Citizens Bank

Innovating Banking
THROUGH DIGITIZATION



ANNUAL REPORT
2022-2023



Citizens Bank International Limited with its diverse experience and culture has enabled to capitalize on diverse opportunities for business, customers, communities and the stakeholders since years. The Bank, serving as a partner for progress, is driven towards fostering sustainable financial success of economy with an integrated approach adhering to sound corporate governance and transparency. The Bank has been responsibly striving to reshape its services with innovative digital solutions to provide optimal Banking convenience in client services.

The Bank aims to ensure shareholder's expectations maintaining a delicate balance between business and effective risk management practices instilling healthy relationships with its customers and communities in a long run competitive financial landscape.

With its strategic vision, Bank looks forward to pioneer its Banking solutions focusing to balance the social and economic needs of today and tomorrow where and when it matters most.

Citizens Bank

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Citizens
Bank
International Ltd.
YOURPARTNER FOR PROGRESS

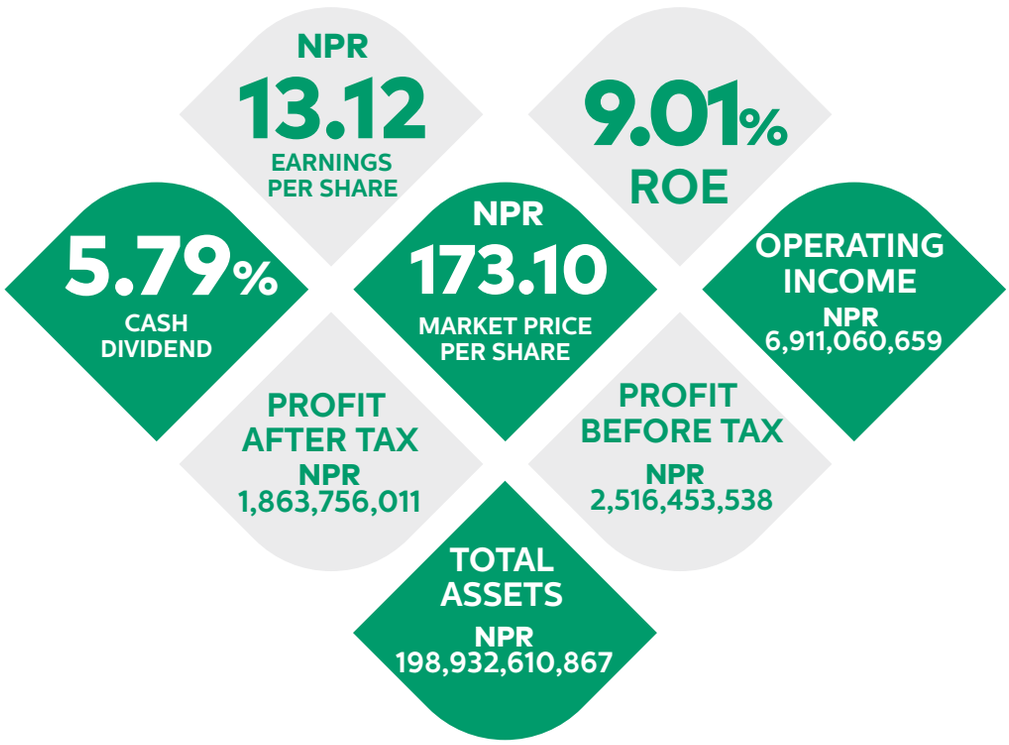
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ABOUT THE BANK

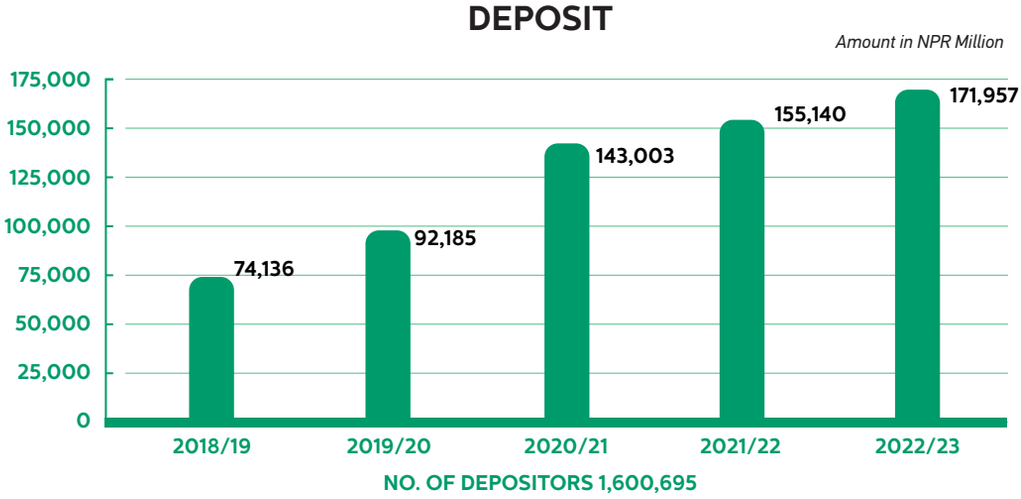
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CITIZENS BANK AT A GLANCE

FINANCIAL HIGHLIGHTS

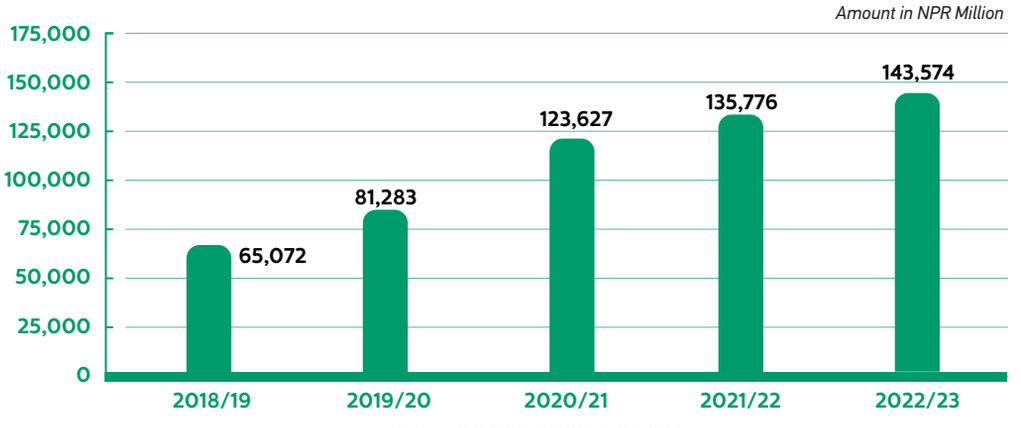


DEPOSIT

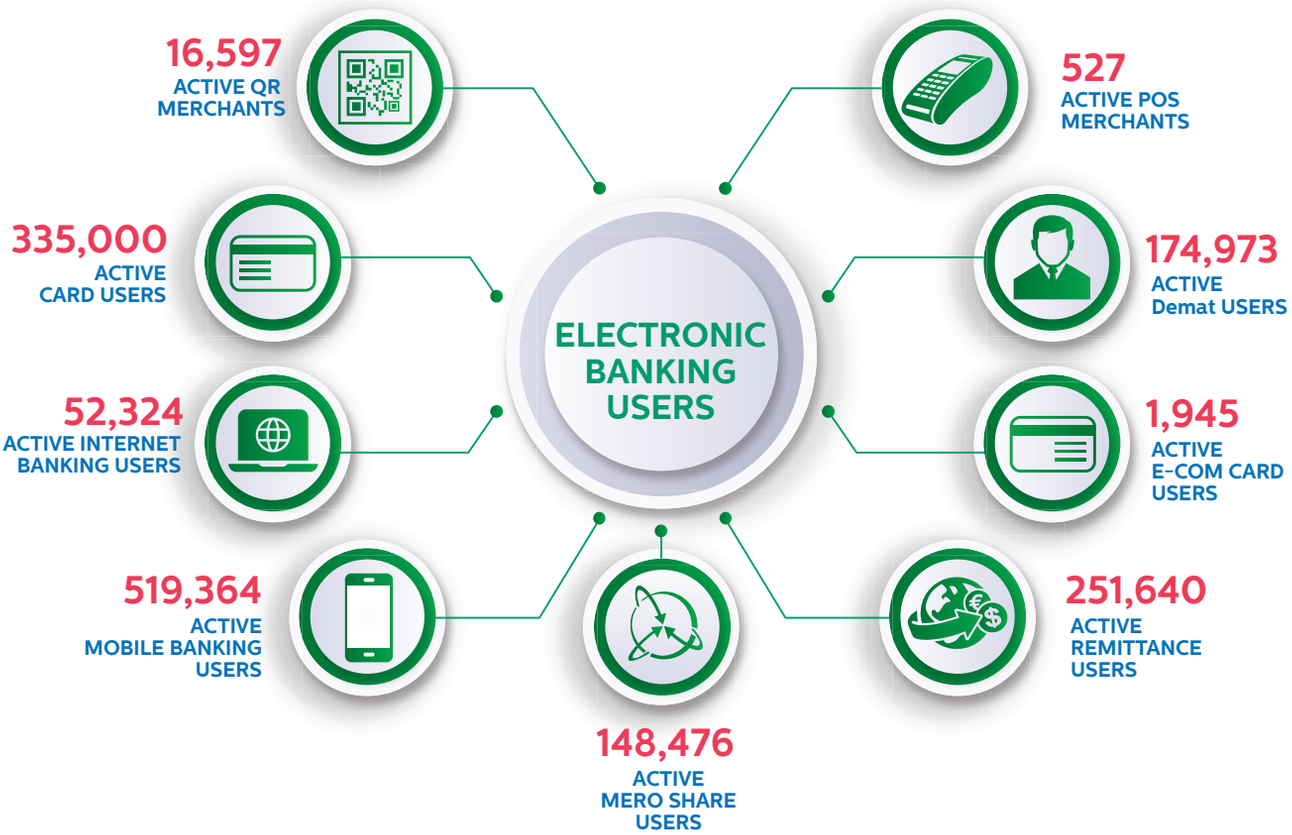


NO. OF DEPOSITORS 1,600,695

LOAN



NO. OF BORROWERS 50,858



EMPLOYEE STRENGTH, TRAINING AND DEVELOPMENTS



Male **982** (57.22%)

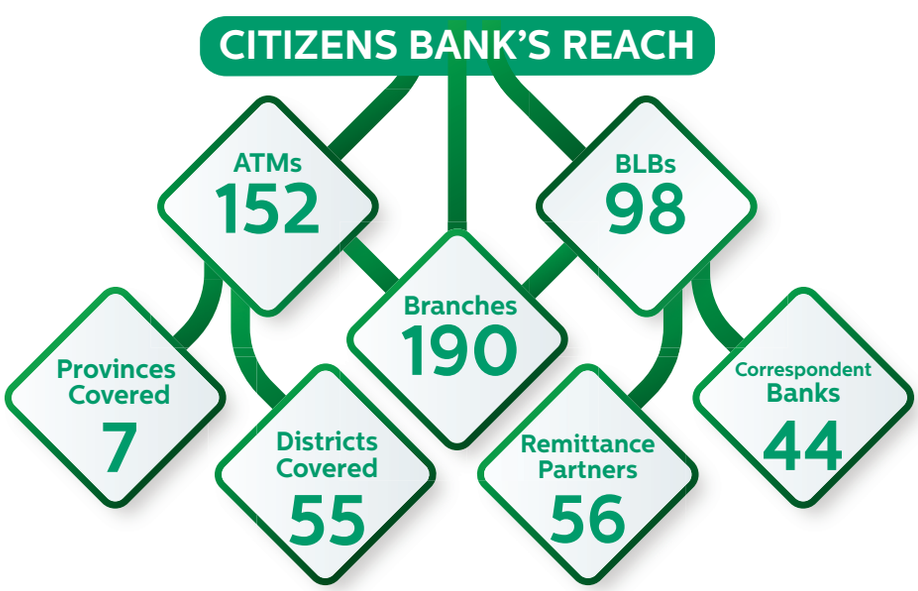
No. of Employees
1,716



Female **734** (42.78%)

No. of Trainings	380
No. of Attendees	1,841
Training Expenses	NPR 26,114,824

CITIZENS BANK'S REACH



KEY RATIOS AND OTHER INFORMATION

PROFITABILITY/ DIVIDENDS/ PERFORMANCE AND LIQUIDITY RATIOS

	GROUP			BANK		
PARTICULARS	FY 2022/23	FY 2021/22	CHANGE %	FY 2022/23	FY 2021/22	CHANGE %
Net Interest Income Ratio (%)	28.40	31.39	-9.53%	28.21	31.27	-9.78%
Profit Before Tax (NPR)	2,574,555,553	2,858,396,617	-9.93%	2,516,453,538	2,832,596,467.34	-11.16%
PE Ratio (times)				13.19	14.34	-8.02%
Capital Adequacy Ratio (%)				12.12	12.69	-4.49%
Return on Capital Employed (%)	9.10	9.94	-8.45%	8.89	9.83	-9.56%
Debt Equity Ratio (times)				0.12	0.66	-81.82%

BUSINESS RATIOS/ INFORMATION

	GROUP			BANK		
PARTICULARS	FY 2022/23	FY 2021/22	CHANGE %	FY 2022/23	FY 2021/22	CHANGE %
Statutory Liquidity Ratio (%)				22.02	18.01	22.27%
Return on Average Assets (%)	0.97	1.04	-6.73%	0.95	1.11	-14.41%
Cost to Operating Income Ratio (%)	44.89%	47.80%	-6.09%	45.13%	47.93%	-5.84%
Net Asset Value per Share (NPR)	148.01	142.96	3.53%	147.62	143.72	2.71%
Profit per Employee (NPR)	1,109,863	1,153,319	-3.77%	1,086,105	1,140,848	-4.80%
CRR (%)				4.09	3.29	24.32%
Dividend Cover Ratio (times)				0.44	0.64	-31.25%
Non Performing Loan to Total Loan (%)				3.39	2.22	52.70%

DETAIL OF CREDIT CONCENTRATION

PRODUCT WISE

PRODUCT	AMOUNT IN NPR MILLION	PERCENTAGE
Term Loan	50,387	35.09%
Overdraft	15,671	10.91%
Trust Receipt Loan/ Import Loan	903	0.63%
Demand & Other Working Capital Loan	13,364	9.31%
Home Loan	8,909	6.21%
Real Estate Loan	4,537	3.16%
Margin Loan	3,523	2.45%
Hire Purchase Loan	4,479	3.12%
Deprived Sector Loan	15,769	10.98%
Bills Purchased		0.00%
Others	26,033	18.13%
TOTAL	**143,574**	**100.00%**

SECTOR/ INDUSTRY WISE

SECTOR/ INDUSTRY	AMOUNT IN NPR MILLION	PERCENTAGE
Agricultural & Forest Related	13,602	9.47%
Fishery	326	0.23%
Mining	303	0.21%
Agriculture, Forestry & Beverage Production Related	5,414	3.77%
Non Food Production Related	16,044	11.17%
Construction	8,294	5.78%
Power, Gas, Water	11,316	7.88%

Metal Products, Machinery & Electronic Equipment & Assemblage	444	0.31%
Transport, Communication and Public Utilities	3,579	2.49%
Wholesaler & Retailer	29,631	20.64%
Finance, Insurance & Real Estate	8,458	5.89%
Hotel or Restaurant	2,856	1.99%
Other Services	6,662	4.64%
Consumption Loans	33,103	23.06%
Local Government		0.00%
Others	3,540	2.47%
TOTAL	**143,574**	**100.00%**

DISCLOSURE OF NON PERFORMING ASSETS

MOVEMENT IN NON PERFORMING ASSETS

Amount in NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	CHANGE %
Rescheduled/ Restructured	293249.52	-	-100.00%
Sub Standard	1,671,232,196	1,998,189,818	19.56%
Doubtful	316,052,880	979,798,562	210.01%
Loss	1,024,748,161	1,887,308,761	84.17%
TOTAL	**3,012,326,487**	**4,865,297,141**	**61.51%**

MOVEMENT OF PROVISION MADE AGAINST NON PERFORMING ASSETS

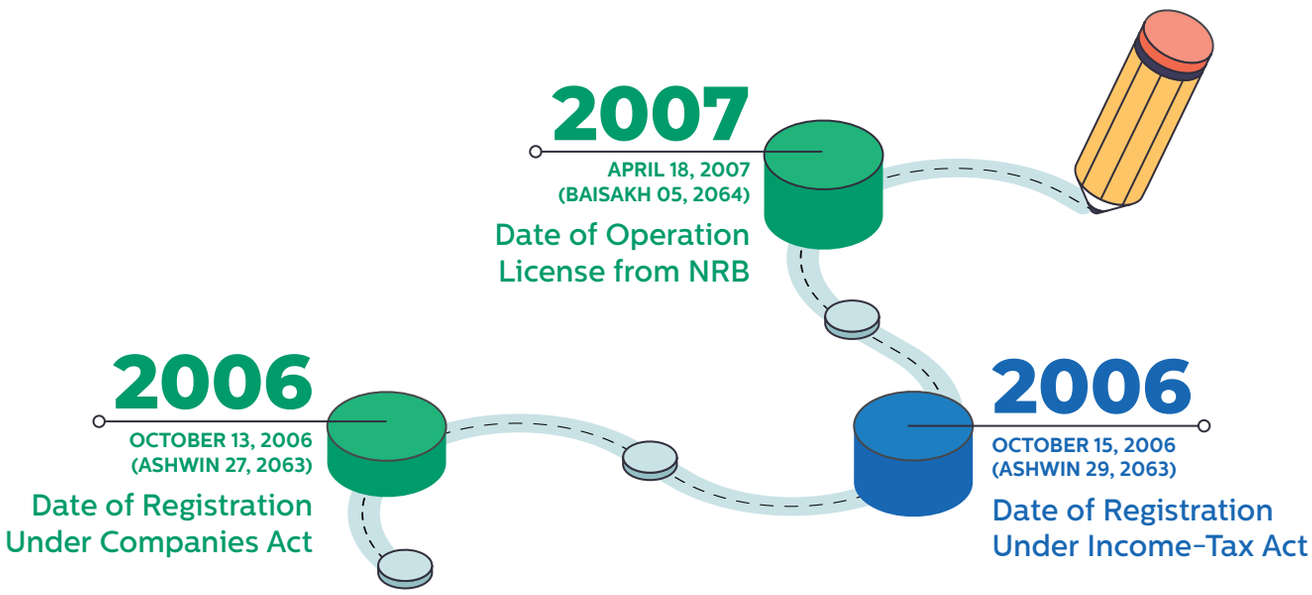
Amount in NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	ADDITIONAL PROVISION IN CURRENT YEAR	CHANGE %
Pass Loan	1,457,218,149	1,480,531,154	23,313,005	1.60%
Watchlist	584,102,042	594,785,430	10,683,388	1.83%
Rescheduled/ Restructured	36,656.19	-	(36,656)	-100.00%
Sub Standard	394,942,297	450,200,485	55,258,188	13.99%
Doubtful	133,149,039	413,242,210	280,093,171	210.36%
Loss	987,435,471	1,834,614,594	847,179,123	85.80%
Additional	-	-	-	
TOTAL	**3,556,883,655**	**4,773,373,873**	**1,216,490,218**	**34.20%**

BANK'S PROFILE

Established on April 20, 2007 (Baisakh 07, 2064) as a 20th Commercial bank of the nation, "Citizens Bank International Limited", has its corporate office at the heart of the financial sector of the country, Narayanhiti Path, Kathmandu. It is promoted by eminent personalities, business and industrial houses and reputed individuals having high social standing and has been managed by a team of experienced bankers and professionals. The Bank has been headed by 6 Board of Directors, led by non executive Chairman Mr. Rajan Singh Bhandari and the management team led by Mr. Ganesh Raj Pokharel as Chief Executive Officer. The Bank has employed 1716 staffs including 1605 permanent staffs and 111 staffs on a contract basis working with various Departments and Branches across the country.

The Bank's milestone dates are as follows:



The shareholding pattern of the Bank is as follows:



OWNERSHIP STRUCTURE

Foreign ownership: NIL || Local ownership: 100%

Local Ownership:
General Public: 48.92% || Promoters: 51.08%

VISION, MISSION & OBJECTIVES

CORPORATE PROFILE

Massive changes and developments have taken place during the past two decades in the financial sector. Amidst all these changes, for economic growth and development of new Nepal, Liberalization, Privatization and Globalization in this sector has given birth to "Citizens Bank International Limited", one of the leading commercial bank. The Bank is located at Narayanhiti Path, Kathmandu. It is promoted by eminent personalities/ business and industrial houses and reputed individuals having high social standing. It is managed by a team of experienced bankers and professionals.

VISION

To be the leading bank known for its service excellence in the region.

MISSION

To be a trustworthy partner for the progress of individuals and institutions by designing, producing and delivering the best financial solutions.

The Bank constantly strives to inculcate in its services five corporate values as follows:

• Customer Focus

The Bank is committed to meet the financial needs of its customers and exceed their expectations through innovative solutions.

• Service Excellence

The Bank promises to deliver customer-centered products and services par excellence.

• Human Resource

The Bank employs bright, honest, helpful and pleasant people. It nurtures and empowers them to achieve their full potential.

• Corporate Governance

The Bank believes in being accountable, conducting business ethically and maintaining transparency.

• Social Responsibility

The Bank is committed to taking social initiatives for the development of the nation.

OBJECTIVE OF THE BANK

The Bank's main objectives are as follows:

- To provide standard and reliable financial services to the general public, by protecting and promoting the rights and interests of the depositors and shareholders of the Bank.

- To bring about such financial resources, from internal and external sources, as may be required for the establishment, development, expansion and enhancement of capability and productivity of agriculture, industry, service, trade and other productive business which appears viable from business viewpoint, and thereby render support for bringing about dynamism in the development of industrial, trade and agricultural sectors of the country.

- To provide financial resources and services to establish, operate, develop, expand and promote manufacturing and employment-oriented business in rural and urban areas by properly mobilizing the available skills, labor and capital and thereby render support for poverty alleviation.

- To provide financial intermediary service through institutional investment by integrating the capital scattered in the country.

- To be responsive to the needs of the society and taking responsibility to meet the due concerns of the society through CSR.

CORE VALUES AND CODE OF CONDUCT

The Bank acknowledges that proper code of conduct and corporate values are the sources stirring the Bank's overall development.

The Bank is committed to meet the financial needs of the customers through innovative solutions, deliver customer-centered products and services par excellence. Board of Directors (BOD) and management believe that high standard of employees and corporate governance sets us apart from rest of the banks and believes in being accountable, conducting business ethically, maintaining transparency and are committed to taking social initiatives for the development of the nation.

The Bank operates in accordance with the highest standards in all relationships with customers, stakeholders, environment and the community. The Bank fosters climates which encourage innovation and diligence amongst staff and reward them accordingly.

The dedication, enthusiasm, commitment and collaborative spirit of the BOD members, promoters, and management team have already been reflected in the financial results of the Bank.

The Bank knows the world is changing and to keep pace with that, it customizes the services and re-engineers the products to match with changing time and technology. The Bank is always focused towards customers and stakeholders needs and their satisfaction. The Bank exercises duty with utmost care in the interest of the depositors and maintains a long-term ethical relationship through true and fair dealings. The Bank is knowledge-driven; it learns and shares learning to meet the objectives and to contribute to the community. The Bank goes beyond just making profit and is highly dedicated towards the achievement of the long-term vision. The Bank is committed to complying with the spirit and all laws and regulations, adhering to the highest standards of corporate governance, transparency, disclosure and ethical conduct.



The Bank follows four fold of applying its core values as follows:

CORE VALUES

DOING THE RIGHT THING

- Showing consistent and uncompromising adherence to sound moral and ethical principle and values
- Taking the appropriate steps in order to achieve the required objective
- Thinking like owner to create long term shareholder value
- Value and reward honesty, collegiality and character

LEADING EXCEPTIONAL IDEAS

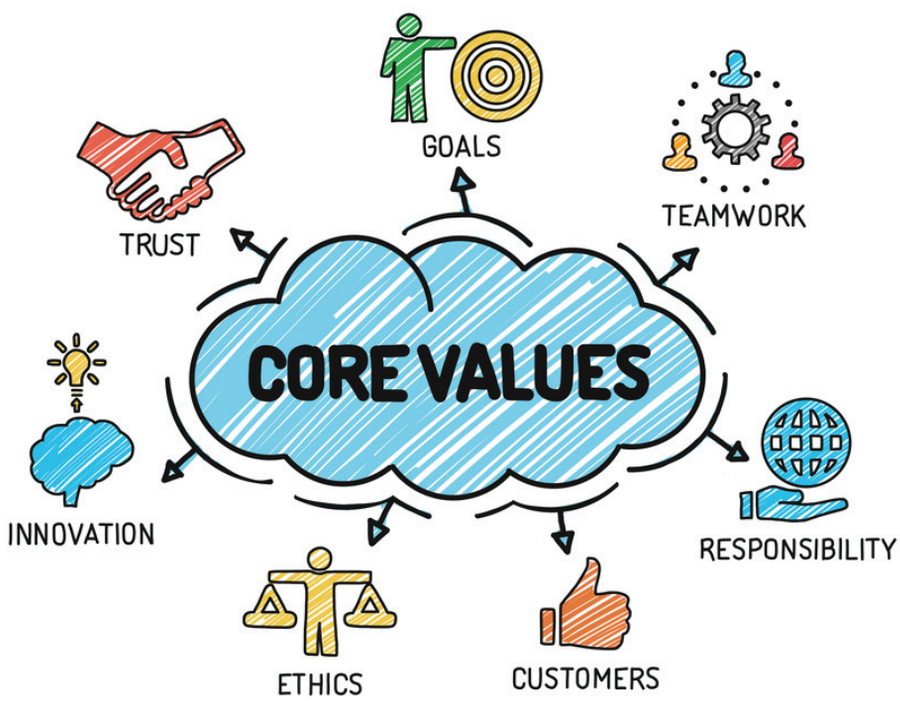
- Scenario based short term and long term strategy by considering new ideas and innovations
- Be observant and preparedness about what we can do better

VALUE CUSTOMER FIRST

- Placing customer ahead for quality of service and for their retention
- Oriented towards serving the client's needs and measure customer satisfaction levels in order to determine the success of their business

RETURN TO: - SHAREHOLDER - SOCIETY

- Increase in organization's as well as shareholder's value by increment in market value of shares and the magnitude of amount of dividend paid
- Committed for being publicly accountable for their significant positive and negative social, environmental and economic impacts



DOING THE RIGHT THING

- Act with integrity
- Think like an owner to create long-term shareholder value
- Value and reward honesty, collegiality and character

PUTTING CLIENTS FIRST

- Always keep the client's interest first
- Work with colleagues to deliver the best of the Bank to every client
- Listen to what the client is saying and their needs

LEADING WITH EXCEPTIONAL IDEAS

- Win by breaking new ground
- Let the facts and different points of view broaden your perspective
- Be vigilant about what we can do better

GIVING BACK

- Be generous with your expertise, your time and money
- Invest in the future of our communities and our firm
- Mentor our next generation

FINANCIAL HIGHLIGHTS OF FY 2022/23

PARTICULAR	INDICATORS	2022/23	2021/22	CHANGE (%)
OPERATING RESULTS				
Net Fee and Commission Income	NPR Million	876.78	869.07	0.89%
Net Interest Income	NPR Million	5,828.50	4,993.49	16.72%
Other Operating Income	NPR Million	6,911.06	6,264.06	10.33%
Profit Before Taxation (PBT)	NPR Million	2,516.45	2,832.60	-11.16%
Profit After Taxation (PAT)	NPR Million	1,863.76	2,005.61	-7.07%
FINANCIAL POSITION				
Loans and Advances to Customer	NPR Million	139,832.01	131,344.33	6.46%
Loans and Advances to B/FIs	NPR Million	2,510.67	3,299.92	-23.92%
Deposits from Customers	NPR Million	168,842.14	152,801.49	10.50%
Due to Bank and Financial Institutions	NPR Million	3,714.71	4,063.05	-8.57%
Total Equity	NPR Million	20,963.52	20,409.29	2.72%
SHARE INFORMATION				
Market Price per Share	NPR	173.10	202.50	-14.52%
Earning per Share (EPS)	NPR	13.12	14.12	-7.10%
Book Net Worth per Share	NPR	147.62	143.72	2.72%
Earnings Yield	Percent	3.34	6.97	-52.08%
Dividend Yield	Percent	4.44	4.44	0.00%
Dividend Payout Ratio	Percent	0.44	0.64	-30.95%
Dividend (Including bonus) on Share Capital	Percent	5.79	9.00	-35.67%
Cash Dividend on Share Capital	Percent	5.79	9.00	-35.67%
Total Assets to Shareholder's Fund	Times	9.49	9.53	-0.42%
Shareholder's Fund to Total Liability including Contingent Liability	Percent	8.06	7.21	11.79%
STATUTORY RATIOS				
Adequacy of Capital Fund on Risk Weighted Assets	Percent	12.12	12.69	-4.49%
Core Capital	Percent	10.01	10.45	-4.21%
Supplementary Capital	Percent	2.11	2.24	-5.80%
Price Earning Ratio	Times	13.19	14.34	-8.02%
CCD Ratio as per NRB Directives	Percent	82.40	85.20	-3.29%
OTHER RATIOS				
Return on Assets (ROA)	Percent	0.95	1.11	-14.41%
Return on Equity (ROE)	Percent	9.01	10.21	-11.75%
Cost to Operating Ratio	Percent	45.13	47.93	-5.84%
Non-Performing Loan/ Total Loans (As per NRB Directive)	Percent	3.39	2.22	52.70%
Weighted Average Interest Rate Spread (As per NRB Directive)	Percent	4.00	4.25	-5.88%

NON FINANCIAL HIGHLIGHTS OF FY 2022/23

PARTICULAR	INDICATORS	2022/23	2021/22
INTELLECTUAL CAPITAL			
Issuer Rating	ICRA Rating	[ICRANP-IR] BBB+@	[ICRANP-IR] BBB+@
Bond Rating	ICRA Rating	[ICRANP] LBBB+@	[ICRANP] LBBB+@
MANUFACTURED CAPITAL			
Total Branches	Number	188	178
No. of ATMs	Number	145	130
Investment in Property, Plant and Equipment	NPR Million	3,937.16	3,901.05
HUMAN CAPITAL			
Total No. of employees	Number	1716	1,758
Employees Hired	Number	112	273
Training Programs carried out	Number	380	211
Investment in Training and Development Programs	NPR Million	26.11	10.15
Staff Remuneration and Benefits	NPR Million	1,889.90	1,785.43
Net Profit per Staff	NPR Million	1.09	1.14
Per Employee Staff Cost	NPR Million	1.10	1.01
SOCIAL AND RELATIONSHIP CAPITAL			
CSR Expense	NPR Million	9.27	9.13

PRODUCT AND SERVICES

DEPOSIT SCHEMES

A. SAVING DEPOSITS

1. Citizens Privilege Saving Account
2. Citizens Samrakshit Bachat Khata
3. Citizens Bisesh Bachat Khata
4. Citizens Talab Bachat Khata
5. Citizens Share Lagani Khata
6. Citizens Smart Bachat Khata
7. Remittance IPO Saving Account
8. Citizens International Remittance Saving Account
9. Citizens Savings Account
10. Citizens Matribhumi Bachat Khata
11. Citizens Mahila Bachat Khata
12. Citizens Muna Bachat Khata (Only for Minors)
13. Citizens Saral Bachat Khata
14. Citizens Senior Citizens Savings Account
15. Citizens Branchless Bachat Khata
16. Citizens Enterprise Fund Account
17. Citizens G2P Savings Khata
18. Citizens Dasak Savings Account
19. Citizens Ghar Dailo Savings Account
20. Citizens Savings Account (FCY)

B. SPECIAL FIXED DEPOSIT (NPR)

1. Citizens Recurring Deposit (NPR)
2. Citizens Xtra Fixed Deposit

C. CALL/CURRENT DEPOSITS

1. Citizens Call Deposit Account (NPR)
2. Citizens Call Deposit Account (FCY)

D. FIXED DEPOSITS

1. Citizens Fixed Deposit (NPR) Individual
2. Citizens Fixed Deposit (NPR) Institutional
3. Citizens Overseas FCY Fixed Deposit



DESCRIPTION OF SOME OF THE DEPOSIT PRODUCTS ARE MENTIONED BELOW:

A. SAVING DEPOSITS

1. Citizens Samrakshit Bachat Khata

Citizens Samrakhshit Bachat Khata is a Savings Deposit Product launched for Nepalese citizens of all age group.

- Minimum Balance- NPR 1,000.
- Interest Rate-5.15% p.a.
- Free issuance of Cheque Book.
- Free 'Any Branch Banking Service' (ABBS)
- Free Issuance of Visa Debit Card*.
- Free Mobile Banking*.
- Free De-Mat Account*.
- Free C-ASBA Registration Charge*.
- Free Internet Banking*.
- Free activation of 3-D secure for e-com transaction.
- 50% discount on annual Locker Fees.
- 50% discount on balance certificate issuance charge.
- 50% discount on draft and swift issuance commission.
- 50% discount on good for payment charge.
- 50% discount on issuance of Credit Card **(First Year only)**.
- Free Cash Withdrawal Facility from other Bank's ATM (2 Transactions per Month as per English Calendar)
- Medical Insurance up to NPR 50,000 (24 hrs Hospitalization).
- Accidental Death Insurance up to NPR 5,00,000.

*For first year only.

2. Citizens Talab Bachat Khata

This saving product is focused for working profession. This product shall be useful for the various corporate houses to manage the salary of their employees. Saving deposit is of top priority in the banking industry today and corporate/enterprises salary account shall be the major source to improve the savings deposit of the bank.

