

CITY DEVELOPMENT BANK LTD.

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Unaudited Financial Results (Quarterly)

As at 4th Quarter (31/03/2069) of the Fiscal Year 2068/2069

Amount Rs. In
'000

S.N.	Particular	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	2,695,467.50	2,357,178.03	2,051,634.35
1.1	Paid up Capital	220,000.00	220,000.00	220,000.00
1.2	Reserves and Surplus	93,573.07	68,763.51	41,665.92
1.3	Debentures and Bond	-	-	-
1.4	Borrowings	-	-	20,000.00
1.5	Deposits (a+b)	2,336,170.36	2,014,522.44	1,708,590.96
	a. Domestic Currency	2,336,170.36	2,014,522.44	1,708,590.96
	b. Foreign Currency	-	-	-
1.6	Proposed Dividend	-	-	13,000.00
1.7	Income Tax Liability	-	-	1,867.34
1.8	Other Liabilities	45,724.07	53,892.09	46,510.13
2	Total Assets (2.1 to 2.7)	2,695,467.50	2,357,178.03	2,051,634.35
2.1	Cash and Bank Balance	758,895.99	584,284.36	545,726.31
2.2	Money at call and short notice	-	-	-
2.3	Investments	59,301.74	64,764.06	35,263.12
2.4	Loans and Advances (a to e)	1,799,689.03	1,624,874.75	1,415,610.10
	a. Real Estate Loan			40,359.41

	1. Residential Real Estate Loan (Except Personal Home Loan up to Rs. 10 million)	53,492.09	39,159.15	-
	2. Business Complex & Residential Apartment Construction Loan			-
	3. Income generating Commercial Complex Loan	13,874.28	14,505.05	15,860.17
	4. Other Real Estate Loan (Including Land purchase & Plotting)	39,617.81	24,654.10	24499.24
	b. Personal Home Loan of Rs. 10 million or Less	367,742.36	336,670.34	284,291.01
	c. Margin Type Loan	21,511.21	22,628.48	14,778.71
	d. Term Loan	379,894.28	346,528.19	327,918.19
	e. Overdraft Loan/TR Loan/WC Loan	313,107.17	262,813.37	186,084.41
	f. Others	663,941.92	617,075.22	562,178.37
2.5	Fixed Assets	38,600.23	37,393.35	40,348.39
2.6	Non Banking Assets	-	-	-
2.7	Other assets	38,980.52	45,861.51	14,686.43
3	Profit and Loss Account	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
3.1	Interest Income	302,711.18	215,437.81	244,582.69
3.2	Interest Expenses	199,402.45	144,204.34	150,232.54
	A. Net Interest Income (3.1-3.2)	103,308.73	71,233.46	94,350.15
3.3	Fees, commission and Discount	8,274.90	5,361.13	7,326.83
3.4	Other Operating Income	14,471.67	9,513.76	10,783.29
3.5	Foreign Exchange Gain/Loss (Net)	14.25	11.40	11.08
	B. Total Operating Income (A.+3.3+3.4+3.5)	126,069.54	86,119.75	112,471.35
3.6	Staff Expenses	15,074.18	10,758.57	11,310.99
3.7	Other Operating Expenses	26,584.53	18,929.27	21,407.33
	C. Operating Profit Before Provision (B.-3.6-3.7)	84,410.83	56,431.91	79,753.03
3.8	Provision for possible loss	14,390.93	13,850.00	29,191.80
	D. Operating Profit (C.-3.8)	70,019.90	42,581.91	50,561.23
3.9	Non-operating Income/Expenses (Net)	19.67	-	-
	Write Bank of Provision for Possible Losses			-

3.10		-	-	
E. Profit From Regular Activities (D.+3.9+3.10)		70,039.56	42,581.91	50,561.23
3.11	Extraordinary Income/Expenses (Net)	-	-	-
F. Profit Before Bonus and Taxes (E.+3.11)		70,039.56	42,581.91	50,561.23
3.12	Provision for Staff Bonus	6,367.23	3,871.08	4,596.48
3.13	Provision For Tax	11,765.19	11,613.25	21,873.58
G. Net Profit/Loss (F.-3.12-3.13)		51,907.14	27,097.58	24,091.17
4	Ratios	At the End of This Quarter	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund To RWA	16.57%	17.17%	19.15%
4.2	Non Performing Loan (NPL) to Total Loan	0.04%	0.22%	-
4.3	Total Loan Loss Provision to Total NPL	2627.05%	562.61%	-
4.4	Cost Of Funds	10.99%	11.09%	10.20%
4.5	Credit to Deposit Ratio (Calculated as per NRB Directives)	68.66%	70.55%	71.85%

