

Citizens Bank International Limited

Balance Sheet

As at 31 Ashad, 2069 (15 July, 2012)

Capital & Liabilities	Schedule	Current Year NPR	Previous Year NPR
1. Share Capital	1	2,101,840,000	2,100,000,000
2. Reserves and Funds	2	179,915,990	132,118,925
3. Debentures & Bonds	3	-	-
4. Borrowings	4	88,250,000	805,000,000
5. Deposit Accounts	5	17,354,534,194	13,478,333,261
6. Bills Payable	6	1,433,693	3,781,767
7. Proposed Cash Dividend		176,997,053	110,526,316
8. Income Tax Liabilities		6,523,003	
9. Other Liabilities	7	159,015,065	186,726,247
Total Capital & Liabilities		20,068,508,998	16,816,486,516

Assets	Schedule	Current Year NPR	Previous Year NPR
1. Cash Balance	8	692,282,229	831,453,020
2. Balance with Nepal Rastra Bank	9	2,635,233,431	492,519,523
3. Balance with Banks/Financial Institutions	10	442,358,083	181,563,412
4. Money at Call and Short Notice	11	21,100,000	226,837,378
5. Investments	12	1,529,902,678	2,401,437,096
6. Loans, Advances and Bills Purchased	13	14,129,603,574	12,271,826,513
7. Fixed Assets	14	324,345,391	192,065,362
8. Non-banking Assets	15		
9. Other Assets	16	293,683,612	218,784,212
Total Assets		20,068,508,998	16,816,486,516

Contingent Liabilities	Schedule 17	Principal Financial Indicators	Schedule 31
Directors' Declaration	Schedule 29	Principal Accounting Policies	Schedule 32
Capital Adequacy	Schedule 30 (A)	Notes to Accounts	Schedule 33
Risk Weighted Assets	Schedule 30(B)	Loans to Promoters	Schedule 34
Credit Risk Mitigation (CRM) Table	Schedule 30(C)	Comparison of Audited and Unaudited Financial Statements	Schedule 35
Operation Risk Table	Schedule 30(D)	Unaudited Financial Statement	Schedule 36
Market Risk Table	Schedule (E)		

Schedules 1 to 17, 32 and 33 form integral part of this Balance Sheet.

(Ramdhan Shrestha) (Rajan Singh Bhandari) (Pradeep Jung Pandey) (Bal Krishna Prasai) (Man
Chief Finance Officer Chief Executive Officer Chairman Director

(Anin Rajbhandari) (Prakash Chandra Mainali) (Abinash Panta) (Pavitra Kumar Karki) (Arju
Director Director Director Director

As per our report of even date

CA Sudarshan Raj Pandey
Partner
S R Pandey & Co
Chartered Accountants

Date:- Bhadra 10, 2069

Citizens Bank International Limited.
Profit and Loss Account

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Schedule	Current Year NPR	Previous Year NPR
1. Interest Income	18	1,980,319,520	1,795,232,613
2. Interest Expenses	19	1,405,859,472	1,236,322,309
Net Interest Income		574,460,048	558,910,304
3. Commission and Discount	20	40,360,613	32,097,765
4. Other Operating Incomes	21	71,926,902	65,555,921
5. Exchange Fluctuation Income	22	23,091,833	13,282,826
Total Operating Income		709,839,396	669,846,816
6. Staff Expenses	23	108,813,600	83,758,437
7. Other Operating Expenses	24	212,722,834	177,082,515
8. Exchange Fluctuation Loss	22	-	-
Operating Profit Before Provision For Possible Losses		388,302,962	409,005,864
9. Provision for Possible Loss	25	122,821,850	103,368,282
Operating Profit		265,481,112	305,637,582
10. Non - Operating Income/Expenses	26	10,469,810	6,730,251
11. Loan Loss Provision Written Back	27	79,437,003	-
Profit from Regular Operations		355,387,925	312,367,833
12. Profit/Loss from Extra-Ordinary Activities	28	-	-
Profit after considering all activities		355,387,925	312,367,833
13. Provision for Staff Bonus		32,307,993	28,397,076
14. Provision for Income Tax		98,285,813	85,616,622
Current Year's Tax Provision		100,834,626	91,661,289
Prior Period Taxation		403,383	
Deferred Tax (Income)/Expenses		(2,952,196)	(6,044,667)
Net Profit /(Loss)		224,794,119	198,354,135

Schedule 18 to 28, 32 and 33 form integral part of this Profit and Loss Account.

(Ramdhan Shrestha)
Chief Finance Officer

(Rajan Singh Bhandari)
Chief Executive Officer

(Pradeep Jung Pandey)
Chairman

(Bal Krishna Prasai)
Director

(Manohar Das Mool)
Director

(Anin Rajbhandari)
Director

(Prakash Chandra Mainali)
Director

(Abinash Panta)
Director

(Pavitra Kumar Karki)
Director

(Arjun Lal Rajbanshi)
Director

As per our report of even date

CA Sudarshan Raj Pandey
Partner
S R Pandey & Co
Chartered Accountants

Date:- Bhadra 10, 2069

Citizens Bank International Limited
Profit and Loss Appropriation Account
Fiscal Year 2068/2069 (2011/20012)

Particulars	Schedule	Current Year NPR	Previous Year NPR
Income			
1. Accumulated Profit upto Last Year		9,220,558	27,108,233
2. Current Year's Profit		224,794,119	198,354,135
3. Exchange Fluctuation Fund		-	-
4. Share Premium		-	40,000,000
Total		234,014,677	265,462,368
Expenses			
1. Accumulated Loss upto Last Year		-	-
2. Current Year's Loss		-	-
3. General Reserve Fund		44,958,824	39,670,827
4. Contingent Reserve			
5. Institutional Development Fund			
6. Dividend Equalization Fund			
7. Employees' Related Fund			
8. Proposed Dividend		176,997,053	110,526,316
9. Proposed Issue of Bonus Share		-	100,000,000
10. Special Reserve Fund			
11. Exchange Fluctuation Fund		2,306,163	
12. Capital Redemption Reserve Fund			
13. Capital Adjustment Fund			
14. Adjustment of Prior Period Item			
15. Deferred Tax Reserve Fund		2,901,103	6,044,667
16. Investment Adjustment Reserve			
Total		227,163,143	256,241,810
17. Accumulated Profit/(Loss)		6,851,534	9,220,558

(Ramdhan Shrestha)
Chief Finance Officer

(Rajan Singh Bhandari)
Chief Executive Officer

(Pradeep Jung Pandey)
Chairman

(Bal Krishna Prasai)
Director

(Manohar Das Mool)
Director

(Anin Rajbhandari)
Director

(Prakash Chandra Mainali)
Director

(Abinash Panta)
Director

(Mr. Pavitra Kumar Karki)
Director

(Mr. Arjun Lal Rajbanshi)
Director

As per our report of even date

CA Sudarshan Raj Pandey
Partner
S R Pandey & Co
Chartered Accountants

Date:- Bhadra 10, 2069

Citizens Bank International Limited
Statement of Changes in Equity
Fiscal Year 2068/69

Particulars	Share Capital	Accumulated Profit/Loss	General Reserve	Capital Adjustment Fund	Share Premium	Exchange Fluctuation Fund	Deferred Tax Reserve	Other Reserves Fund	Total Amount
Opening Balance as at 1st Shrawan 2068	2,040,000,000	9,220,558	108,513,421.0	-	2,971,617	814,556	10,524,772	74,000	2,172,118,924
Adjustments	60,000,000								60,000,000
Adjusted Opening Balance	2,100,000,000	9,220,558	108,513,421	-	2,971,617	814,556	10,524,772	74,000	2,232,118,924
Adjustments	1,840,000	(2,369,024)	44,958,824	-	-	2,306,163	2,901,103	-	49,637,066
Right Share Issue									-
Transfer from Share Premium									-
Net Profit for the Year		224,794,119							224,794,119
Transfer to General Reserve		(44,958,824)	44,958,824.0						-
Capital Adjustment Fund									-
Declaration of Dividend		(176,997,053)							(176,997,053)
Issue of Bonus Share	1,840,000	-							1,840,000
Exchange Fluctuation Fund		(2,306,163)				2,306,163			-
Deferred Tax Liabilities/(Assets)		(2,901,103)					2,901,103		-
Investment Adjustment Reserve									-
Closing Balance as at 31 Ashad 2069	2,101,840,000	6,851,534	153,472,245.0	-	2,971,617	3,120,719	13,425,875	74,000	2,281,755,990

(Ramdhan Shrestha) (Rajan Singh Bhandari) (Pradeep Jung Pandey) (Bal Krishna Prasai) (Manohar Das Mool)
 Chief Finance Officer Chief Executive Officer Chairman Director Director

(Anin Rajbhandari) (Prakash Chandra Mainali) (Abinash Panta) (Pavitra Kumar Karki) (Arjun Lal Rajbanshi)
 Director Director Director Director Director

As per our report of even date

Date:- Bhadra 10, 2069

CA Sudarshan Raj Pandey
 Partner
 S R Pandey & Co
 Chartered Accountants

Citizens Bank International Limited
Cash Flow Statement

From 1st Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
(A) Cash Flow from Operation		
1. Cash Receipts	2,118,703,089	1,837,794,289
1.1 Interest Income	1,984,872,636	1,717,442,606
1.2 Commission and Discount Income	37,566,560	33,586,548
1.3 Gain on Trading of Foreign Exchange	13,867,181	14,478,963
1.4 Recovery of Write off Loan	-	
1.5 Other Income	82,396,712	72,286,172
2. Cash Payments	1,807,333,674	1,533,597,551
2.1 Interest Expenses	1,411,265,138	1,257,100,706
2.2 Staff Expenses	116,011,174	83,758,437
2.3 Office Overhead Expenses	181,771,549	121,708,158
2.4 Payment of Income Tax	98,285,813	71,030,250
2.5 Other Expenses		
Cash Flow Before Working Capital Activities	311,369,415	304,196,738
Decrease/(Increase) in Current Asset from Operating Activities	(1,774,877,046)	(1,557,783,387)
1. Changes in Money at Call and Short Notice	205,737,378	8,144,269
2. Changes in Other Short Term Investments	-	-
3. Changes in Loans, Advances and Bills Purchased	(1,901,161,908)	(1,589,347,680)
4. Changes in Other Assets	(79,452,516)	23,420,024
Increase/(Decrease) in Current Liability from Operating Activities	2,987,723,714	(330,199,233)
1. Changes in Deposits	3,876,200,933	(736,148,538)
2. Changes in Certificate of Deposits	-	-
3. Changes in Short Term Borrowings	(716,750,000)	655,000,000
4. Changes in Other Liabilities	(171,727,219.00)	(249,050,695)
(B) Cash Flow from Investing Activities	675,995,111	310,029,561
1. Changes in Long Term Investments (Increase)/Decrease	871,534,418	278,730,466
2. Changes in Fixed Assets (Increase)/Decrease	(195,539,307)	(82,529,357)
3. Interest Income from Long Term Investments	-	113,828,452
4. Dividend Income		
5. Others		
(C) Cash Flow from Financial Sources	54,901,943	334,870,617
1. Long Term Borrowings (Bond ,Debenture) Increase/(Decrease)		
2. Paid Up Capital Increase/(Decrease)	1,840,000	836,021,617
3. Other Liabilities Increase/(Decrease)		
4. Refinance / soft loan from Nepal Rastra Bank Increase/(Decrease)	-	(501,151,000)
5. Dividend Paid	53,061,943	
(D) Income/(Expense) Due to Fluctuation in Exchange rate of Cash and Bank Balance	9,224,652	(1,196,137)
(E) Net Cash Flow of the Year	2,264,337,789	(940,081,840)
(F) Opening Cash and Bank Balance	1,505,535,955	2,445,617,795
(G) Closing Cash and Bank Balance	3,769,873,743	1,505,535,955

(Ramdhan Shrestha)
Chief Finance Officer

(Rajan Singh Bhandari)
Chief Executive Officer

(Pradeep Jung Pandey)
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(Bal Krishna Prasai)
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Director

As per our report of even date

CA Sudarshan Raj Pandey
Partner
S R Pandey & Co
Chartered Accountants

Date:- Bhadra 10, 2069

Citizens Bank International Limited.
Share Capital and Ownership
As at 31 Ashad, 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
1. Share Capital		
1.1 Authorised Capital	5,000,000,000	5,000,000,000
a) 50,000,000 Ordinary Shares of Rs 100 each	5,000,000,000	5,000,000,000
b) Non-Redeemable Preference Shares of Rs _ each		
c) Redeemable Preference Shares of Rs _ each		
1.2 Issued Capital	3,000,000,000	3,000,000,000
a) 30,000,000 Ordinary Shares of Rs 100 each	3,000,000,000	3,000,000,000
b) Non-Redeemable Preference Shares of Rs _ each		
c) Redeemable Preference Shares of Rs _ each		
1.3 Paid Up Capital	2,101,840,000	2,100,000,000
a) 21,018,400 Ordinary Shares of Rs 100 each (Previous Year 20,000,000 Ordinary Shares of Rs 100 each)	2,101,840,000	2,000,000,000
b) Non-Redeemable Preference Shares of Rs _ each		
c) Redeemable Preference Shares of Rs _ each		
1.4 Proposed Bonus Share	-	100,000,000
1.5 Calls in Advance		
1.6 Total Amount	2,101,840,000	2,100,000,000

Particulars of Share Ownership	Current Year		Previous Year	
	%	Share Capital	%	Share Capital
1. Local Ownership	100.00%	2,101,840,000	100.00%	2,100,000,000
1.1 Government of Nepal		-		-
1.2 "Ka" Class Licensed Institutions				
1.3 Other Licensed Institutions				
1.4 Organised Institutions	13.02%	273,634,200	13.02%	273,470,400
1.5 General Public	30.00%	630,552,000	30.00%	630,000,000
1.6 Others (Promoters)	56.98%	1,197,653,800	56.98%	1,196,529,600
2. Foreign Ownership				
Total	100.00	2,101,840,000	100.00	2,100,000,000

