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## Unaudited Financial Results (Quarterly)

As at 1st Quarter (30/06/2068) of the Fiscal Year 2068/2069

Amount Rs. In '000

S.N.	Particular	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>2,166,782.94</b>	<b>2,051,634.35</b>	<b>1,754,579.08</b>
1.1	Paid up Capital	220,000.00	220,000.00	200,000.00
1.2	Reserves and Surplus	40,125.31	34,665.92	58,472.15
1.3	Debentures and Bond	-	-	-
1.4	Borrowings	-	20,000.00	-
1.5	<b>Deposits (a+b)</b>	1,830,506.44	1,708,590.96	1,455,227.25
	a. Domestic Currency	1,830,506.44	1,708,590.96	1,455,227.25
	b. Foreign Currenty	-	-	-
1.6	Income Tax Liability	4,139.58	1,867.34	4,985.73
1.7	Other Liabilities	72,011.61	66,510.13	35,893.95
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>2,166,782.94</b>	<b>2,051,634.35</b>	<b>1,754,579.08</b>
2.1	Cash and Bank Balance	576,684.90	545,726.31	385,545.35
2.2	Money at call and short notice	-	-	-
2.3	Investments	36,822.55	35,263.12	120,500.00
<b>2.4</b>	<b>Loans and Advances (a to e)</b>	<b>1,475,613.84</b>	<b>1,415,610.10</b>	<b>1,180,330.25</b>
	<b>a. Real Estate Loan</b>			
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs. 80 Lacs)	-	-	-
	2. Business Complex & Residential Apartment Construction Loan	-	-	-
	3. Income generating Commercial Complex Loan	15,430.82	15,860.17	17,500.94
	4. Other Real Estate Loan (Including Land purchase & Plotting)	8,907.19	24,499.24	111,128.61

	b. Personal Home Loan of Rs. 80 Lacs or Less	284,732.39	284,291.01	220,805.48
	c. Margin Type Loan	21,788.07	14,778.71	13,164.74
	d. Term Loan	343,162.95	327,918.19	226,903.05
	e. Overdraft Loan/TR Loan/WC Loan	212,325.22	186,084.41	122,815.66
	f. Others	589,267.20	562,178.37	468,011.76
2.5	Fixed Assets	39,049.33	40,348.39	42,100.38
2.6	Non Banking Assets	-	-	-
2.7	Other assets	38,612.32	14,686.43	26,103.10
<b>3</b>	<b>Profit and Loss Account</b>	<b>Up to this Quarter</b>	<b>Up to this Quarter</b>	<b>Up to Corresponding Previous Year</b>
3.1	Interest Income	67,983.46	244,582.69	49,933.36
3.2	Interest Expenses	46,466.47	150,232.54	32,017.78
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>21,517.00</b>	<b>94,350.15</b>	<b>17,915.58</b>
3.3	Fees, commission and Discount	1,588.56	7,326.83	1,428.06
3.4	Other Operating Income	1,749.01	10,783.29	2,004.37
3.5	Foreign Exchange Gain/Loss (Net)	3.15	11.08	2.85
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>24,857.72</b>	<b>112,471.35</b>	<b>21,350.86</b>
3.6	Staff Expenses	4,385.86	11,310.99	2,878.97
3.7	Other Operating Expenses	5,692.83	21,407.33	5,261.70
	<b>C. Operating Profit Before Provision (B.-3.6-3.7)</b>	<b>14,779.03</b>	<b>79,753.02</b>	<b>13,210.19</b>
3.8	Provision for possible loss	6,200.00	29,191.80	800.00
	<b>D. Operating Profit (C.-3.8)</b>	<b>8,579.03</b>	<b>50,561.22</b>	<b>12,410.19</b>
3.9	Non-operating Income/Expenses (Net)			
3.10	Write Bank of Provision for Possible Loss			
	<b>E. Profit From Regular Activities (D.+3.9+3.10)</b>	<b>8,579.03</b>	<b>50,561.22</b>	<b>12,410.19</b>
3.11	Extraordinary Income/Expenses (Net)			
	<b>F. Profit Before Bonus and Taxes (E.+3.11)</b>	<b>8,579.03</b>	<b>50,561.22</b>	<b>12,410.19</b>
3.12	Provision for Staff Bonus	779.91	4,596.47	1,128.20
3.13	Provision For Tax	2,339.73	21,873.58	3,384.60
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>5,459.38</b>	<b>24,091.17</b>	<b>7,897.39</b>
<b>4</b>	<b>Ratios</b>	<b>At the End of This Quarter</b>	<b>At the End of Previous Quarter</b>	<b>At the End of Corresponding Previous Year Quarter</b>
4.1	Capital Fund To RWA	16.83%	17.38%	19.87%
4.2	Non Performing Loan (NPL) to Total Loan	1.38%	-	-
4.3	Total Loan Loss Provision to Total NPL	103.45%	-	-
4.4	Cost Of Funds	11.20%	11.04%	9.17%
4.5	Credit to Deposit Ratio (Calculated as per NRB Directives)	70.58%	72.11%	68.88%

