



डिजिटल बैंक लिमिटेड
DCBL Bank Limited
(नेपाल राष्ट्र बैंकबाट 'क' वर्गको इजाजतपत्र प्राप्त संस्था)

Unaudited Financial Results (Quarterly)
As at the end of Second Quarter (14/01/2010) of the Fiscal Year 2009/2010

Rs. in '000

S.N	PARTICULARS	This Quarter Ending 30 Poush 2066	Previous Quarter Ending 31 Aswin 2066	Corresponding Previous Year Quarter Ending 29 Poush 2065
1	Total capital and Liabilities (1.1 to 1.7)	9,740,973	9,669,129	6,869,683
1.1	Paid Up Capital	1,655,289	1,655,289	1,107,456
1.2	Reserve and Surplus	294,768	318,191	194,405
1.3	Debenture and Bond	-		
1.4	Borrowings	260,000	250,000	250,000
1.5	Deposits (a+b)	7,346,338	7,013,745	5,190,398
	<i>a. Domestic Currency</i>	7,306,819	6,985,331	5,174,062
	<i>b. Foreign Currency</i>	39,519	28,414	16,336
1.6	Income Tax Liability	-	-	-
1.7	Other Liabilities	184,578	431,904	127,424
2	Total Assets (2.1 to 2.7)	9,740,973	9,669,129	6,869,683
2.1	Cash and Bank Balance	503,732	483,738	462,958
2.2	Money at Call and Short Notice	980,170	1,127,022	782,630
2.3	Investments	724,142	559,357	212,757
2.4	Loans and Advances (a+b+c+d+e+f)	7,214,860	6,954,559	5,135,851
	a. Real Estate Loan	2,702,408	2,916,463	1,497,276
	b. Home/Housing Loan	344,598	257,796	345,966
	c. Margin Type Loan	263,517	251,477	194,479
	d. Term Loan	822,315	1,091,717	589,953
	e. Overdraft Loan/TR Loan/WC Loan	1,618,123	1,105,784	1,289,862
	f. Others	1,463,899	1,331,322	1,218,315
2.5	Fixed Assets	233,723	216,487	178,460
2.6	Non Banking Assets	-	-	-

2.7	Other Assets	84,346	327,966	97,027
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3	Profit and Loss Account	Up to This Quarter	Up to Previous Quarter	Up to Corresponding Previous Year Quarter
3.1	Interest Income	407,638	198,956	238,309
3.2	Interest Expense	259,581	128,179	126,798
A. Net Interest Income (3.1-3.2)		148,057	70,777	111,511
3.3	Fees, Commission and Discount	7,202	3,419	18,662
3.4	Other Operating Income	19,336	12,504	-
3.5	Foreign Exchange Gain/Loss (Net)	5,885	3,335	8,471
B. Total Operating Income (A. +3.3+3.4+3.5)		180,480	90,035	138,644
3.6	Staff Expenses	27,658	13,900	22,525
3.7	Other Operating Expenses	21,094	10,161	18,636
C. Operating Profit Before Provision (B.-3.6-3.7)		131,728	65,974	97,483
3.8	Provision for Possible Losses	5,129	2,643	18,583
D. Operating Profit (C.-3.8)		126,599	63,331	78,900
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)		126,599	63,331	78,900
3.11	Extraordinary Income/Expenses (Net)	-	-	-
F. Profit Before Bonus and Taxes (E. +3.11)		126,599	63,331	78,900
3.12	Provision for Staff Bonus	11,509	5,757	7,173
3.13	Provision for Tax	34,527	17,272	21,518
G. Net Profit/Loss (F.-3.12-3.13)		80,563	40,302	50,209

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	20.26	20.28	18.33
4.2	Non Performing Loan (NPL) To Total Loan	1.34	1.41	1.77
4.3	Total Loan Loss Provision To Total NPL	131.02	126.85	112.30
4.4	Cost of Funds	7.84	7.61	6.54
4.5	CD Ratio	77.69	77.57	79.35

Note: Unaudited financial figures are subject to change from Supervisory Authority and External Audit.

Risk weight of 150% has been given to Real estate loan in excess of 25% of the total loan amount while calculating capital adequacy ratio

**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 2nd Quarter (30/09/2066) 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 30 Poush 2066)

1. Earning Per Share	Rs.9.73
2. Market Value Per Share	Rs.316.00
3. Price Earning Ratio	32.48
4. Liquidity (CRR)	6.10%
5. Return on Total Assets	1.65%
6. Net Worth Per Share	Rs. 117.70

2. Management Analysis

a) There have been changes in the Bank's reserve, profitability and liquidity position during the period. The net profit has increased by 60% compared to the previous year. Liquidity, gearing, and solvency status of the bank are satisfactory.

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. The bank will expand business opportunities by dissemination of network of minimum 6 branches within this fiscal year.

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 no. and transacted days during the period under review.

Maximum Price	Minimum Price	Closing Price	Total transaction no.	Transacted days
Rs. 350	Rs. 271	Rs. 316	406	57

5. Problems and Challenges

Internal Problems and Challenges

1. Deposit interest rates in relation to the inflationary pressure.
2. Dissemination of network to expand its services among general public.
3. Retention of experienced and talented personnel in a competitive market.
4. Increasing trend of cost of fund.

External Problems and Challenges

1. Volatile economy and unstable socio-political situation in the country.
2. Frequent strikes.
3. Extended hours of power cut.
4. Requirement to maintain higher liquidity position.
5. Liquidity crunch in the market.

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. Reduction of Real estate loan to below 25% by Ashad end 2067.
6. 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.