Citizens Bank International Limited
Shareholders holding more than 0.5% shares
As on 31 Ashad 2069 (15 July, 2012)

SN	Name	Number of shares held	Amount NPR	% of Shareholding
1	ROADSHOW REAL STATE PVT LTD	1,190,525	119,052,500.00	5.66%
2	URMILA PANDEY	1,009,018	100,901,800.00	4.80%
3	CITIZEN INVESTMENT TRUST	811,430	81,143,000.00	3.86%
4	BIJEN JOSHI	525,530	52,553,000.00	2.50%
5	AKARA DEVELOPERS PVT LTD	433,037	43,303,700.00	2.06%
6	MANOHAR DAS MOOL	423,052	42,305,200.00	2.01%
7	SONI JOSHI	394,735	39,473,500.00	1.88%
8	RABINDRA MAN SINGH PRADHAN	394,147	39,414,700.00	1.88%
9	PABITRA KUMAR KARKI	394,147	39,414,700.00	1.88%
10	JAGANNATH GYAWALI	331,068	33,106,800.00	1.58%
11	PREM BAHADUR SHRESTHA	328,456	32,845,600.00	1.56%
12	SHANKER PRASAD SHARMA	315,318	31,531,800.00	1.50%
13	RAMESH SHARMA	315,318	31,531,800.00	1.50%
14	SABITRI SHARMA	301,654	30,165,400.00	1.44%
15	SR HYDRO AND INVESTMENT PVT. LTD	301,350	30,135,000.00	1.43%
16	ANIL KUMAR DHUNGEL	210,212	21,021,200.00	1.00%
17	BHOLA BIKRAM THAPA	210,212	21,021,200.00	1.00%
18	NARENDR KUMAR DEV BHATTA	210,212	21,021,200.00	1.00%
19	ARUJUN PRASAD SHARMA	210,212	21,021,200.00	1.00%
20	SULOCHAN RAJ RAJBHANDARI	210,212	21,021,200.00	1.00%
21	BADRI KUMAR SHRESTHA	197,074	19,707,400.00	0.94%
22	DHRUBA KUMAR SHRESTHA	197,074	19,707,400.00	0.94%
23	URMILA SHRESTHA	186,563	18,656,300.00	0.89%
24	PRATAP JUNG PANDEY	181,308	18,130,800.00	0.86%
25	MANITA BHATTARAI	178,680	17,868,000.00	0.85%
26	RAMITA BHATTARAI	178,680	17,868,000.00	0.85%
27	RAJESH KHADKA	157,659	15,765,900.00	0.75%
28	BABU RAM POKHAREL	157,659	15,765,900.00	0.75%
29	RAM PRASAD SHRESTHA	157,554	15,755,400.00	0.75%
30	ANIN RAJBHANDARI	149,017	14,901,700.00	0.71%
31	SANDHYA REGMI SHIWAKOTI	148,357	14,835,700.00	0.71%
32	CHINTAMANI BHATTARAI	147,148	14,714,800.00	0.70%
33	SHRAWAN KUMAR RANA	131,382	13,138,200.00	0.63%
34	KAMAL PRASAD GYAWALI	131,277	13,127,700.00	0.62%
35	RAMDHAN SHRESTHA	129,902	12,990,200.00	0.62%
36	PARAMESHWOR PRASAD RAUNIYAR	119,453	11,945,300.00	0.57%
37	SUBASH SHRESTHA	115,617	11,561,700.00	0.55%
38	RAJENDRA PRASAD KAYASTHA	110,655	11,065,500.00	0.53%
39	RAMBHA PANDEY	105,106	10,510,600.00	0.50%
40	PRAGYA JUNG RANA	105,106	10,510,600.00	0.50%
41	Grand Total	11,505,116	1,150,511,600.00	54.74%

Citizens Bank International Limited
Reserve and Funds

As at 31 Ashad, 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
1. General Reserve Fund	153,472,245	108,513,421
2. Capital Reserve Fund	2,971,617	2,971,617
3. Capital Redemption Reserve		
4. Capital Adjustment Reserve		
5. Other Reserve Fund		
5.1. Contingent Reserve		
5.2 Institutional Development Fund		
5.3 Dividend Equalization Fund		
5.4 Special Reserve Fund		
5.5 Assets Revaluation Reserve		
5.6 Deferred Tax Reserve	13,425,875	10,524,772
5.7. Other Free Reserves		
5.8. Other Reserve fund	74,000	74,000
6. Accumulated Profit	6,851,534	9,220,558
7. Exchange Fluctuation Reserve	3,120,719	814,557
Total	179,915,990	132,118,925

Citizens Bank International Limited
Debenture and Bonds

As at 31 Ashad, 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
1. ...% Bond/Debenture per Bonds/ Debenture of ... Issued onand Maturity on (Redemption Reserve till date : - Rs.....)		
2. ...% Bond/Debenture per Bonds/ Debenture of ... Issued onand Maturity on (Redemption Reserve till date : - Rs.....)		
3.....		
Total		

Citizens Bank International Limited
Borrowings

As at 31 Ashad, 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
A. Local		
1. Government of Nepal		
2. Nepal Rastra Bank	-	-
3. Repo Liability		
4. Inter-bank and Financial Institutions	88,250,000	805,000,000
5. Other Organised Institutions		
6. Others		
Total	88,250,000	805,000,000
B. Foreign		
1. Banks		
2. Others		
Total		-
Total (A+B)	88,250,000	805,000,000

Citizens Bank International Limited.
Deposit Liability
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
1. Non-Interest Bearing Accounts		
A. Current Deposits	513,181,835	319,126,233
1. Local Currency	486,754,639	294,544,182
1.1 Government of Nepal	137,256,468	148,048,781
1.2 "A" Class Licensed Institutions	98,838,836	676,242
1.3 Other Licensed Financial Institutions	58,848,488	25,450,155
1.4 Other Organized Institutions	160,423,705	107,486,756
1.5 Individuals	31,387,142	12,882,248
1.6 Others		
2. Foreign Currency	26,427,196	24,582,051
2.1 Government of Nepal		
2.2 "A" Class Licensed Institutions		
2.3 Other Licensed Financial Institutions		
2.4 Other Organized Institutions	26,412,569	24,563,110
2.5 Individuals	14,627	18,941
2.6 Others		
B. Margin Deposits	78,207,401	58,423,846
1. Employees' Guarantee		
2. Guarantee Margin	27,574,385	21,864,700
3. Letters of Credit Margin	50,633,016	36,559,146
C. Others	-	-
1. Local Currency	-	-
1.1 Financial Institutions	-	-
1.2 Other Organised Institutions	-	-
1.3 Individuals	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts	591,389,236	377,550,079

Citizens Bank International Limited.
Deposits Liability
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
2. Interest Bearing Accounts		
A. Savings Deposits	4,718,662,379	3,235,768,214
1. Local Currency	4,698,570,309	3,214,508,210
1.1 Institutions	6,351,552	1,031,347
1.2 Individuals	4,692,218,757	3,213,476,863
1.3 Others		
2. Foreign Currency	20,092,070	21,260,004
2.1 Institutions		736
2.2 Individuals	20,092,070	21,259,268
2.3 Others		
B. Fixed Deposits	7,412,472,098	6,016,562,712
1. Local Currency	7,058,192,473	5,442,908,712
1.1 Institutions	4,761,338,273	3,621,675,378
1.2 Individuals	2,296,854,200	1,821,233,334
1.3 Others		
2. Foreign Currency	354,279,625	573,654,000
2.1 Institutions	353,000,000	570,800,000
2.2 Individuals	1,279,625	2,854,000
2.3 Others		
C. Call Deposits	4,632,010,481	3,848,452,256
1. Local Currency	4,624,402,259	3,837,833,083
1.1 "A" Class Licensed Institutions	-	8,138
1.2 Other Licensed Financial Institutions	3,461,007,562	2,472,424,458
1.3 Other Organised Institutions	720,652,646	897,741,349
1.4 Individuals	442,742,051	467,659,139
1.5 Others		
2. Foreign Currency	7,608,222	10,619,173
2.1 A Class Licensed Institutions		
2.2 Other Licensed Financial Institutions		
2.3 Other Organised Institutions	7,608,222	10,619,173
2.4 Individuals		
2.5 Others		
D. Certificate of Deposits	-	-
1. Organised Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts	16,763,144,958	13,100,783,182
Total Deposits (1+2)	17,354,534,194	13,478,333,261

Citizens Bank International Limited.
Bills Payable
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
1. Local Currency	1,433,693	3,781,767
2. Foreign Currency	-	-
Total	1,433,693	3,781,767

Citizens Bank International Limited.
Other Liabilities
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
1. Pension/Gratuity Fund/Provision*	3,591,526	3,189,526
2. Employees' Provident Fund	668,798	-
3. Employees' Welfare Fund	-	-
4. Provision for Staff Bonus	32,307,993	28,397,076
5. Interest Payable on Deposits	33,011,580	27,189,155
6. Interest Payable on Borrowings	651,597	1,068,356
7. Unearned Discount and Commission	8,408,418	5,614,365
8. Sundry Creditors	3,975,840	353,453
9. Branch Adjustment Account	-	9,057
10. Deferred Tax Liability	-	-
11. Unpaid Dividend	26,095,874	12,687,080
12. Others	50,303,439	108,218,179
a. Audit Fees Payable	306,625	250,875
a. Debit Card / SCT Payble	4,313,326	1,839,025
c. Provision for Leave Encashment	10,233,832	8,017,973
d. Account Payable Others	4,697,607	82,486,918
e. Tax Deducted At Source	17,383,904	9,278,641
f. Retention Money	1,533,063	1,688,984
g. Cash Excess	127,000	-
h. Matured Time Deposit	4,096,000	1,155,399
i. Remittance Payable	4,407,037	1,449,122
j. Provision for Expenses	3,205,045	2,051,242
Total	159,015,065	186,726,247

*Gratuity Provision

Citizens Bank International Limited.**Cash Balance****As on 31 Ashad 2069 (15 July, 2012)**

Particulars	Current Year NPR	Previous year NPR
1. Local Currency (Including Coins and Gold)	677,923,805	811,643,079
2. Foreign Currency	14,358,424	19,809,941
Total	692,282,229	831,453,020

Citizens Bank International Limited.**Balance at Nepal Rastra Bank****As on 31 Ashad 2069 (15 July, 2012)**

Particulars	Local Currency	Foreign Currency			Current Year NPR	Previous year NPR
	NPR	INR	Convertible Foreign Currency	Total		
1. Nepal Rastra Bank	2,628,961,206	-	6,272,225	6,272,225	2,635,233,431	492,519,523
a. Current Account	2,628,961,206	-	6,272,225	6,272,225	2,635,233,431	492,519,523
b. Other Account	-	-	-	-	-	-

Note: Total Bank Balance as per the balance confirmation from Nepal Rastra Bank NPR . 2,646,550,075.4

Citizens Bank International Limited.**Balance with Banks/Financial Institutions****As on 31 Ashad 2069 (15 July, 2012)**

Particulars	Local Currency	Foreign Currency			Current Year NPR	Previous year NPR
		INR	Convertible Foreign Currency	Total		
1. Local Licenced Institution	107,361,732	-	5,601,864	5,601,864	112,963,596	74,199,435
a. Current Account	107,361,732	-	5,601,864	5,601,864	112,963,596	74,199,435
b. Other Account	-	-	-	-	-	-
2. Foreign Banks	-	86,876,926	242,517,561	329,394,487	329,394,487	107,363,977
a. Current Account	-	86,876,926	242,517,561	329,394,487	329,394,487	107,363,977
b. Other Account	-	-	-	-	-	-
Total	107,361,732	86,876,926	248,119,425	334,996,351	442,358,083	181,563,412

Note: Total Bank Balance as per the balance confirmation Bank/ Financial Institution NPR 456,856,747.98

Citizens Bank International Limited.**Money at Call and Short Notice****As on 31 Ashad 2069 (15 July, 2012)**

Particulars	Current Year NPR	Previous year NPR
1. Local Currency	21,100,000	77,000,000
2. Foreign Currency	-	149,837,378
Total	21,100,000	226,837,378

Citizens Bank International Limited

Investments

As on 31 Ashad 2069 (15 July, 2012)

Particulars	Purpose		Current Year NPR	Previous year NPR
	Trading NPR	Others NPR		
1. Nepal Government's Treasury bills		709,477,678	709,477,678	728,432,096
2. Nepal Government's Savings Bonds		-	-	-
3. Nepal Government's Others Securities		613,750,000	613,750,000	385,450,000
4. Nepal Rastra Bank Bonds		-	-	-
5. Foreign Securities		-	-	-
6. Local Licenced Institutions		26,475,000	26,475,000	1,141,155,000
7. Foreign Banks		176,500,000	176,500,000	142,700,000
8. Corporate Shares		3,700,000	3,700,000	3,700,000
9. Corporate Bonds & Debentures		-	-	-
10. Other Investments		-	-	-
Total Investment	-	1,529,902,678	1,529,902,678	2,401,437,096
Provision	-	-	-	-
Net Investment	-	1,529,902,678	1,529,902,678	2,401,437,096

Note.

Treasury Bills Rs 100m has been pledged with NABIL as security for borrowing USD 1 million. Borrowing expired on Shrawan 15, 2069.

Citizens Bank International Limited.
Investments in Shares, Debentures and Bonds
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Cost Price NPR	Market Value NPR	Provision NPR	Current Year NPR	Previous year NPR
1. Investment in Shares	3,700,000	3,700,000	-	3,700,000	3,700,000
1.1 National Banking Training Institute			-	-	
12000 Equity Shares @ Rs 100 Paid Up	1,200,000	1,200,000		1,200,000	1,200,000
1.2 Nepal Clearing House				-	
25000 Equity Shares @ Rs 100 Paid Up	2,500,000	2,500,000	-	2,500,000	2,500,000
1.3					
2. Investment in Debentures and Bonds			-		-
2.1					
2.2					
2.3					
Total Investment		3,700,000	-	3,700,000	3,700,000
3. Provision for Loss			-		-
3.1 Upto Previous Year			-		-
3.2 Addition/Write Back this Year			-		-
Total Provision			-		-
Net Investment		3,700,000	-	3,700,000	3,700,000

Note.

