

## Unaudited Financial Results (Quarterly)

As at 2nd Quarter (30/09/2068) 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>2,298,762.83</b>	<b>2,166,782.94</b>	<b>1,832,971.48</b>
1.1	Paid up Capital	220,000.00	220,000.00	200,000.00
1.2	Reserves and Surplus	57,611.19	40,125.31	68,762.87
1.3	Debentures and Bond	-	-	-
1.4	Borrowings	-	-	-
<b>1.5</b>	<b>Deposits (a+b)</b>	<b>1,954,031.76</b>	<b>1,830,506.44</b>	<b>1,523,508.91</b>
	a. Domestic Currency	1,954,031.76	1,830,506.44	1,523,508.91
	b. Foreign Currenty	-	-	-
1.6	Proposed Dividend	13,000.00	-	-
1.7	Income Tax Liability	-	4,139.58	992.43
1.8	Other Liabilities	54,119.89	72,011.61	39,707.28
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>2,298,762.84</b>	<b>2,166,782.94</b>	<b>1,832,971.48</b>
2.1	Cash and Bank Balance	629,064.93	576,684.90	388,649.49
2.2	Money at call and short notice	-	-	-
2.3	Investments	33,720.21	36,822.55	110,500.00
<b>2.4</b>	<b>Loans and Advances (a to e)</b>	<b>1,562,677.63</b>	<b>1,475,613.84</b>	<b>1,265,130.16</b>
	<b>a. Real Estate Loan</b>			
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs. 10 million)	-	-	-
	2. Business Complex & Residential Apartment Construction Loan	-	-	-
	3. Income generating Commercial Complex Loan	14,979.00	15,430.82	-
	4. Other Real Estate Loan (Including Land purchase & Plotting)	13,205.38	8,907.19	105,868.08
	b. Personal Home Loan of Rs. 10 million or Less	311,999.28	284,732.39	223,159.91
	c. Margin Type Loan	20,753.70	21,788.07	16,936.46
	d. Term Loan	343,289.32	343,162.95	269,757.37

	e. Overdraft Loan/TR Loan/WC Loan	244,713.96	212,325.22	145,558.30
	f. Others	613,736.99	589,267.20	503,850.04
2.5	Fixed Assets	37,236.94	39,049.33	40,806.98
2.6	Non Banking Assets	-	-	-
2.7	Other assets	36,063.12	38,612.32	27,884.85
<b>3</b>	<b>Profit and Loss Account</b>	<b>This Quarter Ending</b>	<b>Previous Quarter Ending</b>	<b>Corresponding Previous Year Quarter Ending</b>
3.1	Interest Income	140,479.02	67,983.46	107,507.49
3.2	Interest Expenses	94,380.95	46,466.47	65,984.61
	<b>A. Net Interest Income (3.1-3.2)</b>	<b>46,098.07</b>	<b>21,517.00</b>	<b>41,522.88</b>
3.3	Fees, commission and Discount	3,588.18	1,588.56	3,302.26
3.4	Other Operating Income	5,475.78	1,749.01	4,885.69
3.5	Foreign Exchange Gain/Loss (Net)	8.25	3.15	6.03
	<b>B. Total Operating Income (A.+3.3+3.4+3.5)</b>	<b>55,170.28</b>	<b>24,857.72</b>	<b>49,716.86</b>
3.6	Staff Expenses	7,554.59	4,385.86	5,259.88
3.7	Other Operating Expenses	12,408.85	5,692.83	10,415.56
	<b>C. Operating Profit Before Provision (B.-3.6-3.7)</b>	<b>35,206.84</b>	<b>14,779.03</b>	<b>34,041.42</b>
3.8	Provision for possible loss	10,150.00	6,200.00	4,800.00
	<b>D. Operating Profit (C.-3.8)</b>	<b>25,056.84</b>	<b>8,579.03</b>	<b>29,241.42</b>
3.9	Non-operating Income/Expenses (Net)	-	-	-
3.10	Write Bank of Provision for Possible Losss	-	-	-
	<b>E. Profit From Regular Activities (D.+3.9+3.10)</b>	<b>25,056.84</b>	<b>8,579.03</b>	<b>29,241.42</b>
3.11	Extraordinary Income/Expenses (Net)	-	-	-
	<b>F. Profit Before Bonus and Taxes (E.+3.11)</b>	<b>25,056.84</b>	<b>8,579.03</b>	<b>29,241.42</b>
3.12	Provision for Staff Bonous	2,277.89	779.91	2,658.31
3.13	Provision For Tax	6,833.68	2,339.73	7,974.93
	<b>G. Net Profit/Loss (F.-3.12-3.13)</b>	<b>15,945.26</b>	<b>5,459.38</b>	<b>18,608.18</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	17.02%	16.83%	20.48%
4.2	Non Performing Loan (NPL) to Total Loan	0.46%	1.38%	-
4.3	Total Loan Loss Provision to Total NPL	259.21%	103.45%	-
4.4	Cost Of Funds	11.08%	11.20%	9.95%
4.5	Credit to Deposit Ratio (Calculated as per NRB Directives)	70.02%	70.58%	70.59%

Note: Loans and Advances amount figures shown in gross value. If the statutory and supervising authority notify 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 so.

**Branch Offices:**

Pokhara 1, Bagar	Pokhara 10 Amarsing Chowk,	Bhimad Bazar Tanahun,	Hemja,	Bhotewodar Lamjung,	Safa Sadak Damauli	Nagdanda, Kaski
Tel: 061-531329, 531346	432150, 432151	065-572200	061-400044	061-622680	065-562235, 562236	061-622669

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

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

2<sup>nd</sup> Quarter Report, F.Y. 2068/69

### 1. Financial Statements :

- a. Quarterly reports that include Balance Sheet and Profit and Loss accounts of the bank have been published in national Karobar daily dated 20th January, 2012. No 'related party' transaction (as defined by Nepal Rastra Bank) has been noted.
- b. Details of major indicators:

Earnings Per Share (Annualized)	14.50	Net Worth Per Share	126.19
Closing Market Share Price	131.00	Return on Total Assets (Annualized)	1.37%
P/E Ratio (Annualized)	9.04	Liquidity Ratio	32.19%

### 2. Management Analysis :

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

- a) Bank has succeeded to achieve reasonable and progressive accomplishment up to the reported quarter, though; various challenges to the whole banking industry have not changed since long. Bank has been demonstrating quite healthy performances in deposit collection, loan disbursement and profit making.
- b) Various financial indicators of the bank are quite strong such as adequate 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 because of 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 were determined by the sole characteristics of the market itself so

management has no any especial analysis regarding this. During the reported quarter bank has announced to provide 10% bonus share and 6.5% cash dividend to its shareholder. Details of transactions of CDBL's shares in the Nepal Stock Exchange Limited during 18 October 2011 to 14 January 2012 as per NEPSE's website are as follows:

Maximum Price	168.00	Total no. of shares Traded	22,470
Minimum Price	131.00	Total Amount Traded	3,340,910.00
Closing Price as on 12 January , 2012	131.00	Total no. of transaction	789
Average Price	148.68	No. of share transacted days	51 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. Unprofessional and unprincipled competition.
- c. **Strategies**
  - i. Providing trainings on latest updates to the existing human recourses to make them more professional and competitive.
  - ii. Exploring new and emerging sector for secured investment,
  - iii. 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:**

I as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. 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 the omission of which shall adversely affect the informed investment decision by the investors.