Features of the product:

- Minimum Balance zero.
- Interest Rate- 6.15% p.a.
- Free issuance of Cheque Book.
- Free 'Any Branch Banking Service' (ABBS).
- Free Issuance of Visa Debit Card*.
- Free Mobile Banking*.
- Free De-Mat Account*.
- Free Internet Banking*.
- Free activation of 3-D secure for e-com transaction.
- Medical Insurance up to NPR 25,000 (24 hrs Hospitalization).
- Accidental Death Insurance up to NPR 3,00,000.
- 50% discount on annual Locker Fees*
- 50% discount on draft and swift issuance commission.
- 50% discount on issuance of Credit Card.
- Free Cash Withdrawal Facility from other Bank's ATM (2 Transactions per Month as per English Calendar).
- Professional loan can be availed to maximum limit of NPR 1,500K for the maximum period of 5 years. Revolving OD of NPR 500K shall be within maximum limit of NPR 1,500K. Customers shall be provided with this loan facility as per the Bank's approved Product Paper.

*For first year only.

3. Citizens Smart Bachat Khata

It is a Savings Deposit Product launched especially for the Young Generation (Millennial) and tech savvy population; however, this product shall also be available for all citizens. This product is step toward digitization and it shall be a complete eco-friendly product.

Features of the product

- Minimum balance zero.
- Interest Rate - 6.42% p.a.
- Free 'Any Branch Banking Service' (ABBS) up to 2 lakhs.
- Free Mobile Banking*.
- Free Internet Banking*.
- Free De-Mat Account* .

- Free Issuance of Visa Debit Card*.
- Free activation of 3-D secure for e-com transaction.
- Free Cash Withdrawal Facility from other Bank's ATM (2 Transactions per Month as per English Calendar).

*For first year only.

4. Citizens Share Lagani Khata

Citizens share Lagani Khata is a Savings Deposit Product launched for Nepalese citizens of all age group.

Features of the product

- Minimum balance 100.
- Free Opening of D-mat and share trading account along with this account
- Interest Rate – 6.15% p.a.
- Free Mobile Banking*.
- Free issuance of Cheque Book.
- Free 'Any Branch Banking Service' (ABBS)
- Free Issuance of Visa Debit Card*.
- Free De-Mat Account.
- Free Internet Banking*.
- Free activation of 3-D secure for e-com transaction.

5. Citizens Privilege Saving Account

Citizens Privilege Saving Account (CPSA) is a saving Deposit product targeted for Nepalese citizens of all age group.

Features:

- Interest Rate: 6.15% p.a.
- Minimum Balance: NPR 100,000.
- Free Any Branch Banking Service' (ABBS).
- Free issuance of Visa Debit Card*.
- Free Mobile Banking*.
- Free De-Mat Account*.
- Free Internet Banking*.
- 100% discount on locker key deposit.
- 50% discount on annual locker fee.
- 50% discount on issuance of credit Card*.
- Free Cash Withdrawal Facility from other Bank's ATM (2 Transactions per Month as per English Calendar).

*For first year only.

Furthermore, if any individual customer wishes to change their scheme to Citizens Privilege Savings Account, the charge will be waived. In addition, if any individuals wish to convert their Citizens Privilege Savings Account to another scheme, all charges and fees will be imposed in accordance with their chosen scheme.

6. Citizens International Remittance Saving Account

Citizens International Remittance Savings Account (CIRSA)" is a Savings Deposit Product launched for individual deposit holders with unique and attractive feature to earn better interest. This product is specially designed for remittance receiving customers in Nepal.

Features:

- Interest Rate: 6.15% p.a.
- Minimum Balance: NPR 25,000.
- Free Any Branch Banking Service' (ABBS).
- Free issuance of Visa Debit Card*.
- Free Mobile Banking*.
- Free De-Mat Account*.
- Free Internet Banking*.

*For first year only.

7. Remittance IPO Saving Account

Remittance IPO Savings Account (RISA)" is a new Savings Deposit Product for Nepalese Individual worker who are working abroad under foreign employment with having valid labor permit from concern government authority of Nepal. This product has been designed in reference to Securities Issuance and Allotment (Sixth Amendment) Directive dated Kartik 18, 2079 issued by Securities Board of Nepal.

Features:

- Interest Rate: 6.15% p.a.
- Minimum Balance: NPR 1,000.
- Free Any Branch Banking Service' (ABBS).
- Free issuance of Cheque Book.
- Free issuance of Visa Debit Card*.
- Free Mobile Banking*.
- Free De-Mat Account*.
- Free Internet Banking*.
- Mero share and C-ASBA registration service shall be provided with subject to full fill required documentation.
- Account opening via online platform but Account shall be debit restricted till the customer visit the bank personally and submits the original documents.

*For first year only.

8. CITIZENS NORMAL SAVINGS ACCOUNT

The Bank has launched the deposit product "Citizen Normal Saving Account" which is suitable for every individual.

Features of the product:

- Minimum balance zero
- Interest rate 4.15% p.a.
- Quarterly Interest Payment.
- Free internet banking *.
- Free Mobile Banking*.
- 50% discount locker key deposit.
- Free debit card facility*.
- IPS Fund Transfer Facility.
- Issuance of balance certificate.
- Free issuance of cheque book.
- Free ABBS (Any Branch Banking Service).
- No Restriction on the amount of deposit and withdrawals

*For first year only.

9. Citizens Matribhumi Bachat Khata

The primary beneficiaries for Citizens Matribhumi Bachat are Nepalese Citizens residing in foreign countries. Those who are in the process of going abroad for foreign employment can also enjoy this deposit product subject to presentation of a valid Visa.

Features of the product:

- Online Account Opening Facility.
- Minimum Balance NPR 100.
- Better exchange rate while remitting money through Citizens Remit.
- Free Internet Banking (First year only).
- Interest is calculated on Daily balance and credited quarterly.
- No restriction on the amount of withdrawals.

10. Citizens Mahila Bachat Khata

The Bank offers “Citizens Mahila Bachat Khata” for Nepalese woman with age above 16 years.

Features of the product:

- Minimum Balance NPR 500.
- Interest rate 4.15% p.a.
- 25% discount on locker annual charge every year.
- Free Internet Banking (First year only).
- Interest is calculated on Daily balance and credited quarterly.
- Facility of Citizens NPR Debit Card –Valid in Nepal as well as in India.

11. Citizens Muna Bachat Khata

Citizens Muna Bachat Khata" is primarily for the minors (below the age of 16 years) facilitated by the guardians.

Features of the product:

- Minimum Balance NPR 100.
- Interest rate 4.15% p.a.
- Free Mobile banking (First year only).
- Free Visa Debit Card (First year only).
- Interest is calculated on Daily balance and credited quarterly.
- Facility of Citizens NPR Debit Card –Valid in Nepal as well as in India.

12. Citizens Senior Citizens Savings

The Bank has offered Citizens Senior Citizens Savings account for the senior citizens for the age group equal to or above 55 years.

Features of the product:

- Minimum balance zero.
- Interest rate 4.15% p.a.
- Interest is calculated on Daily balance and credited quarterly.
- Personalized banking via citizen's privilege Banking Facility.
- Free internet banking (First year only).
- 50% discount locker key deposit.
- Free debit card facility for 1st year.
- Free issuance of balance certificate.
- Free issuance of cheque book.
- Free stop payment facility.
- Free ABBS (Any Branch Banking Service).
- Better rate in FCY exchange.

13. Citizens Saral Bachat Khata

The Bank launched 'Citizens Saral Bachat khata', deposit product, in view of the Government campaign with slogan "Kholau Bank Khata Abhiyan, 2076" as per Nepal Rastra Bank circular dated Chaitra 27, 2075 for opening bank accounts of all individual Nepali citizens. The main aim of the account is to establish banking habits of unbanked population.

Features of the product:

- Minimum balance: NPR 100 (As per the circular of Nepal Rastra Bank, NPR100 will be credited in each account from the Bank's side).
- Interest Rate – 4.15% p.a. calculated on daily balance, payable quarterly at each Nepali Calendar quarter end.
- Any Branch Banking Service (ABBS).
- Issuance of Visa Debit Card.
- Free Mobile Banking Facility (*first year only).
- De-Mat Account.
- C-ASBA service.
- Internet banking facility.
- Activation of 3-D secure for e-com transaction.
- Issuance of Cheque book.
- Other services provided by the Bank.

14. Citizens Bishesh Bachat Khata

The Bank has launched the deposit product "Citizen Bishesh Bachat Khata" which is suitable for every individual.

Features of the product:

- Minimum balance to open account will be NPR 100.
- Interest Rate – 4.15% p.a. calculated on daily balance, payable quarterly at each Nepali Calendar quarter end.
- Free 'Any Branch Banking Service' (ABBS).
- Free Issuance of Visa Debit Card (*first year only).
- Free Mobile Banking Facility (*first year only).
- Free De-Mat Account (*first year only).
- Free Internet banking facility (*first year only).
- Free activation of 3-D secure for e-com transaction.
- 50% discount on annual Locker Fees.
- 50% discount on balance certificate issuance charge (*first year only).
- 50% discount on draft and swift issuance commission.

- Issuance of Cheque book.

15. Citizens Branchless Bachat Khata

While the people living in rural areas are excluded from availing from banking services, the Bank has launched Citizens Branchless Bachat Khata with the aim of catering the financial needs of those people. The services are provided by an appointed agent of the bank which helps the Bank to evade the cost and hassle of opening branches in such remote areas.

Features of the product:

- Minimum balance to open account will be NPR 0.00.
- Interest Rate – 4.15% p.a. calculated on daily balance, payable quarterly at each Nepali Calendar quarter end.
- Free 'Any Branch Banking Service' (ABBS).
- Free Issuance of Visa Debit Card (*first year only).
- Free Mobile Banking Facility (*first year only).
- De-Mat Account.
- Free Internet banking facility (*first year only).
- Issuance of Cheque book.
- Free activation of 3-D secure for e-com transaction.

B. Special Fixed Deposit

1. Citizens Xtra Fixed Deposit

Citizens Xtra Fixed Deposit can be opened with primary applicant as Nepalese Citizen. Minors are also eligible to open this account. Foreigners residing in Nepal can also open account with valid documentation subject to full compliance of NRB circulars and/or prevailing act/rules.

Features of the product

- Minimum Amount- NPR 100,000.
- Interest Rate on CXFD– 9.15% p.a.
- Interest Rate on RD linked with CXFD: 9.15% p.a.
- Tenure: minimum 1 Year to 5 Years.
- Tenure for Recurring Deposit (RD) nominee account for interest payment of CXFD: One day after the maturity of CXFD i.e. one day more than that of CXFD.

2. Citizens Recurring Deposit

The Bank offers Citizens Recurring Deposit for Nepalese citizen. Minors can also enjoy the facility.

Features of the product:

- Loan facility up to 90% of the deposit amount.
- Minimum balance to open account shall be Rs.0.00.
- The account shall be of recurring type. i.e. account holder shall deposit amount not less than Rs.1000 every month in the multiple of NPR 500
- Interest is calculated on daily balances.
- Free Internet Banking (First year only).
- Interest Rate: 8.75% (Individual) 6 Month& Below 1 Year, 9.15%(Individual) 1 year above up to 10 years and 6.10% (Institutional) 6 Month & Below 1 Year, 6.60% (Institutional) 1 year above up to 10 years

C. Call/Current Deposit

Citizens Call Deposit Account

Call deposit account is a blend of current and savings account features with interest in addition. The Bank offers especially designed call deposit account to manage the idle surplus fund of customers. The scheme includes wide array of benefits of earning interest as well as facility of unlimited withdrawals and deposits. The rate of interest is negotiable (subject to NRB Directive).

Features of the product:

- Opened to obtain interest on corporate deposits
- No cheque book shall be provided and standing instruction to be kept for swapping between current and call account
- Interest Rate: Up to 2.075%
- Minimum Balance: As per individual deal

CITIZENS CURRENT ACCOUNT

Current Account is transactional non-interest bearing account mainly intended for business entities such as: Businesses, Corporate Houses, Firms, NGOs, INGOs, etc.

- Minimum Balance: NPR 1,000
- No interest shall be provided.

D. Fixed Deposit

Citizens Fixed Deposit

The Bank offers Citizens Fixed Deposit for Nepalese citizen as well as to different Institutions.

Features of the product:

- Loan facility up to 80% of the deposit amount.
- Interest is calculated on daily balances and pay quarterly.
- Interest Rate: 8% (Individual) 3Month- Below 6 Month,8.75 6month – below 1Year, 9.15% 1year & Above
- 6.10% (Institutional) 6 Month & Below 1 Year, 6.60% (Institutional) 1 year & Above

Citizens Overseas FCY Fixed Deposit

To provide banking services to foreign investors and NRNs and attract FCY from them, the Bank has offered Citizens Overseas FCY Fixed deposit schemes at competitive interest rate. The fixed deposit amount can be fully utilized to provide the loan to customers. The interest rate under this scheme is different as per the nature of foreign currency.

Features of the product:

- Currency: USD, GBP, EURO and AUD.
- Interest rate p.a. – 8.25% p.a. in USD, 7.60% p.a. in AUD and 7.25% p.a. in GBP and 6.50% p.a. in EURO.
- Interest Payment Frequency: Quarterly (as per Nepalese Calendar).
- Tenor- minimum 1 year.
- Acceptance of the funds in Citizens FCY account with no charge. The fund must be received via Banking Channel.
- Full repatriation of Principal and Interest (after deduction of applicable tax) amount in same currency with no charge to same account at same country from where the fund is received.
- No minimum balance shall be maintained in the nominee savings account where we are also offering 4.00% p.a.
- Free statement/interest credit advice will be sent by email on request.
- NRN ID is compulsory (For NRN).


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LOAN SCHEMES

A. CONSUMER LOANS

1. Citizens Home Loan
2. Citizens Mortgage Loan
3. Citizens Auto Loan
4. Citizens Education Loan
5. Citizens Margin Lending
6. Citizens Bina Dhito Karja
7. Citizens Equipment Loan
8. Citizens Fast Track Loan
9. Citizens One Zone One Product
10. Citizens Agriculture and Enterprise Loan
11. Citizens Gold Loan
12. Citizens Pay Loan
13. Subsidized Loans
    a) Citizens Commercial Agriculture and Livestock Loan
    b) Citizens Educated Youth Self Employed Loan
    c) Citizens Foreign Employment Returnee Project Loan
    d) Citizens Women Entrepreneurship Loan
    e) Citizens Dalit Community Entrepreneurship Development Loan
    f) Citizens Higher and Technological or Vocational Education Loan
    g) Citizens Earthquake Victim Residence Construction Loan
    h) Citizens Technical Education loan
14. Citizens Credit Card

B. CITIZENS SME LOAN

C. CORPORATE LOANS

D. OTHER LOANS

1. Loan against Government Bond
2. Loan against Citizens Fixed Deposit Receipt and Promissory Note
3. Loan against virst class Bank Guarantee
4. NPR Loan Against FCY Fixed Deposit Receipt




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BELOW IS THE DESCRIPTION OF SOME OF THE LOAN PRODUCTS OF THE BANK:

A. CONSUMER LOANS

1. Citizens Home Loan

The Bank offers financing facilities to finance a purchase of a plot of land and/or readymade building, apartment, construction, repairs, renovation, additions and alteration to the house/flat.

Features of the product:

- Terminating loan payable in Equal Monthly Installment.
- Loan size maximum up to NPR 15 Million.
- Repayment period of maximum 25 years.
- Loan portion up to 70% of fair market value of the collateral security.
- Refinancing Facility.

2. Citizens Mortgage Loan

The Bank offers loan facility to cater the needs of individual to meet their personal financial obligations through Mortgage Loans.

Features of the product:

- 1 Year Revolving Overdraft or Terminating loan payable in Equal Monthly Installment.
- Loan size maximum up to NPR 5 Million.
- Repayment period of maximum 15 years.
- Loan portion up to 50% of fair market value of the collateral security.

3. Citizens Auto Loan

Auto loan is a vehicle financing scheme for purchasing new or used private and commercial vehicles to salaried or self- employed Nepalese citizen or owners of the business. The loan is provided against registration of vehicle in the Bank's name.

Features of the product:

- Loan size up to NPR 10 Million for private vehicles and NPR 7 Million for commercial vehicles.
- Loan tenure is up to 6 years for private vehicles and up to 5 years for commercial vehicles.
- Terminating loan payable in Equal Monthly Installment.

4. Citizens Education Loan

Bank has brought education loan, which aims to finance meritorious students who choose to pursue a higher education (Professional or technical) in Nepal and abroad. The loan is extended to students/professionals desiring to pursue higher studies such as Graduation, Post-Graduation, Specialization and Vocational/Technical courses in the country or abroad.

Features of the product:

- Terminating loan payable in Equal Monthly Installment.
- Loan size maximum up to NPR 5 Million.
- Repayment period of maximum 15 years including moratorium period of 4 years or education period, whichever is earlier.
- Loan portion up to 100% of the cost of education.

5. Citizens Margin Lending

Margin lending is financing individuals or companies against ordinary equity shares. The bank offers the financing scheme against the shares of selected companies which are listed in the Nepal Stock Exchange (NEPSE).

Features of the product:

- Demand Loan and Overdraft nature of loan up to 1 year.
- Loan portion up to 70% of the 120 days average price or previous day's closing price, whichever is lower of the shares pledged.

6. Citizens Bina Dhito Karja

Citizens Bina Dhito Karja helps to get loan without any collateral. This loan is offered to meet the financial obligation/s to salaried individuals and professionals. The loan is advanced to meet various requirements of the borrower such as travel expenses, medical expenses, social expenses, purchase of medical equipment and appliances for professional use, home appliances, etc.

Features of the product:

- Revolving or Non-revolving nature of loan.
- Revolving up to NPR 0.30 Million and Loan size maximum up to NPR 1.50 Million including revolving.
- Repayment period of maximum 5 years.

7. Citizens Equipment Loan

Equipment loan is an equipment/machine financing scheme for purchasing new or used equipment for Nepalese citizen or infrastructure/ construction companies. The loan is provided against registration and/or hypothecation of equipment in the Bank's name.

Features of the product:

- Loan size up to NPR 10 Million.
- Loan tenure is up to 5 years.
- Terminating loan payable in Equal Monthly Installment.
- LC Facility available for direct import of equipments.

8. Citizens Fast Track Loan

The Bank has offered Citizens fast track loan designed to uplift the living standards of the under-privileged families by providing them financial support at the time of their need. The purpose of this loan is to meet financial requirement of the borrower, both individuals, and business units, for agriculture/business/personal use.

Features of the product:

- Can be offered as term loan or overdraft loan.
- Loan size maximum up to NPR 2 Million.
- Repayment period of maximum 10 years in equal monthly installment for term loan.
- 1-year revolving facility for overdraft loan.
- Loan portion up to 60% of the derived value of collateral security.

9. Citizens One Zone One Product

The Bank has especially designed product to meet the financial requirement of the people involved in agriculture and/or agricultural business, for their economic upliftment. The objective of this product is also to bring those who are deprived from formal banking sector within reach of our Bank and reduce the dependency of farmers with the middlemen and are designed in such a way, that the product promotes use of local resources, local skill and local people's involvement to carry out the business.

Features of the product:

- Can be offered as term loan or overdraft loan.
- Loan size maximum up to NPR 5 Million.
- Repayment period of maximum 10 years in equal monthly installment for term loan.
- 1-year revolving facility for overdraft loan.
- Loan portion up to 60% of the derived value of collateral security.

10. Citizens Agriculture & Enterprise Loan

The Bank has offered Citizens Agriculture & Enterprise Loan to meet financial requirement of industry/individuals involved in production of agriculture goods and manufacturing activities of different goods and services.

Features of the product:

- Available in terminating loan payable in EMI.
- Loan size maximum up to NPR 1.50 Million
- Repayment period of maximum 10 years.
- Available at Base Rate plus 2% premium.

11. Citizens Gold Loan

The Bank offers Citizens Gold Loan for meeting any type of contingent requirements, thus harnessing the yellow metal, which is usually a "non-sweating" asset, for productive purposes. The customer can walk into branch of the Bank Offering Gold Loan with the customers' jewellery/ gold bullion (minimum of 22 and 24 carats only). The easy documentation and simple process will ensure that a customer can avail a loan across the counter. Customers can make good use of the assets owned, by availing this product.

Features of the product:

- Non-revolving nature of loan.
- Loan size up to NPR 1 Million.
- Loan tenure of 1 year (Subject to annual review).
- Loan portion of maximum up to 80% of the derived value in case of solid gold and 70% of the derived value in case of gold ornaments.

12. Pay Day Loan

The Bank has introduced the Citizens Payday Loan scheme which is a digital service introduced by the bank to provide small short loans to customer instantly through bank's mobile banking application.

Features of the product

This service is exclusively to individual customers who have regular income with holding savings account in Citizens Bank International Ltd.

- Loan size up to NPR 200,000.
- Loan tenure of 30 days.
- Collateral free loan.

13. Subsidized Loans

The Bank has introduced the scheme of subsidized loan up to 5 years tenor for providing various concessional loans to unemployed educated youths, returnee migrant works, women entrepreneurs, Dalits, earthquake victims and other targeted groups, for the motive of their economic upliftment. Detail of various subsidized loans are as follows:

a) Citizens Commercial Agriculture and Livestock Loan (Up to NPR 1 Million).
b) Citizens Educated Youth Self Employed Loan (Up to NPR 0.70 Million).
c) Citizens Foreign Employment Returnee Project Loan (Up to NPR 1 Million).
d) Citizens Women Entrepreneurship Loan (Up to NPR 1.50 Million).
e) Citizens Dalit Community Entrepreneurship Development Loan (up to NPR 1 Million).
f) Citizens Higher and Technological or Vocational Education Loan (Up to NPR 0.50 Million).
g) Citizens Earthquake Victim Residence Construction Loan(Up to NPR 0.30 Million).
h) Citizens Technical Education loan (Up to NPR 0.20 Million).

14. Citizens Credit Card

Credit Card is provided to the individuals having regular source of income to make payment of product/services at merchant locations via Point of Sale and cash withdrawal at ATM.

Features of the product:

- Up to NPR 0.25 Million.
- US Dollar Credit Card available against lien over equivalent USD in account.

B. CITIZENS SME LOAN

SME loans are meant for small and medium enterprises to help them meet the financial requirements. This loan is provided to finance working capital and/or capital expenditure requirement as well as non-funded facilities such as letters of credit and guarantees for small businesses including retailers, wholesalers, cottage and small-scale manufacturing and processing units, exporters, importers, contractors, educational institutions, self-employed professionals, medical / health facilities, etc. The loans to business up to NPR 50 Million are categorized as SME Loans.

Facilities provided under SMEs Loan:

Funded Facilities

a. Term Loan
b. Overdraft/Working Capital Loan
c. Working Capital Term Loan
d. Trust Receipt Loan
e. Export Credit

Non-Funded Facilities

a. Letter of Credit
b. Bank Guarantee

C. CORPORATE LOANS

Business Loans in excess of NPR 50 Million are categorized as Corporate Loans whereas loans to large corporate under consortium arrangement are categorized as Consortium Loans.

Facilities provided under Corporate Loans:

Funded Facilities

a) Term Loan
b) Overdraft
c) Working Capital Loan
d) Trust Receipt Loan
e) Export Finance
f) Bridge Gap Loan

Non-Funded Facilities

a) Letter of Credit (LC)
b) Bank Guarantee (BG)

OTHER SERVICES

A. Funded Facilities

1. Overdraft
2. Working Capital Loan
3. Trust Receipt Loan
4. Export Finance
5. Bid Bond
6. Performance Bond
7. Loan Against Government Bond
8. Loan Against Citizens Fixed Deposit Receipt and Promissory Notes
9. NPR Loan Against FCY Fixed Deposit Receipt
10. Consortium Financing
11. Deprived Sector Loan
12. Citizens Mortgage Loan (Personal Overdraft)
13. Term Loan

B. Non-Funded Facilities

1. Letter of Credit (LC)
2. Bank Guarantee (BG)

C. Online Services

1. Mero Share Services
2. DE-MAT Services
3. ASBA Services
4. Connect IPS
5. Mobile Banking
6. Internet Banking
7. Online Account Opening Facility

D. Other Facilities

1. Locker Facility
2. Utility Payment
3. Pay Bill Facility
4. Privilege Banking
5. Branchless Banking Services
6. Remittance Services
7. VISA Cards
8. Market Maker Services
9. KIOSK Services



02

CORPORATE GOVERNANCE

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BOARD OF DIRECTORS



FROM LEFT TO RIGHT
Top Row

Mr. Rajan Singh Bhandari
Ex-Chairman

Mr. Prabal Jung Pandey
Director (Present Chairman)

Mr. Prakash Chandra Mainali
Public Director

Mr. Bijaya Dhoj Karki
Public Director

FROM LEFT TO RIGHT
Bottom Row

Mr. Sajan Sharma
Director

Mr. Anil Gyawali
Professional Director

DIRECTOR'S PROFILE



MR. RAJAN SINGH BHANDARI
Ex-Chairman

Mr. Rajan Singh Bhandari, aged 63 years, is a Chartered Accountant from ICAI and post graduate in Economics from TU. He is a prominent personality in the Nepalese Banking Industry. He has served numerous important positions in the past such as the President of Nepal Bankers Association (NBA), Chairman of Deposit Insurance & Credit Guarantee Corporation, Chairman of Nepal Electronic Payment Systems Ltd. (NEPS), Chairman of Nepal Clearing House Ltd. (NCHL) and Chairman of Mero Microfinance Bittiya Sanstha Ltd. He was also the Vice President of Management Association of Nepal (MAN).

In the professional arena; Mr. Bhandari has served Nepal Rastra Bank (NRB) for 26 years (June 1980 – Dec 2006) in various capacities and was the Executive Director during his exit from NRB. Whilst in NRB, Mr. Bhandari was also one of the key players in leading and coordinating the Financial Sector Reform Program of Nepal. Further; introducing and formulating several prudential norms and directives in the history of Nepalese Banking System can also be listed under his achievements. Furthermore, he is also the founder CEO of Citizens Bank International Ltd. and has contributed significantly in the Bank's progress from its establishment in 2007 till 2018.

Mr. Bhandari served as Chairman of the Board from September 27, 2019 till October 13, 2023.



MR. PRABAL JUNG PANDEY
Director (Present Chairman)

Mr. Prabal Jung Pandey, an accomplished professional aged 51, is an engineering graduate with a wealth of experience spanning two decades in the manufacturing and trade sectors. He holds a degree in engineering, exemplifying his dedication to a structured and analytical approach to problem-solving and business operations. With 20 years of hands-on experience, he has cultivated a deep understanding of manufacturing industries and trade.

Currently, he is actively engaged in the pharmaceuticals and cement businesses. His involvement in the pharmaceutical sector signifies his commitment to healthcare and drug manufacturing, contributing to the well-being of society. Simultaneously, his affiliation with the cement industry indicates participation in infrastructure development and construction projects, playing a crucial role in economic growth and infrastructure development. In addition to his business acumen, he is closely affiliated with several social and professional organizations. These affiliations emphasize his commitment to community and industry development, highlighting his dedication to corporate social responsibility and his robust network within the business community.

Mr. Pandey is the current Chairman of the Board from October 14, 2023.

MEMBERSHIP OF BOARD LEVEL COMMITTEE

Risk Management Committee	- Coordinator
Budget Sub Committee	- Coordinator



MR. PRAKASH CHANDRA MAINALI
Public Director

Mr. Mainali is an experienced businessman. He is mainly related to the business sectors like service industry, poultry and other industries. He had also worked in a Joint Venture bank for 9 years prior to commencing his own business ventures. His vast experience in numerous ventures have garnered a good risk management acumen in his speciality.

MEMBERSHIP OF BOARD LEVEL COMMITTEE

Risk Management Committee	-Member
Human Resource Compensation Committee	-Member



MR. BIJAYA DHOJ KARKI
Public Director

Mr. Bijaya Dhoj Karki successfully served for 37 years in the Nepal Army and then retired in the post of Brigadier General. During his service period, Mr. Karki visited all 77 districts of the country. He also served under the UN Mission in former Yugoslavia, Haiti, Lebanon, Congo, etc. Mr. Karki also attended the Crisis Management training in Israel. Mr. Karki is an Honorary Member of the Barphedi Society. Mr. Karki possesses excellent risk management capabilities and is an effective strategist.

MEMBERSHIP OF BOARD LEVEL COMMITTEE

Anti Money Laundering Committee	-Coordinator
Budget Sub Committee	-Member



MR. SAJAN SHARMA
Director

Mr. Sajan Sharma, aged 39 years is a post graduate from University of Iowa, USA and has extensive experience in the field of global aviation and aerospace. He also has over a decade of experience in leading the product development and business development teams in the aerospace and defense industries. He is currently associated with financial technology company (Fintech) and various other industries as well. He is a passionate entrepreneur who focuses in the development of the country and its economy.

MEMBERSHIP OF BOARD LEVEL COMMITTEE

Human Resource Compensation Committee	-Coordinator



MR. ANIL GYAWALI
Professional Director

Mr. Anil Gyawali aged 63 years, holds an MBA degree (1982 - 1983) from Philippine Christian University, Manila, Philippines. He is well experienced in branch operation and risk management and has more than 36 years of experience in banking sector. He has been able to demonstrate his efficiency by holding important positions in various commercial banks of Nepal. Mr. Gyawali, who started his banking career as an Assistant Manager in a Bank, has held senior positions in foreign banks and has been the Chief Executive Officer of two of the largest commercial banks in Nepal. Also, From December 2018-2020, he served Nepal Infrastructure Bank as the CEO of the Bank. Besides these he has also been the Vice President of Citibank N.A and Head of the Bank's Nepal and Bhutan business, including parts of Financial Institution business in Northern India.

MEMBERSHIP OF BOARD LEVEL COMMITTEE

Audit Committee	-Coordinator
Risk Management Committee	-Member
Budget Sub Committee	-Member

MANAGEMENT TEAM



FROM LEFT TO RIGHT

Top Row

Mr. Ganesh Raj Pokharel
Chief Executive Officer

Mr. Sumit Babu Khatri
Senior Deputy Chief Executive Officer

Mr. Paras Kumar Kafle
Deputy Chief Executive Officer - Operations

Mr. Rajendra Lal Shrestha
Deputy Chief Executive Officer- Risk and Compliance/
Company Secretary/ Information Officer

Mr. Sanjeeb Kumar Shrestha
Assistant Chief Executive Officer

FROM LEFT TO RIGHT

Middle Row

Mr. Suman Mulepati
Chief Credit Officer

Mr. Ravi Kumar Rauniyar
Chief Operating Officer (COO)/
Grievance Handling Officer

Mr. Narayan Raj Adhikari
Chief Administrative Officer/
Spokesperson

Mr. Amit Khanal
Chief Risk Officer

Bottom Row

Mr. Pramesh Raj Kayastha
Chief Finance Officer

Mr. Roshan Manandhar
Chief Mass Banking Officer

MANAGEMENT TEAM PROFILE



Mr. Ganesh Raj Pokharel
Chief Executive Officer

Ganesh Raj Pokharel, a professional banker with more than 30 years of experience, is one of the founders and the Chief Executive Officer of Citizens Bank International Ltd. Prior to his appointment as the Chief Executive Officer, he had headed various departments of the Bank playing crucial roles. His area of expertise includes overall business operations and development. He is a charismatic leader with vision and has sound interpersonal relationship skills with different stakeholders. Before joining the Bank, he served as Management Expert for 14 years. He holds an Executive MBA degree in Finance from Kathmandu University and MBA (Marketing) and BL (Banking) degrees from Tribhuvan University.

POSITIONS HELD DURING THE YEAR

Assets Liabilities Management Committee	-Chairman
IT Steering Committee	-Chairman
Deposit Review Committee	-Coordinator
Executive Committee	-Coordinator
Executive Digital Transformation Committee	-Coordinator
Credit Review Committee	-Coordinator
Human Resource Compensation Committee	-Member
Budget Committee	-Member Secretary



Mr. Sumit Babu Khatri
Senior Deputy Chief Executive Officer

Mr. Khatri, an MBA has 24 years of banking experience. He has over 20 years' experience in Credit and Marketing Department looking after corporate & commercial loans, consumer loans and infrastructure & project financing in various capacities. He has been leading Credit and Marketing Department since last eight years and has Credit and Marketing, Finance and Research/Development under his portfolio.

POSITIONS HELD DURING THE YEAR

Recruitment Committee	-Coordinator
Disclipinary Action Committee	-Coordinator
Executive Committee	-Member
Assets Liabilities Management Committee	-Member
Credit Review Committee	-Member



Mr. Paras Kumar Kafle
Deputy Chief Executive Officer- Operations

Mr. Kafle, an MBS from Tribhuvan University has over 23 years of experience in banking sector. His areas of experience and expertise include Trade Finance, Credit Operations, Branch Management, Bank Operations and Relationship Management both in Corporate Credit and SME Loans, Operational Risk Management and Compliance. He has led the operations of the bank as Chief Operating Officer (COO) for 7 years. Currently Bank's various departments such as Liability Marketing (Retail Banking), Central Operations, Central Administration, Information Technology and Treasury Management fall under his portfolio.

POSITIONS HELD DURING THE YEAR

Purchase Committee	-Coordinator
Branch Expansion Committee	-Coordinator
Labour Relation Committee	-Coordinator
Health and Safety Committee	-Coordinator
Executive Digital Transformation Committee	-Member
Executive Committee	-Member
Assets Liabilities Management Committee	-Member
IT Steering Committee	-Member
Deposit Review Committee	-Member
Recruitment Committee	-Member
Disciplinary Action Committee	-Member



Mr. Rajendra Lal Shrestha

Deputy Chief Executive Officer- Risk and Compliance/ Company Secretary/ Information Officer

Mr. Shrestha, an MBA from SIBM, Pune has 24 years of banking experience specially in Risk Management. He started his career as Management Trainee and worked in various departments including Branch Operation, Trade Finance, Credit & Marketing, Credit Administration, Recovery and Risk Management, Compliance, AML/CFT, Legal and Shares. He also has experience of branch management and headed Newroad Branch as Branch Manager for 5 years. He has been associated with Citizens Bank International Limited since its inception. At present, he is also the Information Officer and Company Secretary of the Bank. He has been heading Risk Management Department, Compliance Department and also Legal and Share Department of the Bank.