None of the above companies are listed in stock exchange nor declared dividend since last three years.

Citizens Bank International Limited.
Held For Trading
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Cost Price	Last Market Price(A)	Current Market Price(B)	Current Year Profit/(Loss)	Previous Year Profit/ (Loss)	Remarks
1. Nepal Government's Treasury bills						
2. Nepal Government's Savings Bonds						
3. Nepal Government's Others Securities						
4. Nepal Rastra Bank Bonds						
5. Foreign Securities						
6. Local Licenced Institutions's Share						
7. Local Licenced Institutions's Corporate Bonds & Debentures						
8. Local Organised Institutions's Share , Debenture and Bonds						
9. Foreign Placement						
10. Interbank Lending						
11. Other Investments						
Total Investment						

Citizens Bank International Limited.
Held to Maturity
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Cost Price(A)	Loss till date(B)	Loss during the year(C)	Current Year Profit/(Loss) (A-B-C)	Previous Year Profit/ (Loss)	Remarks
1. Nepal Government's Treasury bills	709,477,678					
2. Nepal Government's Savings Bonds						
3. Nepal Government's Others Securities	613,750,000					
4. Nepal Rastra Bank Bonds						
5. Foreign Securities						
6. Local Licenced Institutions's Share						
7. Local Licenced Institutions's Bonds & Debentures						
8. Local Organised Institutions's Debenture and Bonds						
9. Foreign Placement	176,500,000					
10. Other Investments	26,475,000					
Total Investment	1,526,202,678					

Citizens Bank International Limited.
Available for Sale
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Cost Price	Last Market Price(A)	Current Market Price(B)	Current Year Fund Adjustment Amount	Previous Year Profit/ (Loss)	Remarks
1. Nepal Government's Treasury bills						
2. Nepal Government's Savings Bonds						
3. Nepal Government's Others Securities						
4. Nepal Rastra Bank Bonds						
5. Foreign Securities						
6. Local Licenced Institutions's Share						
7. Local Licenced Institutions's Bonds & Debentures						
8. Local Organised Institutions's Shares, Debenture and Bonds	3,700,000	3,700,000	3,700,000			
9. Foreign Placement						
10. Other Investments						
Total Investment	3,700,000					

Note:-

None of the above organised institutions are listed in Stock Exchange. Therefore, cost price of the investment have been considered as market price

Citizens Bank International Limited.
Classification of Loans, Advances and Bills Purchased and Provisions
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Loans and Advances				Bills Purchased and Discounted			Current Year NPR	Previous year NPR	
	Domestic			Foreign	Total	Local	Foreign			Total
	Deprived Sector		Others							
	Insured	Un Insured								
1. Performing Loan	-	443,441,148	13,592,536,267	-	14,035,977,415	65,064,975	24,805,212	89,870,187	14,125,847,602	12,368,055,642
1.1. Pass	-	443,441,148	13,592,536,267	-	14,035,977,415	65,064,975	24,805,212	89,870,187	14,125,847,602	12,368,055,642
2. Non Performing Loan	-	-	289,545,840	-	289,545,840	-	-	-	289,545,840	146,175,892
2.1 Restructured/Re-scheduled			149,106,178		149,106,178				149,106,178	
2.2 Sub Standard	-		12,084,114	-	12,084,114			-	12,084,114	34,000,740
2.3 Doubtful	-	-	72,127,678	-	72,127,678	-	-	-	72,127,678	8,108,120
2.4 Loss	-		56,227,870	-	56,227,870	-	-	-	56,227,870	104,067,032
Total Loan (A)	-	443,441,148	13,882,082,107	-	14,325,523,255	65,064,975	24,805,212	89,870,187	14,415,393,442	12,514,231,534
3. Loan Loss Provision										
3.1 Pass	-	4,434,411	139,411,633	-	143,846,044	650,650	248,052	898,702	144,744,746	125,783,744
3.2. Restructured /Re-scheduled	-	-	45,732,385	-	45,732,385	-	-	-	45,732,385	-
3.3 Sub Standard	-	-	3,021,029	-	3,021,028	-	-	-	3,021,028	8,500,185
3.4 Doubtful	-	-	36,063,839	-	36,063,839	-	-	-	36,063,839	4,054,060
3.5 Loss	-	-	56,227,870	-	56,227,870	-	-	-	56,227,870	104,067,032
Total Provisions (B)	-	4,434,411	280,456,756	-	284,891,167	650,650	248,052	898,702	285,789,868	242,405,021
4. Provision upto Previous year										
4.1 Pass	-		125,015,079	-	125,015,079	694,100	74,565	768,665	125,783,744	108,912,962
4.2. Restructured /Re-scheduled	-	-	-	-	-	-	-	-	-	-
4.3 Sub Standard	-	-	8,500,185	-	8,500,185	-	-	-	8,500,185	1,091,618
4.4 Doubtful	-		4,054,060	-	4,054,060	-	-	-	4,054,060	-
4.5 Loss	-		104,067,032	-	104,067,032	-	-	-	104,067,032	29,221,251
Total Provision upto Previous year (C)	-	-	241,636,356	-	241,636,356	694,100	74,565	768,665	242,405,021	139,225,831
Written Back from previous year's Provision (D)	-	-	(79,437,003)	-	(79,437,003)	-	-	-	(79,437,003)	-
Addition provision of current year(E)			122,821,850		122,821,850	-		-	122,821,850	103,179,190
Net change in this year(F)	-	4,434,411	241,079,253	-	245,513,664	(43,450)	173,487	130,037	43,384,847	103,179,190
Net Loan (A-B)	-	439,006,737	13,601,625,351	-	14,040,632,088	64,414,325	24,557,160	88,971,485	14,129,603,574	12,271,826,513

Citizens Bank International Limited.
Securities Against
Loans, Advances and Bills Purchased
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
(A) Secured	14,415,393,442	12,514,231,534
1. Collateral of Movable/Immovable Assets	8,218,926,943	7,283,536,149
2. Guarantee of Local Licensed Institutions		
3. Guarantee of Government of Nepal		
4. Guarantee of Internationally Rated Banks		
5. Export Documents	53,175,212	36,551,478
6. Fixed Deposit Receipts	89,771,400	266,852,876
(a) Own FDR	89,630,413	236,859,614
(b) FDR of Other Licensed Institution	140,987	29,993,262
7. Government Bonds		
8. Counter Guarantees		
9. Personal Guarantee		
10. Other Securities	6,053,519,887	4,927,291,031
(B) Unsecured		
Total	14,415,393,442	12,514,231,534

Citizens Bank International Limited.

Fixed Assets

As on 31 Ashad 2069 (15 July, 2012)

Particulars	Assets					Current Year NPR	Previous year NPR
	Building	Vehicles	Machinery	Office Equipment	Others		
1. Cost Price							
a. Previous year's balance	-	26,088,894	-	161,467,582	16,701,291	204,257,767	176,026,531
b. Addition during the year	42,625,000	756,400		28,913,546	4,948,806	77,243,752	61,999,282
c. Revaluation/Written back this year	-					-	-
d. Sold /disposed off during the year	-			(124,300)	-	(124,300)	(3,168,046)
e. Written off during the year	-		-			-	-
Total Cost (a+b+c+d+e)	42,625,000	26,845,294	-	190,256,828	21,650,097	281,377,219	234,857,767
2. Depreciation							
a. Upto previous year	-	9,958,045	-	72,832,166	11,088,846	93,879,057	66,257,011
b. For this year	64,229	4,190,077		35,767,028	3,547,215	43,568,549	41,189,107
c. Depreciation on revaluation/Written back	-	-	-		-	-	-
d. Depreciation on Assets sold/Disposed off				(124,298)		(124,298)	(1,425,070)
Total Depreciation (a+b+c+d)	64,229	14,148,122	-	108,474,896	14,636,061	137,323,308	106,021,050
3. Written Down Value (1-2)	42,560,771	12,697,172	-	81,781,932	7,014,036	144,053,911	128,836,717
4. Land		-	-	-		114,375,000	-
5. Capital Construction(to be Capitalised)		-	-	-	-	324,450	2,205,005
6. Leasehold Assets (Net of Amortisation)		-	-	-	-	65,592,030	61,023,640
Total (3+4+5+6)	42,560,771	12,697,172	-	81,781,932	7,014,036	324,345,391	192,065,362

Citizens Bank International Limited.
Non Banking Assets

As on 31 Ashad 2069 (15 July, 2012)

Name & Address of Borrower	Date of assuming Non Banking Assets	Gross Non Banking Assets NPR	Less : Provisions		Net Non Banking Assets NPR	Previous Year NPR
			%	NPR		
				-	-	
				-	-	
				-	-	
Total		-		-	-	

Citizens Bank International Limited.

Other Assets

As on 31 Ashad 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
1. Stock of Stationery	7,099,815	6,579,358
2. Income Receivable on Investments	12,068,309	16,621,425
3. Accrued Interest on Loans	100,418,984	74,449,832
Less: Interest Suspense	(100,418,984)	(74,449,832)
4. Commision Receivable	-	-
5. Sundry Debtors	505,401	6,361,758
6. Staff Loans and Advances	121,478,230	84,316,811
7. Prepayments	13,348,975	9,151,196
8. Cash-in-Transit	-	-
9. Other Transit Items (including cheques)	-	270,878
10. Drafts Paid Without Notice		
11. Expenses not Written off		
12. Branch Adjustment Accounts		
13. Deferred Tax Asset	13,425,875	10,473,679
14. Others	125,757,007	85,009,107
a. Advance For Purchase Of Land	50,000,000	
b. Account Receivables Others	39,252,024	77,873,626
c. ATM Cards	273,700	254,946
d. Security Deposit	1,813,295	589,328
e. Advance Income Tax	-	1,720,618
f. Debit Card /SCT Receivable	1,702,521	1,683,147
g. Premium on Development Bonds	32,370,467	2,887,442
h. Others	345,000	
Total	293,683,612	218,784,212

Citizens Bank International Limited.
Other Assets (Additional Statement)

As on 31 Ashad 2069 (15 July, 2012)

Particulars	This Year				Previous Year NPR
	Upto 1 year	1 to 3 years	Above 3 years	Total	
1. Accrued Interest on Loans	86,952,651	13,466,333	-	100,418,984	74,449,832
2. Draft Paid without Notice	-	-	-	-	-
3. Branch Adjustment Account	-	-	-	-	-
4. Domestic/ Foreign Agency Account					

Citizens Bank International Limited.
Contingent Liabilities
As on 31 Ashad 2069 (15 July, 2012)

Particulars	Current Year NPR	Previous year NPR
1. Claims on Institution but not Accepted by the Institutions		
2. Letters of Credit (Full Amount)	579,218,220	441,756,972
a. Letter of Credit With Maturity of Less than 6 Months	508,666,781	225,920,951
b. Letter of Credit With Maturity of More than 6 Months	70,551,439	215,836,021
3. Rediscounted Bills		
4. Unmatured Guarantees/Bonds	536,015,903	393,097,290
a. Bid Bonds	105,287,353	126,956,718
b. Performance Bonds	430,728,550	266,140,572
c. Other Guarantee/Bonds		
5. Unpaid Shares in Investment	6,555,000	
6. Forward Exchange Contract Liabilities		
7. Bills under Collection	18,122,585	6,402,424
8. Acceptances and Endorsements	144,783,498	102,343,706
9. Underwriting Commitments		
10. Irrevocable Loan Commitments	2,335,469,344	2,301,110,510
11. Guarantees issued against Counter Guarantee of Internationally Rated Foreign Banks		
12. Advance Payment Guarantees	184,366,809	123,710,117
13. Financial Guarantees		
14. Contingent Liabilities on Income Tax	2,293,045	
15. Other Guarantees		
Total	3,806,824,404	3,368,421,019

Note.

1. Unpaid shares in Investment represent commitment fees of Rs 5 per share deposited in Nepal Rastra Bank for proposed microfinance company. Bank has proposed to invest 69000 Equity Shares of Rs 100 each.
2. Contingent liability on income tax represents the additional tax levied for Fys 2063/64 and 2064/65 income tax assessment.

Citizens Bank International Limited.

Interest Income

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
A. On Loans, Advances and Overdrafts	1,877,001,323	1,631,341,724
1. Loans and Advances	1,273,350,836	1,053,419,327
2. Overdrafts	603,650,487	577,922,397
B. On Investment	74,890,419	113,249,953
1. Nepal Government Securities	64,436,222	77,986,527
a. Treasury Bills	28,722,358	44,497,514
b. Development Bonds	35,713,864	33,489,013
c. National Savings Certificates		
2. Foreign Securities		
a.		
b.		
3. Nepal Rastra Bank Bonds		
4. Debentures and Bonds		
5. Inter Bank Investment	10,454,197	35,263,426
a. Banks/Financial Institutions	10,454,197	35,263,426
b. Other Institutions		
C. On Agency Balances	3,604	578,499
1. Banks/ Financial Institution	2,291	578,499
2. Others	1,313	-
D. On Money at Call and Short Notice	28,424,174	50,062,437
1. Banks/ Financial Institution	28,423,297	49,466,127
2. Foreign Banks	877	596,310
E. On Others	-	-
1 Certificates of Deposit	-	-
2 Income from Inter-Bank Loan		
3 Others		
Total	1,980,319,520	1,795,232,613

Citizens Bank International Limited.

