on Second Quarter (30/09/2008) for the Fiscal Year 2008/09

### Condensed Consolidated Statement of Financial Position

As on Quarter Ended 30<sup>th</sup> Poush 2008

(Amount in NPR)

Particulars	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending (Audited)	This Quarter Ending	Immediate Previous Year Ending (Audited)
<b>Assets</b>				
Cash and cash equivalent	3,149,546,494	3,166,029,248	3,148,974,750	3,165,470,476
Due from Nepal Rastra Bank	5,270,501,436	3,778,537,693	5,270,501,436	3,778,537,693
Placement with Bank and Financial Institutions	-	-	-	-
Derivative financial instruments	-	-	-	-
Other trading assets	-	-	-	-
Loan and Advances to B/FIs	3,564,112,325	4,574,216,271	3,564,112,325	4,574,216,271
Loans and advances to customers	72,945,513,944	69,130,694,763	72,945,513,944	69,130,694,763
Investment in securities	16,559,461,618	20,527,268,246	16,258,294,488	20,195,712,972
Current Tax Assets	151,532,616	100,761,449	134,046,472	83,859,471
Investment in subsidiaries	-	-	123,900,000	123,900,000
Investment in Associates	-	-	-	-
Investment property	700,894,642	675,496,243	700,894,642	675,496,243
Property and equipment	1,893,675,666	1,933,138,287	1,871,807,736	1,908,698,292
Goodwill and Intangible Assets	104,920,277	105,417,013	102,331,328	103,540,968
Deferred tax assets	35,136,900	35,302,344	38,835,344	38,835,344
Other assets	759,020,212	723,999,363	735,371,452	685,096,745
<b>Total Assets</b>	<b>105,134,316,130</b>	<b>104,750,860,918</b>	<b>104,894,583,917</b>	<b>104,464,059,239</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	1,555,540,150	2,565,987,630	1,555,540,150	2,565,987,630
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial instruments	-	-	-	-
Deposit from customers	91,270,149,014	90,112,803,410	91,272,368,460	90,115,629,859
Borrowings	70,823,541	98,587,819	-	-
Current Tax Liabilities	-	-	-	-
Provisions	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other liabilities	1,506,146,829	1,589,846,482	1,459,884,820	1,522,124,839
Debt securities issued	997,062,992	997,062,992	997,062,992	997,062,992
Subordinated Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>95,399,722,525</b>	<b>95,364,288,332</b>	<b>95,284,856,421</b>	<b>95,200,805,319</b>
<b>Equity</b>				
Share Capital	6,021,348,367	5,680,517,328	6,021,348,367	5,680,517,328
Share Premium	-	-	-	-
Retained Earnings	305,533,624	595,617,329	308,425,271	599,214,090
Reserves	3,293,456,951	2,996,938,444	3,279,953,858	2,983,522,502
<b>Total equity attributable to equity holders</b>	<b>9,620,338,942</b>	<b>9,273,073,101</b>	<b>9,609,727,496</b>	<b>9,263,253,919</b>
Non-controlling interests	114,254,663	113,499,485	-	-
<b>Total equity</b>	<b>9,734,593,605</b>	<b>9,386,572,586</b>	<b>9,609,727,496</b>	<b>9,263,253,919</b>
<b>Total Liabilities and equity</b>	<b>105,134,316,130</b>	<b>104,750,860,918</b>	<b>104,894,583,917</b>	<b>104,464,059,239</b>

### Condensed Consolidated Statement of Profit or Loss

For the Quarter Ended 30<sup>th</sup> Poush 2008

(Amount in NPR)

Particulars	Group		Bank	
	Current Year		Previous Year Corresponding	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
	NPR	NPR	NPR	NPR
Interest Income	1,790,495,375	3,845,069,042	2,034,242,893	4,355,916,954
Interest Expense	909,528,600	1,966,812,854	1,177,999,286	2,514,108,459
<b>Net interest income</b>	<b>880,966,775</b>	<b>1,878,256,189</b>	<b>856,243,608</b>	<b>1,841,808,496</b>
Fees and Commission Income	175,951,442	304,910,065	121,137,212	268,970,072
Fees and Commission Expense	3,922,566	7,152,161	1,428,893	3,738,210
<b>Net fee and Commission income</b>	<b>172,028,876</b>	<b>297,757,904</b>	<b>119,708,319</b>	<b>265,231,863</b>
Net interest fee and commission income	1,052,995,651	2,176,014,092	975,951,927	2,107,040,358
Net Trading Income	5,904,366	12,490,162	1,189,862	20,360,084
Other Operating Income	20,652,125	62,287,537	2,325,988	22,145,737
<b>Total operating income</b>	<b>1,079,552,143</b>	<b>2,250,791,792</b>	<b>979,467,777</b>	<b>2,149,546,179</b>
Impairment charge/(reversal) for loans and other losses	49,251,912	382,445,568	69,846,622	441,985,196
<b>Net Operating income</b>	<b>1,030,300,231</b>	<b>1,868,346,224</b>	<b>909,621,155</b>	<b>1,707,560,984</b>
Operating expenses				
Personnel Expense	310,075,387	612,972,767	285,146,606	569,675,180
Other Operating Expenses	143,751,691	290,077,490	136,805,105	275,091,211
Depreciation and amortisation	27,222,514	56,791,748	27,095,491	55,727,094
<b>Operating Profit</b>	<b>549,250,639</b>	<b>908,504,220</b>	<b>460,573,952</b>	<b>807,067,499</b>
Non operating income	191,000	531,290	135,000	270,000
Non operating expense	-	-	684,852	684,852
<b>Profit before income tax</b>	<b>549,441,639</b>	<b>909,035,510</b>	<b>460,024,100</b>	<b>806,652,647</b>
Income tax expense	164,462,400	272,357,259	138,052,815	241,279,393
Current tax	164,809,554	272,191,815	138,652,426	235,399,846
Deferred tax Expenses/(Income)	(347,154)	165,444	(599,611)	5,879,546
<b>Profit for the period</b>	<b>384,979,239</b>	<b>636,678,251</b>	<b>321,971,285</b>	<b>565,373,255</b>
<b>Condensed Consolidated Statement of Other Comprehensive Income</b>				
Profit for the period	384,979,239	636,678,251	321,971,285	565,373,255
Total Other comprehensive income	31,136,839	(31,329,797)	(28,345,696)	6,571,428
<b>Total Comprehensive income for the period</b>	<b>416,116,078</b>	<b>605,348,454</b>	<b>293,625,589</b>	<b>571,944,682</b>
Profit attributable to:				
Equity holders of the bank	415,909,348	604,593,276	294,382,523	564,084,226
Non-controlling interest	206,730	755,177	(756,934)	7,860,456
<b>Profit for the period</b>	<b>416,116,078</b>	<b>605,348,454</b>	<b>293,625,589</b>	<b>571,944,682</b>
Earnings per share:				
Basic earnings per share		21.15		19.91
Diluted earnings per Share		21.15		19.91
				21.10
				19.34

### Ratios as per NRB Directive

Particulars	Group		Bank	
	Current Year		Previous Year	
	This Quarter	Up to This Quarter Ending(YTD)	This Quarter	Up to This Quarter Ending(YTD)
	NPR	NPR	NPR	NPR
Capital fund to RWA		13.30%		12.92%
Tier 1 Capital to RWA		10.91%		10.74%
CET 1 Capital to RWA		10.91%		10.74%
Non-performing loan (NPL) to total loan		4.78%		4.72%
Total loan loss provision to Total NPL	</td			