POSITIONS HELD DURING THE YEAR

Operational Risk Management Committee	-Chairman
Executive Policy Review Committee	-Coordinator
Executive Committee	-Member
Assets Liabilities Management Committee	-Member
Credit Review Committee	-Member
Recruitment Committee	-Member



Mr. Sanjeeb Kumar Shrestha

Assistant Chief Executive Officer

Mr. Shrestha, Master in Computer Engineering from Ukraine has over 25 years of Banking Experience in the field of Information Technology. He has been working in IT Department and also has experience in the field of Branchless Banking, Card and Remittance.

POSITIONS HELD DURING THE YEAR

Executive Committee	-Member
Executive Digital Transformation Committee	-Member
IT Steering Committee	-Member
Branch Expansion Committee	-Member
IT Incident and Response Team	-Member



Mr. Suman Mulepati
Chief Credit Officer

Mr. Mulepati is a post graduate from Tribhuvan University and has about 20 years of banking experience. He is associated with the Bank since the inception and since then has worked at Finance Department, Kumaripati Branch as the branch manager, Head – Consumer Banking Unit/SME for about 9 years and he worked as the Head of Corporate and Commercial Banking Unit for 5 years. Now he has been leading the credit department of the Bank as Chief Credit Officer. He had also worked in other Banks of the country.

POSITIONS HELD DURING THE YEAR

Executive Committee	-Member
Assets Liabilities Management Committee	-Member
Credit Review Committee	-Member
Executive Policy Review Committee	-Member
Capacity Development & Training Committee	-Member



Mr. Ravi Kumar Rauniyar
Chief Operating Officer (COO)/Grievance Handling Officer

Mr. Rauniyar is associated with the Bank since Falgun 19, 2064. He has more than 27 years of experience in Banking sector where areas and expertise includes Trade Finance, Branch operations/ Management, Credit & Marketing, Risk Management etc. Prior to joining Citizens Bank International Limited, he was associated with a reputed commercial bank where he served the organization for around 12 years with exposure in Operations/Credit etc. He joined Citizens bank international Limited in the capacity of Assistant Manager and worked as Branch Manager, Birgunj branch, Regional Manager for Central region and later also as Executive Risk and Compliance Officer of the bank. He also held a lead role as Chief Compliance officer of the Bank and now is Chief Operating Officer of the Bank.

POSITIONS HELD DURING THE YEAR

IT Incident and Response Team	-Coordinator
Executive Committee	-Member
Executive Policy Review Committee	-Member
Operational Risk Management Committee	-Member
Capacity Development & Training Committee	-Member
Labour Relation Committee	-Member
Risk Management Committee	-Member



Mr. Narayan Raj Adhikari
Chief Administrative Officer/ Spokesperson

Mr. Adhikari, a post graduate from Tribhuvan University, has more than 20 years of banking experience. Prior to this Bank, he was associated with a reputed commercial Bank with different exposure like Relationship Manager and Branch Manager.

He is associated with the Bank since 2064 and since then has worked at Pokhara Branch as Branch Manager and Risk Management Department as Head Credit Risk- Consortium Infrastructure/ Corporate/SME unit. Currently; he is working as Chief Administrative Officer and is looking after Human Resource Department, General Service Department, Recovery Department, and Corporate Communications Department.

POSITIONS HELD DURING THE YEAR

Capacity Development & Training Committee	-Coordinator
Auction Committee	-Coordinator
Executive Committee	-Member
IT Steering Committee	-Member
Branch Expansion Committee	-Member
Executive Policy review Committee	-Member
Recruitment Committee	-Member
Labour Relation Committee	-Member
Health and Safety Committee	-Member
Disciplinary Action Committee	-Member Secretary
Purchase Committee	-Permanent Invitee



Mr. Amit Khanal
Chief Risk Officer

Mr. Khanal did Masters in Business Studies from TU and has over 19 years of experience in Banking. Mr. Khanal has been associated with Citizens Bank International Ltd for the last 15 years. He has over 12 years of experience in Credit/Marketing Department, looking after Corporate/SME and Retail loans as Relationship Manager and Head of Department. He has around 6 years of experience in the area of Credit Risk Heading Credit Risk Department (Corporate/SME) of the Bank. Currently he is handling overall Risk Management (Credit/Operation/Market/IT Risk) under his portfolio.

POSITIONS HELD DURING THE YEAR

Executive Committee	-Member
Credit Review Committee	-Member
Capacity Development & Training Committee	-Member
Risk Management Committee	-Member Secretary
Anti Money Laundering Committee	-Member Secretary
Executive Policy Review Committee	-Member Secretary
Operational Risk Management Committee	-Member Secretary
Labour Relation Committee	-Member



Mr. Pramesh Raj Kayastha
Chief Finance Officer

Mr. Kayastha holds Chartered Accountancy degree from Institute of Chartered Accountants of India and BBS from Tribhuvan University. Prior to joining Citizens Bank International Limited, he was associated with Prime Commercial Bank Limited as Finance Head for over 3 years. He had joined Citizens Bank International Limited on July 07, 2013 (Ashad 23, 2070) as Executive Finance Officer.

POSITIONS HELD DURING THE YEAR

Assets Liabilities Management Committee	-Member
Purchase Committee	-Member
Executive Policy Review Committee	-Member
Auction Committee	-Member
Human Resource Compensation Committee	-Member
Labour Relation Committee	-Member
Executive Committee	-Member Secretary



Mr. Roshan Manandhar
Chief Mass Banking Officer

Mr. Manandhar holds an MBS Degree from Tribhuwan University. He has worked in Branch Operation in Durbarmarg Branch, New Baneshwor Branch as BM, Consumer Banking Unit, Kupondole Branch as BM and Head- Retail Banking Unit since Kartik 18, 2075. He had joined Citizens Bank on Poush 01, 2063. He is currently leading as Chief Mass Banking Officer (Deposit/Transaction banking/Ebanking/ Demat/Card) under his portfolio.

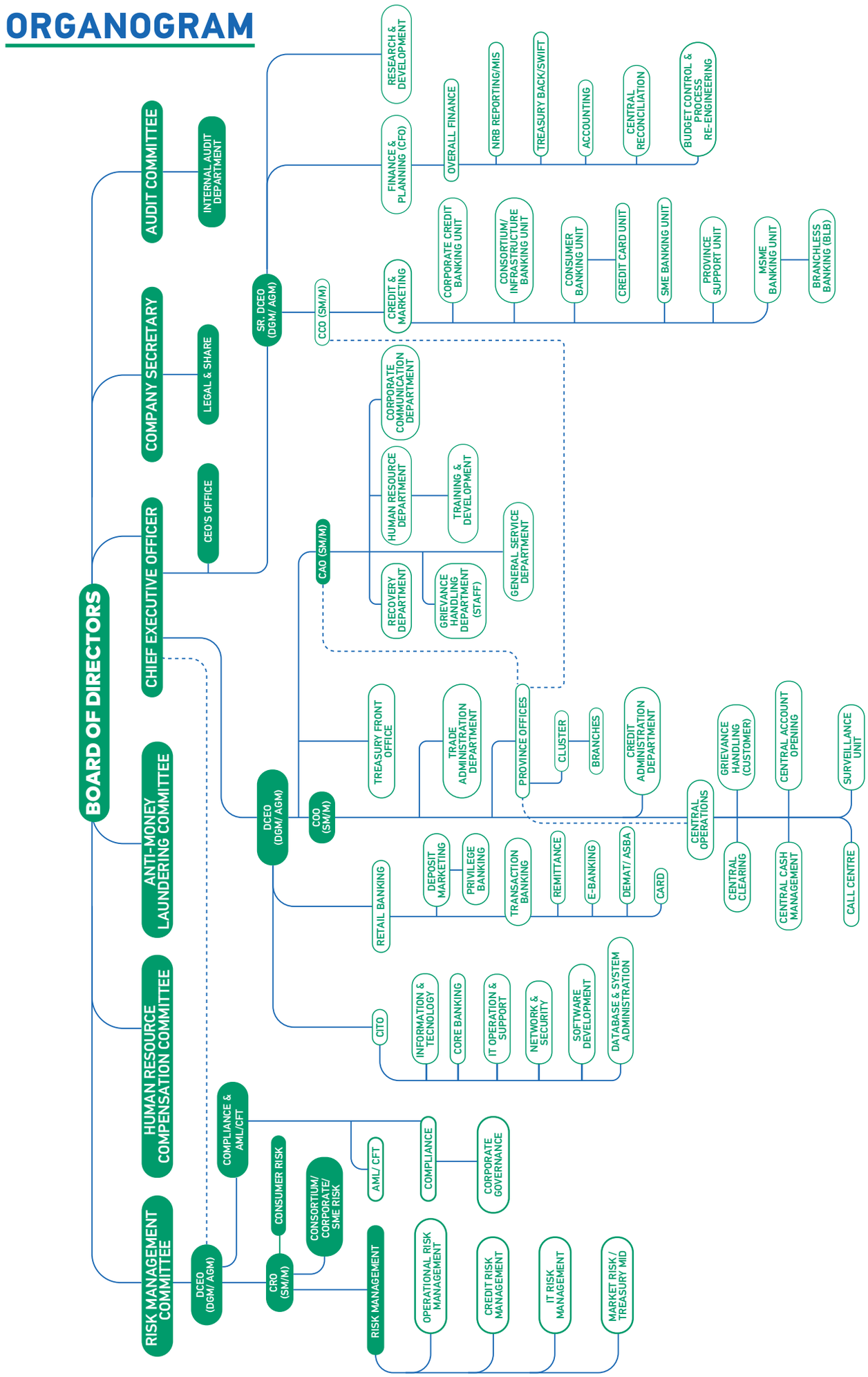
POSITIONS HELD DURING THE YEAR

Assets Liabilities Management Committee	-Member
Executive Digital Transformation Committee	-Member
Operational Risk Management Committee	-Member
Deposit Review Committee	-Member
Executive Committee	-Member

HEAD OF DEPARTMENTS

NAME OF HEAD	POSITION	DEPARTMENT
Roshan Malla	Head	Consortium/Infrastructure Banking Unit
Sanjeev Neupane	Head	Corporate Credit Banking Unit
Tulasi Raj Rijal	Head	SME Unit
Manisha Karn	Head	Executive Administrative Officer
Sunil Moktan	Head	Credit Risk (CCBU/SME)
Dhiraj Raj Joshi	Head	Consumer Banking Unit
Ashok Thapa	Head	Credit Administration Department
Suresh Prasad Thapaliya	Head	Trade Administration Department
Anit Sapkota	Head	Internal Audit Department
Angish Shrestha	Head	Treasury Department
Suyesh Kumar Paudel	Head	Transactional Banking Department
Akanksha Basnet	Head	AML Department
Prashant Bikram Khadgi	Head	Operations Department
Binayak Rimal	Head	Information Technology Department
Bhupendra Bista	Head	Digital Banking Department
Ratneshwar Lal Karna	Head	Compliance
Hari Babu Thapa	Head	Central Clearing Department
Paras Bikram Thapa	Head	Deposit Marketing Department
Kedar Adhikari	Head	Legal Department
Nabindra Napit	Head	Recovery Department
Bikas Chand	Head	Credit Risk Department (SME)
Dikendra Ram Kashajoo	Head	General Service Department
Bishal Dahal	Head	Credit Risk (CBU)
Bishnu Man Shrestha	Head	Remittance Department
Rachana Khatiwada	Head	Call Center
Udaya Raj Keshari	Head	Card Department
Samir Adhikari	Head	Credit Card Unit
Bhawana Ojha	Head	Research and Development Department
Rojena Tiwari	Head	Demat/ ASBA Unit
Manisha Shrestha	Incharge	Branchless Banking Unit
Smarica Tiwari	Head	Corporate Communications Department
Bipin Dhakal	Incharge	Ebanking Unit
Prabesh Aryal	Incharge	Microfinance Unit

ORGANOGRAM


BOARD OF DIRECTORS
AUDIT COMMITTEE
INTERNAL AUDIT DEPARTMENT
COMPANY SECRETARY
LEGAL & SHARE
CHIEF EXECUTIVE OFFICER
CEO'S OFFICE
ANTI-MONEY LAUNDERING COMMITTEE
HUMAN RESOURCE COMPENSATION COMMITTEE
RISK MANAGEMENT COMMITTEE
SR. DCEO (DGM/ AGM)
RESEARCH & DEVELOPMENT
FINANCE & PLANNING (CFO)
OVERALL FINANCE
NRB REPORTING/MIS
TREASURY BACK/SWIFT
ACCOUNTING
CENTRAL RECONCILIATION
BUDGET CONTROL & PROCESS RE-ENGINEERING
CCO (SM/M)
CREDIT & MARKETING
CORPORATE CREDIT BANKING UNIT
CONSORTIUM/ INFRASTRUCTURE BANKING UNIT
CONSUMER BANKING UNIT
CREDIT CARD UNIT
SME BANKING UNIT
PROVINCE SUPPORT UNIT
MSME BANKING UNIT
BRANCHLESS BANKING (BLB)
CORPORATE COMMUNICATION DEPARTMENT
HUMAN RESOURCE DEPARTMENT
TRAINING & DEVELOPMENT
CAO (SM/M)
RECOVERY DEPARTMENT
GRIEVANCE HANDLING DEPARTMENT (STAFF)
GENERAL SERVICE DEPARTMENT
DCEO (DGM/ AGM)
COO (SM/M)
TREASURY FRONT OFFICE
TRADE ADMINISTRATION DEPARTMENT
PROVINCE OFFICES
CLUSTER
BRANCHES
CREDIT ADMINISTRATION DEPARTMENT
CENTRAL OPERATIONS
GRIEVANCE HANDLING (CUSTOMER)
CENTRAL ACCOUNT OPENING
SURVEILLANCE UNIT
RETAIL BANKING
DEPOSIT MARKETING
PRIVILEGE BANKING
TRANSACTION BANKING
REMITTANCE
E-BANKING
DEMAT/ ASBA
CARD
CENTRAL CLEARING
CENTRAL CASH MANAGEMENT
CALL CENTRE
CITO
INFORMATION & TECNOLOGY
CORE BANKING
IT OPERATION & SUPPORT
NETWORK & SECURITY
SOFTWARE DEVELOPMENT
DATABASE & SYSTEM ADMINISTRATION
COMPLIANCE & AML/CFT
CONSUMER RISK
CONSORTIUM/ CORPORATE/ SME RISK
AML/ CFT
COMPLIANCE
CORPORATE GOVERNANCE
DCEO (DGM/ AGM)
CRO (SM/M)
RISK MANAGEMENT
OPERATIONAL RISK MANAGEMENT
CREDIT RISK MANAGEMENT
IT RISK MANAGEMENT
MARKET RISK / TREASURY MID

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ECONOMIC INDICATORS AND OUTLOOK

ECONOMIC GROWTH RATE AND GOVERNMENT EXPENDITURES

Central Bureau of Statistics has estimated the Gross Domestic Product growth of 1.86 percent for 2022/23 compared to 5.84 percent growth in the previous year.

Gross domestic saving to GDP stands 6.41 percent in 2022/23 from 9.27 percent in the previous year. Ratio of gross fixed capital formation and gross national saving to GDP stands at 25.21 percent and 31.66 percent respectively in the review year as compared to 29.37 percent and 31.95 percent in the previous year.

The federal government has presented a budget of NPR 1,751.31 Billion for the 2023/24. The share of current expenditure, capital expenditure and financing expenditure in the total budget is 65.2 percent, 17.25 percent and 17.55 percent respectively.

SHARE MARKET

NEPSE index stood 2097.1 in mid-July 2023 compared to 2009.5 in mid-July 2022. Stock market capitalization in mid-July 2023 stood NPR 3082.52 Billion compared to NPR 2869.34 Billion in mid-July 2022. Number of companies listed at NEPSE reached 254 in mid-July 2023 which was 234 in mid-July 2022.

INFLATION AND PRICE LEVEL:

Consumer price inflation

The annual average consumer price inflation stood at 7.74 percent in 2022/23 compared to 6.32 percent in the previous year.

In the terms of ecological regions, the Kathmandu Valley witnessed an annual average inflation at 7.55 percent, followed by Terai region at 8.00 percent, Hilly region at 7.56 percent and Mountain Region at 7.12 percent in the review year. The inflation rate was 6.07 percent in the Mountain region, 6.87 percent in Hilly region, 6.41 percent in Terai region and 5.73 percent in Kathmandu valley in the previous year.

WHOLESALE PRICE INFLATION

The y-o-y wholesale price inflation stood at 4.98 percent in 2022/23 compared to 12.74 percent a year ago.

CURRENT ACCOUNT AND BALANCE OF PAYMENT (BOP)

The current account remained at deficit of NPR 72.16 Billion in the review year compared to a huge deficit of 623.38 Billion in the previous year. Similarly, the Overall BOP recorded surplus of NPR 290.52 Billion in the review year compared to a deficit of NPR 255.26 Billion in the previous year.

In the review year, capital transfer decreased 24.5 percent to NPR 7.54 Billion and net foreign direct investment (FDI) remained at NPR 5.96 Billion. In the previous year, capital transfer and net FDI amounted to NPR 9.99 Billion and NPR 18.56 Billion respectively.

LIQUIDITY MANAGEMENT

In the review year 2022/23, NPR 5,518.19 Billion liquidity was injected of which NPR 414.47 Billion was from repo, NPR 89.70 through outright purchase auction, NPR 2,727.11 Billion was availed through Standing Liquidity Facility (SLF) and NPR 2,286.90 Billion through Overnight Liquidity Facility (OLF).

In the review year, the NRB injected net liquidity of NPR 712.50 Billion through the net purchase of USD 5.45 Billion from foreign exchange market. Net liquidity of NPR 355.57 Billion was injected through the net purchase of USD 2.91 Billion in the previous year.

In the review year, the NRB absorbed NPR 108.20 Billion liquidity of which NPR 88.20 Billion was through reverse repo auction and NPR 20 Billion through deposit collection auction. In the previous year, NPR 9,642.41 Billion net liquidity was injected through various instruments.

NRB purchased Indian currency (INR) equivalent to NPR 596.37 Billion through the sale of USD 4.56 Billion in the review year. INR equivalent to NPR 595.23 Billion was purchased through the sale of USD 4.92 Billion in the previous year.

INTER-BANK TRANSACTION AND STANDING LIQUIDITY FACILITY

In the review year, inter-bank transactions of commercial banks stood at NPR 3,942.15 Billion and those of other financial institutions (excluding transactions among commercial banks) amounted to NPR 352.07 Billion. Such transactions were NPR 2,784.10 Billion and NPR 316.25 Billion respectively in the previous year.

INTEREST RATES

The weighted average 91-day Treasury Bill rate has remained 6.35 percent in the last month of 2022/23, which was 6.99 percent a year ago, decreased to 2.98 percent in the last months of 2022/23. The weighted average inter-bank transaction rate that was 6.99 percent a year ago, decreased to 2.98 percent in the review period.

Weighted average interest rate spread between deposit and lending rates of commercial banks increased to 4.44 percent in the review period from 4.21 percent a year ago. Likewise, the average base rate of commercial banks increased to 10.03 percent in the last month of 2022/23 from 9.54 percent a year ago.

DEPOSIT MOBILIZATION

Deposits at Banks and Financial Institutions (BFIs) increased by 12.3 percent in the review year compared to growth of 9 percent in the previous year. The share of demand, saving, and fixed deposits in total deposits stands at 7.7 percent, 26.6 percent and 58.9 percent respectively in mid-July 2023. This was 8.9 percent, 27.6 percent and 55.8 percent in the previous year.

LOANS AND ADVANCES

Credit to the private sectors from BFIs increased by 3.8 percent in the review year compared to a growth of 13.1 percent in the previous year. In the review year, private sector credit from commercial banks increased by 3.5 percent whereas credit from development banks and finance companies increased by 7.6 percent and 0.6 percent respectively.

PRICE OF OIL AND GOLD IN THE INTERNATIONAL MARKET AND EXCHANGE RATE MOVEMENT

The price of oil (Brent Crude Oil) in the international market decreased by 32.9 percent to USD 75.32 per barrel in mid-July 2023 from USD 112.26 per barrel a year ago. The price of gold increased by 14.5 percent to USD 1,953.70 per ounce in mid-July, 2023, from USD 1,706.15 per ounce a year ago.

Nepalese currency vis-à-vis the US dollar depreciated by 2.79 percent in mid-July, 2023 from mid- July 2022. It had depreciated 6.64 percent in the previous year. The buying exchange rate per US dollar stood at NPR 131.17 in mid-July, 2023 compared to NPR 127.51 in mid-July, 2022.

REVIEW OF FINANCIAL MARKET OF THE COUNTRY

The total number of BFIs licensed by NRB remained 112 in mid-July 2023. As of mid-July 2023, 20 commercial banks, 17 development banks, 17 finance companies, 57 microfinance financial institutions and 1 infrastructure development bank are in operation. The number of BFIs branches reached 11,589 in mid-July 2023 from 11,528 in mid-July 2022.

INTERNATIONAL MARKET REVIEW
INTERNATIONAL INVESTMENT POSITION (IIP)

The International Investment Position (IIP) is the summary statement of Foreign Assets and Liabilities of a country. The IIP shows that foreign assets and liabilities of Nepal stood at NPR 1,654.50 Billion and NPR 1,729.39 Billion respectively in the mid-July 2023. Accordingly, the net IIP remained in deficit of NPR 74.90 Billion as at mid-July, 2023. Net IIP was in deficit of NPR 271.34 Billion in mid-July, 2022.

EXPORT AND IMPORT PRICE INDEX

The annual average unit value export price index based on customs data increased by 3.4 percent, while import price index decreased by 5.3 percent in the twelfth month of the review year. Consequently, the Terms of Trade (TOT) index increased by 9.2 percent in the review month compared to a decrease of 10.1 percent in the corresponding period of the previous year.

The export-import ratio decreased to 9.7 percent in the review period from 10.4 percent in the previous year.

WORKERS' REMITTANCES

The workers' remittance inflows increased by 21.2 percent to NPR 1,220.56 Billion in the review year compared to increase of 4.8 percent in the previous year. The net transfer receipt increased by 20.6 percent to NPR 1,348.48 Billion in the review year. Such receipt had increased by 4.3 percent in the previous year.

The number of workers going abroad for foreign employment (except renew entry) has been increasing. The number of Nepalese workers seeking foreign employment has increased by 40.3 percent in 2022/23 compared to an increase of 392 percent in the previous year.



DIRECTOR'S REPORT

Respected Shareholders,

On behalf of the Board of Directors, I would like to welcome all the shareholders for the seventeenth Annual General Meeting (AGM) of Citizens Bank International Limited. Taking this gracious opportunity, I would like to present for approval by the respected meeting; the Consolidated Statement of Financial Position of the Bank with its Subsidiaries, Consolidated Statement of Profit or Loss, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Cash Flows and other financial statements as on July 16, 2023 (Ashadh 31,2080) of the FY2022/23. Also, on behalf of the Board of Directors, I would like to present to the respected meeting, the major indicators of banking sectors followed by a review of the Bank's performance in the last Fiscal Year and the future programs of the Bank.

1. FINANCIAL AND BANKING SECTOR INDICATORS (FY 2022/23)

GROSS DOMESTIC PRODUCTION:

As per the initial prediction of Central Bureau of Statistics, the Gross Domestic Product (GDP) is estimated to grow at 1.86 percent in the FY 2022/23. The GDP grew at 5.84 percent in the previous year. For the period under review, agricultural sector production increased by 2.73 percent, industrial sector by 0.59 percent and service sector production increased by 2.33 percent as compared to the increment of the previous year by 2.30 percent, 10.19 percent and 5.93 percent respectively. In the review period, the share of industrial sector stands at 13.45 percent of total GDP whereas the share of service sector stands at 62.43 percent and the agriculture sector stands at 24.12 percent of total GDP, as compared to the previous year of 14.29 percent, 61.76 percent and 23.95 percent respectively.

INTEREST RATES:

Compared to the previous fiscal year, the weighted average interest rate on 91-day treasury bills and the weighted average interest rate on interbank transactions has decreased in FY 2022/23. The weighted average interest rate on 91-day treasury bills stood at 6.35 percent inJuly16,2023 compared to10.66 percent in July16, 2022. Similarly, the weighted average interest rate on interbank transactions between commercial banks has decreased to 2.98 percent in July 16, 2023 from 6.99 percent in July 16, 2022.

DEPOSIT MOBILIZATION:

Deposits in banks and financial institutions increased by 12.3 percent during the review period. Such deposits had increased by 9 percent in the previous year. The share of current, savings and time deposits in the total deposits of banks and financial institutions during the review year was 7.7percent, 26.6 percent and 58.9 percent respectively. Such share was 8.9 percent, 27.6 percent and 55.8 percent respectively in the corresponding period of the previous year.

CREDIT DISBURSEMENT:

Loans to the private sector from banks and financial institutions increased by 3.8 percent in FY2022/23. Such loans had increased by 13.1 percent in the previous year. Amongst the disbursement of loans to private sector, credit from commercial banks increased by 3.5 percent, credit from finance companies increased by 0.6 percentand credit from development banks increased by 7.6 percent.

In the review year 2022/23, credit to agriculture sector increased by 6.8 percent, credit to industrial manufacturing sector increased by 8.3 percent, credit to transport, communication and public services sector increased by 21 percent, credit to wholesale and retail trade sector increased by 3.9 percent and services sector increased by 3.7 percent.

In FY 2022/23, 68 percent of the total disbursed loans by banks and financial institutions were secured against the collateral of land and building and 11.6 percent against the collateral of current assets. In the corresponding period of the previous year, the ratio of such collateral was 66.4 percent and 12.3 percent respectively.

During the review year, term loans from banks increased by 32 percent, real estate loans (including personal housing loans) by 5.6 percent and higher purchase loans by 1.3 percent. However, demand and working capital loans decreased by 13.2 percent, trust receipt (import) loan by 6.9 percent, overdraft loans by 67.7 percent, margin nature loan 5.2 percent in the review year.



2. 2. SYNOPSIS OF MAJOR INDICATORS OF THE BANK FOR PAST 4 YEARS

PARTICULARS	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	AVERAGE
					NPR IN THOUSANDS
Paid Up Capital	9,089,817	12,576,923	14,200,974	14,200,974	12,517,172
Deposit	92,185,132	143,003,413	155,140,045	171,956,851	140,571,361
Loan and advances	81,283,394	123,642,357	135,776,131	143,573,735	121,068,904
Net Interest Income	2,884,754	3,650,398	4,993,490	5,828,496	4,339,284
Non Interest Income	1,133,368	1,527,379	1,522,950	1,240,457	1,356,038
Total Operating Expenses	1,709,251	2,198,037	3,131,423	3,256,449	2,573,790
Net Profit	1,198,505	1,804,341	2,005,611	1,863,756	1,718,053
Total Distributable Profit	888,256	1,422,777	1,329,462	846,989	1,121,871
					IN NUMBERS
No. of Depositors	647,893	1,191,988	1,411,348	1,600,695	1,212,981
No. of Borrowers	29,638	58,921	60,484	50,858	49,975
No. of Branches	109.00	189.00	178.00	188.00	166
Total Dividend	11.00%	16.00%	9.00%	5.79%	10.45%

PAID UP CAPITAL: Paid up Capital of the Bank has reached NPR 14 Billion 201 Million in FY 2022-23 from NPR 9 Billion 89 Million in FY 2019-20, with an increment of 56.23 percent.

DEPOSIT: Deposit of the Bank has reached NPR 171 Billion 957 Million in FY 2022-23 from NPR 92 Billion 185 Million in FY 2019-20, with an increment of 86.53 percent.

LOAN AND ADVANCES: Loan and advances of the Bank has reached NPR 143 Billion 574 Million in FY 2022-23 from NPR 81 Billion 283 Million in FY 2019-20, with an increment of 76.63 percent.

NET INTEREST INCOME: Net Interest Income of the Bank has reached NPR 5 Billion 828 Million in FY 2022-23 from NPR 2 Billion 885 Million in FY 2019-20, with an increment of 102.04 percent.

NON INTEREST INCOME: Non Interest Income of the Bank has reached NPR 1 Billion 240 Million in FY 2022-23 from NPR 1 Billion 133 Million in FY 2019-20, with an increment of 9.45 percent.

TOTAL OPERATING EXPENSES: Total Operating Expenses of the Bank has reached NPR 3 Billion 256 Million in FY 2022-23 from NPR 1 Billion 709 Million in FY 2019-20, with an increment of 90.52 percent.

NET PROFIT: Net Profit of the Bank has reached NPR 1 Billion 864 Million in FY 2022-23 from NPR 1 Billion 199 Million in FY 2019-20, with an increment of 55.51 percent.

TOTAL DISTRIBUTABLE PROFIT: Total Distributable Profit of the Bank has reached an average of NPR 1 Billion 122 Million in a span for 4 years from FY 2019-20 to FY 2022-23.

NO. OF DEPOSITOR: No. of Depositor of the Bank has reached 1Million 601 Thousand in FY 2022-23 from 648 Thousand in FY 2019-20, with an increment of 147.06 percent.

NO. OF BORROWER: No. of Borrower of the Bank has reached 51 Thousand in FY 2022-23 from 30 Thousand in FY 2019-20, with an increment of 71.60 percent.

NO. OF BRANCHES: No. of Branches of the Bank has reached 188 in FY 2022-23 from 109 in FY 2019-20, with an increment of 79 Branches.

DIVIDEND: The Bank has distributed an average of 10.45% dividend in last 4 years.

3. SYNOPSIS OF FINANCIAL PERFORMANCE OF THE BANK

The financial statements for the Fiscal Year 2022/23 have been prepared as per Nepal Financial Reporting Standard on the basis of the principle of generally accepted accounting policies. As per the review period and financial statements of the previous Fiscal Year 2021/22, the comparative financial position of this Bank is as under:

NPR IN THOUSANDS

RATIOS	FY 2022/23	FY 2021/22	INCREASE OR (DECREASE)
Capital Adequacy Ratio	12.12%	12.69%	-0.57%
STATEMENT OF FINANCIAL POSITION	**FY 2022/23**	**FY 2021/22**	**INCREASE OR (DECREASE)**
Total Assets	198,932,611	194,412,651	2.32%
Deposits	171,956,851	155,140,045	10.84%
Loans & Advances	143,573,735	135,776,131	5.74%
Investment	29,651,657	29,023,616	2.16%
General Reserves	6,732,545	6,208,315	8.93%
STATEMENT OF PROFIT OR LOSS	**FY 2022/23**	**FY 2021/22**	**INCREASE OR (DECREASE)**
Net Interest Income	5,828,496	4,993,490	16.72%
Non- Operating Interest Income	1,240,457	1,522,950	-18.55%
Operating Expenses	3,256,449	1,522,950	3.99%
Operating Profit	2,575,342	2,709,253	3.99%
Net Profit	1,863,756	2,005,611	-7.07%

CAPITAL STRUCTURE:
At the end of FY 2022/23, the paid up capital of the bank was NPR 14,200,974,006. The bank has not issued any bonus share in FY 2022/23.

CAPITAL ADEQUACY:
The capital adequacy ratio stood at 12.12 percent at the end of FY 2022/23 in comparison to 12.69 percent at the end of FY 2023/22.

TOTAL ASSETS:
At the end of the Fiscal Year 2022/23, the total assets stood at NPR 198.93 Billion which is an increment of 2.32 percent, in comparison to NPR 194.41 Billion at the end of FY 2021/22.

DEPOSIT COLLECTION:
The total deposit collection of the Bank for the FY 2022/23 stood at NPR 171.96 Billion which has increased by 10.84 percent, in comparison to the previous year, where the total deposit collection was NPR 155.14 Billion.

Out of the total deposits, deposits from the customers have reached to NPR 168.84 Billion while the deposits from banks and financial institutions stood at NPR 3.11 Billion. The Bank's total deposits accounted for 4.97 percent of current deposits, 24.66 percent of savings deposits, 63.26 percent of term deposits, 6.55 percent of call deposits and remaining as other deposits.

LOANS AND ADVANCES:
In the FY 2021/22, the Bank had disbursed loans & advance of NPR 135.78 Billion which has increased by 5.74 percent to NPR 143.57 Billion in FY 2022/23 out of which NPR 141.03 Billion has been disbursed to customers while NPR 2.54 Billion has been disbursed to banks and financial institutions. Out of the total loan disbursement in FY 2022/23, 3.16 percent was in real estate sector, 6.21 percent in housing sector, 2.45 percent in margin lending, 10.91 percent in overdraft loan, 35.09 percent in term loans, 9.31 percent in demand and working capital loans, 3.12 percent in hire purchase loans, 10.98 percent in deprived sector lending and 18.77 percent in other loans. Out of the total credit investment made in the FY 2022/23, the Bank has invested 32 percent in the priority sector, of which 11.16 percent has been invested in the agriculture sector. By mid-July of FY 2022/23, the Bank has approved a total limit of NPR 20.20 Billion from which it has contributed to the development of hydropower sector by disbursing NPR 11.10 Billion. The Bank has invested in various hydropower projects with a capacity of about 487.74 MW. Similarly, the Bank has disbursed a total of 6,034 numbers of small and medium enterprises loans in FY 2022/23 totaling of NPR 22.30 Billion while the total loan disbursed under the agro based fast track loans was 10,467 totaling of NPR 7.28 Billion.

In addition, the Bank has adopted the policy of One Zone One Product/ One District One Product with the objective of further contributing to the agro business. As per the policy, the Bank has invested a total of NPR 2.33 Billion in 1,805 projects of agricultural sector. Similarly, a total of NPR 3.99 Billion Loan has been disbursed to 3,705 customers from different sectors under the Procedure of "Interest Subsidy for Concessional Loans, 2076" issued by Nepal Rastra Bank, in FY 2022/23.