Interest Expenses

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
A. On Deposit Liabilities	1,391,387,903	1,116,419,226
1. Fixed Deposits	878,386,717	644,574,273
1.1 Local Currency	864,687,096	626,470,598
1.2 Foreign Currency	13,699,621	18,103,675
2. Savings Deposits	256,728,838	244,170,532
2.1 Local Currency	256,619,945	244,027,795
2.2 Foreign Currency	108,893	142,737
3. Call Deposits	256,272,348	227,674,421
3.1 Local Currency	256,250,318	227,626,962
3.2 Foreign Currency	22,030	47,459
4. Certificate of Deposits		
B. On Borrowings	14,471,569	119,903,083
1. Debentures & Bonds		
2. Loan from Nepal Rastra Bank	-	51,935,072
3. Inter Bank/Financial Institutions Borrowings	14,471,569	67,968,011
4. Other Organised Institutions		
5. Other Loans		
C. On Others		
Total	1,405,859,472	1,236,322,309

Citizens Bank International Limited.**Commission and Discounts**

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
A. Bills Purchased and Discounted	12,009,958	8,067,666
1. Local	11,922,127	8,022,844
2. Foreign	87,831	44,822
B. Commission	22,285,162	17,496,427
1. Letters of Credit	9,736,614	8,101,747
2. Guarantees	8,090,394	5,907,812
3. Collection Fees	-	
4. Remittance Fees	4,458,154	3,486,868
5. Credit Cards		
6. Share Underwriting /Issues		
7. Government Transactions		
8 Licenced Institution's Commission		
9. Exchange Fee		
C. Others	6,065,493	6,533,672
a.. Other Fee -Trade Operation	118,578	2,137,024
b. ATM Loro Commission	4,199,148	2,696,502
c. POS Commission	22,923	48,734
d. Commission FCY Deposit	3,687	9,660
e. Insurance Commission	252,957	88,402
f. Other Commissions of Loan	1,468,200	1,553,350
Total	40,360,613	32,097,765

Citizens Bank International Limited.**Other Operating Income**

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
1. Rental on Safe Deposit Lockers	1,465,674	1,023,499
2. Issue and Renewal of Credit Cards	-	-
3. Issue and Renewal of ATM Cards	551,794	1,265,927
4. Telex/ T. T.	1,491,820	1,649,048
5. Service Charges	49,599,921	45,708,856
6. Renewal Fees	7,325,019	5,418,303
7. Others	11,492,674	10,490,288
Total	71,926,902	65,555,921

Citizens Bank International Limited.**Exchange Gain/Loss**

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
A. Revaluation Gain	9,224,652	(1,196,137)
B. Trading Gain (Excluding exchange fee)	13,867,181	14,478,963
Total	23,091,833	13,282,826

Citizens Bank International Limited.

Staff Expenses

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
1. Salary	56,171,079	43,605,575
2. Allowances	38,915,034	26,208,151
3. Contribution to Provident Fund	3,783,296	2,987,938
4. Training Expenses	530,010	923,443
5. Uniform	2,500,252	1,611,409
6. Medical		
7. Insurance	1,299,695	853,385
8. Pension / Gratuity and Leave Provision	3,011,639	5,310,048
9. Others	2,602,595	2,258,488
Total	108,813,600	83,758,437

Citizens Bank International Limited.**Office Operating Expenses**

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars		Current Year NPR	Previous year NPR
1. House Rent		28,154,308	23,532,465
2. Electricity and Water & Fuel		15,628,109	13,192,435
3. Repairs and Maintenance		6,539,806	4,857,790
a. Leasehold Premises	959,780		
b. Vehicles	660,703		
c. Other	4,919,323		
4. Insurance		4,558,570	3,209,942
5. Postage, Telex, Telephone, Fax		18,510,059	14,645,944
6. Office Equipment ,Furniture and Repair		256,598	731,183
7. Travelling Allowance and Expenses		1,643,015	1,473,773
8. Stationery and Printing		8,584,937	10,219,919
9. Periodicals and Books		205,008	177,620
10. Advertisements		10,974,371	9,454,224
11. Legal Expenses		1,484,088	789,559
a. Legal Fees	71,329		
b. Profesional Fees	1,412,759		
12. Donations		-	-
13. Expenses Relating to Board of Directors		2,573,448	2,216,253
a. Meeting Fees	1,452,000		1,197,400
b. Other Expenses	1,121,448		1,018,853
14. Annual General Meeting Expenses		648,954	570,848
15. Expenses Relating to Audit		408,015	786,972
a. Audit Fees	310,750		254,250
b. Other Expenses	97,265		532,722
16. Fund Transfer Charge		229,925	109,278
17. Depreciation on Fixed Assets		47,647,604	41,189,107
18. Amortization of Pre-Operating Expenses			
19. Share Issue Expenses			
20. Technical Sevices Fees			
21. Entertainment		479,959	106,652
22. Amortization Expenses		15,611,674	13,782,410
23 Security Expenses		23,028,151	16,719,483
24. Deposit/Credit Guarantee Premium		3,697,317	
25. Commission and Discount		589,459	2,194,347
26. Others Expenses		21,269,459	17,122,311
a. Membership & other Fees and Taxes	4,075,304		6,578,876
b. Anniversary Expense	320,930		254,148
c. Cleaning and Other Expenses	5,269,320		3,346,389
d. Outsourced Manpower Expenses	6,272,477		5,089,937
e. Debit/SCT Card Expenses	2,912,309		703,544
f. Miscellaneous Expenses	2,419,119		1,149,417
Total		212,722,834	177,082,515

Note:-

Depreciation Expenses for the year includes Rs. 4,079,054 on account of Staff Vehicles. Staff Vehicles are shown in Staff Advances.

Citizens Bank International Limited.**Provision for Loss**

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
1. Increase in Loan Loss Provision	122,821,850	103,179,190
2. Increase in Provision for Loss on Investment		
3. Provision for Non Banking Assets		
4. Provision for Other Assets	-	189,092
Total	122,821,850	103,368,282

Citizens Bank International Limited.**Non-operating Income/Loss**

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
1. Profit (Loss) on Sale of Investments		
2. Profit (Loss) on Sale of Assets	-	118,023
3. Dividend		
4. Subsidies Received from Nepal Rastra Bank		
a. Reimbursement of Losses of Specified Branches		
b. Interest Subsidy		
c. Exchange Counter		
5. Others	10,469,810	6,612,228
Net Non-operating Income/(Loss)	10,469,810	6,730,251

Citizens Bank International Limited.**Loss Provision Written Back**

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous year NPR
1. Loan Loss Provision Written Back	79,437,003	-
2. Provision against Non Banking Assets Written Back	-	-
3. Provision against Investment Written Back	-	-
4. Provision against Other Assets Written Back	-	-
Total	79,437,003	-

Citizens Bank International Limited.
Income/(Expenses) from Extraordinary Items

For the period from 01 Shrawan 2068 to 31 Ashad 2069 (17 July 2011 to 15 July 2012)

Particulars	Current Year NPR	Previous Year NPR
1. Recovery of Loan Written off	-	-
2. Voluntary Retirement Scheme Expenses	-	-
3. Loan Write Offs {28 (a)}	-	-
4. Other Expense/Income	-	-
Total	-	-

Citizens Bank International Limited.
Detail of Write off Loan
Fiscal Year 2068/2069 (2011/2012)

S. N	Loan Type	Amount Write off NPR	Type of Security	Basis of Valuation	Loan approved by Name/Designation authority	Initiations made for Recovery	Remark
	1. Working Capital Loan	-					
	2. Project Loan						
	3. Fixed Assets Loan						
	4. Personal Loan						
	5. Other Loan						
	Total	-					

Citizens Bank International Limited.
**Statement of Loans & Advances Extended to Directors/Chief Executive/
Promoters/Employees and Shareholders**
As on 31 Ashad 2069 (15 July, 2012)

Following is the detail of bills purchased, discounted, loans, advances and overdraft facility allowed to Directors/Chief Executive/Promoters/Employees and Shareholders and their family members or he/she is guarantor or managing agent in any entity or company.

Name of Promoter/Director/Chief Executive	Last Year's Balance		This Year's Recovery		This Year's	Balance as at 31 Ashad 2069	
	Principal Rs.	Interest Rs.	Principal Rs.	Interest Rs.	Disbursed Rs.	Principal Rs.	Interest Rs.
(A) Directors							
1							
2							
(B) Chief Executive							
1							
2							
(C) Promoters							
1							
2							
(D) Employees							
1							
2							
(E) Shareholders							
1							
2							
Total							

Note:-

Loans and Advances to employees provided as per employee by laws of the bank are accounted in Schedule 16 Other Assets

Citizen Bank International Limited
CAPITAL ADEQUACY TABLE

Rs'000

1.1	RISK WEIGHTED EXPOSURES	2069 Ashad End	2068 Ashad End
a	Risk Weighted Exposure for Credit Risk	15,217,882.25	13,533,869.63
b	Risk Weighted Exposure for Operational Risk	808,431.90	547,700.00
c	Risk Weighted Exposure for Market Risk	56,612.20	56,714.70
ADJUSTMENT UNDER PILLAR II		-	-
	Add: 3% of the total RWE due to non compliance to Disclosure Requirement (6.4 a 10)	-	-
	Add:1% of Net Interest Income as Supervisory Haircut	-	6,062.99
	Add:2% of RWE as Supervisory Haircut	321,658.53	282,765.69
	Add: 2% of Operational Risk as Supervisory Haircut	143,447.06	
Total Risk Weighted Exposures (after bank's adjustments of Pillar II)		16,548,031.94	14,427,113.01
1.2	CAPITAL	Current Year NPR	Previous Year NPR
Core Capital (Tier 1)		2,246,190.81	2,228,342.93
a	Paid up Equity Share Capital	2,101,840.00	2,100,000.00
b.	Irredeemable Non-cumulative preference shares	-	-
c.	Share Premium	2,971.62	2,971.62
d.	Proposed Bonus Equity Shares	-	-
e.	Statutory General Reserves	153,472.25	108,513.42
f.	Retained Earnings	6,851.53	9,220.56
g.	Un-audited current year cumulative profit	-	-
h.	Capital Redemption Reserve	-	-
i.	Capital Adjustment Reserve	-	-
j	Dividend Equalization Reserves	-	-
k	Debenture Redemption Fund	-	-
l	Other Free Reserve	13,425.88	10,524.77
	Deductions	(32,370.47)	(2,887.44)
a	Goodwill	-	-
b	Miscellaneous Expenditure not written off	(32,370.47)	(2,887.44)
c	Investment in equity in licensed Financial Institutions	-	-
d	Investment in equity in institutions with financial interests	-	-
e	Investment in equity of institutions in excess of limits	-	-
f	Investments arising out of underwriting commitments	-	-
g	Reciprocal crossholdings	-	-
h	Other	-	-
ADJUSTMENT UNDER PILLAR II		-	-
	Less: Shortfall in Provision(6.4 a 1)	-	-
	Less: Loans and Facilities extended to Related Parties and Restricted Lending (6.4 a 2)	-	-
Supplementary Capital (Tier 2)		147,939.47	124,569.12
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General Loan Loss Provision	144,744.75	123,680.56
e	Exchange Equalization Reserve	3,120.72	814.56
f	Investment Adjustment Reserve	74.00	74.00
g	Assets Revaluation Reserve	-	-
h	Other Funds	-	-
Total Capital Fund (Tier I & II)		2,394,130.28	2,352,912.05
		-	-
1.3	CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		13.57%	15.45%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		14.47%	16.31%

Citizens Bank International Limited.
RISK WEIGHTED EXPOSURE FOR CREDIT RISK

Rs. In 000

	Current Year						Previous Year	
	Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e	Net Value d=a-b-c	Risk Weighted Exposures f=d*e
A. Balance Sheet Exposures								
Cash Balance	692,282	-	-	692,282	0%	-	831,453.02	-
Balance with Nepal Rastra Bank	2,635,233	-	-	2,635,233	0%	-	492,519.52	-
Gold	-	-	-	-	-	-	-	-
Investment in Nepalese Government Securities	1,323,228	-	-	1,323,228	0%	-	1,113,882.10	-
All Claims on Government of Nepal	90,133	-	-	90,133	0%	-	91,295.52	-
Investment in Nepal Rastra Bank	-	-	-	-	0%	-	-	-
All Claims on Nepal Rastra Bank	-	-	-	-	0%	-	-	-
Investment in Foreign Government Securites (ECA Rating 0-1)	-	-	-	-	0%	-	-	-
Investment in Foreign Government Securites (ECA Rating-2)	-	-	-	-	20%	-	-	-
Investment in Foreign Government Securites (ECA Rating -3)	-	-	-	-	50%	-	-	-
Investment in Foreign Government Securites (ECA Rating 4-6)	-	-	-	-	100%	-	-	-
Investment in Foreign Government Securites (ECA Rating 7)	-	-	-	-	150%	-	-	-
Claims on BIS, IMF, ECB, EC and Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	0%	-	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-	-	-
Claims on Public Sector Entity (ECA 7)	293,027	-	-	293,027	150%	439,540.50	157.71	236.57
Claims on domestic banks that meet capital adequacy requirements	132,323	-	-	132,323	20%	26,464.60	1,407,069.96	281,413.99
Claims on domestic banks that do not meet capital adequacy requirements	28,216	-	-	28,216	100%	28,216.00	41,514.73	41,514.73
Claims on foreign bank (ECA Rating 0-1)	480,566	-	-	480,566	20%	96,113.20	247,151.25	49,430.25
Claims on foreign bank (ECA Rating 2)	-	-	-	-	50%	-	-	-
Claims on foreign bank (ECA Rating 3-6)	25,328	-	-	25,328	100%	25,328.00	3,947.92	3,947.92
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-	-	-
Claims on Domestic Corporates	7,478,319	-	50	7,478,269	100%	7,478,269.00	6,547,276.30	6,547,276.30
Claims on Foreign Corporates (ECA Rating 0-1)	-	-	-	-	20%	-	-	-
Claims on Foreign Corporates (ECA Rating 2)	-	-	-	-	50%	-	-	-
Claims on Foreign Corporates (ECA Rating 3-6)	-	-	-	-	100%	-	-	-
Claims on Foreign Corporates (ECA Rating 7)	-	-	-	-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	2,360,709	-	3,116	2,357,593	75%	1,768,194.75	1,819,857.89	1,364,893.42
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-	-	-
Claims secured by residential properties	389,541	-	-	389,541	60%	233,724.60	535,670.17	321,402.10
Claims not fully secured by residential properties	-	-	-	-	150%	-	-	-
Claims secured by residential properties (Overdue)	12,734	4,370.05	-	8,364	100%	8,364.00	14,620.68	14,620.68
Claims secured by commercial real estate	2,035,643	-	-	2,035,643	100%	2,035,643.00	2,459,162.44	2,459,162.44
Past due claims (except for claim secured by residential properties)	477,635	136,675.08	-	340,960	150%	511,440.00	34,796.50	52,194.75
high Risk Claims (Venture Capital, private equity investments, personal loans and credit card receivables)	1,285,685	-	755,663	530,022	150%	795,033.00	444,291.09	666,436.64
investments in equity and other capital instruments of institutions listed in the stock exchange	-	-	-	-	100%	-	-	-
investments in equity and other capital instruments of institutions not listed in the stock exchange	3,700	-	-	3,700	150%	5,550.00	3,700.00	5,550.00
Other Assets (as per attachment)	896,586	319,022	-	577,564	100%	577,564.00	377,616.00	377,616.00
TOTAL	20,640,888	460,067.13	758,829	19,421,992		14,029,444.65	16,465,982.80	12,185,695.79

