



डिजिटल बैंक लिमिटेड

DCBL Bank Limited

(नेपाल राष्ट्र बैंकबाट कर्वाको इजाजतपत्र प्राप्त संस्था)

Unaudited Financial Results (Quarterly)

As at the end of First Quarter (17/10/2009) of the Fiscal Year 2009/2010

Rs. in '000

S.N.	PARTICULARS	This Quarter Ending 31 Aswin 2066	Previous Quarter (Audited) Ending 31 Ashad 2066	Corresponding Previous Year Quarter Ending 30 Ashwin 2065
1	Total Capital and Liabilities (1.1 to 1.7)	9,544,507	8,858,639	6,318,419
1.1	Paid Up Capital	1,655,289	1,655,289	1,107,456
1.2	Reserve and Surplus	318,191	214,205	170,117
1.3	Debtenture and Bond	-	-	-
1.4	Borrowings	250,000	290,000	250,000
1.5	Deposits (a+b)	7,013,745	6,613,359	4,742,074
	a. Domestic Currency	6,985,331	6,585,294	4,724,499
	b. Foreign Currency	28,414	28,065	17,575
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	307,282	85,786	48,772
2	Total Assets (2.1 to 2.7)	9,544,507	8,858,639	6,318,419
2.1	Cash and Bank Balance	483,738	639,162	217,462
2.2	Money at Call and Short Notice	1,127,022	1,098,173	940,897
2.3	Investments	559,357	497,813	373,571
2.4	Loans and Advances	6,829,937	6,353,976	4,519,089
2.5	Fixed Assets	216,487	220,448	168,132
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	327,966	49,067	99,268
3	Profit and Loss Account	Up to This Quarter	Up to Previous Quarter	Up to Corresponding Previous Year Quarter
3.1	Interest Income	198,956	587,877	105,861
3.2	Interest Expenses	128,179	347,983	55,627
	A. Net Interest Income (3.1 - 3.2)	70,777	239,894	50,234
3.3	Fees, Commission and Discount	3,419	9,811	11,463
3.4	Other Operating Income	12,504	30,852	-
3.5	Foreign Exchange Gain/Loss (Net)	3,335	14,913	3,886
	B. Total Operating Income (A.+3.3+3.4+3.5)	90,035	295,470	65,583
3.6	Staff Expenses	13,900	52,752	10,917
3.7	Other Operating Expenses	10,161	39,466	7,574
	C. Operating Profit Before Provision (B.-3.6-3.7)	65,974	203,252	47,092
3.8	Provision for Possible Losses	2,643	38,208	12,182
	D. Operating Profit (C.-3.8)	63,331	165,044	34,910
3.9	Non Operating Income / Expenses (Net)	-	-	-
3.10	Write Back of Provision for Possible Loss	-	-	-
	E. Profit from Regular Activities (D.+3.9+3.10)	63,331	165,044	34,910
3.11	Extraordinary Income / Expenses (Net)	-	-	-
	F. Profit before Bonus and Taxes (E.+ 3.11)	63,331	165,044	34,910
3.12	Provision for Staff Bonus	5,757	15,004	3,174
3.13	Provision for Tax	17,272	46,985	9,521
	G. Net Profit/Loss (F.-3.12-3.13)	40,302	103,055	22,215
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	20.28	20.99	18.22
4.2	Non Performing Loan (NPL) to Total Loan	1.41	1.59	1.15
4.3	Total Loan Loss Provision to Total NPL	126.85	118.45	185.25

Unaudited Financial figures are subject to change from Supervisory Authority and External Audit.

Previous period figure have been regrouped where necessary.

Publication of Information as required by Securities Regulation and Issuance Rules 2065 (Related to Sub Rule (2) of Rule 22)

1. Financial Details

a) i. Financial detail as at the end of First quarter (31/06/2066) of the Fiscal Year 2066/67 has been shown above.

ii. Related Party Transaction

No related party transactions were noted during the period under review.

b) **Financial Indicator (as per unaudited figures of 31 Aswin 2066)**

1	Earning Per Share	2.43
2	Market Value Per Share	334.00
3	Price Earning Ratio	137.45
4	Liquidity (CRR)	5.70
5	Return on Total Assets	0.42
6	Net Worth Per Share	118.96

2. Management Analysis

a) There have been changes in the Bank's reserve, profitability and liquidity position during the period. The bank has forwarded its proposal to issue 5% net bonus share in its forthcoming AGM.

b) The bank has been following a approach which will ensure protecting the interest of all the stakeholders' and ensure the growth of the bank.

c) During the quarter under review, there were no incidents which have had any material effect on reserve, profit or cash flow position of the bank.

3. Details relating to legal action

No case was filed against or by the bank, relating to disobedience of prevailing laws or commission of the criminal offence filed by or against the Promoters or Directors of the bank and relating to the commission of financial crime filed against any Promoter or Director during the period under review.

4. Analysis of share transaction and progress of bank

a) Management view on share transaction of the bank is neutral during the period under review since the price and transactions of the bank's shares listed in the Nepal Stock Exchange Limited are being determined by the open share market operations.

b) Maximum, minimum and last share price of the bank including total transaction number and transacted days during the period under review.

Maximum Price	Rs.	451
Minimum Price	Rs.	315
Closing Price	Rs.	334
Total Transaction number		440
Transacted days		52

5. Problems and Challenges

Internal Problems and Challenges

1. Deposit interest rates in relation to the inflationary pressure.

2. Everincreasing cost of fund

3. Dissemination of network to expand its services among general public.

4. Retention of experienced and talented employees.

External Problems and Challenges

1. Evergrowing number of banks and competition among the Banks

2. Volatile economy and unstable socio-political situation in the country

3. Impact of Global Economic recession

4. Requirement to maintain higher liquidity position.

Strategy

1. Strategy on "Slow and Steady wins the race"
-Emphasize on Quality rather than Quantity.

2. New Product/Service development

3. Steady growth in branch expansion

4. Reduction of NPA to less than 1%

5. Effective Training and motivation program for the bank personnel.

6. Corporate Governance

The Board of DCBL Bank is responsible and accountable to the shareholders and the depositors and ensures that proper corporate governance standards are maintained.

Audit Committee comprises of 3 directors one from Promoters group, one from Public and one as a Professional Director. The committee reviews internal and external audit reports, NRB inspection reports and provides suggestion, recommendation and the same is forwarded to the Board of Directors.

DCBL Bank Limited has Credit Committee, ALCO, Recruitment and Promotion Committee and the sub committees. They meet regularly to deal in the respective issues.

The Annual General Meeting is the annual forum when and where all the stakeholders meet and communicate with each other regarding the various aspects of the institution.

DCBL Bank is complying with the Corporate Governance as per prevailing Company Act, Bank and Financial Institution Act, NRB Regulation and supported by various internal policies and procedures.

7. Disclosure of the Chief Executive Officer

The CEO personally assures the correctness of the fact and figures disclosed in this reports. Also, to the extent of the knowledge, the facts and figures disclosed in this report are correct and comprehensive and all the material information relevant to take proper investment decision for the investor are disclosed properly in this statement.