TOTAL INVESTMENT:
By mid-July of FY 2022/23, the Bank has invested total of NPR 29.65 Billion in various sectors. Out of the total investment, NPR 28.13 Billion which amounts to 94.88 percent of the total investment has been invested in Treasury bill and development bond issued by Nepal government while NPR 0.55 Billion which is 1.86 percent of the total investment has been invested in equity shares of various organized institution. Similarly, NPR 317.24 Million and NPR 33.12 Million has been invested in subsidiary and associates companies respectively.

NET INTEREST INCOME:
In FY 2021/22, the net interest income of the Bank was NPR 4.99 Billion; whereas in FY 2022/23, it increased by 16.72 percent to NPR 5.83 Billion.

NON- INTEREST INCOME:
In FY 2021/22, the non-interest income of the Bank was NPR 1.52 Billion where as; it decreased by 18.55 percent to NPR 1.24 Billion in 2022/23.

OPERATING EXPENSES:
In FY 2021/22, the total operating expenses of the Bank was NPR 3.13 Billion which in FY 2022/23 increased by 3.99 percent to NPR 3.26 Billion due to expenses related to branch network growth such as house rent, security expenses, and connectivity expenses, among others.

OPERATING PROFIT:
In FY 2021/22, the operating profit of the Bank was NPR 2.71 Billion which in FY 2022/23 decreased by 4.94 percent to NPR 2.58 Billion.

NET PROFIT:
In FY 2021/22, the net profit of the Bank was NPR 2 Billion.Whereas, in FY 2022/23, the net profit of the Bank decreased by 7.07 percent to NPR 1.86 in comparison to previous year.

4. SYNOPSIS OF FINANCIAL PERFORMANCE OF THE SUBSIDIARY COMPANY: CITIZENS CAPITAL LIMITED (FORMERLY KNOWN AS CBIL CAPITAL LIMITED)

The Bank has invested 58.60% in the subsidiary company Citizens Capital Limited i.e. a total NPR 117,204,000 out of total capital of NPR 200 million. The main objectives of the company are to provide merchant banking services, portfolio management services, services relating to management of mutual funds, share registration services, etc. In FY 2022/23, Citizens Capital Limited's net profit stood at NPR 25.29 Million.

Similarly, the Bank has invested NPR 450 Million (NPR 150 Million each) in Citizens Mutual Fund 1,Citizens Mutual Fund 2 and Citizens Super 30, managed by Citizens Capital Limited and promoted by Citizens Bank International Limited.

5. SYNOPSIS OF FINANCIAL PERFORMANCE OF THE SUBSIDIARY COMPANY: CBIL SECURITIES LIMITED

The Bank has invested NPR 200 Million which is 100 percent in subsidiary company, CBIL Securities Limited. Themain objective of the company is to provide services for buying and selling securities, and services to depository members, etc. CBIL Securities Limited is currently in the process of seeking approval from the Nepal Stock Exchange Limited tostart operations. In FY 2022/23, the net profit of CBIL Securities Limited was NPR 10.98 Million.

6. BRANCH NETWORK EXPANSION

With an enigma of complying with the Unified Directives issued by Nepal Rastra Bank and with a policy of expanding the business of the Bank; the Bank has opened 10 new branches during the FY 2022/23. The Bank has established Dhumbarahi branch and Kageshwori

branch in Kathmandu, Thasikhel branch in Lalitpur, Barathawa branch in Sarlahi, Krishna Pranami Chowk branch in Parsa, Damauli branch in Tanahun, Khadbari branch in Sankhuwasabha, Gulariya branch in Bardiya, Shreenagar branch in Salyan and Patan branch in Baitadi. The number of branches has reached to 188 in FY 2022/23.

7. INFORMATION TECHNOLOGY

The bank has prioritized the use of the latest technology available in the market in order to deliver its service facilities to the customers in a simple, convenient and safe manner. Finacle Core Banking System, developed by Infosys, which is among the top 10 banking software in the world, is being used by the Bank to disseminate high quality banking services and has been regularly updated with regards to customer needs and security risks.For its internal purposes, the Bank has adopted a Management Information System (MIS) to generate required reports for its use.

8. DIGITAL BANKING

In order to enhance the customer experience and minimize customer's need to visit the bank, the Bank has introduced various new features in Citizens Smart Mobile banking application like opening Fixed Deposit accounts in real time without the involvement of any bank staff, avail various Debit card services like blocking their card, pin reset etc., view Credit Card details like credit limit, used amount, due amount/date etc., privilege customer features where privilege customers can access various services from their mobile banking application and cheque stop in real time and ability to scan and pay merchants with NepalPay QR.

Considering the increase in use of mobile banking the Bank has been upgrading its internal infrastructure to optimize the smooth running of its mobile banking. Further, the Bank has also implemented various features to enhance the security of its mobile banking application to ensure the safety of the customers. The Bank has introduced the SMS verification module where the customers can only register mobile banking from one device. Also,the Bank has introduced Web Login via QR which requires the registered mobile device for web login of mobile banking.

The Bank has upgraded its card management application to increase the speed for issuance of debit card/credit card, so that there is less waiting time for customers when requesting for new/renew of their debit/credit cards.

After the success of KIOSK machine for clearing cheque deposit, the Bank has implemented more features like opening Fixed Deposit, cheque stop feature and debit card services like block, renew and refresh pin from the KIOSK machine at the Head office. Further, the Bank has also implemented 5 more KIOSK devices in various branches (Kalanki, Nayabazar, Biratnagar, Birgunj, Butwal Hospital line), making a total of 6 KIOSK machines. The Bank has also implemented Cash Deposit Machine at Head Office, where the customers can deposit cash without visiting the counters.

The Bank has also introduced Nagarika (Chat Bot) in its website and Facebook page, where customers can receive prompt banking information along with chat facility with the Bank's agent in real time. The Bank has also implemented Robotic Process Automation for the Bank's internal use like CIC report of customers.

9. CARD BUSINESS

The bank has earned an income of NPR 43.57 Million from card business in the previous fiscal year. The Bank has been providing ATM and POS services for the convenience of its customers. The Bank has added 15 new ATMs during the year 2022/23. With this, the total number of ATMs of the Bank has reached to 145 and the total number of POS has increased to 527. The total number of debit cards, credit cards and prepaid cards of the Bank has reached to 327501, 5572 and 1927 respectively as on the end of FY 2022/23.

During the year, the Bank has launched Green PIN Cash Advance POS service. Such service has been for customers at remote locations where there are no ATMs. Customers can activate their card, change pin of card and also withdraw cash through POS. Also, the Bank has upgraded its Card Center Management System to better serve the customers on timely basis.

10. REMITTANCE TRANSACTION

The Bank has been providing international remittance services through its own Remittance service "Citizens Remit". During the FY 2022/23, the Bank has catered to total inward remittance of USD 22.83 Million, earning an income of NPR 32.83 Million. In the process of making remittance transactions more effective, the Bank has been expanding remittance transactions by entering into agreements with various remittance companies both inside and outside of the country. In this process, the Bank has entered into remittance agreement with National Exchange Company, Kuwait.Agreement entered into with the remittance agents has helped the customers of the Bank to avail remittance services across various countries such as UAE, Qatar, European nations, USA, India, Australia, Singapore and Turkey. The Bank has also prioritized its digital presence by offering Mobile Banking based remittance services.The customers can collect funds sent from different countries of the world; through a widespread network of all the branches of the Bank and through more than fifteen thousand subsidiary representatives located all across the country. Hence, in the coming days, along with making the remittance business highly profitable, the Bank has aimed to expand and grow the remittance business by entering into agreement with more number of potential exchange companies located at different countries of the world.

11. EXPANSION OF OTHER BANKING FACILITY

During the FY 2022/23, the Bank has expanded 2 branchless banking services at Premnagar in Kapilbastu and Singa in Myagdi. So far, the Bank has been providing branchless banking services from 98 branchless banking units. The Bank has been providing useful services such as deposit collection, payment, fund transfer, payment of mobile phones bills and other services through its BLB networks. Similarly, the Bank has been distributing social security allowance to the beneficiaries from 89 of its branches.

12. CORPORATE SOCIAL RESPONSIBILITY

Complying with the Unified Directive issued by Nepal Rastra Bank and assimilating with aim of sustainable development goals of Nepal, the Bank has been conducting various programs under its Corporate Social Responsibility Program since its inception to bring positive changes in the social, economic, cultural, educational field and amongs to thers. Continuing with the same zeal, during the FY 2022/23, the Bank has provided NPR 1.34 million for health, NPR 0.24 million for culture preservation, NPR 0.74 million for financial awareness, NPR 2.92 million for social sector, NPR 1.65 million for environment protection and NPR 2.38 million for education sector, with total of NPR 9.27 million to various organizations.

13. HUMAN RESOURCE

The Bank has formed a Recruitment Committee under the lead

of Senior Deputy Chief Executive Officer, with both Deputy Chief Executive Officers, Chief Administrative Officer as members and Head Human Resource Department as the member secretary.

By the end of FY 2022/23, the Bank has a total workforce of 1,716. A total of 112 new staffs were hired/appointed, whereas a total of 154 employees resigned from the Bank's service during the review period. Out of the total staffs, 734 are female i.e. 42.77 percent of the total workforce.

With the aim of achieving the business goals by providing excellent and speedy banking services to the customers, the Bank has strived to increase the efficiency of its manpower, by providing training programs to almost all of its staffs. The Bank has spent a total of NPR 26.11 million for enhancing the efficiency of human resource. In addition, the Bank has taken the policy of providing maximum necessary trainings in the coming year as well.

14. CONTRIBUTION TO THE GOVERNMENT EXCHEQUER

During the FY 2022/23, the Bank has deposited NPR 1.74 billion with Inland Revenue Office that comprises of NPR 1.05 billion as Tax Deducted at Source against various payments made by the Bank and NPR 690 million as Advance Income Tax.

15. INTERNAL CONTROL SYSTEM

The Bank has adopted the policy of implementing a strong internal control system in order to cater to the credit risks, market risks, operational risks and other risks inherent in the banking business. In relation to this, the Bank has formulated and implemented necessary rules, regulations and policies in every area of banking transactions.The Bank has also constituted an independent Internal Audit Department governed by the BOD's Audit Committee, which is involved in reviewing whether the banking operational works and procedures have been conducted complying with existing laws. Bank has entered into an agreement with M.R. Associates, Chartered Accountants and Company for providing Internal Audit Department service.

Similarly, the Bank has formulated Risk Management Committee that is accountable to the Board of Directors, the members of which are involved in the regular supervision of risks relating to banking transaction and providing appropriate suggestions to the Board of Directors. The Committee has been effectively working on the same.Likewise, separate Credit Risk Department has also been constituted for minimizing credit risks. Similarly, for analysis of compliance of the Bank as a whole,determining the level of risk of all the customers of the Bank and for monitoring and resolving any weakness observed while complying to given standards, Anti-Money Laundering Committee has been formed in the Bank.

In addition, internal policies, rules and guidelines have been issued and implemented to manage the operations related to various departments. Different committees of the Bank are operational, including Executive Committee comprising executive team who are involved in effective and timely decision making process at management levels; Asset Liability Management Committee (ALCO) comprising managerial level members who are involved in managing balance sheet based on risk and return analysis and managing the interest risk and liquidity risk of the Bank strategically; IT Steering Committee comprising members who are involved in the development and timely up-gradation of information and technology systems required for daily works, investments, operations and strategic planning; Operational Risk Management Committee comprising of members under Chief Risk Officer, who are involved in establishing inter-departmental coordination and conducting timely investigation of the day-to-day operations of the Bank for minimizing the operational risk and Purchase Committee comprising of members who are involved in calling bidders for arrangement of logistics required for daily operations of Bank and making recommendations to the Chief Executive Officer for the purchase of logistics and others.

16. CORPORATE GOVERNANCE AND COMPLIANCE

Maintaining a higher level of Corporate Governance has always been of great importance for the Bank. The Bank has its own objectives, policies, internal control system, and code of conduct of employees placed for an effective implementation of the Corporate Governance. Codes of conduct of directors and employees have been planned and implemented by the Bank. The Bank has always remained active in strengthening the Corporate Governance by maintaining transparency in the functions of BOD and other members. Furthermore, the Bank has been complying with all the policies and directives issued by NRB and other related authorities issued on regular basis and shall strive to comply in the coming days as well.

17. CHANGES IN BOARD OF DIRECTORS AND ITS REASONS

During the review period, Board member, Ms. Seeta Karki (K.C.) has resigned as BOD member with effect from June 13, 2023.

18. CHANGES IN MANAGEMENT AND ITS REASONS

During the review period, Mr. Roshan Manandhar has been given the role of Chief Mass Banking Officer with effect from February 2, 2023.

19. OTHER COMMITTEES

As per the provision of Unified Directives and Section 26 and Section 27 of the Bank and Financial Institutions Act, 2017; the Board of Directors on its accountability has formed Audit Committee, Risk Management Committee, Human Resource Compensation Committee and Anti- Money LaunderingCommittee.

Likewise, the Bank has formed Budget sub-Committee as per Section 26 of Bank and Financial Institutions Act, 2017 and Unified Directive No 06/078(7)(1)(b) issued by Nepal Rastra Bank. Due to completion of Term of Reference (TOR) of this committee, it has been dissolved now.

AUDIT COMMITTEE

The committee comprised of Mr. Anil Gyawali- Director as coordinator, Ms. Seeta Karki (K.C.)- Director as member and Head of Internal Audit Department Mr. Ramdhan Shrestha as Member Secretary till 6th September 2022. After 6th September 2022, it was re-formed with Mr. Anil Gyawali- Director as coordinator, Mrs.Seeta Karki (K.C.) as member and Head of Internal Audit Department Mr. Anit Sapkota as Member secretary. The committee gives necessary directions to the management after having thorough discussions on the assessment of the Bank's financial status, internal control system, audit program and findings.

During the FY 2022/23, meeting of the Audit Committee was held 7 times and total meeting allowance of NPR 143,000 has been paid. In the meeting, the Committee reviewed the Bank's entire

financial condition, internal controls, audit plan and observations and comments pointed out in the audit report presented by both the internal and external auditor, and directed the management to take the corrective actions. Similarly, the Committee reviewed the implementation of the comments mentioned in the audit report of NRB, whereby the issues were also recorded and informed to the Board of Directors. The Committee has also supported the management for the preparation of a true and fair Annual Financial Statement of the Bank, reviewed adherence to the regularity, economy, relevance, effectiveness in the Bank's operations and provided necessary suggestions to the Board of Directors. The committee also reviewed the Quarterly Financial Statements of the Bank and reported it to the Board of Directors.

RISK MANAGEMENT COMMITTEE

The committee comprised of Mr. Prabal Jung Pandey - Director as coordinator, Mr. Prakash Chandra Mainali- Director and Mr. Anil Gyawali- Director as member, Chief Operating Officer as members and Chief Risk Officer as the Member Secretary.

The coordinator of Audit Committee acts as an invitee member of Risk Management Committee and a meeting of the Committee is held at least once in three months. The functions, duties and powers of the Committee have been defined as per the directives of NRB.

During the FY 2022/23, the meeting of Risk Management Committee was held for 4 times and total meeting allowance of NPR 132,000 has been paid. The Committee has been involved in tracing all forms of risks that might affect the performance of the Bank. Committee is mainly focused in the management of risk in terms of Credit, Market, Operations, Liquidity, Compliance, IT and other risks. In relation to risk management, the Committee has been providing special attention in minimizing risk relating to credit risks, market risks, operational risks, liquidity risks, compliance risks, IT risks and other risks. The Bank has a separate credit risk unit for credit risk management which falls under Risk Management Committee of the Bank.

Various reports are discussed in the Risk Management Committee, including quarterly ICAAP report and extensive analysis and discussion on ALCO Minutes. Detailed discussions on the risk-taking capacity of the bank, analysis of existing conditions of compliance and periodic revision and alterations in various policies and procedures are held under the Committee.

HUMAN RESOURCE COMPENSATION COMMITTEE

The Human Resource Compensation Committee has been formed comprising of Mr. Sajan Sharma- Director as coordinator, Mr. Prakash Chandra Mainali- Director as member, Chief Executive Officer and Chief Finance Officer as members and the Head of Human Resource Department as Member Secretary. The function, duties and power of the Committee have been defined as per NRB Directives.

During the FY 2022/23, the meeting of the Committee was held 3 times and total meeting allowance of NPR 66,000 has been paid. The Committee has reviewed the employee service facilities and amended the provisions of Staff Vehicle Facility and Staff Home Loan facility under Employee Bye-laws. Further, the committee has also reviewed Employee Training and Capacity Development/ Guidelines for Board of Directors. The committee has also enacted Talent Hunt Guidelines for hiring talented employees.

The committee has reviewed various facilities of the employees regarding home loan, salary and allowances etc.

ANTI MONEY LAUNDERING COMMITTEE

The Anti-Money laundering Committee has been formed comprising of Mr. Bijaya Dhoj Karki - Director as coordinator, Mrs. Seeta Karki (K.C) - Director as member, Chief Risk Officer and Head of Anti Money Laundering Department as members and a Compliance Officer as member secretary, in line with Clause 18 of Unified Directive no. 19 issued by NRB, tillJune 13, 2023. After June 13, 2023, it included Mr. Bijaya Dhoj Karki - Director as coordinator, Chief Risk Officer and Head of Compliance Department as members and a Compliance Officer as member secretary. The function duties and power of the Committee have been defined as per NRB Directive.

A total of 5 meetings were held of the Anti-Money Laundering Committee during the FY 2022/23 and total meeting allowance of NPR 99,000 has been paid. In the review period, the Committee reviewed on changes in TOR of AML Committee as per NRB Circular and reviewed on policy, procedure, guidelines of the Bank. The Committee also discussed on various matters such as AML/CFT National Strategy and Action Plan (2076-2081) published by Government of Nepal, National Risk Assessment Report on Money Laundering and Terrorist Financing, 2020, quarterly and annual AML/CFT compliance review report of the Bank, quarterly batch screening report, implementation status of NRB instruction during inspection, discussed on Risk Assessment Report of the Bank of FY 2022/23, institutional and sectorial risk assessment of the Bank of FY 2022/23, internal audit report of AML/CFT department, NRB inspection and review of management response on preliminary findings from NRB Inspection, implementation status on direction from NRB on final AML/CFT onsite inspection report and quarterly AML/CFT newsletter of the Bank.

BUDGET SUB COMMITTEE

Bank has formed Budget Sub Committee in coordination with Director Mr. Prabal Jung Pandey, along with Director Mr. Anil Gyawali and Mr. Bijaya Dhoj Karki as members and Chief Executive Officer as member secretary.

The meeting of Budget Sub Committee was held for 2 times during FY 2022/23 and total meeting allowance of NPR 66,000 has been paid. The committee has recommended Budget, Programs and Policies for approval to Board of Directors for FY 2022/23. Due to completion of Term of Reference (TOR) of this committee, it has been dissolved now.

20. MAJOR FACTORS AFFECTING BANKING TRANSACTION

The major risks that might affect the business of the Bank are listed below:

a. Risks due to change in economic conditions of the country.
b. Potential risks arising due to change in Economic, Monetary and Financial policy of the country.
c. Potential risks arising due to change in policies by Nepal Government and NRB, relating to commercial banks.
d. Risks due to change in exchange rate during foreign exchange transactions.
e. Risks due to change in interest rate on deposit and credit caused due to fluctuations in liquidity and risks arising on business expansions due to shortage of investable funds.
f. Risks caused due to the shrink in the scope of deposit

collection, investment and loans and advances of the Bank.

g. Risks due to untimely recovery of loans.
h. Potential risks arising in providing non-funded services such as letter of credit and bank guarantee.
i. Economical risks arising due to potential impacts in the Nepalese market caused due to recession in foreign market.
j. Risks due to fluctuations in capital markets.
k. Lack of alternative investment sector.
l. Risks arising out of negative impacts created in our economic system caused due to fluctuations in remittance income.
m. Effects due to political instability in the country.
n. Effects due to vigorous competition in the banking industry.
o. Risk due to unavailability of centralized data and sufficient technology in order to stop Money Laundering.
p. The challenge of consistently providing high return on investment when the source of income has narrowed down maintaining capital related requirements.
q. Development of Information technology and its operational risk and challenges.

21. APPOINTMENT OF AUDITOR

The 16th Annual General Meeting of the Bank had appointed M/s J.K. & S.S. Associates, Chartered Accountants, for auditing books of account for FY 2022/23 and the audit has been completed by the firm. The appointment of audit or for the FY 2023/24 shall be done as per recommendation of Audit Committee.

22. FUTURE PLANS AND PROGRAMS

The future plans and programs of the Bank shall be as under:

- In order to reduce the average interest rate on deposits, the Bank plans to introduce and mobilize new deposit schemes and increase individual deposit base subsequently decreasing the dependency on institutional deposits.
- Increase Non-Fund Based Transactions to increase Non-Fund Based Incomes.
- Improve the quality of the loans & advances and increase the investment in Agriculture, Energy, Tourism and Cottage and Small Scale Industries, while expanding loan portfolios.
- Further strengthening the Internal Control System, risk management and compliance of the Bank.
- Enhancement of branding and increment of business of the Bank through advertisements and business promotion programs.
- Organize more programs under Corporate Social Responsibility to show the Bank as a responsible institution towards society and hence, enhance the brand of the Bank.
- Conduct Research and Analysis to identify new areas for expansion of the business of the Bank and manage foreign exchange market and fluctuation in interest rate in a more effective way, to have a positive impact on profit of the Bank.
- Provide regular training for employees to improve their skills and attain overall development of human resources.
- Further strengthen the Corporate Governance of the Bank.
- Further enhance the risk management system of the Bank.
- Payspecial attention to increase the size of business of subsidiary companies of the Bank.
- Payspecial attention to increase credit investment in productive sectors.
- Provide banking facilities using modern technology and software without physical presence of customersat the Bank.
- Adoption of latest technology developed in the field of digital banking and providing service facilities of the bank via digital means to the extent possible.
- Develop Robotic Process Automation (RPA) technology for effective implementation of Business Process Management (BPM) as well as to automate regular repetitive tasks without human intervention.
- Develop human resource information system for effective management of human resources.
- Update Core Banking Software Finacle to further strengthen customer security and add new service features.



23. AUDIT, STATEMENT OF FINANCIAL POSITION AND OTHER STATEMENT

The Consolidated Statement of Financial Position as on July 16, 2023, Consolidated Statement of Profit or Loss for FY 2022/23, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Cash Flows, related Schedules and Auditor's Report of the Bank and its subsidiaries have been included as part of this annual report.

DISTRIBUTABLE PROFIT

In the Fiscal Year 2022/23, the Bank has earned Net Profit of NPR 1,863.76 Million out of which, 20 percent of the Net Profit i.e. 20 percent of NPR 1,863.76 Million amounting to NPR 372.75 Million has been transferred to General Reserve Fund, in line with section 44 of the Bank and Financial Institutions Act (BAFIA), 2017. Similarly, amount required to be appropriated to Forex Revaluation Reserve according to section 45 of the same Act i.e. NPR 51.78 Million has been transferred back to Distributable Profit, due to Forex revaluation loss during the year. As per the Unified Directives of NRB, the Bank has separated 1 percent of total Net profit i.e. NPR 18.64 Million in the Corporate Social Responsibility Fund and the amount spent under corporate social responsibility amounting NPR 9.27 Million during the current fiscal year has been returned to distributable profit from the same reserve. Also, the Bank has separated NPR 277.77 Million in Debenture Redemption Reserve for payment of bonds issued by the Bank.

In addition, as per the Unified Directive of Nepal Rastra Bank, the amount of NPR 7.92 million has been transferred to Employees' Training Fund and the amount of NPR 252.12 million has been transferred to Regulatory Reserve on the amount of interest accrued but not realized after deducting the amount of staff bonus and income tax on such amount. Similarly, the amount of NPR 29.91 million has been transferred to Regulatory Reserve on account of Non-Banking Asset and amount of NPR 0.67 million has been transferred from Regulatory Reserve to Retained Earnings on account of Actuary Gain and NPR 167 million transferred to Regulatory Reserve on account of Deferred Tax Assets during the year. Similarly, 63 percent of current year's unrealized profit of trading assets amounting NPR 3.56 million has been transferred Regulatory Reserve created on account of unrealized gain on trading assets up to previous year.

The Bank has proposed to distribute cash dividend from the total distributable amount of NPR 846.99 million. Such distributable amount of NPR 846.99 million comprises remaining retained earnings of NPR 51.20 million from previous years and current year distributable profit of NPR 795.79 million.

24. OTHER DETAILS REQUIRED BY SEC 109(4) OF THE COMPANIES ACT, 2006 HAVE BEEN INCLUDED IN SCHEDULE "A" OF THIS ANNUAL REPORT
25. THE DETAILS REQUIRED BY RULES 26(2) OF SECURITIES REGISTRATION AND ISSUE REGULATIONS, 2017 HAS BEEN INCLUDED IN SCHEDULE "B" OF THIS ANNUAL REPORT

NOTE OF THANKS

On behalf of the Board of Directors of the Bank, I would like to express my gratitude to all the shareholders, customers, institutions related with Nepal Government and Nepal Rastra Bank for their valuable assistance in meeting the objectives of the Bank. I would also like to thank the Chief Executive Officer, all the officers and employees of the Bank and stakeholders for their valuable contribution towards the progressive development and up-liftment of the Bank. Also, I am deeply grateful to the media who have been relaying all the activities of the Bank to the public in a positive way. Finally, I would like to thank all of our well-wishers who have supported the Bank directly and indirectly.

On behalf of the Board of Directors
Mr. Rajan Singh Bhandari
Chairman



INFORMATION FOR UNDERSTANDING FINANCIAL STATEMENTS

ITEMS OF STATEMENT OF FINANCIAL POSITION

1.1 CASH AND CASH EQUIVALENTS

It consists of the total amount of cash in-hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short term commitments.

1.2 DUE FROM NEPAL RASTRA BANK

It consists of statutory balances held with Nepal Rastra Bank for compulsory cash reserve, securities purchased from Nepal Rastra Bank under resale agreement and other deposits with and receivables from Nepal Rastra Bank has been presented under this account head.

1.3 PLACEMENT WITH BANK AND FINANCIAL INSTITUTION

Placements with domestic as well as foreign bank and financial institutions with original maturities of more than three months from the acquisition date are presented under this account head.

1.4 DERIVATIVE FINANCIAL INSTRUMENTS

It includes derivative instruments like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes.

1.5 OTHER TRADING ASSETS

Trading assets are those assets that the Bank acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit has been presented under this account head. The other trading asset includes non-derivative financial assets. It includes Government bonds, NRB bonds, Domestic Corporate bonds, Treasury bills, Equities, etc. held primarily for the trading purpose.

1.6 LOAN AND ADVANCES TO BANK AND FINANCIAL INSTITUTIONS

It includes loan and advances provided to microfinance financial institutions as well as other bank and financial institutions. Specific impairment on loan and advance to bank and financial institutions has been deducted while presenting.

1.7 LOAN AND ADVANCES TO CUSTOMERS

It includes sum of the outstanding amount of all loans and advances extended to the customers other than BFIs as well as bills purchased and discounted less the amount of impairment allowances. Loan to employees provided according to the Employees Bye laws of the Bank has also been presented under this head.

1.8 INVESTMENT SECURITIES

It includes investments made by the Bank under three different categories:

a. Investment securities designated at fair value through profit or loss
b. Investment securities measured at amortized cost and
c. Investment in equity measured at fair value through other comprehensive income

Investment other than those measured at amortized cost has been measure at fair value and changes in fair value has been recognized in profit or loss, or other comprehensive income as per the business model adopted by the Bank for the specific securities.

Where income from the investment is received in the form of bonus shares, the valuation of investment has been made by increasing the number of shares only without changing in the cost of investment.

1.9 CURRENT TAX ASSETS

It includes any advance payment made by the Bank towards income tax liabilities or other tax liabilities to the taxing authorities (Inland Revenue Department).

1.10 INVESTMENT IN SUBSIDIARIES

It includes those entities that are controlled by the Bank. The investment in subsidiaries has been shown in separate individual financial statement, which has been eliminated in consolidation process, so no amount has been presented under group financial statements.

1.11 INVESTMENT IN ASSOCIATES

It includes those entities in which the Bank has significant influence but not control over the financial and operating policies.

1.12 INVESTMENT PROPERTIES

It includes land or land and building other than those classified as property and equipment; and non-current assets held for sale under relevant accounting standard. This also includes land, land and building acquired as Non-Banking Assets held by the Bank but not sold as of reporting period.

1.13 PROPERTY AND EQUIPMENT

It includes all assets of long-term nature (fixed) like land, building, IT equipment, fixtures and fittings, office equipment and appliances, vehicles, machinery, leasehold developments and capital work in progress owned by the Bank.

1.14 GOODWILL AND INTANGIBLE ASSETS

It includes goodwill and intangible assets like computer software both purchased and internally generated, trade mark, etc.

1.15 DEFERRED TAX ASSETS

It includes deferred tax assets recognized as per NFRS (NAS 12, Income Taxes) on temporary deductible differences, carry forward of unused tax losses, changes in tax rate, etc.

1.16 OTHER ASSETS

It Includes other tangible or intangible asset not mentioned above (1.1 to 1.15) like assets held for sale, non-banking assets (other than land or land and building), restricted deposits with central banks, accounts receivable, interest receivable, accrued income, prepayments and deposit, etc.

1.17 DUE TO BANK AND FINANCIAL INSTITUTIONS

It includes the balances in accounts maintained with the Bank by other local and foreign banks and financial institution. Interbank borrowing, interbank deposit, balances on settlement and clearing accounts as well as other amount due to bank and financial institution has also been presented under this head.

1.18 DUE TO NEPAL RASTRA BANK

It includes the amount payable to Nepal Rastra Bank like amount of refinance facilities, standing liquidity facility, lender of last resort, sale and repurchase agreements, deposit from NRB, etc.

1.19 DERIVATIVE FINANCIAL INSTRUMENTS

It includes all derivative liabilities like interest rate swap, currency swap, forward foreign exchange contract, etc. held for trading as well as risk management purposes.

1.20 DEPOSITS FROM CUSTOMERS

It includes all deposit accounts other than deposit from BFIs (local and foreign) and NRB.

1.21 BORROWING

It includes all domestic as well as foreign borrowing other than interbank borrowing and borrowing from Nepal Rastra Bank. It also includes borrowing from Nepal Government, borrowing from other domestic institutions, borrowing from foreign bank and financial institutions, multilateral development banks, etc.

1.22 CURRENT TAX LIABILITIES

It includes liabilities recognized for the purpose of current income tax, including fees, penalties.

1.23 PROVISIONS

A provision is recognized when as a result of a past event, the licensed institution has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation and it includes provision for redundancy, provision for onerous contracts, provision for restructuring, pending legal issues and tax litigation, credit commitments and guarantees, etc.

1.24 DEFERRED TAX LIABILITIES

These liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax liabilities are recognised as per requirement of NFRS (NAS 12 – Income Taxes).

1.25 OTHER LIABILITIES

Any residual liabilities not captured above (from 1.17 to 1.24) has been presented under an appropriate head. Liabilities relating to employees benefits like liabilities for defined benefit obligation gratuity and pension fund, liabilities for long- service leave, cash settled share based payment liabilities, short-term employee benefits, etc., creditors and accruals, interest payable on deposit and borrowing, unearned income, unpaid dividend, etc. have also been presented under this head.

It includes debenture, bond or other debt securities issued by the Bank.

1.26 SUBORDINATED LIABILITIES

It includes such liabilities like liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors. It also includes redeemable preference share, subordinated notes issued, borrowings, etc.

ITEMS OF STATEMENT OF EQUITY

1.27 SHARE CAPITAL

It includes amount of paid up share capital of the Bank. Any amount credited in share capital by issuing bonus shares utilizing the accumulated profit and reserves has also been disclosed under this heading. It also includes paid up amount of ordinary share capital and equity component of preference share capital.

1.28 SHARE PREMIUM

The amount of money collected on issue of shares in excess of its face value has been presented under this heading. The outstanding amount in this account will not be considered eligible for distribution of cash dividend.

1.29 RETAINED EARNINGS

The accumulated profit which has not been distributed to shareholders and has been ploughed back in the Bank's operations and is free for distribution of dividend has been presented under this heading.

ITEMS OF STATEMENT OF PROFIT OR LOSS

1.30 INTEREST INCOME

This includes income recognized as per NFRS (that is on accrual basis). It includes interest income on loan and advance, investment securities except on those investment securities measured at fair value through profit or loss, cash and cash equivalent, due from Nepal Rastra Bank, due from BFIs, loan and advances to staff, etc.

1.31 INTEREST EXPENSE

This includes interest expenses recognized as per NFRS (that is on accrual basis). It includes interest accrued on deposits collected, debt securities issued, borrowings obtained, subordinated liabilities, amount due to bank and financial institutions, due to NRB, etc.

1.32 FEES AND COMMISSION INCOME

Fee income is earned for diverse ranges of services provided by the Bank to its customers. Fee income arises on the execution of a significant act completed or from provision of services like asset management, portfolio management, management advisory and service fees, etc. It also includes loan documentation fee, loan management fee, consortium fee, commitment fee, card issuance and renewal fee, prepayment and swap fee, remittance fee, investment banking fee, asset management fee, brokerage, commission on letter of credit, commission on guarantee, locker rental income, etc. The fees and commission income that are integral to the effective interest rate on the financial assets are included in the measurement of the effective interest rate, which has been exempted by issue of Carve-outs by Institute of Chartered Accountants of Nepal.

1.33 FEES AND COMMISSION EXPENSE

It includes pay-outs on account of fee and commission for services obtained by the Bank. This account head also include card related fees, guarantee commission, brokerage expenses, etc. The fees and commission expense that are integral to the effective interest rate on the financial liability are included in the measurement of the effective interest rate which has been exempted by issue of Carve-outs by Institute of Chartered Accountants of Nepal.

1.34 NET TRADING INCOME

It comprises gains less losses relating to trading assets and liabilities, and includes all realized interest, dividend and foreign exchange differences as well as unrealized changes in fair value of trading assets and liabilities.