B. Off Balance Sheet Exposures	Gross Book Value a		Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e	Net Value d=a-b-c	Risk Weighted Exposures f=d*e
Revocable Commitments			-	-	0%	-	-	-
Bills Under Collection	18,123		-	18,123	0%	-	6,402.42	-
Forward Exchange Contract Liabilities			-	-	10%	-	-	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	508,667		33,663	475,004	20%	95,000.80	191,818.01	38,363.60
Foreign Counterparty (ECA Rating 0-1)			-	-	20%	-	-	-
Foreign Counterparty (ECA Rating 2)			-	-	50%	-	-	-
Foreign Counterparty(ECA Rating 3-6)			-	-	100%	-	-	-
Foreign Counterparty(ECA Rating 7)			-	-	150%	-	-	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	70,551		3,185	67,366	50%	33,683.00	215,836.02	107,918.01
Foreign Counterparty (ECA Rating 0-1)			-	-	20%	-	-	-
Foreign Counterparty (ECA Rating 2)			-	-	50%	-	-	-
Foreign Counterparty(ECA Rating 3-6)			-	-	100%	-	-	-
Foreign Counterparty(ECA Rating 7)			-	-	150%	-	-	-
Bid Bond, Performance Bond and Counter Guarantee (domestic counterparty)	536,016		26,692	509,324	50%	254,662.00	371,232.59	185,616.30
Foreign Counterparty (ECA Rating 0-1)			-	-	20%	-	-	-
Foreign Counterparty (ECA Rating 2)			-	-	50%	-	-	-
Foreign Counterparty(ECA Rating 3-6)			-	-	100%	-	-	-
Foreign Counterparty(ECA Rating 7)			-	-	150%	-	-	-
Underwriting commitments			-	-	50%	-	-	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-	-	-
Repurchase Agreements, Assets sale with recourse (including repo/reverse repo)			-	-	100%	-	330,000.00	330,000.00
Advance Payment Guarantee	184,367		-	184,367	100%	184,367.00	123,710.12	123,710.12
Financial Guarantee			-	-	100%	-	-	-
Acceptances and Endorsements	144,783		-	144,783	100%	144,783.00	102,343.71	102,343.71
Unpaid portion of Partly paid shares and securities	6,555		-	6,555	100%	6,555.00	-	-
Irrevocable Credit commitments (Short term)	2,335,469		-	2,335,469	20%	467,093.80	2,301,110.51	460,222.10
Irrevocable Credit commitments (Long term)			-	-	50%	-	-	-
Other Contingent Liabilities	2,293			2,293	100%	2,293.00	-	-
TOTAL	3,806,824		63,540	3,743,284		1,188,437.60	3,642,453.38	1,348,173.84
Total RWE for Credit Risk Before Adjustment (A) + (B)	24,447,712	460,067	822,369	23,165,276	-	15,217,882.25	20,108,436.18	13,533,869.63
Adjustments under Pillar II								
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a 3)			-	-		-	-	-
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)			-	-		-	-	-
Total RWE for credit Risk (After Bank's adjustments of Pillar II)	24,447,712	460,067	822,369	23,165,276	-	15,217,882.25	20,108,436.18	13,533,869.63

Citizens Bank International Limited
RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As at 31 Ashad, 2069 (15 July, 2012)

Rs. In '000

Particulars	F.Y. 2065/66	F.Y. 2066/67	F.Y. 2067/68	Last Year
Net Interest Income	249,454	447,932	558,910	
Commission and Discount Income	12,296	25,134	32,098	
Other Operating Income	45,805	67,847	65,556	
Exchange Fluctuation Income	8,825	15,275	13,283	
Additional Interest Suspense during the period	10,920	16,141	47,388	
Gross Income (a)	327,300	572,329	717,235	-
Alfa(b)	0.15	0.15	0.15	0.15
Fixed Percentage of Gross Income {c=(axb)}	49,095	85,849	107,585	-
Capital Requirement for operational risk (d) (average of c)			80,843	54,770
Risk Weight (reciprocal of capital requirements of 10%) in times (e)			10	10
Equivalent Risk Weight Exposure {f=(dxe)}			808,430	547,700

Citizens Bank International Limited
RISK WEIGHTED EXPOSURE FOR MARKET RISK

As at 31 Ashad, 2069 (15 July, 2012)

Rs. In '000

S.N	Currency	Net Open Position (FCY)	Mid Rate	Net Open Position (NPR)	Relevant Open Position (NPR in 000)	Last Year's Relevant Open Position (NPR in 000)
1	Indial Currency	54,872.99	1.60	87,838	87,838	46,969
2	American Dollar	202.91	88.25	17,907	17,907	50,363
3	Pound Sterling	10.56	137.33	1,450	1,450	3,567
4	Australian Dollar	9.53	90.08	859	858	626
5	Canadian Dollar	2.32	86.66	201	201	110
6	Swiss Frank	2.95	89.90	265	265	254
7	Singapore Dollar	2.93	69.70	204	204	139
8	Japanese Yen	1,777.25	1.11	1,980	1,980	1,665
9	Swedish Cronor	0.04	12.50	1	0.50	90
10	Denish Cronor	3.81	11.28	43	43	77
11	Honkong Dollar	-	-	-	-	7
12	Saudi Riayal	54.24	23.43	1,271	1,271	1,010
13	Quartary Riayal	8.76	24.14	212	211	266
14	UAE Dhiram	14.03	23.92	336	336	636
15	Thai Bhat	22.00	2.71	60	60	6
16	EURO	(3.06)	108.11	(331)	331	7,220
17	Malasyian Ringit	8.76	27.57	242	242	342
18	Chinese Yuan	1.98	13.57	27	27	85
Total Open Position (a)					113,224	113,429
Fixed Percentage (b)					5	5
Capital Charge for Market Risk {c=(axb)}					5,661	5,671
Risk Weight (reciprocal of capital requirement of 10%)					10	10
Equivalent Risk Weight Exposure {e=(cxd)}					56,612	56,715

Citizens Bank International Limited
Principal Indicators of Last 5 Fiscal Years

Indicators		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
		2007/08	2008/09	2009/10	2010/11	2011/12
1. Net Profit / Gross Income	Percent	12.48	11.61	12.84	10.37	10.57
2. Earning Per Share (Average share outstanding)	NPR	8.79	12.28	21.18	12.6	10.7
3. Market Value Per Share	NPR	0	660	491	222	230
4. Price Earning Ratio	Times	0	68.89	23.18	17.62	21.5
5. Dividend (including bonus) on Share Capital	Percent	0	10	12.63	10.53	8.42
6. Cash Dividend on Share Capital	Percent	0	10	12.63	8.53	8.42
7. Interest Income / Loans and Advances	Percent	8.27	9.24	12.8	15.32	13.94
8. Staff Expenses / Total Operating Expenses	Percent	35.97	30.49	32.53	31.32	33.84
9. Interest Expenses / Total Deposits and Borrowings	Percent	3.81	4.32	6.4	8.93	8.86
10. Exchange Gain / Total Income	Percent	0.19	0.23	0.03	-0.06	0.03
11. Staff Bonus / Total Staff Expenses	Percent	24.81	34.05	43.71	34.76	29.69
12 Net Profit / Loans and Advances	Percent	0	1	2	1.69	1.67
13. Return on Total Assets	Percent	0.75	0.74	1.17	1.18	1.22
14. Total Credit / Deposits	Percent	78.15	71.24	76.86	92.85	83.06
15. Total Operating Expenses / Total Assets	Percent	4.58	4.94	6.94	1.55	1.74
16. Adequacy of Capital Fund on Risk Weighted Assets	Percent	12.08	11.65	11.4	15.54	14.47
Core Capital	Percent	11.18	10.79	10.51	14.69	13.57
Supplementary Capital	Percent	0.9	0.86	0.89	0.85	0.9
17. Liquidity (CRR)	Percent	11.93	14.36	9.04	10.13	17.53
18. Non-Performing Loans / Total Loans	Ratio	0	0	0.31	1.17	2.01
19. Weighted Average Interest Rate Spread	Percent	4.46	4.91	3.73	3.27	3.87
20. Book Net Worth Per Share	NPR	107	113	108	106	109
21. Number of Equity Shares (At Year End)	Nos.	5600000	10000000	12069500	21000000	21018400
22. Number of Permanent Staffs	Nos.	67	112	171	291	301
23. Return on Equity	Percent	9.15	9.26	14.79	8.89	9.85
25. Dividend Pay Out Ratio	Percent	0	104.37	65.26	86.85	78.74
26. Earning Yield	Percent		1.86	4.31	5.68	4.65
27. Dividend Yield	Percent		1.52	2.57	4.74	3.66
28. Cost to Operating Income Ratio	Percent	43.13	41.69	35.08	38.55	45.3
29. Total Assets to Shareholder' Fund	Times	12.13	12.54	12.62	7.74	8.8
30. Shareholders' Fund to Total Liability including Contingent	Percent	7.66	7.54	6.54	10.76	9.56
31. Number of Branches	Nos.	9	17	25	32	33
32. Number of ATMs	Nos.	10	18	24	29	31

Note.

1. Gross Income in S.N. 1 comprises of Interest Income, Commission and Discount, Other Operating Income and Exchange Income.

2. EPS in S.No.2 is restated in line with Nepal Accounting Standard (NAS) 26 Earning Per Share that requires computation of EPS dividing earnings attributable to equity holders by weighted average number of shares. Average number of shares during the year is considered as weighted average number of shares. Bank's basic diluted EPS is same since there are no potential ordinary shares outstanding as on the balance sheet date.

3 Market Value per Share in S.N. 3 is the closing price quoted in Nepal Stock Exchange on Thursday, the 12th July 2012, being last time trading for the year.

4 The Interest Income in S. N. 7 is the interest income from loans and advances (excluding staff loans). The loans and advances are the average loans and advances for the entire financial year.

5 Total Operating Expense in S.N. 8 comprises Interest Expense, Staff Expense and Other Operating Expense.

6 The Deposits and Borrowings in S.N.9 are the average deposits and borrowings for the entire financial year.

7 Total Income in S.N. 10 is same as Gross Income in S.N. 1 comprising of Interest Income, Commission and Discount, Other Operating Income and Exchange Income.

8 The Loans and Advances in S.N. 12 is same as Loans and Advances in S.N. 7 and is the average balance for the entire financial year.

9 Total Assets in S.N 13 and S.N. 15 are average balance of assets computed by averaging outstanding balance of previous financial year and current financial year.

10 Credit and Deposit in S.N. 14 is the outstanding balance as of balance sheet date.

11 CRR in the S.N. 17 is computed on the basis of cash and cash equivalents and deposits outstanding on the balance sheet date. The CRR (as per NRB Directives) for the last week of the current financial year was 17.53%.

12 NPA in S.N. 18 also included restructured / rescheduled loans.

13 Equity in SN 23 and shareholder,s fund in 29 & 30 comprises share capital and reserve funds.

14 Earnings Yield represent earning (attributable to equityholders) per market value of share.

15 Dividend Yield represent dividend per market value of share.

PRINCIPLE ACCOUNTING POLICIES**For the period 1 Shrawan 2068 to 31 Ashad 2069.**

1. Overview

Citizens Bank International Limited (the 'Bank' or CBIL) is a publicly held bank engaged in providing a wide range of banking and financial services. CBIL is a banking company governed by the Bank and Financial Institution Act 2063. The Bank with its Corporate Office at Sharadha Sadan, Kamaladi, Kathmandu was incorporated as a limited company under the Companies Act, 2063. The Bank received the license to commence banking operations from the Nepal Rastra Bank on Baishakh 7, 2064. CBIL is an "A" class Commercial Bank. Its Equity Shares are listed in Nepal Stock Exchange.

The principal activities of the Bank are to provide all commercial banking services including, agency services, trade finance services, e-commerce services and trading of gold and silver etc. to its customers through head office, branches and ATMs. The financial statements of the Bank have been approved by the Board of Directors vide its meeting held on Bhadra 10, 2069. The Board of Directors acknowledges the responsibility of preparation of financial statements of the Bank.

2. Statement of Compliance.

The financial statements have been prepared in accordance with requirements prescribed under directives issued by Nepal Rastra Bank. The accounting and reporting policies of the Bank used in the preparation of these financial statements confirm the guidelines issued by the Nepal Rastra Bank from time to time, Nepal Accounting Standards (NAS) to the extent applicable and practices generally prevalent in the banking industry in Nepal.

3. Basis of preparation.

The assets and liabilities reported in the financial statements of the Bank are presented in functional currency which is Nepalese Rupees (NRs.) and are prepared following the accrual method of accounting (except where otherwise stated), and the historical cost convention except for translated foreign currency value.

4. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

5. Significant accounting policies

The principal accounting policies applied by the Bank in the preparation of these financial statements are presented below. These policies have been consistently applied to all the years presented unless stated otherwise.

6. Revenue recognition

Revenue comprises of interest income, fees and commission, foreign exchange income, cards income, disposal income etc. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

- Interest income is recognized in the profit and loss account on accrual basis, except in the case of loans & advances.
- Interest on loans & advances is recognized on cash basis as prescribed by NRB Directives, which is not in accordance with NAS that prescribes recognition of interest on accrual basis considering the effective interest method. The practice followed by the Bank as per NRB Directives is more conservative.
- Commission on guarantees issued by the Bank is recognized as income on yearly basis over the period of the guarantee, except for guarantee commission not exceeding Rs 10 thousands, which is recognized at the time of issue of the guarantee.
- Commission on Letters of Credit (LC) issued by the Bank is recognized as income at the time of issue of the LC. However, income from usance LC is accounted for on the basis of period of LC on accrual basis.
- Income on discounted instruments like bills purchased, documents negotiation is recognized at the time of discounting.
- Other fees and commission income are recognized on accrual basis.
- Cash dividend declared by resident company is recognized when the right to receive payment is established at net of withholding tax. Bonus dividend declared is not recognized as income. The quantity of shares received as bonus dividend is disclosed in Schedule 12 (A) of the financial statements.

7. Interest Expense

Interest on deposit liabilities and borrowing from other banks are accounted for on accrual basis.

8. Fixed Assets, Depreciation & Amortization Policy

Fixed assets are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the Management. Depreciation is calculated applying following useful life on straight line basis.

<u>Class of Assets</u>	<u>Useful Life</u>	<u>Rate of Depreciation</u>
Building	20 years	5.00%
Metal Furniture	6 years	16.67%
Wooden Furniture	5 years	20.00%
Office Vehicles	7 years	14.29%
Computer (including Printer)	4 years	25.00%
Office Equipments	5 years	20.00%

However,

- For income tax calculation purpose, depreciation is calculated as per the rate and procedures defined in Income Tax Act 2058.
- The expenses of leasehold improvements are amortized over the lease period or a maximum of 10 year period whichever is lower.
- The capitalized value of Software Purchase and installation costs are amortized over a maximum 5 year period or within the ownership period.
- Assets costing less than Rs 5,000 are fully depreciated in the year of purchase. For assets purchased/sold during the year, depreciation is provided upto the date of use on pro-rata basis.

9. Investments.

Classification and valuation of the Bank's investments are carried out in accordance with NRB directives. Bank's investment portfolio are segregated in the following categories viz. the investment as held for trade, investment available for sale and investment held till maturity. Accordingly, investments are shown in separate headings.

Costs such as brokerage pertaining to investments, paid at the time of acquisition are charged to the profit and loss account. Re-classification of investments from one category to the other is done in accordance with NRB guidelines.

1- Investment held for trade: An investment that is made for the purpose of generating a profit from short term fluctuations in price shall be classified under this class. An asset shall be classified as held for trade even if it is a part of a portfolio of similar assets for which there is a pattern of trading for the purpose of generating a profit from short term fluctuations in price. These investments shall be marked to market on a daily basis and differences reflected in the profit and loss account.

2- Investment held to maturity: Investment made with positive intent and capacity to hold till maturity falls under this class. Positive intent to hold shall not be deemed in the following circumstances:-

(1) In case there is intent and capacity to hold until undefined period;

(2) In case the institution stands ready to sell the assets, except in case a situation arises which is non-recurring and could not have been reasonably anticipated, owing to changes in market interest rate or risk, liquidity requirements, changes in availability of and yield on alternate investment, financial sources and terms or changes in the risks of foreign currency.

Investment held to maturity shall have to be evaluated at the amortized costs. Write off costs shall be calculated having deducted impairment from cost price. Impairment shall be included in the profit/loss account of the concerned period.

3- Investment available for sale: All investment not falling under the held for trading and held to maturity shall have to be placed under this class. Such investment shall have to be marked to market on regular basis and the difference shall have to be adjusted through reserves.

In case of the investment held for trading and available for sales which have not been enlisted in the stock exchange market and having no active market, they shall be written off at the cost price

and the actual investment therefore shall be presented in the balance sheet having made provision of investment adjustment reserve pursuant to Nepal Rastra Bank Directives. Bank creates investment adjustment reserve at 2% of investment classified as available for sale except on investment on shares specifically allowed by Nepal Rastra Bank. Moreover, in case bonus shares are acquired, only the number of shares has to be added and it will not be accounted as an income.

10. Non-Banking Assets

The valuation of the asset is accounted at the prevailing market value of the collateral property or aggregate recoverable amount due up to the day before the date of assumption whichever is lower. Where the market value of assumed property is less than the total recoverable amount, the difference amount is charged to Profit and Loss Account in the year of acquisition. 100% loss provision is maintained for NBA and continues to remain until it is disposed off. NBA is derecognized at the time of its disposal.

11. Loans and advances including bills purchases

Loans and advances including bills purchased include direct finance provided to the customers such as bank overdrafts, credit card, personal loans, term loans, hire purchase finance and loans to deprived sectors. Advances are classified as performing and non-performing based on the relevant NRB guidelines. Advances are stated net of specific loan loss provisions, interest in suspense (if capitalized), export credit guarantee corporations claims received, inter-bank participation certificates issued and bills rediscounted. Specific loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances, subject to the minimum provisioning level prescribed in relevant NRB guidelines. Provision is made for possible losses on loans and advances, overdraft and bills purchased at 1% to 100% on the basis of classification of loans and advances, overdraft and bills purchased in accordance with the directives of Nepal Rastra Bank.

12. Loans and advances write offs

Loans considered uncollectible is written off in accordance with directive issued by NRB and Bank's Loan Write-Off policy duly approved by NRB and in compliance with Income Tax Act 2058, without prejudice to Bank's right to recovery.

Impairment provisions held for the loss accounts are written back immediately after the loans are written-off. Amounts recovered against debts written off in earlier years and provisions no longer considered necessary based on the current status of the borrower are recognized in the Profit and Loss Account.

13. Staff Loans

Loans and advances granted to staff in accordance with the staff loan scheme are booked as loan but categorized as Other Assets.

14. Stationery

Stationery purchased is accounted for on cost and expended as and when it is issued for consumption on a FIFO basis and inventory as at the end of reporting period are measured at the lower of cost or net realizable value.

15. Transactions involving Foreign Exchange

Monetary foreign currency assets and liabilities are translated at the balance sheet date at at mid-point exchange rates of the Nepal Rastra Bank after adjustment for effective trading rate i.e. published rate of the bank. The resulting profits or losses are recognized in the profit and loss account. Income and expenditure in foreign currency are accounted for at exchange rates prevalent on the date of the transaction.

Income realised from the difference between buying and selling rates of foreign currencies is accounted for as trading gains. The incomes received from foreign currency transaction are separated into "Trading Profit/Loss" and "Revaluation Gain/Loss." At the annual closing, if the revaluation loss is reported, the same is charged to Profit and Loss Account. If the adjusted net revaluation amount results in profit such amount is shown as income in Profit and loss Account and 25 percent of such profit is appropriated to Exchange Fluctuation Reserve through Profit and Loss Appropriation Account.

16. Retirement and employee benefits

Leave salary

The employees of the Bank are entitled to carry forward a part of their unavailed/unutilized leave subject to a maximum limit. The employees can encash unavailed/unutilized leave partially in terms of employee service by laws. Bank accounts for the liability for entire outstanding leave balance as per employee service by laws.

Gratuity

Bank provides for gratuity covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent defined days' eligible salary payable for each completed year of service in terms of employee service by laws. Bank accounts for the liability for future gratuity benefit the actual entitlement of fiscal year end as per employee service by laws.

Provident fund

In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre determined rate (currently, 10% of the basic salary plus grades). Bank does not assume any future liability for provident fund benefits other than its annual contribution and recognizes such contributions as an expense in the year incurred.

17. Income Tax Provision

Income tax expense comprises current tax provision (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 2058 and the rules framed there under) and the net change in the deferred tax asset or liability in the year.

Some expenses charged to the Profit and Loss Account may not be allowable in full or part under the Income Tax Act and Rules. Similarly, some income may be tax exempt. Accordingly, the net profit as reported in the Profit and Loss Account and taxable profit may vary. Therefore, for the purpose of income tax assessment, the Bank determines the taxable profit by adjusting items of expenses and income according to the Income Tax Act and Rules made there under.

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

In addition to the exhibition of regular tax expenses as "Current Tax" under Income Tax Provisions in Profit and Loss account, the current year's deferred tax is also accounted under the heading of "Deferred Taxation". Deferred Tax Reserve is earmarked to the extent of outstanding balance of Deferred Tax Assets as per NRB guidelines.

18. Provisions and contingent assets/liabilities

Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

CITIZENS BANK INTERNATIONAL LIMITED
Notes To The Accounts

1. Detail of Paid Up Capital of Bank

Fiscal Year	Total Paid Up Capital Rs	Remarks
2063/64	560,000,000	Promoter's Share capital
2064/65	560,000,000	
2065/66	1,000,000,000	Rs 44 Crore Public Share
2066/67	2,000,000,000	After 1 : 1 Right Shares Issued
2067/68	2,000,000,000	5 % Bonus Shares Issued
2068/69	2,101,840,000	Fraction Share Adjustment

2. Proposed Bonus Share in Current Fiscal Year 2068/69.

No Bonus Shares has declared.

3. Proposed Dividend for Current Fiscal Year 2068/69.

The Board of Directors has recommended Dividend at a rate of Rs 8.42 per equity share.

4. Unpaid Dividend

Dividend declared to the shareholders but yet to be collected till the end date of the reported fiscal year 2068/69 were as below.

1. Dividend payable for FY 2065/66 was Rs 5,610,320.
2. Dividend payable for FY 2066/67 was Rs 10,176,924.
3. Dividend payable for FY 2067/68 was Rs 10,308,630.02.

5. General Reserve Fund.

As per section 44 of Bank and Financial Institutions Act (BAFIA) 2063, 20% of the Current Year's Profit Rs.44,958,824 (Previous Year Rs 39,67,0827) has been transferred to General Reserve Fund.

6. Exchange Fluctuation Reserve Fund.

Bank has allocated Rs 2,306,163 to Exchange Fluctuation Reserve (Previous Year Rs 1,196,137 exchange loss was transferred to Profit & Loss Account).

7. Income Taxes

Income tax Provision has been made 30% on Taxable Profits. During financial year 2068/69, bank deposited total income tax of Rs 941.26 lacs to the Large Tax Payer's Office. Similarly, bank also deposited Rs 1,137.93 lacs on account of tax deducted on various payments. Income tax assessment of Financial Year 2063/64 and 2064/65 have been made by the large tax payer's office. Bank had assessed loss of Rs 1,74,00,454 in FY 2063/64 however Tax Department re-assessed the loss to Rs 1,20,39,783 and also demanded TDS of Rs 1,729. Bank has lodged petition to revenue tribunal against the assessment order of Tax Office which is yet to be decided. In case of FY 2064/65, Bank had assessed taxable income of Rs 5,11,85,508 whereas Tax Department re-assessed the taxable income to Rs 6,13,64,835 with additional income taxes of Rs 34,86,512 and also demanded TDS of total Rs 1,60,573.21 citing short deducted on interest, dress allowance, training expenses, audit expenses, and advertisement expenses payments. Bank paid Rs 66,684.71 on account of short TDS on interest, dress allowance of permanent staff and training expenses. Amounts were partially recovered from the concerned parties and partially booked as receivables for follow up. Bank has filed petition for administrative review which is yet to be decided.

a. Income Tax Computation.

Figures in Rs ''000''

Particulars	Rs	Current Year Rs
Profit Before Tax		323,080
Income Tax @30%		96,924
Adjustment on Income Tax Due to Adjustment on Accounting Expenses		
Depreciation & Amortization	8,933	
Gratuity & Leave Expense Provision	2,794	
Capital Items Cost Upto Rs 5000 Written Off	257	
Other Expenses	116	
Total	12,100	3,630
Income Tax Prior to Adjustment		100,554
Interest U/S 118		281
Prior Period Taxation		403
Deferred Tax Adjustment		(2,952)
Total Income Tax Expenses		98,286

b. Deffered Tax

Deferred tax is computed 30% of the temporary differences. Deferred tax Assets and Liabilities details and the calculation of Deferred tax is tabulated

Figures in Rs ''000''

Particulars	Accounting Base	Tax Base	Difference	Deferred Tax Assets (Liability) of This Year	Deferred Tax Assets (Liability) of Last Year	Deferred Tax Income (Expenses) of This Year
Fixed Assets	209,646	240,573	30,928	9,278	7,586	1,693
Provision for Leave Encashment	10,234	-	10,234	3,070	2,888	182
Gratuity Provision	3,592	-	3,592	1,077	-	1,077
Total	223,471	240,573	44,753	13,426	10,474	2,952

8. Gratuity Provision.

Bank has provided Rs 3,591,526 for Gratuity Expenses in Current Fiscal Year 2068/69 (Previous Year Rs 3,189,526).

9. Provision for Leave Encashment

Bank has provided Rs 10,233,832 for Leave Encashment in Current

10. Provision for Bonus to Employees.

Provision for staff bonus has been made as per Bonus Act 2030, calculated at 10% of net profit after bonus. For the FY 2068/69, the bank has made provision of Rs 32,307,993 towards staff Bonus.

11. Provision for Employees Housing.

As the terms of service of the staff, has a provision for providing housing loans to eligible staff, a separate housing fund has not been created as required by Labor Act 2049.