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Loans and Advances amount figures shown in gross value. If the statutory and supervising authority notifies to change the Un-audited Financial Statements, the final figures may change accordingly. Previous period figures have been rearranged wherever it is necessary to do

Note: so.

## Disclosure as required by Securities Registration and Issuance Regulations 2065

### (Related to Sub Rule (2) of Rule 22), Annex 14

#### 1<sup>st</sup> Quarter Report, F.Y. 2068/69

#### 1. Financial Details :

- a. Quarterly reports that include Balance Sheet and Profit and Loss accounts of the Bank have been published in national Karobar daily dated 18<sup>th</sup> November, 2011. No 'related party' transaction (as defined by Nepal Rastra Bank) has been noted.
- b. Details of major indicators:

Earnings Per Share (Annualized)	10.92	Net Worth Per Share	130.06
Closing Market Share Price	145.00	Return on Total Assets	0.25%
P/E Ratio (Annualized)	13.28	Liquidity Ratio	31.50%

#### 2. Management Analysis :

Management has following view regarding the financial position of the bank.

- a) Despite the various challenges in the whole banking industry CDBL has succeeded to achieve secure and progressive accomplishment during the quarter. The bank has performed quite well in deposit collection, loan disbursement and in making profit. **Deposit and loan have been increased by more than 7% and 4% respectively in comparison to the last quarter.**
- b) Various financial indicators of the bank are quite comfortable such as increased liquidity, controlled and within prescribed limit CD ratio and motivating profitability ratio. Bank is in very comfortable position to cope with the future financial obligations due to the sensible liquidity position
- c) Management is continuously monitoring and evaluating the competitive and environmental factor affecting the business and is well prepared to protect the bank and its stakeholders from the possible worsening effects of such factors.

#### 3. Details pertaining to legal action:

- a. No any legal case filed by or against the bank
- b. No Information has been received regarding the case of disobedience of prevailing law or commission of criminal offence by or against the any promoter or director of the organization
- c. No information has been received regarding the case filed relating to commission of financial crime by any Promoter or Director:

#### 4. Analysis pertaining to share transactions of the organizations:

During the reported quarter capital market was in stable condition, no huge fluctuation was observed. As far as the trading of the CDBL's shares in the NEPSE concerned, it followed the market trend and the price of the shares was determined by the sole characteristics of the market itself, so management has no any especial analysis regarding this. The investors traded CDBL's shares enthusiastically during the quarter (From 17 July, 2011 to 17 October, 2011). Details of transactions of CDBL's shares in the Nepal Stock Exchange Limited as per NEPSE's website are as follows:

Maximum Price	185.00	Total no. of shares Traded	20,380
Minimum Price	130.00	Total Amount Traded	3,105,910.00
Closing Price as on 17 October , 2011	145.00	Total no. of transaction	844
Average Price	152.40	No. of share transacted days	56 days

**5. Problems and Challenges:**

- a. Internal Problems:
  - i. Increased cost of fund
  - ii. Insufficiency of essential and proficient resources
- b. External Problems:
  - i. Political instability and its effect in the environment,
  - ii. Shrink in the investment opportunities.
  - iii. Instability in policies.
  - iv. Unprofessional and unprincipled competition.
- c. **Strategy**
  - i. Providing trainings on latest updates to the existing human resources to make them more professional and competitive.
  - ii. Exploring new and emerging sector for secured investment,
  - iii. Public awareness campaign
  - iv. Effective implementation of risk management approaches,

**6. Corporate Governance:**

In order to execution of banking operation smoothly, the bank has been constituted various committees like Audit Committee, Assets Liability Committee and Recruitment Committee. The bank has established an internal audit department to strengthen internal control mechanism. Board of directors, other committees and management team are committed to maintain good corporate governance practices and active in creation of qualitative assets.

**7. Declaration of true and fair status by CEO:**

To the best of my knowledge and belief, I hereby declare that all the information and details furnished in this report is true, complete and factual, there are no other matters concealed the omission of which shall adversely affect the informed decision made by the investors. I, as at the date, take personal responsibility to any deviations thereof.