1.35 OTHER OPERATING INCOME

It includes receipt of all other operating income not specifically provided under the income heads above (1.31 to 1.35). This also includes foreign exchange revaluation gain, gain/loss on sale of available for sale securities, dividend on available for sale securities, gain/loss on sale of property and equipment, gain/loss on sale of investment properties, operating lease income, gain/ loss on sale of gold and silver, finance income of finance lease, etc.

1.36 IMPAIRMENT CHARGE/ (REVERSAL) FOR LOAN AND OTHER LOSSES

Impairment loss recognized as per NFRS on loan and other losses has been presented under this account head. It also includes impairment charge/ reversal on loan and advances to customers, loan and advances to bank and financial institutions, investment securities, placement with bank and financial institutions, property and equipment, goodwill and intangible assets, investment properties, etc.

1.37 PERSONNEL EXPENSES

It includes all expenses related to employees of a bank like employees' salary, allowances, pension, gratuity, contribution to provident fund, training expenses, uniform expenses, insurance, staff bonus, finance expense under NFRS, cash- settled share-based payments, etc.

1.38 OTHER OPERATING EXPENSES

It includes all operating expense other than those relating to personnel expense. It covers expenses like office administration expense, other operating and overhead expense, directors' emoluments, remuneration and non- audit fee paid to auditors, professional and legal expense, branch closure cost expense, redundancy cost expense, expense of restructuring, impairment of non-financial assets, expense of corporate social responsibility, onerous lease provisions, etc.

1.39 DEPRECIATION AND AMORTIZATION

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life. Depreciation measured and recognized as per NFRS on property and equipment, and investment properties, and amortization of intangible assets has been presented under this account head.

1.40 NON-OPERATING INCOME/ EXPENSE

It includes those income and expenses that have no direct relationship with the regular operation/ transactions of the Bank. The income/ expense covered under this account head includes loan written off, recovery of loan, redundancy provision, expense of restructuring, etc.

1.41 INCOME TAX EXPENSE

It includes income tax on net taxable profit segregated into current tax expense and deferred tax expense/ deferred tax income.

ITEMS OF STATEMENT OF OTHER COMPREHENSIVE INCOME

1.42 FAIR VALUE RESERVE RELATING TO INVESTMENT IN EQUITY INSTRUMENTS

Net changes in fair value of equity instrument that are measured at fair value and the changes in fair value is required to be recognized in Other Comprehensive Income has been recognized and presented under this account head. The changes may be subsequently reclassified to Profit and Loss in accordance with the relevant NFRS and be deducted from the fair value reserve.

1.43 CHANGES IN REVALUATION RESERVE

Changes in revalued amount of property and equipment, and intangible have been presented under this account head.

1.44 CASH FLOW HEDGE

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value (losses) of the derivative is recognised and presented in Other Comprehensive Income. The changes may be subsequently reclassified to Profit and Loss in accordance with the relevant NFRS and be deducted from the fair value reserve.

1.45 NET ACTUARIAL GAIN/ LOSS ON DEFINED BENEFIT PLANS

Re-measurement gain/losses arising from experience adjustments and changes in actuarial assumptions (demographic and geographical) are recognized in the period in which they occur, directly in other comprehensive income and has been be presented under this account head.

1.46 INCOME TAX RELATING TO THESE ITEMS

The income tax relating to the items shown in Other Comprehensive Income has been presented under this head.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CITIZENS BANK INTERNATIONAL LIMITED

Opinion

We have audited the accompanying separate financial statements of the Citizens Bank International Ltd (the "Bank") and the Consolidated Financial Statements of the Bank and its subsidiaries (the "Group"), which comprise the consolidated and separate statement of financial position as at Ashad 31, 2080 (July 16, 2023), and the consolidated and separate statement of profit or loss, consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statement.

In our opinion, the accompanying consolidated financial statements of the Group and the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at Ashad 31, 2080 and their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs) as explained in note 2.1.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Consolidated and separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of the Code of Ethics for professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters. Our assessed key audit matters and how we addressed them are outlined below:

a. Interest Income

The Bank has recognized interest income on accrual basis and following the Interest Recognition Guidelines 2019 issued by NRB. The prescribed Guidelines require suspension of interest recognition on accrual basis for those loans and advances which are overdue for more than 12 months, whereas for loans and advances which are overdue for 3 to 12 months, interest recognition on accrual basis is limited to the results on the basis of collateral testing as specified. Thus, manual intervention is required to suspend the interest recognition on accrual basis of interest as calculated by the system. This creates risks of improper application of the guidelines in terms of fair value of collateral and measures as specified for the category of loans and advances. Therefore, we have considered interest income as key audit matter.

The Bank has increased its interest income to Loans and advance to 13.00% in current year 2079/80 from 10.74%in previous year as the average interest rate of banking industry has been increased during the year.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as under;

- Evaluating the design of internal controls relating to recognition of interest income.
- Reviewing the files of borrowers containing credit appraisal and other substantiating documents selected on sample basis and assessing the assigned premium.
- For the fair value of collateral, we have relied on the latest available independent valuator's report and have test checked the hair cut in the fair value as per NRB Interest Recognition Guidelines 2019.
- Test checking of interest application, recalculating of interest as per the bank statement of the sampled borrowers.
- Performing relevant analytical procedures.
- Test checking of interest application, levying of management fee and other charges etc.



b. Measurement of provision for loans and advances

The process of estimating the provision for loans and advances associated with credit risk is significant and complex. The materiality of the reported amounts for the loans and advances (and impairment allowance thereof), operation of borrower units under their capacity, significant decreased in sales volumes deteriorated their repaying capacity increasing risk of credit default, involvement of complex calculations underpinned our basis for considering it as Key Audit Matter.

As per carve out on para 5.5 of NFRS 9, the Bank has assessed at the end of reporting period whether there is any objective evidence that a financial assets or group of financial assets measured at amortized cost is impaired, and in case of such evidence existed, it has measured impairment loss on such financial assets as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Further, as per the carve out on para 5.5 of NFRS 9, the Bank has assessed and measured impairment loss on loans and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount derived as per para 5 of carve out on para 5.5 of NFRS 9 issued by ICAN.As at Ashad 31, 2080, 70.41% of total assets of the Group consisted of loans and advances amounting Rs.139.832 billion (Note 4.7), impairment allowance for the year then ended of Rs.4.740 billion (Note 4.7.4) being higher of impairment as per NFRS is Rs.1.993 billion and impairment loss as per norms of NRB is 4.740 billion. Significant estimates and assumptions used by the management in such calculations, their sensitivity and the basis for impairment allowance are disclosed in Notes 3.4.7 and 5.11.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as under;

- Evaluating the design of internal controls relating to implementation of circulars/ directives issued by NRB and also internal policies and procedure of the Bank.
- Examining all the large and other advances on a sample basis including review of valuation reports of the independent valuators as provided by the Bank's management.
- Reviewing the files of borrowers containing credit appraisal and other substantiating documents selected on sample basis and assessing the assigned risk premium and appropriate action taken commensurate with the operation of such accounts.
- Relying on the audit reports of the other statutory auditors.
- Performing relevant analytical procedures.
- Test checking of interest application, levying of management fee and other charges etc.

c. Information Technology (IT) systems and controls over financial reporting

The entire preparation of financial statements is highly dependent on CBS and other supporting software and hardware controls. Adequate and appropriate IT controls are required to ensure that IT application process data are as expected, appropriate user access and changes are made in an appropriate manner. Such controls ensure mitigating the expected risk of erroneous output data. Audit outcome is dependent on the extant IT controls and systems, and accordingly the above areas are determined to be as key audit matter.

We have carried out our audit procedures with Nepal Standards on Auditing guidelines towards implementation of IT policies and procedures followed by the Bank in order to effectively monitor, control, and evaluate the IT applications and controls to ensure effective implementation of such policies and procedures. We have also relied on the report issued by the IS Auditor and obtained necessary inputs from IS experts wherever necessary.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and our auditor's report thereon. The annual report is expected to be made available for our review after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, we will consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to request management and those charged with governance to correct the material misstatement.



Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statement of the Bank that give true and fair view in accordance with Nepal Financial Reporting Standards (NFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matters

We did not audit the financial statements and other financial information of two subsidiaries included in the consolidated financial statements of the Group, where financial statement of Citizens Capital Limited reflects total assets of Rs. 430.064 million as at Ashad 31, 2080, and total revenue, total net profit after tax, and net cash ouflows of Rs. 33.623 million, Rs. 25.282 million, and Rs. 62.359 million for the year ended on that date respectively, and financial statements of CBIL Securities Limited reflects total assets of Rs. 221.208 million as at Ashad 31, 2080, total net profit after tax and net cash inflows of Rs. 10.984 million and 156.819 million respectively for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the financial statements in so far as it relates to the accounts and disclosures included in respect of these subsidiaries, are based solely on the report of the other auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to further report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose for our audit.
ii. The accounts and records of the Group and the Bank has been maintained as required by law.
iii. Consolidated and separate financial statements are in agreement with the books of account maintained by the Group and the Bank.
iv. The capital fund, risk bearing fund and the provision for possible impairment of asset of the Bank are adequate as per the Directives issued by Nepal Rastra Bank.
v. In our opinion and to the best of our information and according to the explanation given to us, the Board of Directors, the representative or any employee of the Group and the Bank has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the Group and the Bank deliberately or acted in a manner that would jeopardized the interest and security of the Group and the Bank.
vi. The operations of the Group and the Bank were within its jurisdiction.
vii. The Group and the Bank has not acted in a manner to jeopardize the interest and security of the depositors and investors,
viii. The Bank has a centralized core accounting system and details received from branches of the Bank though the statements are independently not audited, were adequate for the purpose of our audit, and
ix. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book of accounts.



NIRANJAN CHAUDHARY, FCA
Partner
JK & SS Associates
Chartered Accountants

Date: September 17, 2023
Place: Maharajgunj, Kathmandu
UDIN: 230917CA00848Ited6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS ON JULY 16, 2023 (ASHADH 31, 2080)

AMOUNT IN NPR

PARTICULARS	NOTE	GROUP		BANK	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
ASSETS					
Cash and Cash Equivalents	4.1	9,772,068,845	17,893,109,366	9,764,245,573	17,892,741,270
Due from Nepal Rastra Bank	4.2	6,703,008,872	4,266,508,053	6,703,008,872	4,266,508,053
Placement with Bank and Financial Institutions	4.3	2,236,412,161	1,233,631,457	2,236,412,161	1,233,631,457
Derivative Financial Instruments	4.4	17,045,476	2,659,089	17,045,476	2,659,089
Other Trading Assets	4.5	517,657,315	540,740,440	318,872,100	327,340,379
Loans and Advances to B/FIs	4.6	2,510,671,744	3,299,919,602	2,510,671,744	3,299,919,602
Loans and Advances to Customers	4.7	139,832,005,022	131,276,827,079	139,832,005,022	131,344,327,079
Investment Securities	4.8	28,699,734,464	28,189,366,849	28,685,569,583	28,153,425,968
Current Tax Assets	4.9	286,244,148	346,706,648	283,947,414	348,140,704
Investment in Subsidiaries	4.10	-	-	317,204,200	167,204,200
Investment in Associates	4.11	173,948,575	165,434,787	330,011,545	375,645,491
Investment Property	4.12	256,128,571	208,645,871	256,128,571	208,645,871
Property and Equipment	4.13	3,766,202,005	3,711,472,312	3,757,646,456	3,704,207,328
Goodwill and Intangible Assets	4.14	179,985,754	197,555,516	179,517,754	196,840,188
Deferred Tax Assets	4.15	123,021,311	16,485,944	62,803,729	-
Other Assets	4.16	3,523,909,817	2,763,904,664	3,677,520,668	2,891,413,838
Total Assets		**198,598,044,081**	**194,112,967,677**	**198,932,610,867**	**194,412,650,516**
LIABILITIES					
Due to Bank and Financial Institutions	4.17	3,714,711,816	4,063,054,785	3,714,711,816	4,063,054,785
Due to Nepal Rastra Bank	4.18	-	11,070,250,868	-	11,070,250,868
Derivative Financial Instruments	4.19	-	-	-	-
Deposits from Customers	4.20	168,432,895,149	152,525,925,913	168,842,139,608	152,801,490,371
Borrowing	4.21	-	45,500,000	-	-
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	5,306,626	5,306,626	5,306,626	5,306,626
Deferred Tax Liabilities	4.15	-	-	-	63,308,934
Other Liabilities	4.23	2,946,359,975	3,535,348,028	2,927,086,615	3,522,074,793
Debt Securities Issued	4.24	2,479,847,548	2,477,875,480	2,479,847,548	2,477,875,480
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		**177,579,121,114**	**173,723,261,699**	**177,969,092,212**	**174,003,361,856**
EQUITY					
Share Capital	4.26	14,200,974,006	14,200,974,006	14,200,974,006	14,200,974,006
Share Premium		-	-	-	-
Retained Earnings		923,246,617	1,378,123,153	846,989,180	1,329,462,004
Reserves	4.27	5,796,746,690	4,722,897,655	5,915,555,469	4,878,852,650
Total Equity Attributable to Equity Holders		**20,920,967,313**	**20,301,994,814**	**20,963,518,655**	**20,409,288,660**
Non-Controlling Interest		97,955,654	87,711,165	-	-
Total Equity		**21,018,922,967**	**20,389,705,978**	**20,963,518,655**	**20,409,288,660**
Total Liabilities and Equity		**198,598,044,081**	**194,112,967,677**	**198,932,610,867**	**194,412,650,516**
Contingent liabilities and commitment	**4.28**	**82,548,258,497**	**88,691,719,440**	**82,004,270,497**	**88,666,719,440**
Net assets value per share		**147.32**	**142.96**	**147.62**	**143.72**

PRAMESH RAJ KAYASTHA
Chief Finance Officer

GANESH RAJ POKHAREL
Chief Executive Officer

RAJAN SINGH BHANDARI
Chairman

PRAKASH CHANDRA MAINALI
Director

BIJAYA DHOJ KARKI
Director

PRABAL JUNG PANDEY
Director

SAJAN SHARMA
Director

ANIL GYAWALI
Director

Date: September 17, 2023
Place: Narayanhiti Path, Kathmandu

As per our report of even date
FCA Niranjan Chaudhary
Partner
JK & SS Associates
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended July 16, 2023 (Ashadh 31, 2080)

AMOUNT IN NPR

PARTICULARS	NOTE	GROUP		BANK	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Interest Income	4.29	20,694,796,293	15,972,401,804	20,660,828,235	15,967,648,035
Interest Expenses	4.30	(14,818,505,235)	(10,959,079,993)	(14,832,332,039)	(10,974,158,052)
Net Interest Income		**5,876,291,058**	**5,013,321,811**	**5,828,496,196**	**4,993,489,982**
Fees and Commission Income	4.31	1,046,642,004	1,033,655,331	1,013,993,665	998,102,482
Fees and Commission Expenses	4.32	(138,955,799)	(131,216,423)	(137,210,558)	(129,036,061)
Net Fees and Commission Income		**907,686,204**	**902,438,907**	**876,783,106**	**869,066,421**
Net Interest, Fees and Commission Income		**6,783,977,263**	**5,915,760,718**	**6,705,279,302**	**5,862,556,403**
Net Trading Income	4.33	187,194,103	194,959,357	182,203,411	224,276,449
Other Operating Income	4.34	28,129,030	201,359,109	23,577,946	177,226,700
Total Operating Income		**6,999,300,396**	**6,312,079,184**	**6,911,060,659**	**6,264,059,552**
Impairment (Charge)/ Reversal for Loans and Other Losses	4.35	(1,216,480,218)	(552,420,450)	(1,216,480,218)	(552,420,450)
Net Operating Income		**5,782,820,178**	**5,759,658,734**	**5,694,580,442**	**5,711,639,102**
Operating Expenses					
Personnel Expenses	4.36	(1,906,119,158)	(1,796,038,272)	(1,889,896,983)	(1,785,432,248)
Other Operating Expenses	4.37	(905,782,047)	(805,373,694)	(901,913,517)	(803,854,246)
Depreciation & Amortisation	4.38	(330,015,094)	(415,769,240)	(327,427,689)	(413,100,077)
Operating Profit		**2,640,903,879**	**2,742,477,528**	**2,575,342,253**	**2,709,252,532**
Non Operating Income	4.39	13,221,997	115,919,089	20,681,607	123,343,936
Non Operating Expenses	4.40	(79,570,322)	-	(79,570,322)	-
Profit Before Income Tax		**2,574,555,553**	**2,858,396,618**	**2,516,453,538**	**2,832,596,468**
Income Tax Expenses	4.41				
Current Tax		(778,061,771)	(906,982,003)	(765,409,985)	(890,236,429)
Deferred Tax		108,030,319	76,120,659	112,712,458	63,250,757
Profit (Loss) for the Period		**1,904,524,102**	**2,027,535,274**	**1,863,756,011**	**2,005,610,796**
Profit Attributable To:					
Equity Holders of the Bank		1,894,060,983	2,029,792,210	1,863,756,011	2,005,610,796
Non-Controlling Interest		10,463,118	(2,256,937)	-	-
Profit for the Period		**1,904,524,102**	**2,027,535,273**	**1,863,756,011**	**2,005,610,796**
Earnings Per Share					
Basic Earnings Per Share		13.41	14.28	13.12	14.12
Diluted Earnings Per Share		13.41	14.28	13.12	14.12

PRAMESH RAJ KAYASTHA
Chief Finance Officer

GANESH RAJ POKHAREL
Chief Executive Officer

RAJAN SINGH BHANDARI
Chairman

PRAKASH CHANDRA MAINALI
Director

BIJAYA DHOJ KARKI
Director

PRABAL JUNG PANDEY
Director

SAJAN SHARMA
Director

ANIL GYAWALI
Director

Date: September 17, 2023
Place: Narayanhiti Path, Kathmandu

As per our report of even date
FCA Niranjan Chaudhary
Partner
JK & SS Associates
Chartered Accountants

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended July 16, 2023 (Ashadh 31, 2080)

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Profit or Loss for the Period	**1,904,524,102**	**2,027,535,274**	**1,863,756,011**	**2,005,610,796**
Other Comprehensive Income				
a) Items that will not be reclassified to Profit or Loss				
Gains/ (Losses) from Investments in Equity Instruments Measured at Fair Value	4,015,431	(154,107,866)	(45,623,169)	(336,820,152)
Gains/ (Losses) on Revaluation	-	-	-	-
Actuarial Gains/ (Losses) on Defined Benefit Plans	967,742	4,734,047	955,819	4,968,674
Income Tax relating to above items	(1,494,952)	44,812,146	13,400,205	99,555,443
Net Other Comprehensive Income that will not be reclassified to Profit or Loss	**3,488,221**	**(104,561,673)**	**(31,267,145)**	**(232,296,035)**
b) Items that are or may be reclassified to Profit or Loss				
Gains/ (Losses) on Cash Flow Hedge	-	-	-	-
Exchange Gains/ (Losses) (arising from translating Financial Assets of Foreign Operation)	-	-	-	-
Income Tax relating to above items	-	-	-	-
Net Other Comprehensive Income that are or may be reclassified to Profit or Loss	-	-	-	-
c) Share of Other Comprehensive Income of Associate accounted as per Equity Method				
Other Comprehensive Income for the Period, Net of Income Tax	**3,488,221**	**(104,561,673)**	**(31,267,145)**	**(232,296,035)**
Total Comprehensive Income for the Period	**1,908,012,323**	**1,922,973,601**	**1,832,488,866**	**1,773,314,761**
Profit Attributable to:				
Equity Holders of the Bank	1,897,549,204	1,925,230,537	1,832,488,866	1,773,314,761
Non-Controlling Interest	10,463,118	(2,256,937)	-	-
Total Comprehensive Income for the Period	**1,908,012,323**	**1,922,973,600**	**1,832,488,866**	**1,773,314,761**

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Director

SAJAN SHARMA
Director

ANIL GYAWALI
Director

Date: September 17, 2023
Place: Narayanhiti Path, Kathmandu

As per our report of even date
FCA Niranjan Chaudhary
Partner
JK & SS Associates
Chartered Accountants

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended July 16, 2023 (Ashadh 31, 2080)

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest Received	18,478,205,094	14,663,786,172	18,440,387,849	14,663,831,218
Fees And Other Income Received	1,041,803,982	1,058,337,245	1,009,913,284	1,023,801,276
Dividend Received	21,053,234	96,298,358	20,595,447	96,298,358
Receipts From Other Operating Activities	169,712,181	422,227,808	166,498,689	432,008,078
Interest Paid	(14,598,332,171)	(10,671,271,124)	(14,598,332,171)	(10,693,172,684)
Commission And Fees Paid	(137,210,558)	(129,036,061)	(137,210,558)	(129,036,061)
Cash Payment To Employees	(1,808,933,559)	(1,660,966,758)	(1,792,723,307)	(1,650,126,107)
Other Expense Paid	(1,004,737,460)	(800,613,915)	(991,924,856)	(798,018,890)
Operating Cash Flows Before Changes In Operating Assets And Liabilities	**2,161,560,743**	**2,978,761,725**	**2,117,204,376**	**2,945,585,188**
(Increase)/Decrease In Operating Assets				
Due From Nepal Rastra Bank	(2,436,500,819)	(470,020,256)	(2,436,500,819)	(470,020,256)
Placement With Bank And Financial Institutions	(1,002,780,704)	1,641,243,354	(1,002,780,704)	1,641,243,354
Other Trading Assets	114,496,670	120,454,221	17,720,670	110,454,221
Loan And Advances To Bank And Financial Institutions	789,247,857	(52,752,649)	789,247,857	(52,752,649)
Loans And Advances To Customers	(9,119,836,865)	(13,153,618,863)	(9,119,836,865)	(13,221,118,863)
Other Assets	(804,578,340)	(1,048,478,011)	(800,563,982)	(1,049,603,993)
Increase/(Decrease) In Operating Liabilities				
Due To Bank And Financial Institutions	(348,342,969)	1,298,052,831	(348,342,969)	1,298,052,831
Due To Nepal Rastra Bank	(11,070,250,868)	9,864,692,044	(11,070,250,868)	9,864,692,044
Deposit From Customers	15,831,969,220	12,163,846,579	16,040,649,237	12,163,078,887
Borrowings	(113,000,000)	45,500,000	-	-
Other Liabilities	(449,412,185)	1,316,239,833	(485,168,154)	1,331,465,814
Net Cash Flow From Operating Activities Before Tax Paid	**(6,447,428,260)**	**14,703,920,808**	**(6,298,622,221)**	**14,561,076,578**
Income Taxes Paid	(780,042,791)	(972,525,818)	(764,020,424)	(958,548,338)
Net Cash Flow From Operating Activities	**(7,227,471,051)**	**13,731,394,990**	**(7,062,642,644)**	**13,602,528,240**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase Of Investment Securities	(553,017,424)	(6,889,715,927)	(690,297,086)	(6,729,963,129)
Receipts From Sale Of Investment Securities	28,654,598	69,018,515	-	-
Purchase Of Property And Equipment	(378,923,820)	(1,220,224,482)	(375,323,257)	(1,214,608,422)
Receipt From The Sale Of Property And Equipment	42,798,709	52,578,500	42,796,359	52,578,500
Purchase Of Intangible Assets	(8,844,678)	(25,943,490)	(8,814,597)	(25,943,490)
Receipt From The Sale Of Intangible Assets	-	-	-	-
Purchase Of Investment Properties	-	-	-	-
Receipt From The Sale Of Investment Properties	19,821,211	41,349,283	19,821,211	41,349,283
Interest Received	1,459,535,943	1,110,959,837	1,441,750,427	1,106,160,264
Dividend Received	9,512,582	162,601,090	9,512,582	149,406,480
Net Cash Used In Investing Activities	**619,537,121**	**(6,699,376,674)**	**439,445,638**	**(6,621,020,514)**

CASH FLOWS FROM FINANCING ACTIVITIES				
Receipt From Issue Of Debt Securities	-	-	-	-
Repayment Of Debt Securities	-	-	-	-
Receipt From Issue Of Subordinated Liabilities	-	-	-	-
Repayment Of Subordinated Liabilities	-	-	-	-
Receipt From Issue Of Shares	-	-	-	-
Dividends Paid	(1,249,048,692)	(444,856,121)	(1,249,048,692)	(394,856,121)
Interest Paid	(256,250,000)	(263,775,555)	(256,250,000)	(256,952,055)
Other Receipt/Payment	(7,807,899)	(101,000)	-	-
Net Cash From Financing Activities	**(1,513,106,590)**	**(708,732,676)**	**(1,505,298,692)**	**(651,808,176)**
Net Increase (Decrease) In Cash And Cash Equivalents	**(8,121,040,521)**	**6,323,285,640**	**(8,128,495,698)**	**6,329,699,550**
Cash And Cash Equivalents At Mid July 2022	17,893,109,366	11,569,823,726	17,892,741,270	11,563,041,720
Effect Of Exchange Rate Fluctuations On Cash And Cash Equivalents Held	-	-	-	-
Cash And Cash Equivalents At Mid July 2023	**9,772,068,845**	**17,893,109,366**	**9,764,245,573**	**17,892,741,270**

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ANIL GYAWALI
Director

Date: September 17, 2023
Place: Narayanhiti Path, Kathmandu

As per our report of even date
FCA Niranjan Chaudhary
Partner
JK & SS Associates
Chartered Accountants

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended July 16, 2023 (Ashadh 31, 2080)

AMOUNT IN NPR

PARTICULARS	GROUP											
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP										NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVE	EXCHANGE EQUALISATION RESERVE	REGULATORY RESERVE	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	OTHER RESERVES	TOTAL		
Balance at July 16, 2021	**12,576,923,114**	**-**	**2,636,741,993**	**74,958,037**	**369,253,624**	**515,106,895**	**387,759,636**	**1,476,205,775**	**916,070,908**	**18,953,019,981**	**110,517,695**	**19,063,537,676**
Adjustment of previous year	**-**	**-**	**-**	**-**	**-**	**-**	**20,133,958**	**120,706**	**115,954,305**	**136,208,969**	**-**	**136,208,969**
COMPREHENSIVE INCOME FOR THE YEAR												
Profit for the Year	-	-	-	-	-	-	-	2,029,792,210	-	2,029,792,210	(2,256,937)	2,027,535,273
Other Comprehensive income, Net of Tax	**-**	**-**	**-**	**-**	**-**	**(107,875,506)**	**-**	**(96,247)**	**3,478,072**	**(104,493,682)**	**(67,991)**	**(104,561,673)**
Gains/ (Losses) from Investments in Equity Instruments Measured at Fair Value	-	-	-	-	-	(107,875,506)	-	-	-	(107,875,506)	-	(107,875,506)
Gains/ (Losses) on Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial Gains/ (Losses) on Defined Benefit Plans	-	-	-	-	-	-	-	(96,247)	3,478,072	3,381,824	(67,991)	3,313,833
Gains/ (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Gains/ (Losses) (arising from translating Financial Assets of Foreign Operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**(107,875,506)**	**-**	**2,029,695,963**	**3,478,072**	**1,925,298,528**	**(2,324,929)**	**1,922,973,600**
Transfer to Reserve during the Year	-	-	401,122,159	-	112,061,979	-	-	(813,166,944)	299,982,805	-	-	-
Transfer from Reserve during the Year	-	-	-	-	(101,439,440)	-	-	101,439,440	-	-	-	-
Transactions with Owners, directly recognised in Equity												
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to Equity Holders												
Bonus Shares Issued	1,624,050,891	-	-	-		-	-	(999,022,603)	(625,028,288)	-	-	-
Cash Dividend Paid	-	-	-	-		-	-	(417,557,857)	-	(417,557,857)	(20,698,950)	(438,256,807)
Other	-	-	-	-	-	(295,282,481)	-	408,673	(101,000)	(294,974,807)	217,348	(294,757,460)
Total Contributions by and Distributions	**1,624,050,891**	**-**	**-**	**-**	**-**	**(295,282,481)**	**-**	**(1,416,171,787)**	**(625,129,288)**	**(712,532,665)**	**(20,481,602)**	**(733,014,267)**
Balance at July 16, 2022	**14,200,974,005**		**3,037,864,152**	**74,958,037**	**379,876,163**	**111,948,908**	**407,893,594**	**1,378,123,153**	**710,356,802**	**20,301,994,814**	**87,711,165**	**20,389,705,978**

PARTICULARS	GROUP											
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP										NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVE	EXCHANGE EQUALISATION RESERVE	REGULATORY RESERVE	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	OTHER RESERVES	TOTAL		
Balance at July 17, 2022	**14,200,974,005**	**-**	**3,037,864,152**	**74,958,037**	**379,876,163**	**111,948,908**	**407,893,594**	**1,378,123,153**	**710,356,802**	**20,301,994,813**	**87,711,164**	**20,389,705,978**
Adjustment of previous year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(171,209)**	**-**	**(171,209)**	**-**	**(171,209)**
Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year	-	-	-	-	-	-	-	1,894,060,983	-	1,894,060,983	10,463,118	1,904,524,102
Other Comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**	**2,810,802**	**-**	**4,891**	**669,073**	**3,484,766**	**3,455**	**3,488,221**
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	2,810,802	-	-	-	2,810,802	-	2,810,802
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	4,891	669,073	673,964	3,455	677,419
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,810,802**	**-**	**1,894,065,874**	**669,073**	**1,897,545,749**	**10,466,574**	**1,908,012,323**
Transfer to reserve during the year	-	-	375,278,654	(51,777,267)	451,927,603	-	-	(1,070,750,161)	295,321,172	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners, directly recognised in equity												
Share issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders												
Bonus shares issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(1,278,087,660)	-	(1,278,087,660)	-	(1,278,087,660)
Other	-	-	-	-	-	-	-	66,621	(381,000)	(314,379)	(222,085)	(536,464)
Total contributions by and distributions	-	-	-	-	-	-	-	(1,278,021,039)	(381,000)	(1,278,402,039)	(222,085)	(1,278,624,124)
Balance at July 16, 2023	**14,200,974,005**	**-**	**3,413,142,806**	**23,180,770**	**831,803,766**	**114,759,709**	**407,893,594**	**923,246,617**	**1,005,966,047**	**20,920,967,313**	**97,955,654**	**21,018,922,967**

PARTICULARS	BANK											
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK										NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVE	EXCHANGE EQUALISATION RESERVE	REGULATORY RESERVE	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	OTHER RESERVES	TOTAL		
Balance at July 16, 2021	**14,200,974,005**	**-**	**3,413,142,806**	**23,180,770**	**831,803,766**	**114,759,709**	**407,893,594**	**923,246,617**	**1,005,966,047**	**20,920,967,313**	**97,955,6534**	**21,018,922,967**
Adjustment of previous year	**-**	**-**	**-**	**-**	**-**	**-**	**20,133,958**	**80,813**	**115,994,228**	**136,208,999**	**-**	**-**
Comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	2,005,610,795	-	2,005,610,795	-	-
Other Comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**	**(235,774,106)**	**-**	**-**	**3,478,072**	**(232,296,035)**	**-**	**-**
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	(235,774,106)	-	-	-	(235,774,106)	-	-
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	3,478,072	3,478,072	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(235,774,106)**	**-**	**2,005,610,795**	**3,478,072**	**1,773,314,760**	**-**	**-**
Transfer to reserve during the year	-	-	401,122,159	-	112,061,979	-	-	(813,166,944)	299,982,805	-	-	-
Transfer from reserve during the year	-	-	-	-	(101,439,440)	-	-	101,439,440	-	-	-	-
Transactions with owners, directly recognised in equity												
Share issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders												
Bonus shares issued	1,624,050,891	-						(999,022,603)	(625,028,288)	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(388,256,807)	-	(388,256,807)	-	-
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total contributions by and distributions	**1,624,050,891**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,387,279,410)**	**(625,028,288)**	**(388,256,807)**	**-**	**-**
Balance at July 16, 2022	**14,200,974,005**	**-**	**3,029,930,275**	**74,958,037**	**379,876,163**	**279,332,788**	**407,893,594**	**1,329,462,004**	**706,861,794**	**20,409,288,660**	**-**	**-**

PARTICULARS	BANK											
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK										NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVE	EXCHANGE EQUALISATION RESERVE	REGULATORY RESERVE	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	OTHER RESERVES	TOTAL		
Balance at July 17, 2022	**14,200,974,005**	**-**	**3,029,930,275**	**74,958,037**	**379,876,163**	**279,332,788**	**407,893,594**	**1,329,462,004**	**706,861,794**	**20,409,288,660**	**-**	**-**
Adjustment of previous year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(171,209)**	**-**	**(171,209)**	**-**	**-**
Balance at July 17, 2022	**14,200,974,005**	**-**	**3,029,930,275**	**74,958,037**	**379,876,163**	**279,332,788**	**407,893,594**	**1,329,290,794**	**706,861,794**	**20,409,117,451**	**-**	**-**
Comprehensive income for the year	-	-	-	-		-	-	-	-	-		-
Profit for the year	-	-	-	-	-	-	-	1,863,756,011	-	1,863,756,011	-	-
Other Comprehensive income, net of tax	-	-	-	-	-	**(31,936,218)**	-	-	**669,073**	**(31,267,145)**	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	-	(31,936,218)	-	-	-	(31,936,218)	-	-
Gains/(losses) on revaluation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	669,073	669,073	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	**-**	**-**	**-**	**(31,936,218)**	**-**	**1,863,756,011**	**669,073**	**1,832,488,866**	-	-
Transfer to reserve during the year	-	-	372,751,202	(51,777,267)	451,927,603	-	-	(1,067,969,964)	295,068,426	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners, directly recognised in equity												
Share issued	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders												
Bonus shares issued	-	**-**	**-**	**-**	**-**	**-**	**-**	-	-	**-**	**-**	**-**
Cash dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(1,278,087,660)	**-**	**(1,278,087,660)**	**-**	**-**
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Total contributions by and distributions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,278,087,660)**	**-**	**(1,278,087,660)**	**-**	**-**
Balance at July 16, 2023	**14,200,974,005**	**-**	**3,402,681,478**	**23,180,770**	**831,803,765**	**247,396,570**	**407,893,594**	**846,989,180**	**1,002,599,293**	**20,963,518,655**	**-**	**-**

PRAMESH RAJ KAYASTHA
Chief Finance Officer

GANESH RAJ POKHAREL
Chief Executive Officer

RAJAN SINGH BHANDARI
Chairman

PRAKASH CHANDRA MAINALI
Director

BIJAYA DHOJ KARKI
Director

PRABAL JUNG PANDEY
Director

SAJAN SHARMA
Director

ANIL GYAWALI
Director

Date: September 17, 2023
Place: Narayanhiti Path, Kathmandu

As per our report of even date
FCA Niranjan Chaudhary
Partner
JK & SS Associates
Chartered Accountants

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended July 16, 2023 (Ashadh 31, 2080)

1. REPORTING ENTITY

Citizens Bank International Limited ('the Bank' or 'CBIL') is a public company incorporated under the Companies Act, 2063 and licensed by Nepal Rastra Bank to conduct Banking transaction as a "A" Class Commercial Bank under the Bank and Financial Institution Act, 2073. The Bank has its Corporate Office at Narayanhiti Path, Kathmandu. The Bank received the license to commence banking operations on April 20, 2007 (Baisakh 7, 2064). The Bank's Equity Shares are listed in Nepal Stock Exchange and are trading under the code "CZBIL". The principal activities of the Bank is 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, branchless banking units and ATMs.