12. Particulars of Loans disbursed, recovered and Principal and Interest written off during the Year:

<i>Rs in '000</i>	
Particulars	Amount
Balance as on 17 July 2011	12,514,232
Loan Disbursed during the Year	10,757,222
Loan Recovered during the Year	(8,856,060)
Loans Written Off	-
Interest Written Off	-
Balance as on 15 July 2012	14,415,394

13. Summary of changes in Loans & Advances :

<i>Figures in Rs '000"</i>			
Particulars	Current Year	Last Year	Changes
Loans & Advances	14,325,523	12,437,365	15.18%
Bills Purchased & Discounted	89,870	76,866	16.92%
Accrued Interest Receivables	100,419	74,450	34.88%

14. Summary of changes in Deposit Liabilities :

<i>Figures in Rs '000"</i>			
Particulars	Current Year	Last Year	Changes
Current and Margin Accounts	591,389	377,550	56.64%
Savings Bank Account	4,718,662	3,235,768	45.83%
Call Deposits	4,632,010	3,848,452	20.36%
Fixed Deposits	7,412,472	6,016,563	23.20%
Interest Payables on Deposits	33,012	27,189	21.42%

15. Weighted Average Interest Spread:

Particulars	Rate
Average Rate of Loan and Advances	12.73%
Average Rate of Deposits	8.86%
Net Spread	3.87%

16. Statement of Expenses Yet to be Written Off:

<i>Figures in Rs '000"</i>	
Particulars	Amount
Premium On Development Bond	32,370
Total	32,370

17. Summary of Concentration Of Exposure:

<i>Figures in Rs '000"</i>			
Particulars	Loans, Advances and Bills	Deposits & Borrowings	Off Balance Sheet
Total Amount as on 15 July 2012	14,415,393	17,442,784	3,806,824
Highest Exposure to a Single Unit	417,491	1,334,954	118,154
Highest % of Exposure to a Single Unit	2.90%	7.65%	3.10%
Core Capital	13.57%		

18. Matching Assets and Liabilities: Liquidity Profile/ Structural Liquidity Table

As on Ashad End 2069

Rs. In '000

Particulars	1-7 days	8-30 days	31-90 days	91-180 days	181-270 days	271-365 days	More than 1 year	Total
Assets								
Cash Balance	692,282	-	-	-	-	-	-	692,282
Balance with Banks & FIs	3,077,592	-	-	-	-	-	-	3,077,592
Investment in Foreign Banks	-	-	-	88,250	-	88,250	-	176,500
Call Money	-	-	-	-	-	-	-	-
Government Securities	-	-	428,730	85,720	97,561	97,466	613,750	1,323,227
Nepal Rastra Bank Bonds	-	-	-	-	-	-	-	-
Inter Bank & FI Lending	21,100	26,475	-	-	-	-	-	47,575
Loans & Advances	271,239	881,902	2,331,676	2,884,196	1,881,411	2,029,962	4,135,008	14,415,394
Interest Receivable	52	70	92,696	5,155	735	313	13,466	112,487
Others	-	-	-	-	-	-	509,242	509,242
Total (A)	4,062,265	908,447	2,853,102	3,063,321	1,979,707	2,215,991	5,271,466	20,354,299
Liabilities								
Current Deposits	29,569	88,708	59,139	147,847	147,847	118,277	-	591,387
Saving Deposits (including call)	1,403,210	1,636,825	935,068	1,402,906	701,453	701,453	2,569,759	9,350,674
Fixed Deposits	158,357	718,812	1,100,669	1,670,659	905,723	1,999,493	858,760	7,412,473
Debentures/Bonds	-	-	-	-	-	-	-	-
Borrowings	-	-	88,250	-	-	-	-	88,250
Call/Short Notice	-	-	-	-	-	-	-	-
Other Liabilities and Provisions	1,513	-	652	-	101,748	-	348,849	452,762
Sundry Creditors	79	-	-	-	-	-	-	79
Bills Payable	1,434	-	-	-	-	-	-	1,434
Interest Payable	-	-	652	-	-	-	-	652
Provisions	-	-	-	-	-	-	292,313	292,313
Others	-	-	-	-	101,748	-	56,536	158,284
Acceptance Liabilities	25,948	59,731	59,104	-	-	-	-	144,783
Irrevocable Loan Commitment	250,701	125,350	125,350	626,751	501,401	705,916	-	2,335,469
Letter of Credit/Guarantee	259,014	141,960	315,222	144,265	123,964	133,922	181,254	1,299,601
Others	-	-	-	-	-	-	8,848	8,848
Total (B)	2,157,881	2,860,094	2,742,593	4,140,275	2,629,983	3,777,338	3,967,470	22,275,634
Net Financial Assets (A-B)	1,904,384	(1,951,647)	110,509	(1,076,954)	(650,276)	(1,561,347)	1,303,996	(1,921,335)
Cumulative Net Financial Assets	1,904,384	(47,263)	63,246	(1,013,708)	(1,663,984)	(3,225,331)	(1,921,335)	-

Assumption:

Categorization of Current Deposit	1-7 days	8-30 days	31-90 days	91-180 days	181-270 days	271-365 days	More than 1 year	More than 1 year
Categorization of Current Deposit	5%	15%	10%	25%	25%	20%	0	5%
Categorization of Saving Deposit	5%	10%	10%	10%	5%	5%	0.55	55%
Call Deposit	25%	25%	10%	20%	10%	10%	0	25%
Irrecoverable loan commitment	10%	5%	5%	25%	20%	35%	0	10%

Assets and liability with no specified maturity date are apportioned in

1. Bills Payable, Sundry Creditors assumed to be paid within 7 days.
2. Interest payable within 30 days or maturity period whichever earlier.
3. LLP, Provision for Tax, Accumulated Depreciation, Int Suspense assumed to be more than 1 year.
4. All other remaining liabilities are assumed to be paid within 90 days.
5. Staff loans are assumed to be received after 1 year, Int receivable to be realised at maturity or within 30 days (quarter End).
6. Remaining other assets excluding interest receivable and staff loans are assumed to be received within 1 year.

19. Particulars of borrowings by the institutions against collateral of its own assets.

Bank has borrowed USD 1000 Thousands from NABIL Bank Limited for which Treasury Bills of face value Rs 100000 Thousand was kept as collateral. The borrowing was matured and settled on Shrawan 15, 2069.

20. Details of Non Banking Assets

None.

21. Details of paid up share capital relating to amount Paid in Advance, Calls in Arrear and Forfeited but not re-issued.

None.

22. Particulars relating to amortization of leased hold property up to the previous and in the current year.

Figures in Rs "000"

Particulars	Amortization up to Last Year	Amortization for this Year	Amortization upto this
Leasehold Assets (includd in Other Assets of Schedule 14)	34,163	14,682	48,845

23. Age-wise particulars of reconciliation pending items (1 year, 1-3 years, and above 3 years) in agency accounts.**a. Inter Branch Account**

There is online reconciliation system in the bank. There is no unreconciled transaction in Interbranch Accounts as on year end FY 2068/69.

b. Nepal Rastra Bank

Rs in NPR 000

Time Duration	Ledger Debit	Ledger Credit	Statement Debit	Statement Credit
1 month and below		23,171.56	5.20	158.44
1 - 3 months		2,211.32		
3 - 6 months		511.00		
6 - 12 months				396.67
1 - 2 years		0.87		

c. Other Financial Institutions

Rs in NPR 000

Time Duration	Ledger Debit	Ledger Credit	Statement Debit	Statement Credit
1 month and below				175.43
1 - 3 months	46.83		2.60	
3 - 6 months			43.21	
6 - 12 months			39.36	67.01
1 - 2 years				10.00

d. Foreign Bank

Rs in NPR 000

Time Duration	Ledger Debit	Ledger Credit	Statement Debit	Statement Credit
1 month and below		20,606.24	21,003.90	133.27
1 - 3 months		10,456.24		
3 - 6 months		4,214.81		2,647.50
6 - 12 months	0.01	77.11	6,354.33	22.06
1 - 2 years	0.25	13.61		

24. Key Management Personnel Compensation**a. Key Management Persons of the Bank**

Mr. Pradeep Jung Pandey	BOD Chairman
Mr. Bal Krishna Prasai	Director
Mr. Manohar Das Mool	Director
Mr. Prakash Chandra Mainali	Director
Mr. Anin Rajbhandari	Director
Mr. Abinash Panta	Director
Mr. Pavitra Kumar Karki	Director
Mr. Arjun Lal Rajbanshi	Director
Mr. Rajan Singh Bhandari	Chief Executive Officer

b. Transactions between the Bank and BOD Members

Particulars	Amount in Rupees
Meeting Fees	1,452,000
Other Expenses	1,121,448

c. Facilities to Chief Executive Officer and other Executives of the Bank.

Figures in Rs '000''

Particular	Chief Executive Officer	Management Team
1. Short Term Employment Benefits	9,706	8,155
a. Salary	5,374	4,941
b. Allowance	3,120	2,128
c. Dashain Expenses	673	542
d. Telephone/Mobile	43	186
e. Provident Fund	496	358
2. Post Employment Benefit	No	No
3. Other Long Term Benefits	No	No
4. Termination Benefits	No	Yes
5. Shares Based Payments	No	No

Note:

1. Management Team includes Manager and above.
2. Chief Executive Officer is entitled for facilities as per employees by laws of the Bank, Bonus as per Bonus Act 2033, and vehicle facility.
3. Permanent staffs of the bank are entitled gratuity and leave encashment
4. Permanent staffs of the bank are also entitled loans and advances as per employees by laws of the bank. As on Ashad End 2069, the total staff advances was Rs 121,478,230.

25. Fixed Assets, Depreciation and Amortization.

1. Depreciation for the year is Rs 47,647,603. Expenses for office furnishing are capitalised as Fixed Assets and depreciated over a maximum 5 years period. Similarly, Software Purchase and installation costs are also capitalised as Fixed Assets and depreciated over a maximum 5 year period or within the ownership period.
2. The bank has changed its staff vehicle facility policy vide Board Meeting number 105 (dated 21 Shrawan 2069) as specified by Annexure 7 of Employee Byelaws which now grants staff vehicle facility as loans and advances. As per Nepal Accounting Standard 05 on Events After Balance sheet Date, the net written down value was transferred as staff loans and advances and shown in schedule 4.16 as on Ashad End 2069. Till Ashad end 2069 assets are treated as fixed assets and depreciation is claimed as per the existing policy. Therefore, in current fiscal year 2068/69, total book value of staff vehicles Rs 12,278,953 has been accounted in staff advance from the Fixed Assets. Consequently, depreciation Expense for the year includes Rs 4,079,054 on account of staff vehicles.
3. The expenses of leasehold improvements are amortized over a maximum 10 years period or the lease rental period whichever earlier. As such, during the fiscal year 2068/69 Rs 14,682,494 is amortised as expenses and balance Rs 65,592,030 will be amortised in coming years.

26. Basel Disclosure

26.1. Capital Structure and Capital Adequacy:

a. Core Capital and its components

Description	Amount Rs '000
Paid up Equity Share Capital	2,101,840
Statutory General Reserve	153,472
Retained Earning	6,852
Share Premium	2,972
Deferred tax Reserve	13,426
Deductions	
Miscellaneous Expenditure not written off	(32,370)
Core Capital (Tier 1)	2,246,192

b. Supplementary Capital and its components:

Description	Amount Rs '000
General Loan Loss Provision	144,745
Exchange Equilisation Reserve	3,121
Investment Adjustment Reserve	74
Supplementary Capital (Tier 2)	147,940

c. Subordinated Term Debt

Nil.

d. Deduction from Capital

Unamortized portion of Premium paid on Development Bond Rs 32,370,000 has been deducted from Capital.

e. Total Qualifying Capital

Description	Amount Rs '000
Core Capital (Tier 1)	2,246,192
Supplementary Capital (Tier 2)	147,940
Total Capital Fund	2,394,132

f. Capital Adequacy Ratio

Description	Percentage
Tier 1 Capital to Total Risk Weighted Exposures	13.57%
Tier 2 Capital to Total Risk Weighted Exposures	14.47%

g. Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable.

The current paid up capital of the bank stands at NPR 2,101,840,000 which fulfills the capital requirement of the bank. The issued capital of the bank is at NPR 3,000,000,000, which means that the bank has the ability to increase its capital as per the requirement. The bank will analyze the requirements on the future activities and look at increasing the paid up capital, as per the requirement.

h. Summary of the terms, conditions and main features of all capital instruments, specially in case of subordinated term debts including hybrid capital instrument.

All the capital of the banks are unconditional. We do not have any subordinated term debts.

26.2 Brief About Risk Assets

a. Risk Weightage Assets

Risk Weightage Assets	Amount Rs in '000
Risk Weighted Exposure for Credit Risk	15,217,882
Risk Weighted Exposure for Operational Risk	808,430
Risk Weighted Exposure for Market Risk	56,612
Adjustment Under Pillar- II	
Add: 1% of Net Interest Income as Supervisory Haircut	
Add: 2% of RWE as Supervisory Haircut	321,658
Add: 2% of Operational Risk as Supervisory Haircut	143,447
Total Risk Weighted Exposures (after bank's adjustments of Pillar II)	16,548,029

b. Categories of Credit Risk Assets

Risk Weighted Exposure	Amount Rs in '000
Claims On Government and Central Bank	-
Claims On Other Official Entities	440
Claims On Banks	176
Claims on Corporate And Securities Firms	7,478
Claims On Regulatory Retail Portfolio	1,768
Claims Secured By Residential Properties	234
Claims Secured By Commercial Real Estate	2,036
Past Due Claims	520
High Risk Claims	801
Other Assets	578
Off Balance Sheet Items	1,188
Total Credit Risk Assets	15,219

c. Computation of Capital Adequacy Ratio

Particulars	Amount Rs '000
Total Risk Weightage Assets	16,548,029
Total Core Capital	2,246,192
Total Capital Fund	2,394,132
Core Capital to Total Risk Weighted Exposures	13.57%
Total Capital Fund to Total Risk Weighted Exposures	14.47%

d. Non Performing Assets

Particulars	Amount Rs	Provision Rs	Net NPL Rs
Rescheduled / Restructured	149,106,178	45,732,385	103,373,793
Sub Standard	12,084,114	3,021,028	9,063,086
Doubtful	72,127,678	36,063,839	36,063,839
Loss	56,227,870	56,227,870	-
Total	289,545,840	141,045,122	148,500,718

e. Ratio of Non Performing Assets

Particulars	Percentage
Total NPL to Total Loans & Advances	2.01%
Net NPL to Net Loans & Advances	1.05%

f. Change in Non Performing Assets

Particulars	Previous Year Rs	Current Year Rs	Change
Rescheduled / Restructured	-	149,106,178	-
Sub Standard	34,000,740	12,084,114	-64%
Doubtful	8,108,120	72,127,678	790%
Loss	104,067,032	56,227,870	-46%
Total	146,175,892	289,545,840	98%

g. Written Off Loans & Advances

None.

h. Change in Possible Loss on Loans & Advances

Particulars	Previous Year Rs	Current Year Rs	Additional Provision in Current Year Rs	Change
Rescheduled / Restructured	-	45,732,385	45,732,385	-
Sub Standard	8,500,185	3,021,028	(5,479,157)	-64%
Doubtful	4,054,060	36,063,839	32,009,779	790%
Loss	104,067,032	56,227,870	(47,839,162)	-46%
Total	116,621,277	141,045,122	24,423,845	21%
Interest Suspense	74,449,832	100,418,984	25,969,152	35%

i. Additional Loan Loss Provision

Particulars	Previous Year Rs	Current Year Rs	Change
Loan Loss Provision	242,405,021	285,789,868	18%

j. Investments.