Note: If the statutory auditors and supervising authority notify us to change the Un-audited Financial Statements, the final figures may change accordingly. Previous period figures were rearranged wherever it was necessary to do so.

Branch Offices:

Bagar	Amarsing Chowk	Bhimad Bazar	Hemja	Bhotewodar	Safa Sadak Damauli	Nagdanda	Turture
Pokhara -1	Pokhara-10	Tanahun	Kaski	Lamjung	Tanahun	Kaski	Tanahun
Tel: 061-531329, 531346	432150, 432151	065-572200	061-400044	066-400025	065-562235, 562236	061-622669	061-622680

Disclosure as required by Securities Registration and Issuance Regulations 2065

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

4th Quarter Report, F.Y. 2068/69

1. Financial Statements :

a. Quarterly reports that include the Balance Sheet and Profit and Loss Accounts of the bank have been published on "Karoobar National Daily" dated 27th July, 2012. No 'related party' transaction (as defined by Nepal Rastra Bank) has been noted.

b. Details of major indicators:

Earnings Per Share	23.56	Net Worth Per Share	142.50
Closing Market Share Price	135.00	Return on Total Assets	1.92%

P/E Ratio	5.73	Liquidity Ratio	32.48%
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2. Management Analysis :

The management has the following view regarding the financial position of the bank.

- a. The bank has succeeded in achieving its goals for the year in a steady and progressive manner. Despite the many challenges faced by the banking industry as a whole, CDBL has been able to perform quite well in deposit collection, loan disbursement and profit making.
- b. Liquidity has increased in comparison to the last quarter, which will make dealing with the financial obligations in the future easier.
- c. Management is aware of the current economic situation and increasing risk in the banking business. Therefore, the management is prepared to protect the interest of the bank and the stakeholders from this unpleasant environment.

3. Details pertaining to legal action:

- a. No legal cases were filed by or against the bank
- b. No Information was received regarding cases of disobedience of prevailing law or commission of criminal offence against any promoter or director of the organization.
- c. No information was received regarding the commitment of financial crimes by any promoter or director of the organization.

4. Analysis pertaining to share transactions of the organizations:

During the reported quarter, the capital market showed a bullish trend and signs of stability. As far as the trading of the CDBL's shares in the NEPSE is concerned, it followed the market trend and the price determined by the sole characteristics of the market itself. Therefore, the management has no special analysis regarding this. Investors traded CDBL's shares enthusiastically during the quarter (13 April, 2012 to 15 July, 2012). Details of transactions of CDBL's shares in the NEPSE are as follows:

Maximum Price	179	Total no. of shares Traded	20,358
Minimum Price	124	Total Amount Traded	2,787,477.00
Closing Price as on 15 July 2012	135	Total no. of transaction	334
Average Price	136.92	Market Capitalization	297,000,000.00

5. Problems and Challenges:

- a. Internal Problems:
 - i. Increased cost of funds
 - ii. Lack of efficient manpower
- b. External Problems:
 - i. Political instability and its effect on the banking environment
 - ii. Shrink in investment opportunities
 - iii. Unprofessional and unprincipled competition
- c. Strategy

- i. Provide training to the existing human resources on the latest updates to make them more professional and competitive.
- ii. Explore new and emerging sectors for secured investment.
- iii. More effective implementation of risk management approaches.

6. Corporate Governance:

In order to execute banking operations smoothly, the bank has constituted various committees like the Audit Committee, the Assets Liability Committee and the Recruitment Committee. The bank has established an internal audit department to strengthen internal control mechanisms. The board of directors, other committees and the management team are committed to maintain good corporate governance practices and creating qualitative assets.

7. Declaration of true and fair status by CEO:

I as of 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.