The Bank acquired two "C" class financial institutions Nepal Housing & Merchant Finance Limited and People's Finance Limited during the fiscal year 2071/72. The Bank started consolidated Banking transaction from May 8, 2015 (Baisakh 25, 2072). Similarly, the Bank has acquired Premier Finance Limited and started the consolidated transaction from July 17, 2016 (Shrawan 2, 2073). During FY 2076-77, the Bank acquired "B" class financial institution "Sahayogi Vikas Bank Limited" and started joint transaction from July 04, 2020 (Ashad 20, 2077). During fiscal year 2077/78, the Bank acquired "B" class financial institution "Tinau Mission Development Bank" and "C" class financial institution "Srijana Finance Limited and started joint transaction from 27th March 2021 (Chaitra 14, 2077) and 10th July 2021 (Ashad 26, 2078).

SUBSIDIARIES

Citizens Capital Limited (the Subsidiary) and CBIL Securities Limited (the Subsidiary) are the subsidiary companies of the Bank.

Citizens Capital Limited was incorporated on January 30, 2006 (Magh 17, 2062) as public company under the Companies Act, 2063. The Bank made an equity investment in Citizens Capital Limited on March 13, 2016 (Falgun 30, 2072). The principal activities of the Subsidiary (Citizens Capital Limited) are to provide merchant/investment banking services that include management of public offerings, portfolio management, underwriting of securities and fund management of mutual fund schemes, depository participant's service under Central Depository Service (CDS) and administration and record keeping of securities of its clients. The Bank as on date holds 58.60% controlling interest in the Citizens Capital Limited.

CBIL Securities Limited was incorporated on June11, 2019 (Jestha 28, 2076) as public company under the Companies Act, 2063. The Bank made an equity investment in CBIL Securities Limited on July 5, 2019 (Ashadh 20,2076). The principal activities of the Subsidiary (CBIL Securities Limited) are to provide brokerage service related to securities, margin trading, investment in securities and consultancy to its clients and other related services. The Bank as on date holds 100% controlling interest in the CBIL Securities Limited.

ASSOCIATES

Nepal Electronic Payment Systems Limited (NEPS) and Mero Microfinance Laghubitta Bittiya Sanstha Limitedare the associates of the Bank.

NEPS is formulated as a consortium of seven national level commercial Banks, with aim to pool the resources of these Banks together and establish a common platform, which will be more secure, reliable and able to encompass the rapid growth of new technologies in electronic payments. The Bank as on date holds 9.09% of total share capital of the NEPS.

Mero Microfinance Laghubitta Bittiya Sanstha Limited is "D" class Financial Institution licensed by NRBestablished to support and strengthens the bottom of the socio-economic pyramid by facilitating easy and responsive access to micro-finance services and enhance their business skills and grow their enterprises at optimum level. The Bank as on date holds 6.90% of total share capital of Mero Microfinance Laghubitta Bittiya Sanstha Limited.

The Bank, the Subsidiaries and the associates are collectively referred to as "the Group".

2. BASIS OF PREPARATION

The financial statements of the Group have been prepared on accrual basis of accounting except the cash flow statement which is prepared, on a cash basis, using the direct method.

The financial statements comprise the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Notes to the Accounts of the Group and Separate Financial Statements as stated above of the Bank. The significant accounting policies applied in the preparation of consolidated financial statements are set out below in point number 3. These policies are consistently applied to all the years presented, except for the changes in accounting policies disclosed specifically.

2.1. STATEMENT OF COMPLIANCE

The Financial Statements of the Group which comprises components mentioned above have been prepared in accordance with Nepal Financial Reporting Standards (hereafter referred as NFRS) issued by Accounting Standards Board of Nepal, endorsed by the Institute of Chartered Accountants of Nepal and Nepal Rastra Bank and in compliance with the requirements of the Companies Act,2063 and Generally Accepted Accounting Principles in the Banking industry in Nepal.

The Board of Directors of the Group authorized the financial statement vide its resolution dated 2080/05/31 and recommended for its approval by the Annual General Meeting of the shareholders.

2.2. REPORTING PERIOD

Reporting Period is a period from the first day of Shrawan (mid July) of any year to the last day of Ashadh (mid July) of the next year as per the Nepali calendar.

	Nepali Calendar	English Calendar
Current Year	2079/80	2022/23
Previous Year	2078/79	2021/22
Current Year Period	Shrawan 01, 2079 to Ashadh 31, 2080	July 17, 2022 to July 16, 2023
Previous Year Period	Shrawan 01, 2078 to Ashadh 31, 2079	July 16, 2021 to July 16, 2022

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements of the Group are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which the Group operates. Financial information is presented in Nepalese Rupees. There was no change in the Group's presentation and functional currency during the year under review. The figures are rounded to nearest integer, except otherwise indicated.

2.4. USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENT

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 assets and liabilities) as of the date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Information about assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year are:

- Key assumptions used in discounted cash flow projections
- Measurement of defined benefit obligations
- Provisions, commitments and contingencies
- Determination of net realizable value
- Determination of useful life of the property, plant and equipment
- Assessment of the Group's ability to continue as going concern
- Determination of fair value of financial instruments; and property and equipment
- Impairment of financial and non-financial assets
- Assessment of current as well as deferred tax.

2.5. CHANGES IN ACCOUNTING POLICIES

The Group has applied its accounting policies consistently from year to year except for some comparatives have been grouped or regrouped to facilitate comparison, corrections of errors and any changes in accounting policy have been separately disclosed with detail explanation.

2.6. NEW REPORTING STANDARDS ISSUED BUT NOT EFFECTIVE

Few carve- outs on applicable Accounting Standards as provided by the Institute of Chartered Accountants of Nepal have been used by the Bank, the quantitative and qualitative impact of the same have been disclosed in detail in Notes to the Accounts.
Further, a number of new standards and amendments to the existing standards and interpretations have been issued by International Accounting Standard Board after the pronouncements of NFRS with varying effective dates. Those become applicable when Accounting Standard Board of Nepal incorporates them within NFRS.

2.7. DISCOUNTING

The Group calculates amortized cost of a financial assets or a financial liability using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of a financial asset or a financial to the net carrying amount of the financial asset or liability. If expected life cannot be determined reliably, then the contractual life is used.

In case where the Group assesses that the transaction amount of a financial assets or a financial liability does not represent its fair value, the related future cash flows are discounted at prevailing interest rate to determine the initial fair value.

2.8. PRIOR PERIOD ERRORS

Prior Period Errors are omissions or misstatements in an entity's financial statements. Such omissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years' financial statements. Sometimes such changes may not be practicable, in such cases it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

2.9. PREVIOUS YEAR'S FIGURES

Previous year's figures have been grouped or regrouped wherever necessary to facilitate comparison.

2.10. MATERIALITY AND AGGREGATION

In compliance with NFRS 1 - Presentation of Financial Statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions are presented separately unless they are material.

2.11. GOING CONCERN

The financial statements are prepared on a going concern basis, as the management of the Bank is satisfied that the Bank has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.12. NEW STANDARDS AND INTERPRETATION NOT ADOPTED

During the current fiscal year, the Group has not applied the numbers of standards as prescribed in NFRS and used the NFRS carve- out adjustments. As a consequence, the net profit and retained earnings have been impacted.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The preparation of financial statements requires the use of certain accounting estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects have been disclosed.

3.1. BASIS OF MEASUREMENT

The financial statements have been prepared on historical cost basis except for following material items in the statement of financial position:

- Financial assets other than measured at amortized cost are measured at fair value.
- Non-derivative financial instruments at fair value through profit or loss are measured at fair value.
- Derivative financial instruments are measured at fair value.
- Inventories are measured at cost or net realizable value whichever is lower.
- Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
- Investment property is measured at cost.
- Liabilities for cash-settled, share-based-payment arrangements are measured at fair value.
- Investment securities are measured at fair value.
- Trading Assets like Bonds, Treasury Bills, Equities, etc. held for trading purpose are measured at fair value.
- Impairment of asset is measured at fair value and related disposal cost.
- Assets acquired & Liabilities assumed in a business combination are recognized at fair value.
- Any other requirements or options provided by standards.

3.2. BASIS OF CONSOLIDATION

Where the company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity.

In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of income from the date on which control is obtained. They are de-consolidated from the date of control ceases.

The Group's Financial Statements comprise consolidation of the Financial Statements of the Group and its subsidiary in terms of the NFRS 10 – Consolidated Financial Statements.

3.2.1. SUBSIDIARIES

Subsidiaries are the entities controlled by the Bank. The Bank controls an entity if it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until

the date that control ceases. The Bank reassesses whether it has control if there are changes to one or more of the elements of control. The Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The Consolidated Financial Statements are prepared for the common financial year end. There are no significant restrictions on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances. Both of the subsidiaries of the Bank have been incorporated in Nepal.

3.2.2. BUSINESS COMBINATION

Business combinations are accounted for using the acquisition method. As of the acquisition date, the amount of non-controlling interest is measured either at fair value or at the non-controlling interest's proportionate share of the acquirer's identifiable net assets. Acquisition related costs are expensed in the periods in which the costs are incurred and the services are received.

The Group elects on a transaction by transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3.2.3. ACQUISITIONS OF NON-CONTROLLING INTERESTS

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. Therefore, no goodwill is recognized as a result of such transactions.

3.2.4. LOSS OF CONTROL

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, carrying amount of non-controlling interests and the cumulative translation differences recorded in equity related to the subsidiary. Further parent's share of components previously recognized in Other Comprehensive Income (OCI) is reclassified to profit or loss or retained earnings as appropriate. Any surplus or deficit arising on the loss of control is recognized in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

3.2.5. TRANSACTIONS ELIMINATED ON CONSOLIDATION

All intra group balances, income and expenses (except for foreign currency translation gains or losses) arising from intra group transactions are eliminated on consolidation. Unrealized gains and losses resulting from transactions between the Group and subsidiary are also eliminated on consolidation to the extent of the Group's interests in the subsidiary.

3.3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at vault and agency bank accounts balances, unrestricted balances with NRB, highly liquid financial assets with original maturity of 3 months from the date of its acquisition and are readily convertible to cash, which are subject to an insignificant risk of changes in value.

Cash and Cash equivalent are classified as financial assets and are measured at amortized cost in the statement of financial position.

Statement of Cash Flows has been prepared by using the 'Direct Method' in accordance with NAS 07- Statement of Cash Flows.

3.4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

3.4.1. RECOGNITION

The Group initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. The Group initially recognizes loans and advances, deposits; and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the Group becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, reverse repos, outright purchase are recognized on trade date at which the Group commits to purchase/ acquire the financial assets. Regular way purchase and sale of financial assets are recognized on trade date.

3.4.2. CLASSIFICATION

i. Financial Assets

The Group classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The two classes of financial assets are as follows:

1. Financial assets measured at amortized cost

The Group classifies a financial asset measured at amortized cost if both of the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Financial asset measured at fair value

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

a) Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading purpose or are designated at fair value through profit or loss. Upon initial recognition, transaction cost are directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

b) Financial assets at fair value through other comprehensive income

Investment in an equity instrument that is not held for trading and at the initial recognition, the Group makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

ii. Financial Liabilities

The Group classifies the financial liabilities as follows:

a) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value are recognized at profit or loss.

b) Financial liabilities measured at amortized cost

All financial liabilities other than measured at fair value though profit or loss are classified as subsequently measured at amortized cost using effective interest rate method.

3.4.3. MEASUREMENT

Initial Measurement

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or un-collectability.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

3.4.4. DERECOGNITION

i. Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Group is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset, and the sum of (i) the consideration received and (ii) any cumulative gain or loss that had been recognized is recognized in Statement of Profit or Loss.

The Group enters into transactions whereby it transfers assets recognized on its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example repurchase transactions.

ii. Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in Statement of Profit or Loss.

3.4.5. DETERMINATION OF FAIR VALUE

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The fair value measurement hierarchy is as follows:

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 portfolios are those where there are unobservable inputs of the instruments. The inputs are not based on observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation) nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out. In case the fair value is evidenced by a quoted price in an active market for an identical asset or liability (Level 01 valuation), the difference between the transaction price and fair value is recognized in profit or loss immediately.

3.4.6. OFFSETTING

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under NFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

3.4.7. IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date, the Group assesses whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter Bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In case of financial difficulty of the borrower, the Group considers to restructure loans rather than take possession of collateral. This may involve extending the payment arrangements and agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

Impairment of financial assets measured at amortized cost

The Group considers evidence of impairment for loans and advances and investment securities measured at amortized cost at both specific asset and collective level. The Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant and that are not individually significant are assessed collectively.

If there is objective evidence on that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss.

All individually significant loans and advances and investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities with similar risk characteristics.

Impairment of loans and advances portfolios is based on the judgments in past experience of portfolio behavior. In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortized cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.
In case of impairment of financial assets being loans and advances, the impairment loss amount is taken as higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 5 of carve out on para 5.5 (Impairment) of NFRS 9 issued by ICAN as mentioned above.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write off is later recovered, the recovery is recognized in the 'Non Operating Income'.

Impairment of investment in equity instrument classified as fair value through other comprehensive income

Objective evidence of impairment of investment in an equity instrument is a significant or prolonged decline in its fair value below its cost. Impairment losses are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and the current fair value, less any impairment loss recognized previously in profit or loss.

3.5. TRADING ASSETS

Trading assets are those assets that are acquired principally for the purpose of selling in the near term, or held as part of a portfolio that is managed together for short-term profit. It includes non derivative financials assets such as government bonds, NRB bonds, domestic corporate bonds, treasury bills, equities etc. held primarily for the trading purpose. If a trading asset is a debt instrument, it is subject to the same accounting policy applied to financial assets measured at amortized cost. If a trading asset is an equity instrument, it is subject to the same accounting policy applied to financial assets measured at Fair Value through Profit or Loss.

3.6. DERIVATIVE ASSETS AND DERIVATIVE LIABILITIES

Derivative assets and derivative liabilities create rights and obligations that have the effect of transferring between the parties to the instrument one or more of the financial risk inherent in an underlying primary financial instrument. However, they generally do not result in a transfer of the underlying primary financial instrument on inception of the contract, nor does such a transfer necessarily take place on maturity of the contract.

The value of a derivative changes with the change in value of the underlying. Examples of derivative are forward, futures, options or swap contracts. The underlying could be specified interest rate, security price, commodity price, exchange rate, price index, etc.
Derivative financial instruments meet the definition of a financial instrument and are accounted for as derivative financial asset or derivative financial liability measured at FVTPL and corresponding fair value changes are recognized in profit or loss. The Group has not designated derivative as a hedging instrument in an eligible hedging relationship under NFRS 9 – "Financial Instrument" and has not applied hedge accounting.

3.7. FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date and all differences arising on non trading activities are taken to 'other operating income' in the Statement of Profit or Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date on which the fair value is determined.

Foreign currency differences arising on retranslation are recognized in the Statement of Profit or Loss.

At the annual closing, if the revaluation loss is reported, the same is charged to Statement of Profit or Loss and if revaluation profit is reported, such amount is shown as income in Statement of Profit or Loss and 25 percent of such profit is appropriated to Exchange Fluctuation Reserve through Statement of Changes in Equity as required by Bank and Financial Institutions Act.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Forward exchange contracts are valued at the forward market rates ruling on the reporting date and resulting net unrealized gains or losses are dealt with in the Statement of Profit or Loss.

3.8. PROPERTY AND EQUIPMENT

a) Recognition and Measurement

Property and Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Group and the cost of the asset can be reliably measured. The cost includes expenditures that are directly attributable to the acquisition of the assets. Cost of self constructed assets includes followings:

- Cost of materials and direct labor;
- Any other cost directly attributable to bringing the assets to the working condition for their intended use; and
- Capitalized borrowing cost

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the entity. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred.
Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss, if any.
Neither class of the property and equipment has been measured as per revaluation model nor is their fair value measured at the reporting date.

On revaluation of an asset, any increase in the carrying amount is recognized in 'Other comprehensive income' and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of previous write down. Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited to the Other Comprehensive income to the extent of any credit balance existing in the capital reserve in respect of that asset.
The decrease recognized in other comprehensive income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

b) Capital work in progress

Capital work in progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings and system development, awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

c) Depreciation

Property and equipments are depreciated from the date they are available for use on property on straight-line method over estimated useful lives as determined by the Management. Depreciation is recognized in profit or loss. Leased assets under the finance lease are depreciation over the shorter of the lease term and their useful life. Land is not depreciated. Charging of depreciation is ceased from the earlier of the date from which the asset is classified as held for sale or is derecognized. Right of Use is depreciated on the Straight Line Basis over the period of lease term.

The estimated useful lives of significant items of property and equipment for current year and comparative periods are as follows:

CLASS OF ASSETS	USEFUL LIFE	RATE OF DEPRECIATION
Building	50 years	2%
Metal Furniture	10 years	10%
Wooden Furniture	7 years	14.29%
Office Vehicles	7 years	14.29%
Computer (including Printer)	6 years	16.67%
Office Equipments	7 years	14.29%

- 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 10 year period for CBS of the Bank and 5 years for other software or within the ownership period.
- Assets costing less than NPR 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

Depreciation method, useful lives and residual value are reviewed at each reporting date and adjusted, if any.

d) De-recognition

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of an item of property and equipment is included in the Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.9. INTANGIBLE ASSETS

The intangible assets include software purchased by the Group. Software is measured at cost less accumulated amortization and accumulated impairment loss if any. Software is amortized on a straight line basis in profit or loss over its useful life, from the date that is available for use. The estimated useful life of software for the current and comparative periods is five years. Amortization method, useful lives and residual value are reviewed at each reporting date and adjusted if any.

The goodwill is initially measured at the difference between the purchase consideration given and the fair value of net assets acquired. Subsequent to the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is presented with intangible assets.

Recognition

An intangible asset is an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost. Expenditure incurred on an intangible item that was initially recognized as an expense by the Group in previous annual Financial Statements or interim Financial Statements are not recognized as part of the cost of an intangible asset at a later date.

Computer Software & Licenses

Cost of purchased licenses and all computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured, and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category 'Intangible assets' and carried at cost less accumulated amortization and any accumulated impairment losses.

Subsequent Expenditure

Expenditure incurred on software is capitalized only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

Goodwill is measured at cost less accumulated impairment losses.

Amortization of Intangible Assets

Intangible Assets, except for goodwill, are amortized on a straight–line basis in the Statement of Profit or Loss from the date when the asset is available for use, over the best of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the Group. Amortization methods, useful lives, residual values are reviewed at each financial year end and adjusted if appropriate. The Group assumes that there is no residual value for its intangible assets.

De-recognition of Intangible Assets

The carrying amount of an item of intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising on de recognition of an item of intangible assets is included in the Statement of Profit or Loss when the item is derecognized.

3.10. INVESTMENT PROPERTY

Investment property is the land or building or both held either for rental income or for capital appreciation or for both, but not for sale in ordinary course of business and owner occupied property. The Group holds investment property that has been acquired through the enforcement of security over the loans and advances.

Investment property is measured at cost. The panchakrit value of the property that has been acquired through the enforcement of security over the loans and advances have been considered as the cost of the property.

Investment properties are derecognized when they are disposed of, or permanently withdrawn from use since no future economic benefits are expected. Any gain or loss on disposal of an investment property is recognized in profit or loss. When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent reporting.

3.11. INCOME TAX

Income Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent they relate to the items recognized directly in equity or in other comprehensive income.

a) Current Tax

Current tax is the tax payable or receivable on the taxable income or loss for the year using tax rates that are enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

b) Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amount and tax base of assets and liabilities; and carry forward of unused tax losses. Deferred tax is measured at the tax rate that is expected to be applied to temporary differences when they reverse, using tax rate enacted or substantially enacted at the reporting date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which it can be utilized. Deferred tax assets are reviewed at each reporting date and appropriately adjusted to reflect the amount that is reasonably/ virtually certain to be realized. Deferred tax asset and deferred tax liabilities are offset if all of the following conditions met:

a) if there is a legally enforceable right to offset the current tax liabilities and assets;
b) the taxes are levied by the same authority on the same tax entity; and
c) the entity intends to settle the current tax liabilities and assets on net basis or the tax assets and liabilities will be realized simultaneously.

3.12. PROVISIONS AND CONTINGENT ASSETS/ LIABILITIES

The Group recognizes a provision if, as a result of past event, the Group has a present constructive or legal obligation that can be reliably measured and it is probable than an outflow of economic benefit will be required to settle 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.

A provision for onerous contract is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

Provisions are reviewed at each reporting 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.

Liabilities on account of derivative contracts are reported under Contingent Liabilities under sub- heading Outstanding Liabilities for Forward Exchange Contract. These include notional principal on outstanding forward rate agreements. The Forward Exchange Contract is marked to market and resulting difference is recognized in Statement of Profit or Loss. The difference payable/ receivable that arises at the time settlement of Forward Exchange Contract is recognized at the time of settlement.

3.13. DEPOSITS, DEBT SECURITIES ISSUED AND SUBORDINATED LIABILITIES

Deposits, debt securities issued and subordinated liabilities are the Group's sources of debt funding.

Deposits comprises of financial liabilities incurred by the Group on account of deposit amount held of the customers and other Banks and Financial Institutions.

Debt securities issued are financial liabilities instrument issued to raise fund for the Group.

Subordinated Liabilities are debt instruments issued by under the conditions of subordinate priority relative to other liabilities incurred by the Group.

Deposits, debt securities issued and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

3.14. 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 Group and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable. The bases of incomes recognition are as below:

a) Interest income

As per the requirement of NFRS, interest income is recognized in profit or loss using effective interest method, except for those classified at fair value through profit or loss. Effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of financial asset or liability to the carrying amount of the asset or liability. The effective interest rate is calculated on initial recognition of the financial asset or liability by estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses. The calculation of effective interest rate includes all transactions cost and fee and points paid or received that are integral part of the effective interest. The transactions cost and fees and points that are not material i.e. below or equal to 1% of financial asset or liability and for financial asset or liability with tenure of upto 1 year have been recognized directly in Statement of Profit or Loss and not considered in the calculation of effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of financial assets.

Interest income presented in statement of profit or loss includes:

- Interest income on financial assets measured at amortized cost calculated on an effective interest rate method except for loans and advances. These financial assets include investment in government securities, investment in corporate bonds, investment in NRB Bond and deposit instruments, reverse repos, inter-bank lending, etc.
- Interest on investment securities measured at fair value is calculated on effective interest rate.
- Income on discounted instruments like bills purchased, documents negotiation is recognized over the period of discounting on accrual basis using effective interest rate.

Interest income on all trading assets are considered to be incidental to the Group's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity. In some cases, this may not be probable until the consideration is received or until an uncertainty is removed.

Interest income on Loans and Advances is recognized as per the guideline on recognition of interest income, 2019 issued by NRB.

b) Fees and Commission

Fees and commission income that are integral to the effective interest rate on a financial asset are included in measurement of effective interest rate. Other fees and commission income including management fee, service charges, syndication fee, forex transaction commission, commission of issue of letter of credit and guarantee are recognized as the related services are performed. When the loan commitment is not utilized to the extent of approved limit, the related commitment fees are recognized on undrawn amount on straight line basis over the period of commitment. Following bases are adopted for recognition of fees and commission

- Commission on guarantees issued by the Group is recognized as income over the period of the guarantee, except for guarantee commission not exceeding Rs 10 thousands, which is recognized at the time of its issue.
- Commission on sight Letters of Credit (LC) issued by the Group is recognized as income at the time of issue of the LC whereas income from time LC is recognized over its period on accrual basis.
- Other fees and commission income are recognized on accrual basis.

c) Dividend Income:

Dividend on investment in resident company is recognized when the right to receive payment is established. Dividend incomes are presented in "Net Trading Income" or "Other Operating Income" based on the underlying classification of the equity instruments.

d) Net Trading Income

Trading income/ loss is recognized for all realized interest on trading assets, dividend, gain/loss on foreign exchange transaction and gain/ loss on disposal of trading assets. The trading income and loss are netted off and disclosed separately in Statement of Profit or Loss.

e) Other Operating Income

Other operating income is recognized for any unrealized changes in fair value of trading assets and liabilities, dividend, gain/loss on sale of property & equipment and investment property, gain/loss on sale of gold and other operation related income.

3.15. INTEREST EXPENSE

Interest expense on all financial liabilities including deposits are recognized in profit or loss using effective interest rate method. Interest expense on all trading liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

3.16. EMPLOYEE BENEFITS

a) Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is also recognized for the amount expected to be paid under bonus required by the Bonus Act, 2030 to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably under short term employee benefits.
Short-term employee benefits include all the following items (if payable within 12 months after the end of the reporting period):

- wages, salaries and social security contributions;
- profit-sharing and bonuses; and
- non-monetary benefits

b) Post Employment Benefit Plan

Post employment benefit plan includes followings:

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution to a separate entity and has no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution plans are recognized as personnel expense in profit or loss in the periods during which the related service are rendered by employees. Pre-paid contributions are recognized as an asset to the extent that cash refund or reduction in future payments is available. Contributions to a defined contribution plan being due for more than 12 months after the end of the period in which the employee render the service are discounted at their present value. The following are the defined contribution plan provided by the Group to its employees:

- ***Employees Provident Fund***

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

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on high quality corporate bonds, that have maturity dates approximating the terms of the Group's obligation and that are denominated in the currency in which the benefits are expected to be paid. The calculation of obligation is performed annually by a qualified actuary using projected unit credit method.

The Group recognizes all re-measurement gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefits plans in employee benefit are expensed in profit or loss.

The Gratuity is the defined benefit plans provided by the Group to its employees:

- ***Gratuity***

Group provides for gratuity on actuarial basis covering eligible employees joining prior to Bhadra 1, 2074 and on accrual basis covering employees joining on or after Bhadra 1, 2074 as per terms of Employee Service Byelaws of the Group.

c) Other Long Term Employee Benefits

Other long term employee benefits include benefits that are not expected to be settled wholly before twelve months after end of the fiscal year in which employees render the related service.

The Group recognizes all re-measurement gains and losses including all service cost and interest cost related to other long term employee benefits are expensed in profit or loss account.

The Sick and Home Leave are the other long term employee benefit plans provided by the Group to its employees:

• ***Leave Salary***

The employees of the Group 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 Byelaws of the Group. The Group accounts for the liability for entire accumulated outstanding leave balance on actuarial basis.

d) Termination Benefits

Termination benefits are recognized as expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal plan to provide termination benefits to employees as a result of an offer made to encourage voluntary redundancy. Termination benefits are recognized if the Group has made an offer for voluntary redundancy, it is probable that the offer will be accepted and the number of acceptance can be measured reliably. If the benefits are payable in more than 12 months after the reporting date, they are discounted to their present value.

3.17. LEASE

Group as a Lessee

At the commencement date of lease, the Group shall recognize Right of Use asset. The cost of Right of Use asset shall comprise the amount of initial measurement of lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the lessee. Right of Use Assets shall be measured at cost less any accumulated depreciation and any accumulated impairment and adjusted for any re measurement of the lease liability. The Group shall depreciate the Right of Use Asset from the commencement date to the end of useful life of the underlying assets on the straight line basis.

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payment shall include fixed payments less any lease incentives receivable, variable lease payments, amounts expected to be payable by the Group under residual value guarantee., the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease.

Group as a Lessor

The Group shall classify each of its leases as either an operating lease or a finance lease. The lease is classified as a finance lease if the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if the Group does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. The Group shall recognize lease payments from operating leases as income on a straight-line basis over the lease term.

3.18. FINANCIAL GUARANTEES AND LOAN COMMITMENTS

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees and loan commitments are disclosed as contingent liabilities and not recorded in Statement of Financial Position. Liabilities arising from financial guarantees and loan commitments are settled and included in loans and advances as receivables from debtors (borrowers).

3.19. SHARE CAPITAL AND RESERVES

a) Share Capital

The Group classifies the capital instruments as equity instruments or financial liabilities in accordance with the substance with the contractual terms of the instruments. Equity is defined as residual interest in total assets of an entity after deducting all its liabilities. Common shares are classified as equity of the Group and distributions thereon are presented in statement of changes in equity.

The Group is required to maintain the capital adequacy ratio imposed by the regulator. The ratio is fixed at 11% for current year and the Group has maintained the required ratio.

b) Share Issue Costs

Incremental costs directly attributable to issue of an equity instruments are deducted from the initial measurement of the equity instruments.

3.20. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.21. SEGMENT REPORTING

The Group has identified the reportable segment as the business activities from which it earns revenues and incurs expenses whose operating results are reviewed by the management to make decision about resource allocation to each segment and assess its performance.

The Bank comprises Banking, Treasury, Cards and Remittance as major business segments on the nature of products and services of the Bank. All transactions between segments are conducted on pre-determined transfer price with Corporate Office. Treasury Department acts

as the fund manager of the Bank.

Segment results that have been reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The income, expenses, assets& liabilities that cannot be allocated to segments identified or those related to corporate office are unallocated. Unallocated items comprise mainly corporate assets (primarily the Bank's corporate building), head office expenses, and tax assets and liabilities that are categorized as the Banking.

3.22. NON- CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortized while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognized as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognized) is recognized in profit or loss.

3.23. IMPAIRMENT OF NON FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value of the Cash Generating Unit's (CGU) less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, in determining fair value less costs to sell, an appropriate valuation model is used.

3.24. EVENTS AFTER THE REPORTING PERIOD

Where necessary all material events after the reporting date have been considered and appropriate adjustments or disclosures have been made in the Financial Statements as per the NAS 10 –Events after the Reporting Period.

ANNEXURES TO THE FINANCIAL STATEMENTS

As at July 16, 2023 (Ashadh 31, 2080)

CASH AND CASH EQUIVALENTS 4.1

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Cash in Hand	5,421,133,739	6,585,152,727	5,421,133,739	6,585,142,727
Balances with B/FIs	1,103,120,554	1,252,982,187	1,100,304,538	1,252,624,092
Money at Call and Short Notice	1,646,946,943	5,991,137,042	1,646,946,943	5,991,137,042
Other*	1,600,867,610	4,063,837,409	1,595,860,353	4,063,837,409
Total	**9,772,068,845**	**17,893,109,366**	**9,764,245,573**	**17,892,741,270**

* Other Cash and cash equivalents includes bank balance held with Nepal Rasta Bank over and above the statutory Cash Reserve Ratio requirement.