Particulars	Classification	Amount Rs
Investment in Equity Shares	Held For Trading	3,700,000
Investment in Treasury Bills	Held To Maturity	709,477,678
Investment in Government Bonds	Held To Maturity	613,750,000
Placements In banks	Held To Maturity	202,975,000
Total		1,529,902,678

26.3 Risk Management System

Bank recognizes the importance of Risk Management and has accordingly invested in processes, people and a management structure. Overall risk management function of the bank is supervised by Risk Management Committee and Internal Audit Committee represented by BOD members and Senior Executives. Risk Management Committee reviews the asset quality at frequent intervals and Internal Audit Committee provides assurance on the internal control systems of the bank are in place. The human capital is also managed by Human Resource Management and Compensation Committee represented by BOD members and Senior Executives. There is Assets and Liabilities Management Committee (ALCO) represented by Senior Executives of the bank to monitor the interest rate risk, liquidity risk, exchange risk, market risk, etc. Authority, responsibility and accountability has been fixed to the executives of the bank. Product policies and programs are duly approved before any new product launches and are reviewed regularly.

In FY 2068/69, Credit Risk Management Department has been set up to analyze the inherent risks in a particular product. As such the Bank has drawn a clear demarcation between the Credit Business Unit (CBU) and the Risk Management Unit (RMU). A lending process completes once it undergoes both of these units, one business generating the other risk monitoring and controlling. The bank has standard Credit Policies Guidelines that define the bank's credit policies, risk mitigating measures, and the single obligor limit.

3. Credit risk mitigants used by the bank are deposit of the borrower within the bank, cash margin and deposit with other banks and financial institutions applying supervisory haircut of 20% for capital adequacy. Such mitigates has minimum impact on the overall capital adequacy of the bank.

27. Previous year's figures are reclassified as follows.

Particulars	Earlier	Adjusted	Difference	Remarks	Reason
Share Capital	2,040,000,000	2,100,000,000	-60,000,000	Distribution of bonus share instead of Cash Dividend	After NRB approval
Proposed Cash Dividend	170,526,316	110,526,316	60,000,000	Distribution of bonus share instead of Cash Dividend	After NRB approval
Other Liabilities	185,277,125	186,726,247	-1,449,122	Remittance payable reclassified	Better Disclosure
Other Assets	217,335,090	218,784,212	-1,449,122	Remittance payable reclassified	
Commission & Discount Income	32,533,280	32,097,765	435,515	Remittance & other commission reclassified to Operating Income and Trading Gain	
Other Operating Income	65,120,646	65,555,921	-435,275	Remittance & other commission reclassified from Commission Income	
Exchange Fluctuation Income	13,282,587	13,282,826	-240	Reclassified from Other Operating Income	
Staff Expenses	81,689,369	83,758,437	-2,069,069	Staff related expenses reclassified from Operating Expenses	
Other Operating Expenses	179,151,584	177,082,515	2,069,069	Staff related expenses reclassified to staff Expenses	

Citizens Bank International Limited

Statement of Advance taken by Promoters/Promoter Group against Pledge of Own Share from Bank & Financial Institution.

Shareholders Name under Promoters/Promoter Group	Share under the ownership of Promoters		Advance Details			Remarks
	Total No.of Shares	Percent of Total Paid up Capital	Name of Bank/Financial Institution from where Advance is taken	Advance Amount	Pledged No. of Shares	
Roadshow Realestate PL	1,190,525	5.66%	Manakamana Development Bank	60,000,000	1,132,690	
			Kumari Bank Limited		57,835	
Akara Developers Pl	433,037	2.06%	Prabhu Finance Limited	30,000,000	433,037	
SR Hydro & Investment PL	301,350	1.43%	ICFC Finance LTD	25,000,000	301,350	
Kamal Prasad Gyawali	131,277	0.62%	NMB Bank LTD	10,000,000	131,277	
Dashi Ram Khanal	65,586	0.31%	Sunrise Bank Limited	5,000,000	65,586	
Ram Gopal Shrestha	78,830	0.38%		7,300,000	18,830	

Citizens Bank International Limited
Comparison of Unaudited and Audited Financial Statement as of FY 2011/2012

Rs in '000'

S.No.	Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
				In amount	in %	
1	Total Capital and Liabilities (1.1 to 1.7)	20,354,298	20,357,204	2,906	0.01%	
1.1	Paid Up Capital	2,101,840	2,101,840	-	-	
1.2	Reserve and Surplus	355,093	179,916	(175,177)	-49.33%	Mainly Due to proposed dividend
1.3	Debenture and Bonds	-	-	-	-	
1.4	Borrowings	88,250	88,250	-	-	
1.5	Deposits (a+b)	17,354,534	17,354,534	-	-	
	a. Domestic Currency	16,945,245	16,946,127	882	-	
	b. Foreign Currency	409,290	408,407	(883)	-	
1.6	Income Tax Liability	6,828	6,523	(305)	-4.47%	Due to deferred tax adjustment
1.7	Other Liabilities	447,753	626,141	178,388	39.84%	Due to proposed dividend
2	Total Assets (2.1 to 2.7)	20,354,298	20,354,299	1	-	
2.1	Cash and Bank Balance	3,769,874	3,769,874	-	-	
2.2	Money at Call and Short Notice	21,100	21,100	-	-	
2.3	Investments	1,529,903	1,529,903	-	-	
2.4	Loan and Advances	14,415,393	14,415,393	-	-	
	a. Real Estate Loan	2,528,889	2,528,889	-	-	
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs. 80 Lacs)	284,592	284,592	-	-	
	2. Business Complex & Residential Apartment Construction Loan	473,391	473,391	-	-	
	3. Income generating Commercial Complex Loan	-	-	-	-	
	4. Other Real Estate Loan (Including Land purchase & Plotting)	1,770,907	1,770,907	-	-	
	b. Personal Home Loan of Rs. 80 Lac or Less	407,933	407,933	-	-	
	c. Margin Type Loan	102,941	102,941	-	-	
	d. Term Loan	2,922,163	2,922,163	-	-	
	e. Overdraft Loan /TR Loan/WC Loan	5,526,535	5,526,535	-	-	
	f. Others	2,926,932	2,926,932	-	-	
2.5	Fixed Assets	324,345	324,345	-	-	
2.6	Non Banking Assets	-	-	-	-	
2.7	Other Assets	293,684	293,684	-	-	
3	Profit and Loss Account					
3.1	Interest Income	1,980,320	1,980,320	-	-	
3.2	Interest Expenses	1,405,860	1,405,859	(1)	-	
	A. Net Interest Income (3.1-3.2)	574,460	574,460	-	-	
3.3	Fees, Commission and Discount	40,361	40,361	-	-	
3.4	Other Operating Income	71,927	71,927	-	-	
3.5	Foreign Exchange Gain/Loss (Net)	23,092	23,092	-	-	
	B. Total Operating Income (A + 3.3+3.4+3.5)	709,840	709,839	(1)	-	
3.6	Staff Expenses	108,814	108,814	-	-	
3.7	Other Operating Expenses	212,723	212,723	-	-	
	C. Operating Profit Before Provision (B - 3.6-3.7)	388,303	388,302	(1)	-	
3.8	Provision for Possible Losses	125,728	122,822	(2,906)	-2.31%	Due to Change in Loan loss Provision
	D. Operating Profit (C - 3.8)	262,575	265,481	2,906	-	
3.9	Non Operating Income/Expenses (Net)	10,470	10,470	-	-	
3.1	Write Back to Provision for Possible Loss	79,437	79,437	-	-	
	E. Profit from Regular Activities (D + 3.9+3.10)	352,482	355,388	2,906	-	
3.11	Extraordinary Income/Expenses	-	-	-	-	
	F. Profit before Bonus and Taxes (E + 3.11)	352,482	355,388	2,906	-	
3.12	Provision for Staff Bonus	32,044	32,308	264	-	
3.13	Provision for Tax	97,464	98,286	822	-	
	G. Net Profit/Loss (F - 3.12-3.13)	222,974	224,794	1,820	-	

CITIZENS BANK INTERNATIONAL LIMITED
KAMALADI, KATHMANDU
Unaudited Financial Results (Quarterly)
As at Fourth Quarter (31/03/2069) of the Fiscal Year 2068/69

Rs. in '000

S.No.	Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
1	Total Capital and Liabilities (1.1 to 1.7)	20,354,298	17,794,985	17,058,892
1.1	Paid Up Capital	2,101,840	1,922,283	2,100,000
1.2	Reserve and Surplus	355,093	139,962	132,119
1.3	Debenture and Bonds	-	-	-
1.4	Borrowings	88,250	1,090,000	805,000
1.5	Deposits (a+b)	17,354,534	13,866,182	13,478,333
	a. Domestic Currency	16,945,245	13,017,033	12,848,218
	b. Foreign Currency	409,290	849,149	630,115
1.6	Income Tax Liability	6,828	-	-
1.7	Other Liabilities	447,753	776,558	543,440
2	Total Assets (2.1 to 2.7)	20,354,298	17,794,985	17,058,891
2.1	Cash and Bank Balance	3,769,874	1,577,787	1,505,536
2.2	Money at Call and Short Notice	21,100	1,135,540	226,837
2.3	Investments	1,529,903	1,641,985	2,401,437
2.4	Loans and Advances(a+b+c+d+e+f)	14,415,393	12,795,118	12,514,232
	a. Real Estate Loan	2,528,889	2,968,441	2,803,073
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs. 80 Lacs)	284,592	474,269	446,910
	2. Business Complex & Residential Apartment Construction Loan	473,391	382,982	543,114
	3. Income generating Commercial Complex Loan	-	-	-
	4. Other Real Estate Loan (Including Land purchase & Plotting)	1,770,907	2,111,190	1,813,049
	b. Personal Home Loan of Rs. 80 Lac or Less	407,933	358,839	360,898
	c. Margin Type Loan	102,941	246,272	157,211
	d. Term Loan	2,922,163	2,400,874	2,597,149
	e. Overdraft Loan /TR Loan/WC Loan	5,526,535	4,514,805	4,166,042
	f. Others	2,926,932	2,305,887	2,429,859
2.5	Fixed Assets	324,345	191,450	192,065
2.6	Non Banking Assets	-	-	-
2.7	Other Assets	293,684	453,105	218,784
3	Profit and Loss Account	UP to This Quarter	Up to Previous Quarter	Up to Corresponding Previous Year Quarter
3.1	Interest Income	1,980,320	1,297,654	1,795,233
3.2	Interest Expenses	1,405,860	876,666	1,236,322
	A. Net Interest Income (3.1-3.2)	574,460	420,988	558,911
3.3	Fees, Commission and Discount	40,361	62,728	32,098
3.4	Other Operating Income	71,927	10,856	65,556
3.5	Foreign Exchange Gain/Loss (Net)	23,092	12,098	13,283
	B. Total Operating Income (A + 3.3+3.4+3.5)	709,840	506,670	669,848
3.6	Staff Expenses	108,814	58,308	83,758
3.7	Other Operating Expenses	212,723	126,303	177,083
	C. Operating Profit Before Provision (B - 3.6-3.7)	388,303	322,059	409,007
3.8	Provision for Possible Losses	125,728	54,503	103,368
	D. Operating Profit (C - 3.8)	262,575	267,556	305,639
3.9	Non Operating Income/Expenses (Net)	10,470	6,364	6,730
3.10	Write Back to Provision for Possible Loss	79,437	-	-
	E. Profit from Regular Activities (D + 3.9+3.10)	352,482	273,920	312,369
3.11	Extraordinary Income/Expenses	-	-	-
	F. Profit before Bonus and Taxes (E + 3.11)	352,482	273,920	312,369
3.12	Provision for Staff Bonus	32,044	24,902	28,397
3.13	Provision for Tax	97,464	74,705	85,617
	G. Net Profit/Loss (F - 3.12-3.13)	222,974	174,313	198,355
4	Ratios(Mandatory)	This Quarter Ending	At the End of Previous Quarter	At the End of Corresponding Previous Year Quarter
4.1	Capital Fund to RWA	15.58%	16.42%	16.31%
4.2	Non Performing Loan (NPL) To Total Loan	2.01%	0.45%	1.17%
4.3	Total Loan Loss Provision to NPL	99.71%	450.36%	165.83%
4.4	Cost of Funds (as of Date)	7.74%	10.38%	10.45%
4.5	Credit to Deposit Ratio(Calculated as per NRB Directives)	74.40%	83.91%	82.98%