DUE FROM NEPAL RASTRA BANK 4.2

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Statutory Balances with NRB	6,102,761,475	4,266,508,053	6,102,761,475	4,266,508,053
Securities purchased under Resale Agreement	-	-	-	-
Other deposit and receivable from NRB	600,247,397	-	600,247,397	-
Total	**6,703,008,872**	**4,266,508,053**	**6,703,008,872**	**4,266,508,053**

PLACEMENT WITH BANK AND FINANCIAL INSTITUTIONS 4.3

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Placement with Domestic B/FIs	-	-	-	-
Placement with Foreign B/FIs	2,236,412,161	1,233,631,457	2,236,412,161	1,233,631,457
Less: Allowances for Impairment	-	-	-	-
Total	**2,236,412,161**	**1,233,631,457**	**2,236,412,161**	**1,233,631,457**

DERIVATIVE FINANCIAL INSTRUMENTS 4.4

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	17,045,476	2,659,089	17,045,476	2,659,089
Others	-	-	-	-
Held for Risk Management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	-	-	-	-
Others	-	-	-	-
Total	**17,045,476**	**2,659,089**	**17,045,476**	**2,659,089**

OTHER TRADING ASSETS 4.5

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Treasury Bills	-	-	-	-
Government Bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate Bonds	-	-	-	-
Equities	517,449,460	540,532,585	318,664,245	327,132,524
Other*	207,855	207,855	207,855	207,855
Total	**517,657,315**	**540,740,440**	**318,872,100**	**327,340,379**
Pledged	-	-	-	-
Non-Pledged	517,657,315	540,740,440	318,872,100	327,340,379

**Note: Other includes gold and silver in vault of the Bank.*

Amount in NPR

PARTICULARS	GROUP				BANK			
	CURRENT YEAR		PREVIOUS YEAR		CURRENT YEAR		PREVIOUS YEAR	
Other Trading Assets in Equities of the Bank	**COST**	**FAIR VALUE**	**COST**	**FAIR VALUE**	**COST**	**FAIR VALUE**	**COST**	**FAIR VALUE**
1. Investment in quoted equity of the Bank								
1.1 Soaltee Hotel Ltd 0.16 equity shares (including 0.16 bonus shares) of Rs 10 each.	41	76	41	30	41	76	41	30
1.2 Nepal Life Insurance Co. Ltd. 4268.10 equity share (including 1775.402 bonus shares) of Rs 100 each	4,249,741	3,175,463	14,944,115	10,484,217	4,249,741	3,175,463	14,944,115	10,484,217
1.3 Asian Life Insurance Co. Limited 1.12 equity (including 1.12 bonus shares of Rs 100 each	462	833	462	517	462	833	462	517
1.4 National Life Insurance Co. Ltd. 0.12 equity shares of Rs 100 each	57	77	57	55	57	77	57	55
1.5 Shikhar Insurance Co. Ltd. 2,133 equity shares(including 922.58 bonus shares) of Rs 100 each	2,633,888	1,802,385	24,884,461	13,635,068	2,633,888	1,802,385	24,884,461	13,635,068
1.6 Neco Insurance Co. Ltd. 601.09 equity shares (including 525.3 bonus shares) of Rs 100 each	590,171	535,636	6,306,361	3,876,199	590,171	535,636	6,306,361	3,876,199
1.7 Siddhartha Premier Insurance Ltd. 2.02 equity share (including 2.02 bonus share of Rs 100 each	916	1,574	330	544	916	1,574	330	544
1.8 IGI Prudential Insurance Co. Ltd. 26.35 bonus shares of Rs 100 each	15,427	14,754	15,427	8,873	15,427	14,754	15,427	8,873
1.9 Life Insurance Co. Nepal 0.82 bonus shares of Rs 100 each	10	1,278	10	1,163	10	1,278	10	1,163
1.10 Prime Life Insurance Co. Nepal	-	-	570	654	-	-	570	654
1.11 Premier Insurance Co. Ltd.	-	-	586	470	-	-	586	470
1.12 Sanima Reliance Life Insurance Ltd 1,009 equity shares of Rs 100 each	616,007	561,004	5,055,046	2,773,800	616,007	561,004	5,055,046	2,773,800
1.13 Surya Jyoti Life Insurance Co Ltd 460 equity share (including 310 bonus shares of Rs 100 each	258,530	280,554	258,530	177,991	258,530	280,554	258,530	177,991
1.14 NLG Insurance Company Ltd. 0.43 bonus shares of Rs 100 each	126	358	126	185	126	358	126	185
1.15 Sagarmatha Lumbini Insurance Co. Ltd. 0.1599 bonus shares of Rs 100 each	113	120	113	71	113	120	113	71
1.16 Nepal Reinsurance Co. Ltd. 1,189 equity shares (including 519 bonus share) of Rs 100 each	1,235,957	879,968	3,677,566	2,080,050	1,235,957	879,968	3,677,566	2,080,050
1.17 Nepal Doorsanchar Co Ltd	-	-	4,166,490	3,164,040	-	-	4,166,490	3,164,040

1.18 Chilime Hydropower Company Limited 1.12 bonus shares of Rs 100 each	-	601	-	425	-	601	-	425
1.19 Ridi Hydropower Development Company Ltd. 9.46 equity shares(including 8.02 bonus shares) of Rs 100 each	2,181	2,298	2,181	5,661	2,181	2,298	2,181	5,661
1.20 Chhimek Laghubitta Bikas Bank Limited 0.01 equity shares of Rs 100 each	20	13	1,646	1,668	20	13	1,646	1,668
1.21 First Micro Finance Development Bank Ltd. 0.51 bonus shares of Rs 100 each	62	375	183	843	62	375	183	843
1.22 Deprosc Laghubitta Bittya SansthaLimited 1.97 equity shares (including 0.67 bonus shares) of Rs 100 each	924	1,630	924	1,686	924	1,630	924	1,686
1.23 Mahuli Samudayik Laghubitta Bittya SansthaLimited 0.43 equity shares of Rs 100 each	304	870	2,436	2,310	304	870	2,436	2,310
1.24 NIC Asia Laghubitta Bittya SansthaLimited 0.22 equity shares of Rs 100 each	120	160	120	189	120	160	120	189
1.25 Swabalamban Laghubitta Bittya SansthaLimited 1.03 bonus shares of Rs 100 each	665	924	665	1,043	665	924	665	1,043
1.26 RSDC Laghubitta Bittya SansthaLimited 1.19 equity shares (including 0.10 bonus shares of Rs 100 each	726	728	726	610	726	728	726	610
1.27 Nerude Laghubita Bikas Bank Limited 1.48 equity shares(including 0.38 bonus shares) of Rs 100 each	3	1,020	3	1,069	3	1,020	3	1,069
1.28 Sana Kisan Laghubitta Bittiya Sanstha Ltd 4.17 equity shares (including bonus shares) of Rs 100 each	145	3,749	145	3,525	145	3,749	145	3,525
1.29 Nirdhan Utthan Bank Limited 0.70 equity shares of Rs 100 each	105	539	105	651	105	539	105	651
1.30 NIBL Samridhi Fund II 500,000 units of Rs 10 each	5,000,000	4,555,000	5,000,000	4,335,000	5,000,000	4,555,000	5,000,000	4,335,000
1.31 NMB Hybrid Fund L-1 774,069 units of Rs 10 each	7,740,690	8,352,205	7,740,690	8,669,573	7,740,690	8,352,205	7,740,690	8,669,573
1.32 Nabil Equity Fund 857,549 units of Rs 10 each	8,575,490	8,241,046	8,575,490	8,575,490	8,575,490	8,241,046	8,575,490	8,575,490
1.33 NIBL Pragati Fund 1,233,222 units of Rs 10 each	12,332,220	11,974,586	12,332,220	12,356,884	12,332,220	11,974,586	12,332,220	12,356,884
1.34 Kumari equity fund 500,000 units of Rs 10 each	5,000,000	5,085,000	5,000,000	5,035,000	5,000,000	5,085,000	5,000,000	5,035,000
1.35 Laxmi equity fund 142,478 units of Rs 10 each	1,424,780	1,366,364	1,424,780	1,410,532	1,424,780	1,366,364	1,424,780	1,410,532
1.36 Siddhartha Equity Fund 1,506,148 units of Rs 10 each	15,061,480	14,202,976	15,061,480	14,880,742	15,061,480	14,202,976	15,061,480	14,880,742

1.37 Sanima Equity Fund 2,200,000 units of Rs 10 each	22,000,000	25,960,000	22,000,000	28,050,000	22,000,000	25,960,000	22,000,000	28,050,000
1.38 Sanima Large Cap Fund 500,000 units of Rs 10 each	5,000,000	4,460,000	5,000,000	4,660,000	5,000,000	4,460,000	5,000,000	4,660,000
1.39 Nabil Balance Fund II 100,000 units of Rs 10 each	1,000,000	880,000	1,000,000	1,078,000	1,000,000	880,000	1,000,000	1,078,000
1.40 Siddhartha Investment Growth Scheme 2 7,989,459 units of Rs 10 each	79,894,590	72,144,815	79,894,590	78,216,804	79,894,590	72,144,815	79,894,590	78,216,804
1.41 NMB 50 100,000 units of Rs 10 each	1,000,000	1,050,000	1,000,000	1,290,000	1,000,000	1,050,000	1,000,000	1,290,000
1.42 Sunrise First Mutual Fund 200,000 units of Rs 10 each	2,000,000	2,216,000	2,000,000	2,300,000	2,000,000	2,216,000	2,000,000	2,300,000
1.43 Sunrise Bluechip Fund 500,000 units of Rs 10 each	5,000,000	3,925,000	5,000,000	4,370,000	5,000,000	3,925,000	5,000,000	4,370,000
1.44 Laxmi Unnati Kosh 500,000 units of Rs 10 each	5,000,000	4,695,000	5,000,000	4,780,000	5,000,000	4,695,000	5,000,000	4,780,000
1.45 Hydroelectricity Investment and Development Co Ltd 36760 (including 8539 bonus share) equity shares Rs 100 each.	3,094,264	6,763,769	6,082,500	13,763,736	3,094,264	6,763,769	6,082,500	13,763,736
1.46 Ngadi Group Power Ltd 3.2 equity shares(including 0.20 bonus share)Rs 100 each.	283	748	83	716	283	748	83	716
1.47 Global IME Samunnat Scheme I 3,797,268 units of Rs 10 each	37,972,680	36,567,691	37,972,680	37,972,680	37,972,680	36,567,691	37,972,680	37,972,680
1.48 Forward Community Microfinance Bittiya Sanstha Ltd 2.44 equity shares (including 0.75 bonus share Rs 100 each.	36	3,220	520	51,516	36	3,220	520	51,516
1.49 NIC Asia Growth Fund 2,000,000 units of Rs 10 each	20,000,000	20,580,000	20,000,000	22,300,000	20,000,000	20,580,000	20,000,000	22,300,000
1.50 Prabhu Insurance Ltd.-Promoter 42,074.67 equity shares of Rs 100 each	1,702,967	15,714,890	1,702,967	8,438,594	1,702,967	15,714,890	1,702,967	8,438,594
1.51 RBB Mutual Fund 1 5,00,000 units of Rs 10 each	5,000,000	4,040,000	5,000,000	4,635,000	5,000,000	4,040,000	5,000,000	4,635,000
1.52 NMB Saral Bachat Fund -E 9500 units of Rs 10 each	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
1.53 Mega Mutual Fund -1 436340 units of Rs 10 each	4,363,400	3,486,357	4,363,400	3,486,357	4,363,400	3,486,357	4,363,400	3,486,357
1.54 Kumari Dhanapati yojana 1000000 units of Rs 10 each	10,000,000	10,040,000	10,000,000	10,000,000	10,000,000	10,040,000	10,000,000	10,000,000
1.55 NIC Asia Flexi Cap Fund 1000000 units of Rs 10 each	10,000,000	10,170,000	10,000,000	10,000,000	10,000,000	10,170,000	10,000,000	10,000,000

1.56 Nabil Balanced Fund-3 16680 units of Rs 10 each	166,800	126,268	166,800	157,292	166,800	126,268	166,800	157,292
1.57 Global IME Balance Fund 500,000 equity shares	5,000,000	4,670,000	-	-	5,000,000	4,670,000	-	-
1.58 Himalayan Life Insurance Limited 5,001.30 equity shares	2,480,570	2,535,659	-	-	2,480,570	2,535,659	-	-
1.59 RBB Mutual Fund II 2,000,000 equity shares	20,000,000	20,000,000	-	-	20,000,000	20,000,000	-	-
1.60 Siddhartha Investment Growth Scheme 3 250,000 equity shares	2,500,000	2,500,000	-	-	2,500,000	2,500,000	-	-
1.61 Mero Micro Finance Bittiya Santha Ltd. 1 equity shares	-	661	-	-	-	661	-	-
1.62 NMB Sulav Investment Fund II 500,000 equity shares	5,000,000	4,995,000	-	-	5,000,000	4,995,000	-	-
2. Investment in quoted equity of the Subsidiary								
2.1 Century Commercial Bank Ltd	-	-	595	1,281				
2.2 Laxmi Bank Ltd 1840 equity shares of Rs 100 each.	366,160	318,320	633,036	367,951				
2.3 Nepal Bank Ltd 2566 equity shares of Rs 100 each.	749,780	638,934	962,566	750,364				
2.4 Nepal Investment Bank Ltd	-	-	1,105,015	690,855				
2.5 NIC ASIA Bank Ltd 6000 equity shares of Rs. 100 each	4,173,219	4,762,800	5,280,176	4,178,088				
2.6 Prime Commercial Bank Ltd 5356 equity shares of Rs 100 each.	1,364,659	1,044,420	2,015,315	1,376,940				
2.7 Standard Chartered Bank Nepal Ltd	-	-	2,428,797	1,696,560				
2.8 Global IME Bank Ltd 8044 equity shares of Rs 100 each.	1,963,434	1,496,184	3,210,510	1,963,434				
2.9 Himalayan Bank Ltd	-	-	450,869	290,224				
2.10 Everest Bank Ltd 808 equity shares of Rs 100 each.	414,201	454,904	124,080	80,776				
2.11 Mega Bank Ltd	-	-	1,231,315	847,952				
2.12 NMB Bank Ltd	-	-	1,402,299	992,061				
2.13 Prabhu Bank Ltd	-	-	904,380	455,400				
2.14 Sanima Bank Ltd 3302 equity shares of Rs 100 each.	828,276	860,171	1,191,116	828,828				
2.15 Kumari Bank Ltd 4423 equity shares of Rs 100 each.	844,602	729,795	1,519,927	844,793				

2.16 Excel Develpoment Bank Ltd 488 equity shares of Rs 100 each.	159,576	158,795	271,373	159,576				
2.17 Lumbini Bikas Bank Ltd	-	-	1,273,104	852,500				
2.18 Soaltee Hotel Limited	-	-	3,432	3,038				
2. 19 API Hydropower Limited	-	-	2,429	1,467				
2.20 Ridi Hydropower Company Limited	-	-	1	838				
2.21 National Life Insurance Co. Ltd	-	-	101,737	57,700				
2.22 Nepal Life Insurance Co. Ltd	-	-	1,019,576	447,453				
2.23 Prime Life Insurance Company Ltd.	-	-	1,062,600	719,785				
2.24 Neco Insurance Co.Ltd.	-	-	5,034,186	2,759,344				
2.25 Sagarmatha Insurance Co.Ltd.	-	-	3,828,873	2,871,000				
2.26 Premier Insurance Co.Ltd.	-	-	4,324,250	2,220,480				
2.27 Shikhar Insurance Co.Ltd.	-	-	4,514,560	2,342,721				
2.28 Siddhartha Insurance Co.Ltd.	-	-	4,133,051	2,361,289				
2.29 Sana Kisan Laghubitta Sanstha Ltd	-	-	2,563	2,130				
2.30 Deprosc Laghubitta Sanstha Ltd 3618 equity shares of Rs 100 each.	3,091,660	2,988,468	4,488,358	3,091,660				
2.31 Nirdan Utthan Laghubitta Sanstha Ltd	-	-	1	1,099				
2.32 Chhimek Laghubitta Bikas Bank Ltd	-	-	4,635,173	3,702,600				
2.33 Swabalamban Lagubitta Bittiya Sanstha Ltd 1333 equity shares of Rs 100 each.	1,354,871	1,200,500	1,644,564	1,614,389				
2.34 Citizens Mutual Fund-II 3252450 Units of Rs 10 each	32,914,794	33,792,956	32,533,500	32,923,902				
2.35 NLG Insurance Co Ltd	-	-	763,559	344,160				
2.36 Prudential Insurance Co Ltd	-	-	40,900	18,444				
2.37 Global IME Laghubitta Sanstha Ltd	-	-	76,949	72,744				
2.38 Mero Microfinance Bittiya Sanstha Ltd	-	-	5,976	4,235				
2.39 Garima Debenture, 2085 140362 debentures of Rs 1000 each.	140,362,000	140,362,000	140,362,000	140,362,000				
3.40 Himalayan Life Insurance Limited 1429 equity shares of Rs 100 each	719,785	724,503	-	-				
3.41 Himalayan Hydropower Limited 1,049 units of shares	300,014	261,201	-	-				
3.42 Green Ventures Limited 880 units of shares	399,520	338,800	-	-				
3.43 Sagarmatha Lumbini Insurance Company Limited 3,709 units of shares	2,871,000	2,774,332	-	-				

3.44 Siddhartha Premier Insurance Limited 5,425 units of shares	2,719,880	4,223,363	-	-				
3.45 Nepal Investment Mega Bank Limited 3,192 units of shares	768,371	554,770	-	-				
3. Investment in unquoted equity								
3.1 Banking Finance & Insurance Institute of Nepal- Pro 11000 equity shares of Rs 100 each.	1,100,000	1,100,000	1,000,001	1,100,000				
Total	**510,477,756**	**517,449,460**	**564,315,337**	**540,532,585**	**313,011,955**	**318,664,245**	**330,732,626**	**327,132,524**

LOANS AND ADVANCES TO B/FIS 4.6

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Loans to Microfinance Institutions	2,543,740,369	3,343,383,588	2,543,740,369	3,343,383,588
Other	-	-	-	-
Less: Allowances for Impairment	33,068,625	43,463,987	33,068,625	43,463,987
Total	**2,510,671,744**	**3,299,919,602**	**2,510,671,744**	**3,299,919,602**

4.6.1 : ALLOWANCES FOR IMPAIRMENT

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Balance at July 17, 2022	43,463,987	32,799,666	43,463,987	32,799,666
Impairment Loss for the Year:				
Charge for the Year	-	10,664,320	-	10,664,320
Recoveries/ Reversal	(10,395,362)	-	(10,395,362)	-
Amount written off	-	-	-	-
Other Movement*	-	-	-	-
Balance at July 16, 2023	**33,068,625**	**43,463,987**	**33,068,625**	**43,463,987**

**Other movement includes the amount of impairment of acquired institutions.*

LOANS AND ADVANCES TO CUSTOMERS 4.7

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Loan and Advances Measured at Amortized Cost	144,572,300,270	134,790,246,748	144,572,300,270	134,857,746,748
Less: Impairment Allowances				
Collective Impairment	2,042,247,959	1,997,892,861	2,042,247,959	1,997,892,861
Individual Impairment	2,698,047,289	1,515,526,808	2,698,047,289	1,515,526,808
Net amount	**139,832,005,022**	**131,276,827,079**	**139,832,005,022**	**131,344,327,079**
Loan and Advances Measured at FVTPL				
Total	**139,832,005,022**	**131,276,827,079**	**139,832,005,022**	**131,344,327,079**

Bank has assessed and measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 5 of carve out on para 5.5 of NFRS 9 issued by ICAN. Loan Loss Provision as on Ashad end 2080 as per norms prescribed by NRB is NRs. 4,773,363,873 whereas impairment for Loan and Advances as per paragraph 5 of carve out on para 5.5 of NFRS 9 is NRs. 1,993,755,765.

4.7.1 : ANALYSIS OF LOANS AND ADVANCES - BY PRODUCT

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Product				
Term loans	50,317,389,226	31,883,897,160	50,317,389,226	31,883,897,160
Overdraft	15,670,863,440	19,288,608,919	15,670,863,440	19,288,608,919
Trust Receipt/ Import Loans	903,293,102	1,073,933,829	903,293,102	1,073,933,829
Demand and Other Working Capital Loans	13,363,897,850	19,893,127,552	13,363,897,850	19,893,127,552
Personal Residential Loans	8,908,989,686	9,020,703,370	8,908,989,686	9,020,703,370
Real Estate Loans	4,536,512,084	4,863,971,440	4,536,512,084	4,863,971,440
Margin Lending Loans	3,522,557,466	4,074,655,341	3,522,557,466	4,074,655,341
Hire Purchase Loans	4,540,182,619	5,470,925,888	4,540,182,619	5,470,925,888
Deprived Sector Loans	13,225,731,556	11,758,509,288	13,225,731,556	11,758,509,288
Bills Purchased	-	24,900,000	-	24,900,000
Staff Loans	2,197,500,483	1,693,340,697	2,197,500,483	1,693,340,697
Other	26,040,577,633	25,012,014,260	26,040,577,633	25,079,514,260
Sub total	**143,227,495,146**	**134,058,587,745**	**143,227,495,146**	**134,126,087,745**
Interest Receivable	1,344,805,125	731,659,003	1,344,805,125	731,659,003
Grand total	**144,572,300,270**	**134,790,246,748**	**144,572,300,270**	**134,857,746,748**

4.7.2 : ANALYSIS OF LOANS AND ADVANCES - BY CURRENCY

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Nepalese Rupee	144,571,573,395	134,756,020,020	144,571,573,395	134,823,520,020
Indian Rupee	-	-	-	-
United State Dollar	726,875	34,226,728	726,875	34,226,728
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	**144,572,300,270**	**134,790,246,748**	**144,572,300,270**	**134,857,746,748**

4.7.3 : ANALYSIS OF LOANS AND ADVANCES - BY COLLATERAL

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Secured				
Movable/ Immovable Assets	121,262,461,569	111,379,713,751	121,262,461,569	111,379,713,751
Gold and Silver	2,920,102,571	1,023,275,143	2,920,102,571	1,023,275,143
Guarantee of Domestic B/FIs	-	-	-	-
Government Guarantee	3,885,838	3,489,558	3,885,838	3,489,558
Guarantee of International Rated Bank	-	-	-	-
Collateral of Export Document	-	1,800,000	-	1,800,000
Collateral of Fixed Deposit Receipt	1,939,943,178	1,425,925,345	1,939,943,178	1,493,425,345
Collateral of Governement Securities	3,128,572	727,746	3,128,572	727,746
Counter Guarantee	621,661,602	890,127,042	621,661,602	890,127,042
Personal Guarantee	7,802,261,857	2,521,806,674	7,802,261,857	2,521,806,674
Other Collateral	9,922,368,495	17,456,662,095	9,922,368,495	17,456,662,095
Sub total	**144,475,813,682**	**134,703,527,355**	**144,475,813,682**	**134,771,027,355**
Unsecured	96,486,588	86,719,393	96,486,588	86,719,393
Grand total	**144,572,300,270**	**134,790,246,748**	**144,572,300,270**	**134,857,746,748**

4.7.4 : ALLOWANCES FOR IMPAIRMENT

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Specific Allowances for Impairment				
Balance at July 17, 2022	**1,515,526,808**	**1,319,111,914**	**1,515,526,808**	**1,319,111,914**
Impairment Loss for the Year:				
Charge for the Year	1,182,520,481	196,414,894	1,182,520,481	196,414,894
Recoveries/ Reversal during the Year	-	-	-	-
Write-offs	-	-	-	-
Exchange Rate variance on Foreign Currency Impairment	-	-	-	-
Other Movement	-	-	-	-
Balance at July 16, 2023	**2,698,047,289**	**1,515,526,808**	**2,698,047,289**	**1,515,526,808**
Collective Allowances for Impairment				
Balance at July 17, 2022	**1,997,892,861**	**1,652,551,625**	**1,997,892,861**	**1,652,551,625**
Impairment Loss for the Year:				
Charge/(Reversal) for the Year	44,355,098	345,341,236	44,355,098	345,341,236
Recoveries/(Reversal) during the year	-	-	-	-
Exchange Rate variance on Foreign Currency Impairment	-	-	-	-
Other Movement	-	-	-	-
Balance at July 16, 2023	**2,042,247,959**	**1,997,892,861**	**2,042,247,959**	**1,997,892,861**
Total Allowances for Impairment	**4,740,295,248**	**3,513,419,668**	**4,740,295,248**	**3,513,419,668**

INVESTMENT SECURITIES 4.8

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Investment Securities Measured at Amortized Cost	28,134,022,868	27,773,666,030	28,134,022,868	27,751,890,030
Investment in Equity Measured at FVTOCI	565,711,596	415,700,819	551,546,715	401,535,938
Total	**28,699,734,464**	**28,189,366,849**	**28,685,569,583**	**28,153,425,968**

4.8.1 : INVESTMENT SECURITIES MEASURED AT AMORTIZED COST

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Debt Securities	-	-	-	-
Government Bonds	19,854,981,400	20,194,274,857	19,854,981,400	20,194,274,857
Government Treasury Bills	6,791,143,745	6,881,153,407	6,791,143,745	6,881,153,407
Nepal Rastra Bank Bonds	-	-	-	-
Nepal Rastra Bank Deposits Instruments	800,323,288	-	800,323,288	-
Other	687,574,436	698,237,767	687,574,436	676,461,767
Less: Specific Allowances for Impairment	-	-	-	-
Total	**28,134,022,868**	**27,773,666,030**	**28,134,022,868**	**27,751,890,030**

4.8.2 : INVESTMENT IN EQUITY MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Equity Instruments				
Quoted Equity Securities	394,455,066	394,444,289	394,455,066	394,444,289
Unquoted Equity Securities	171,256,530	21,256,530	157,091,649	7,091,649
Total	**565,711,596**	**415,700,819**	**551,546,715**	**401,535,938**

4.8.3 : INFORMATION RELATING TO INVESTMENT IN EQUITIES

Amount in NPR

PARTICULARS	GROUP				BANK			
	CURRENT YEAR		PREVIOUS YEAR		CURRENT YEAR		PREVIOUS YEAR	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
1. Investment in Quoted Equity of the Bank								
1.1 Citizens Mutual Fund-I 15,000,000 untis of Rs 10 each	150,000,000	140,700,000	150,000,000	132,000,000	150,000,000	140,700,000	150,000,000	132,000,000
1.2 Citizens Mutual Fund- II 15,000,000 units of Rs 10 each	150,000,000	155,850,000	150,000,000	151,800,000	150,000,000	155,850,000	150,000,000	151,800,000
1.3 Aarambha Chautari Laghubitta Bittiya Sanstha Ltd. Promoter Share 48,762.54 Equity Shares of Rs 100 each	3,500,000	15,774,683	3,500,000	20,348,960	3,500,000	15,774,683	3,500,000	20,348,960
1.4 Mahuli Laghubitta Bittiya Sanstha Limited Promoter Share 84,682 Equity Shares of Rs 100 each	2,803,500	36,832,436	2,803,500	42,804,153	2,803,500	36,832,436	2,803,500	42,804,153
1.5 Nerude Laghubita Bikas Bank Limited Promoter Share 131,680.08 Equity Shares of Rs 100 each	13,866,327	45,297,948	13,866,327	47,491,176	13,866,327	45,297,948	13,866,327	47,491,176
2. Investment in unquoted equity of the Bank								
2.1 National Banking Institute Limited (NBI) 18,348.60 equity Shares of Rs 100 each	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860	1,834,860
2.2 Credit Information Bureau 47,246 Equity Shares (including bonus shares) of Rs 100 each	378,001	1,751,289	378,001	1,751,289	378,001	1,751,289	378,001	1,751,289
2.3 Nepal Clearing House Limited 170,141 Equity Shares (including bonus shares) of Rs 100 each	3,257,800	17,670,381	3,257,800	17,670,381	3,257,800	3,505,500	3,257,800	3,505,500
2.4 Citizens Super 30 Mutual Fund 15,000,000 equity shares of Rs 100 each	150,000,000	150,000,000	-	-	150,000,000	150,000,000	-	-
Total	**475,640,488**	**565,711,596**	**325,640,488**	**415,700,819**	**475,640,488**	**551,546,715**	**325,640,488**	**401,535,938**

** Investment on the equity shares of Mero Microfinance Labhuitta Bittiya Sanstha Limited has been clssided under Investment In Associates on current year.*

CURRENT TAX ASSETS 4.9

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Tax Assets				
Current Year Income Tax Assets	1,051,717,332	1,259,075,098	1,036,761,226	1,247,989,940
Tax Assets of Prior Periods	-	-	-	-
Current Tax Liabilities				
Current Year Income Tax Liabilities	765,473,184	912,368,451	752,813,812	899,849,236
Tax Liabilities of Prior Periods	-	-	-	-
Total	**286,244,148**	**346,706,648**	**283,947,414**	**348,140,704**

INVESTMENT IN SUBSIDIARIES 4.10

Amount in NPR

PARTICULARS	BANK	
	CURRENT YEAR	PREVIOUS YEAR
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	317,204,200	167,204,200
Total Investment	**317,204,200**	**167,204,200**
Less: Impairment Allowances	-	-
Net Carrying Amount	**317,204,200**	**167,204,200**

4.10.1 : INVESTMENT IN QUOTED SUBSIDIARIES

Amount in NPR

PARTICULARS	BANK			
	CURRENT YEAR		PREVIOUS YEAR	
	COST	FAIR VALUE	COST	FAIR VALUE
Investment in Quoted Subsidiaries	-	-	-	-
Investment in Unquoted Subsidiaries	-	-	-	-
Total Investment	-	-	-	-
Less: Impairment Allowances	-	-	-	-
Net Carrying Amount	-	-	-	-

4.10.2 : INVESTMENT IN UNQUOTED SUBSIDIARIES

Amount in NPR

PARTICULARS	BANK			
	CURRENT YEAR		PREVIOUS YEAR	
	COST	FAIR VALUE	COST	FAIR VALUE
"Citizens Capital Ltd. 1,172,042 shares of Rs. 100 each"	117,204,200	117,204,200	-	-
"CBIL Securities Ltd 2,000,000 shares of Rs.100 each"	200,000,000	200,000,000	-	-
"Citizens Capital Ltd. 1,172,042 shares of Rs. 100 each"	-	-	117,204,200	117,204,200
"CBIL Securities Ltd. 500,000 shares of Rs. 100 each"	-	-	50,000,000	50,000,000
Total	**317,204,200**	**317,204,200**	**167,204,200**	**167,204,200**

4.10.3 : INFORMATION RELATING TO SUBSIDIARIES OF THE BANK

Amount in NPR

PARTICULARS	BANK	
	PERCENTAGE OF OWNERSHIP HELD BY THE BANK	
	CURRENT YEAR	PREVIOUS YEAR
Citizens Capital Ltd.	58.60%	58.60%
CBIL Securities Ltd.	100.00%	100.00%

4.10.4 : NON CONTROLLING INTEREST OF THE SUBSIDIARIES

Amount in NPR

PARTICULARS	GROUP
	CURRENT YEAR
	Citizens Capital Ltd
Equity interest held by NCI (%)	41.40%
Profit/(loss) allocated during the year	10,463,118
Accumulated balances of NCI as on July 16, 2023	97,955,654
Dividend paid to NCI	-
	PREVIOUS YEAR
	Citizens Capital Ltd
Equity interest held by NCI (%)	41.40%
Profit/(loss) allocated during the year	(2,256,937)
Accumulated balances of NCI as on July 16, 2022	87,711,165
Dividend paid to NCI	20,698,950

INVESTMENT IN ASSOCIATES 4.11

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Investment in Quoted Associates	142,929,380	139,980,336	301,019,400	350,658,000
Investment in Unquoted Associates	31,019,195	25,454,451	28,992,145	24,987,491
Total Investment	**173,948,575**	**165,434,787**	**330,011,545**	**375,645,491**
Less: Impairment Allowances				
Net Carrying Amount	**173,948,575**	**165,434,787**	**330,011,545**	**375,645,491**

4.11.1: INVESTMENT IN QUOTED ASSOCIATES

Amount in NPR

PARTICULARS	GROUP				BANK			
	CURRENT YEAR		PREVIOUS YEAR		CURRENT YEAR		PREVIOUS YEAR	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
1.1 Mero Microfinance Laghubitta Bittiya Sanstha Limited	36,494,100	142,929,380	36,494,100	139,980,336	36,494,100	301,019,400	36,494,100	350,658,000
910,800 Equity Shares (including bonus shares) of Rs. 100 each								
Total	**36,494,100**	**142,929,380**	**36,494,100**	**139,980,336**	**36,494,100**	**301,019,400**	**36,494,100**	**350,658,000**

4.11.2: INVESTMENT IN UNQUOTED ASSOCIATES

Amount in NPR

PARTICULARS	GROUP				BANK			
	CURRENT YEAR		PREVIOUS YEAR		CURRENT YEAR		PREVIOUS YEAR	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
1. Nepal Electronic Payment Systems Limited	16,000,000	31,019,195	16,000,000	25,454,451	16,000,000	28,992,145	16,000,000	24,987,491
160,000 Equity Shares of Rs. 100 each								
Total	**16,000,000**	**31,019,195**	**16,000,000**	**25,454,451**	**16,000,000**	**28,992,145**	**16,000,000**	**24,987,491**

4.11.3: INFORMATION RELATING TO ASSOCIATES OF THE BANK

Amount in NPR

PARTICULARS	BANK	
	PERCENTAGE OF OWNERSHIP HELD BY THE BANK	
	CURRENT YEAR	PREVIOUS YEAR
1. Nepal Electronic Payment Systems Limited	9.09%	9.09%
2. Mero Microfinance Laghubitta Bittiya Sanstha Limited	6.90%	6.90%

4.11.4 : EQUITY VALUE OF ASSOCIATES

Amount in NPR

PARTICULARS	GROUP	
	CURRENT YEAR	PREVIOUS YEAR
1. Nepal Electronic Payment Systems Limited	31,019,195	25,454,451
2. Mero Microfinance Laghubitta Bittiya Sanstha Limited	142,929,380	139,980,336
Total	**173,948,575**	**165,434,787**

INVESTMENT PROPERTY 4.12

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Investment Properties Measured At Fair Value				
Balance As On July 17, 2022	-	-	-	-
Addition/Disposal during The Year	-	-	-	-
Net Changes In Fair Value During The Year	-	-	-	-
Adjustment/Transfer	-	-	-	-
Net Amount	**-**	**-**	**-**	**-**
Investment Properties Measured at Cost				
Balance As On July 17, 2022	208,645,871	141,146,454	208,645,871	141,146,454
Addition/Disposal during The Year	47,863,879	68,214,700	47,863,879	68,214,700
Adjustment/Transfer	-	-	-	-
Accumulated Depreciation	(381,180)	(715,283)	(381,180)	(715,283)
Accumulated Impairment Loss	-	-	-	-
Net Amount	**256,128,571**	**208,645,871**	**256,128,571**	**208,645,871**
Total	**256,128,571**	**208,645,871**	**256,128,571**	**208,645,871**

PROPERTY AND EQUIPMENT

4.13

Amount in NPR

GROUP										
PARTICULARS	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	FURNITURE & FIXTURE	MACHINERY	EQUIPMENT & OTHERS	TOTAL JULY 16, 2023	TOTAL JULY 16, 2022
Cost										
As on July 16, 2021	**1,626,902,642**	**550,115,675**	**360,751,217**	**263,805,813**	**367,892,298**	**296,806,774**	**-**	**536,694,628**	**-**	**4,002,969,048**
Addition during the Year										
Acquisition	6,901,647	84,693,378	45,272,706	37,167,651	99,739,800	30,300,144	-	931,912,361	-	1,235,987,687
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(25,281,246)	(2,861,526)	(34,927,268)	(8,213,748)	-	(8,965,394)	-	(80,249,183)
Adjustment/Revaluation	43,508,000	(14,745,204)	(457,906)	23,865	-	(269,130)	-	(1,032,980)	-	27,026,645
Balance as on July 16, 2022	**1,677,312,289**	**620,063,850**	**380,284,770**	**298,135,803**	**432,704,830**	**318,624,040**	**-**	**1,458,608,615**	**5,185,734,197**	**5,185,734,197**
Addition during the Year										
Acquisition	-	3,836,092	50,545,600	23,845,510	108,283,441	25,201,208	-	189,381,676	401,093,527	-
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	(1,251,165)	(7,867,763)	(1,193,564)	(71,253,849)	(2,340,029)	-	(10,962,076)	(94,868,444)	-
Adjustment/Revaluation	-	(429,774)	323,132	85,500	-	532,041	-	(3,384,386)	(2,873,487)	-
Balance as on July 16, 2023	**1,677,312,289**	**622,219,002**	**423,285,740**	**320,873,250**	**469,734,422**	**342,017,260**	**-**	**1,633,643,830**	**5,489,085,792**	**5,185,734,197**
Depreciation and Impairment										
As on July 16, 2021	**-**	**126,495,951**	**175,406,499**	**207,116,236**	**159,144,806**	**180,359,978**	**-**	**313,540,887**	**-**	**1,162,064,356**
Impairment for the year										
Depreciation charge for the Year	-	30,417,172	31,266,456	32,230,009	56,691,381	36,308,161	-	199,113,844	-	386,027,023
Disposals	-	-	(17,653,831)	(2,833,545)	(22,505,535)	(5,901,537)	-	(7,574,431)	-	(56,468,880)
Adjustment	-	-	(114,261)	(1,343)	-	16,933	-	17,859	-	(80,813)
Balance as on July 16, 2022	**-**	**156,913,122**	**188,904,862**	**236,511,356**	**193,330,652**	**210,783,535**	**-**	**505,098,159**	**1,491,541,686**	**1,491,541,686**
Impairment for the year										
Depreciation charge for the Year	-	10,275,234	36,547,525	15,725,433	61,219,620	19,129,838	-	172,442,823	315,340,473	-
Disposals	-	(321,357)	(6,306,414)	(1,120,284)	(54,110,399)	(2,103,011)	-	(10,199,665)	(74,161,131)	-
Adjustment	-	(3,191)	231,511	2,979	-	(29,125)	-	(38,898)	163,276	-
Balance as on July 16, 2023	**-**	**166,863,809**	**219,377,485**	**251,119,483**	**200,439,872**	**227,781,237**	**-**	**667,302,419**	**1,732,884,305**	**1,491,541,686**
Capital Work in Progress	**-**	**2,243,616**	**6,446,123**	**-**	**-**	**-**	**-**	**1,310,800**	**10,000,539**	**17,279,822**
Net Book Value										
Balance as on July 16, 2022	**1,677,312,289**	**463,332,940**	**207,836,808**	**61,624,448**	**239,374,177**	**107,840,505**	**-**	**954,151,166**	**-**	**3,711,472,312**
Balance as on July 16, 2023	**1,677,312,289**	**457,598,810**	**210,354,378**	**69,753,766**	**269,294,550**	**114,236,023**	**-**	**967,652,211**	**3,766,202,005**	**-**

BANK										
PARTICULARS	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	FURNITURE & FIXTURE	MACHINERY	EQUIPMENT & OTHERS	TOTAL JULY 16, 2023	TOTAL JULY 16, 2022
Cost										
As on July 16, 2021	**1,626,902,642**	**550,115,675**	**358,360,844**	**261,805,197**	**363,487,030**	**295,404,406**	**-**	**534,970,600**	**-**	**3,991,046,394**
Addition during the Year										-
Acquisition	6,901,647	84,693,378	45,261,858	36,986,551	99,739,800	30,192,116	-	926,596,276	-	1,230,371,626
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(25,281,246)	(2,861,526)	(34,927,268)	(8,213,748)	-	(8,965,394)	-	(80,249,183)
Adjustment/Revaluation	43,508,000	(14,745,204)	(457,906)	23,865	-	(269,130)	-	(1,032,980)	-	27,026,645
Balance as on July 16, 2022	**1,677,312,289**	**620,063,850**	**377,883,549**	**295,954,087**	**428,299,562**	**317,113,644**	**-**	**1,451,568,501**	**5,168,195,482**	**5,168,195,482**
Addition during the Year										
Acquisition		3,836,092	50,276,866	23,664,555	108,283,441	24,931,114	-	189,290,696	400,282,764	-
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	(1,251,165)	(7,867,763)	(1,193,564)	(71,253,849)	(2,340,029)	-	(10,962,076)	(94,868,444)	-
Adjustment/Revaluation	-	(429,774)	323,132	85,500		532,041	-	(3,384,386)	(2,873,487)	-
Balance as on July 16, 2023	**1,677,312,289**	**622,219,002**	**420,615,785**	**318,510,578**	**465,329,154**	**340,236,770**	**-**	**1,626,512,736**	**5,470,736,315**	**5,168,195,482**
Depreciation and Impairment										
As on July 16, 2021	**-**	**126,495,952**	**174,795,225**	**205,221,548**	**156,449,582**	**179,379,802**	**-**	**311,750,588**	**-**	**1,154,092,696**
Impairment for the year										-
Depreciation charge for the Year	-	30,417,172	31,026,207	32,129,227	56,060,333	36,199,793	-	197,892,241	-	383,724,974
Disposals	-	-	(17,653,831)	(2,833,545)	(22,505,535)	(5,901,537)	-	(7,574,431)	-	(56,468,880)
Adjustment	-		(114,261)	(1,343)	-	16,933	-	17,859	-	(80,813)
Balance as on July 16, 2022	**-**	**156,913,124**	**188,053,339**	**234,515,887**	**190,004,380**	**209,694,991**	**-**	**502,086,257**	**1,481,267,977**	**1,481,267,977**
Impairment for the year										
Depreciation charge for the Year	-	10,275,234	36,295,223	15,620,706	60,590,296	19,007,851	-	171,241,167	313,030,476	-
Disposals	-	(321,357)	(6,306,414)	(1,120,284)	(54,110,399)	(2,103,011)	-	(10,199,665)	(74,161,131)	-
Adjustment	-	(3,191)	231,511	2,979	-	(29,125)	-	(38,898)	163,276	-
Balance as on July 16, 2023	**-**	**166,863,810**	**218,273,660**	**249,019,287**	**196,484,276**	**226,570,705**	**-**	**663,088,861**	**1,720,300,599**	**1,481,267,977**
Capital Work in Progress	**-**	**2,243,616**	**3,656,323**	**-**	**-**	**-**	**-**	**1,310,800**	**7,210,739**	**17,279,822**
Net Book Value										
Balance as on July 16, 2022	**1,677,312,289**	**463,332,939**	**206,287,109**	**61,438,201**	**238,295,182**	**107,418,653**	**-**	**950,122,955**	**-**	**3,704,207,328**
Balance as on July 16, 2023	**1,677,312,289**	**457,598,808**	**205,998,448**	**69,491,291**	**268,844,878**	**113,666,065**	**-**	**964,734,676**	**3,757,646,456**	**-**

GOODWILL AND INTANGIBLE ASSETS 4.14

Amount in NPR

GROUP						
PARTICULARS	GOODWILL	SOFTWARE		OTHER	TOTAL JULY 16, 2023	TOTAL JULY 16, 2022
		PURCHASED	DEVELOPED			
Cost						
As on July 16, 2021	-	**184,677,198**	-	-	-	**184,677,198**
Addition during the Year	-	-	-	-	-	-
Acquisition	-	19,220,908	-	-	-	19,220,908
Capitalization	-	-	-	-	-	-
Disposal during the year	-	(184,755)	-	-		(184,755)
Adjustment/Revaluation	115,994,228		-	-	-	115,994,228
Balance as on July 16, 2022	**115,994,228**	**203,713,351**	-	-	**319,707,579**	**319,707,579**
Addition during the Year	-	-	-	-	-	-
Acquisition	-	8,844,678	-	-	8,844,678	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	(1,847,068)		-	(1,847,068)	-
Balance as on July 16, 2023	**115,994,228**	**210,710,961**	-	-	**326,705,189**	**319,707,579**
Amortization and Impairment						
As on July 16, 2021	-	**106,951,202**	-	-	-	**106,951,202**
Amortization charge for the Year	-	29,026,934	-	-	-	29,026,934
Impairment for the year	-	-	-	-	-	-
Disposals	-	(153,755)	-	-	-	(153,755)
Adjustment	-	-	-	-	-	-
Balance as on July 16, 2022	-	**135,824,381**	-	-	**135,824,381**	**135,824,381**
Amortization charge for the Year	-	14,389,569	-	-	14,389,569	-
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	7,932	-	-	7,932	-
Balance as on July 16, 2023	-	**150,221,882**	-	-	**150,221,882**	**135,824,381**
Capital Work in Progress	-	**3,502,447**	-	-	**3,502,447**	**13,672,317**
Net Book Value	-		-	-	-	-
Balance as on July 16, 2022	**115,994,228**	**81,561,287**	-	-	-	**197,555,516**
Balance as on July 16, 2023	**115,994,228**	**63,991,526**	-	-	**179,985,754**	-

PARTICULARS	BANK					
	GOODWILL	SOFTWARE		OTHER	TOTAL JULY 16, 2023	TOTAL JULY 15, 2022
		PURCHASED	DEVELOPED			
Cost						
As on July 16, 2021	**-**	**182,497,858**	**-**	**-**	**-**	**182,497,858**
Addition during the Year						-
Acquisition	-	19,220,908	-	-	-	19,220,908
Capitalization	-		-	-	-	-
Disposal during the year	-	(184,755)	-	-	-	(184,755)
Adjustment/Revaluation	115,994,228		**-**	**-**	**-**	115,994,228
Balance as on July 16, 2022	**115,994,228**	**201,534,011**	**-**	**-**	**317,528,239**	**317,528,239**
Addition during the Year	**-**		**-**	**-**	**-**	**-**
Acquisition	-	8,814,597	-	-	8,814,597	-
Capitalization	**-**	**-**	**-**	**-**	**-**	**-**
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	(1,847,068)	-	-	(1,847,068)	-
Balance as on July 16, 2023	**115,994,228**	**208,501,540**	**-**	**-**	**324,495,768**	**-**
Amortization and Impairment						
As on July 16, 2021	**-**	105,854,333	**-**	**-**	**-**	105,854,333
Amortization charge for the Year	**-**	28,659,820	**-**	**-**	**-**	28,659,820
Amortization charge of acquired institute	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	-
Disposals	-	(153,785)	-	-	-	(153,785)
Adjustment	-	-	-	-	-	-
Balance as on July 16, 2022	-	**134,360,368**	-	-	**134,360,368**	**134,360,368**
Amortization charge for the Year	**-**	**14,112,161**	**-**	**-**	**14,112,161**	**-**
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	7,932	-	-	7,932	-
Balance as on July 16, 2023	-	**148,480,461**	-	-	**148,480,461**	-
Capital Work in Progress	**-**	**3,502,447**	**-**	**-**	**3,502,447**	**13,672,317**
Net Book Value					**-**	**-**
Balance as on July 16, 2022	**115,994,228**	**80,845,959**	**-**	**-**	**-**	**196,840,188**
Balance as on July 16, 2023	**115,994,228**	**63,523,525**	**-**	**-**	**179,517,754**	**-**

DEFERRED TAX 4.15

Amount in NPR

PARTICULARS	GROUP			BANK		
	CURRENT YEAR			CURRENT YEAR		
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX ASSETS/ (LIABILITIES)	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX ASSETS/ (LIABILITIES)
Deferred Tax on Temporory Differences on following items						
Loan and Advance to B/FIs	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Investment securities	-	(48,393,806)	(48,393,806)	-	(107,722,788)	(107,722,788)
Property & equipment	-	(234,683,030)	(234,683,030)	-	(234,355,336)	(234,355,336)
Employees' defined benefit plan	157,784,098	-	157,784,098	157,565,729	-	157,565,729
Lease Liabilities	242,251,490	-	242,251,490	241,253,566	-	241,253,566
Provisions	-	-	-	-	-	-
Other temporary differences	6,062,559	-	6,062,559	6,062,559	-	6,062,559
Deferred tax on temporary differences	**406,098,147**	**(283,076,836)**	**123,021,311**	**404,881,854**	**(342,078,125)**	**62,803,729**
Deferred tax on carry forward of unused tax losses	-	-	-	-	-	-
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred tax asset/ (liabilities) as on year end of July 16, 2023	**-**	**-**	**123,021,311**	**-**	**-**	**62,803,729**
Recognised in profit or loss	-	-	170,378,754	-	-	167,001,964
Recognised in other comprehensive income	**-**	**-**	**(47,357,443)**	**-**	**-**	**(104,198,235)**
Recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax (asset)/liabilities as on July 17, 2022	**-**	**-**	**(16,485,944)**	**-**	**-**	**63,308,934**
Origination/(Reversal) during the year	**-**	**-**	**(106,535,368)**	**-**	**-**	**(126,112,663)**
Deferred tax expense/(income) recognised in profit or loss	**-**	**-**	**(108,030,319)**	**-**	**-**	**(112,712,458)**
Deferred tax expense/ (income) recognised in other comprehensive income	**-**	**-**	**1,494,952**	**-**	**-**	**(13,400,205)**
Deferred tax expense/(income) recognised in directly in equity	**-**	**-**	**-**	**-**	**-**	**-**

PARTICULARS	GROUP			BANK		
	PREVIOUS YEAR			PREVIOUS YEAR		
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX ASSETS/ (LIABILITIES)	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX ASSETS/ (LIABILITIES)
Deferred Tax on Temporory Differences on following items						
Loan and Advance to B/FIs	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Investment securities	6,054,878	(46,898,074)	(40,843,196)	-	(118,634,023)	(118,634,023)
Property & equipment	419,966	(213,997,117)	(213,577,151)	-	(213,997,117)	(213,997,117)
Employees' defined benefit plan	20,821,285	-	20,821,285	20,550,145	-	20,550,145
Lease liabilities	236,609,164	-	236,609,164	235,296,218	-	235,296,218
Provisions	-	-	-	-	-	-
Other temporary differences	4,443,921	-	4,443,921	4,443,921	-	4,443,921
Deferred tax on temporary differences	**268,349,212**	**(260,895,191)**	**7,454,021**	**260,290,283**	**(332,631,140)**	**(72,340,857)**
Deferred tax on carry forward of unused tax losses	9,031,923	-	9,031,923	9,031,923	-	9,031,923
Deferred tax due to changes in tax rate	-	-	-	-	-	-
Net Deferred tax asset/ (liabilities) as on year end of July 16, 2022	**-**	**-**	**16,485,944**	**-**	**-**	**(63,308,934)**
Recognised in profit or loss	-	-	62,348,436	-	-	54,289,507
Recognised in other comprehensive income	-	-	(45,862,492)	-	-	(117,598,441)
Recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax (asset)/liabilities as on July 16, 2021	**-**	**-**	**222,367,651**	**-**	**-**	**217,486,295**
Origination/(Reversal) during the year	**-**	**-**	**(238,853,595)**	**-**	**-**	**(154,177,361)**
Deferred tax expense/(income) recognised in profit or loss	**-**	**-**	**(76,120,654)**	**-**	**-**	**(63,250,757)**
Deferred tax expense/ (income) recognised in other comprehensive income	**-**	**-**	**(44,812,146)**	**-**	**-**	**(99,555,443)**
Deferred tax expense/(income) recognised in directly in equity	**-**	**-**	**(117,920,796)**	**-**	**-**	**8,628,839**

OTHER ASSETS 4.16

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Assets Held For Sale	-	-	-	-
Other Non Banking Assets	-	-	-	-
Bills Receivable	-	-	-	-
Accounts Receivable	1,761,479,074	1,443,695,260	1,916,835,589	1,577,260,701
Accrued Income	1,938,998	1,537,440	1,938,998	1,537,440
Prepayments And Deposit	122,193,938	121,904,370	121,448,088	121,435,515
Income Tax Deposit	57,133,341	47,211,766	57,133,341	47,211,766
Deferred Employee Expenditure	1,505,853,488	1,098,836,893	1,505,853,488	1,098,836,893
Other	75,310,978	50,718,934	74,311,164	45,131,522
Total	**3,523,909,817**	**2,763,904,664**	**3,677,520,668**	**2,891,413,838**

DUE TO BANK AND FINANCIAL INSTITUTIONS 4.17

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Money Market Deposits	-	-	-	-
Interbank Borrowing	600,000,000	1,724,500,000	600,000,000	1,724,500,000
Other Deposits from B/FIs	3,114,711,816	2,338,554,785	3,114,711,816	2,338,554,785
Settlement and Clearing Accounts	-	-	-	-
Other Deposits from B/FIs	-	-	-	-
Total	**3,714,711,816**	**4,063,054,785**	**3,714,711,816**	**4,063,054,785**

DUE TO NEPAL RASTRA BANK 4.18

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Refinance from NRB	-	1,870,250,868	-	1,870,250,868
Standing Liquidity Facility	-	9,200,000,000	-	9,200,000,000
Lender of Last Resort Facility from NRB	-	-	-	-
Securities Sold under Repurchase Agreements	-	-	-	-
Other Payable to NRB	-	-	-	-
Total	**-**	**11,070,250,868**	**-**	**11,070,250,868**

DERIVATIVE FINANCIAL INSTRUMENTS 4.19

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	-	-	-	-
Others	-	-	-	-
Held for Risk Management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	-	-	-	-
Other	-	-	-	-
Total	**-**	**-**	**-**	**-**

DEPOSITS FROM CUSTOMERS 4.20

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Institutional Customers:				
Term Deposits	47,425,276,937	46,335,499,671	47,818,261,138	46,470,421,196
Call Deposits	8,208,900,522	7,475,807,639	8,208,900,522	7,475,807,639
Current Deposits	7,348,089,861	6,530,730,508	7,364,350,118	6,671,373,441
Other	1,037,391,935	924,856,861	1,037,391,935	924,856,861
Individual Customers:				
Term Deposits	60,934,199,490	51,620,768,192	60,934,199,490	51,620,768,192
Saving Deposits	42,329,284,713	38,804,046,268	42,329,284,713	38,804,046,268
Current Deposits	1,127,508,245	757,976,217	1,127,508,245	757,976,217
Other	22,243,447	76,240,557	22,243,447	76,240,557
Total	**168,432,895,149**	**152,525,925,913**	**168,842,139,608**	**152,801,490,371**

4.20.1: CURRENCY WISE ANALYSIS OF DEPOSIT FROM CUSTOMERS

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Nepalese Rupee	164,445,330,620	146,769,173,355	164,854,575,079	147,044,737,813
Indian Rupee	-	-	-	-
United State Dollar	3,959,153,906	5,749,497,194	3,959,153,906	5,749,497,194
Great Britain Pound	12,907,760	641,703	12,907,760	641,703
Euro	14,812,913	5,635,486	14,812,913	5,635,486
Japenese Yen	186,459	181,718	186,459	181,718
Chinese Yuan	-	-	-	-
Other	503,490	796,457	503,490	796,457
Total	**168,432,895,149**	**152,525,925,913**	**168,842,139,608**	**152,801,490,371**

BORROWING 4.21

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Domestic Borrowing				
Nepal Government	-	-	-	-
Other Institutions	-	-	-	-
Other	-	45,500,000	-	-
Sub total	-	**45,500,000**	-	-
Foreign Borrowing				
Foreign Bank and Financial Institutions	-	-	-	-
Multilateral Development Banks	-	-	-	-
Other Institutions	-	-	-	-
Sub total	-	-	-	-
Total	-	**45,500,000**	-	-

PROVISIONS 4.22

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Provisions for Redundancy	-	-	-	-
Provisions for Restructuring	-	-	-	-
Pending Legal Issues and Tax Litigation	-	-	-	-
Onerous Contracts	-	-	-	-
Other - Previous Year's Income Tax Provision	5,306,626	5,306,626	5,306,626	5,306,626
Total	**5,306,626**	**5,306,626**	**5,306,626**	**5,306,626**

4.22.1 : MOVEMENT IN PROVISION

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Balance at July 17, 2022	**5,306,626**	**5,306,626**	**5,306,626**	**5,306,626**
Provisions Made during the Year	-	-	-	-
Provisions Used during the Year	-	-	-	-
Provisions Reversed during the Year	-	-	-	-
Unwind of Discount	-	-	-	-
Balance at July 16, 2023	**5,306,626**	**5,306,626**	**5,306,626**	**5,306,626**

OTHER LIABILITIES 4.23

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Liability for Employees Defined Benefit Obligations	69,941,022	66,002,754	69,937,563	66,002,086
Liability for Long-Service Leave	2,531,234	3,401,528	1,806,798	2,498,397
Short-Term Employee Benefits	581,851	5,050,849	565,888	5,038,621
Bills Payable	154,236,665	152,060,182	154,236,665	152,060,182
Creditors and Accruals	15,568,830	31,524,110	15,568,830	31,500,111
Interest Payable on Deposit	28,643,769	18,336,715	28,643,769	18,336,715
Interest Payable on Borrowing	59,323,204	93,852,458	59,323,204	93,852,458
Liabilities on Deferred Grant Income	1,423,809	2,386,434	1,423,809	2,386,434
Unpaid Dividend	10,156,484	146,373,242	184,493,273	155,454,304
Lease Liabilities	807,504,968	788,697,212	804,178,553	784,320,725
Employee Bonus Payable	283,817,151	314,732,941	279,605,949	314,732,941
Other				
Card Payables	81,438,737	96,748,134	81,438,737	96,748,134
Unearned Commissions	133,443,634	137,524,015	133,443,634	137,524,015
Tax Payable	161,988,914	158,760,376	161,702,152	158,513,181
Retention Money	9,378,875	11,959,438	9,378,875	11,959,438
Provision for Expenses	29,999,060	28,559,292	29,603,120	27,906,365
Account Payable Others	1,096,381,768	1,479,378,347	911,735,797	1,463,240,687
Total	**2,946,359,975**	**3,535,348,028**	**2,927,086,615**	**3,522,074,793**

4.23.1 : DEFINED BENEFIT OBLIGATIONS

The amounts recognized in the Statement of Financial Position are as follows:

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Present Value of Unfunded Obligations	69,941,022	66,002,754	69,937,563	66,002,086
Present Value of Funded Obligations	145,597,435	119,632,735	145,597,435	119,632,735
Total Present Value of Obligations*	215,534,998	185,635,489	215,534,998	185,634,821
Fair Value of Plan Assets	145,597,435	119,632,735	145,597,435	119,632,735
Present Value of Net Obligations	69,937,563	66,002,086	69,937,563	66,002,086
Recognised Liability for Defined Benefit Obligations	215,534,998	185,634,821	215,534,998	185,634,821

**Total Present Value Of Obligations of NPR 215,534,972 includes amount of NPR 93,883,559on account of provision made for gratuity equivalent to 8.33% of salary for the staff joining after Bhadra 2074 as per terms of Employee Service Bylaws of the bank.*

4.23.2 : PLAN ASSETS

Amount in NPR

PLAN ASSETS COMPRISE	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Equity Securities	-	-	-	-
Government Bonds	-	-	-	-
Bank Deposit	-	-	-	-
Other	145,597,435	119,632,735	145,597,435	119,632,735
Total	**145,597,435**	**119,632,735**	**145,597,435**	**119,632,735**

4.23.3 : MOVEMENT IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Defined Benefit Obligations At Shrawan 1	185,634,821	145,986,943	185,634,821	145,986,943
Actuarial Losses(Gain)	(2,041,225)	(7,952,534)	(2,041,225)	(7,952,534)
Benefits Paid By The Plan	(20,365,878)	(6,057,224)	(20,365,878)	(6,057,224)
Benefits Paid By The bank	(8,638,997)	(5,273,698)	(8,638,997)	(5,273,698)
Current Service Costs And Interest	60,946,277	58,931,334	60,946,277	58,931,334
Defined Benefit Obligations At Ashadh End	**215,534,998**	**185,634,821**	**215,534,998**	**185,634,821**

4.23.4 : MOVEMENT IN THE FAIR VALUE OF PLAN ASSETS

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Fair Value Of Plan Assets At July 17, 2022	119,632,735	105,590,454	119,632,735	105,590,454
Contributions Paid Into The Plan	35,947,849	13,256,267	35,947,849	13,256,267
Benefits Paid During The Year	(20,365,878)	(6,057,224)	(20,365,878)	(6,057,224)
Actuarial (Losses) Gains	(1,085,406)	(2,983,860)	(1,085,406)	(2,983,860)
Expected Return On Plan Assets	11,468,135	9,827,098	11,468,135	9,827,098
Fair Value Of Plan Assets At July 16, 2023	**145,597,435**	**119,632,735**	**145,597,435**	**119,632,735**

4.23.5 : AMOUNT RECOGNIZED IN PROFIT OR LOSS

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Service Costs*	51,405,595	49,936,166	51,405,595	49,936,166
Interest on Obligation	9,540,707	8,995,168	9,540,707	8,995,168
Expected Return on Plan Assets	(11,468,135)	(9,827,098)	(11,468,135)	(9,827,098)
Total	**49,478,167**	**49,104,236**	**49,478,167**	**49,104,236**

**Currrent service cost includes the amount of NPR 33,078,551 on account of provision made during the year for gratuity equivalent to 8.33% of salary for the staff joining after Bhadra 2074 as per terms of Employee Service Bylaws of the bank.*

4.23.6 : AMOUNT RECOGNIZED IN OTHER COMPREHENSIVE INCOME

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Actuarial (Gain)/ Loss	(955,819)	4,968,674	(955,819)	4,968,674
Total	**(955,819)**	**4,968,674**	**(955,819)**	**4,968,674**

4.23.7 : ACTUARIAL ASSUMPTIONS

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Discount Rate	9.00%	9.00%	9.00%	9.00%
Expected Return on Plan Asset	9.00%	9.00%	9.00%	9.00%
Future Salary Increase	5.00%	5.00%	5.00%	5.00%
Withdrawal Rate	8.00%	8.00%	8.00%	8.00%

DEBT SECURITIES ISSUED 4.24

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Debt Securities Issued Designated as at Fair Value Through Profit or Loss	-	-	-	-
Debt Securities Issued at Amortised Cost	2,479,847,548	2,477,875,480	2,479,847,548	2,477,875,480
Total	**2,479,847,548**	**2,477,875,480**	**2,479,847,548**	**2,477,875,480**

SUBORDINATED LIABILITIES 4.25

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Redeemable Preference Shares	-	-	-	-
Irredemable Cumulative Preference Shares (Liabilities Component)	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

SHARE CAPITAL 4.26

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Ordinary Shares	14,200,974,006	14,200,974,006	14,200,974,006	14,200,974,006
Convertible Preference Shares (Equity Component Only)	-	-	-	-
Irredemable Preference Shares (Equity Component Only)	-	-	-	-
Perpetual Debt (Equity Component Only)	-	-	-	-
Total	**14,200,974,006**	**14,200,974,006**	**14,200,974,006**	**14,200,974,006**

4.26.1 : ORDINARY SHARES

Amount in NPR

PARTICULARS	BANK	
	CURRENT YEAR	PREVIOUS YEAR
Authorized Capital		
150,000,000 Ordinary shares of Rs. 100 each	15,000,000,000	15,000,000,000
(Previous year 150,000,000 Ordinary shares of Rs. 100 each)		
Issued capital		
142,009,740.06 Ordinary shares of Rs. 100 each	14,200,974,006	
(Previous Year 142,009,740.06 Ordinary shares of Rs. 100 each)		14,200,974,006
Subscribed and paid up capital		
142,009,740.06 Ordinary shares of Rs. 100 each	14,200,974,006	
(Previous Year 142,009,740.06 Ordinary shares of Rs. 100 each)		14,200,974,006
Total	**14,200,974,006**	**14,200,974,006**

4.26.2 : ORDINARY SHARE OWNERSHIP

Amount in NPR

PARTICULARS	BANK			
	CURRENT YEAR		PREVIOUS YEAR	
	PERCENT	AMOUNT	PERCENT	AMOUNT
Domestic ownership				
Nepal Government	-	-	-	-
"A" Class Licensed Institutions	-	-	-	-
Other Licensed Intitutions	-	-	-	-
Other Institutions	4.33%	614,218,011	4.33%	614,218,011
Public	48.92%	6,948,145,861	48.92%	6,948,145,861
Other	46.75%	6,638,610,134	46.75%	6,638,610,13
Foreign Ownership	-	-	-	-
Total	**100.00%**	**14,200,974,006**	**100.00%**	**14,200,974,006**

4.26.3: SHAREHOLDERS HOLDING 0.5% OR MORE SHARES

Amount in NPR

NAME	PROMOTER SHARES	ORDINARY SHARES	NO OF SHARES HELD	PAID UP VALUE (NPR)	% OF SHAREHOLDING
1. Citizen Investment Trust	3,440,924.93	1,318,201.98	4,759,126.91	475,912,691	3.35
2. Urmila Pandey	3,827,344.33	865,341.17	4,692,685.51	469,268,551	3.30
3. Tara Bista	2,343,510.49	-	2,343,510.49	234,351,049	1.65
4. Bijendra Joshi	1,763,237.72	490,418.06	2,253,655.78	225,365,578	1.59
5. Manohar Das Mool	1,419,411.95	527,365.21	1,946,777.16	194,677,716	1.37
6. Digvijay Bista	1,846,863.38	-	1,846,863.38	184,686,338	1.30
7. Pavitra Kumar Karki	1,322,423.01	497,124.46	1,819,547.47	181,954,747	1.28
8. Rabindra Man Singh Pradhan	1,322,423.01	491,338.66	1,813,761.67	181,376,167	1.28
9. Sabitri Sharma	1,378,294.12	302,918.92	1,681,213.05	168,121,305	1.18
10. Ramesh Sharma	1,057,945.31	381,943.33	1,439,888.63	143,988,863	1.01
11. Soni Joshi	1,322,423.01	9,867.60	1,332,290.61	133,229,061	0.94
12. Arjun Prasad Sharma	882,831.27	316,464.65	1,199,295.92	119,929,592	0.84
13. Jagannath Gyawali	704,979.77	334,268.43	1,039,248.20	103,924,820	0.73
14. Shankar Prasad Sharma	886,960.32	142,825.66	1,029,785.98	102,978,598	0.73
15. Bishnu Prashad Pokharel	167,867.95	834,096.52	1,001,964.48	100,196,448	0.71
16. Sulochan Raj Rajbhandary	705,293.47	262,052.67	967,346.14	96,734,614	0.68
17. Narendra Kumar Deo Bhatta	705,292.22	129,648.20	834,940.43	83,494,043	0.59
18. Pramila Nepal	725,608.78	63,025.76	788,634.54	78,863,454	0.56
19. Ramita Bhattarai	599,501.90	169,297.70	768,799.61	76,879,961	0.54
20. Manita Bhattarai	599,501.90	167,875.34	767,377.24	76,737,724	0.54
21. Pratap Jung Pandey	608,319.44	134,992.84	743,312.28	74,331,228	0.52
22. Rajesh Khadka	528,972.65	196,537.55	725,510.20	72,551,020	0.51
23. Ram Prasad Shrestha	535,697.62	187,573.33	723,270.95	72,327,095	0.51
24. Prem Bahadur Shrestha	702,761.38	15,496.91	718,258.29	71,825,829	0.51
25. S R Hydro And Investment Pvt. Ltd.	702,677.23	13,162.12	715,839.35	71,583,935	0.50
26. Anil Kumar Dhungel	705,125.42	5,645.65	710,771.07	71,077,107	0.50
Total	**30,806,192.60**	**7,857,482.71**	**38,663,675.32**	**3,866,367,532**	**27.23**

RESERVES 4.27

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Statutory General Reserve	3,413,142,806	3,037,864,152	3,402,681,478	3,029,930,276
Exchange Equilisation Reserve	23,180,770	74,958,036	23,180,770	74,958,036
Corporate Social Responsibility Reserve	38,907,489	29,665,561	38,343,356	28,973,173
Capital Redemption Reserve	833,333,333	555,555,556	833,333,333	555,555,556
Regulatory Reserve	831,803,765	379,876,163	831,803,765	379,876,163
Investment Adjustment Reserve	-	-	-	-
Capital Reserve	-	-	-	-
Assets Revaluation Reserve	407,893,594	407,893,594	407,893,594	407,893,594
Fair Value Reserve	114,759,709	111,948,908	247,396,570	279,332,789
Dividend Equalisation Reserve	-	-	-	-
Actuarial Gain	(4,267,356)	(4,936,429)	(4,267,356)	(4,936,429)
Special Reserve	-	-	-	-
Other Reserve	137,992,581	130,072,115	135,189,959	127,269,493
Total	**5,796,746,690**	**4,722,897,655**	**5,915,555,469**	**4,878,852,650**

CONTINGENT LIABILITIES AND COMMITMENTS 4.28

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Contingent Liabilities	30,091,864,004	27,316,584,329	29,547,876,004	27,291,584,329
Undrawn and Undisbursed Facilities	51,123,544,723	60,137,173,239	51,123,544,723	60,137,173,239
Capital Commitment	15,334,257	37,913,000	15,334,257	37,913,000
Lease Commitment	1,037,542,571	1,028,748,730	1,037,542,571	1,028,748,730
Litigation	279,972,942	171,300,143	279,972,942	171,300,143
Total	**82,548,258,497**	**88,691,719,440**	**82,004,270,497**	**88,666,719,440**

4.28.1: CONTINGENT LIABILITIES

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Acceptance and Documentary Credit	10,171,612,750	7,113,617,123	10,171,612,750	7,113,617,123
Bills for Collection	870,110,765	1,103,691,169	870,110,765	1,103,691,169
Forward Exchange Contracts	-	-	-	-
Guarantees	18,206,024,350	18,762,307,703	18,206,024,350	18,762,307,703
Underwriting Commitment	518,988,000	-	-	-
Other Commitments	325,128,138	336,968,334	300,128,138	311,968,334
Total	**30,091,864,004**	**27,316,584,329**	**29,547,876,004**	**27,291,584,329**

4.28.2: UNDRAWN AND UNDISBURSED FACILITIES

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Undisbursed Amount of Loans	4,232,873,290	15,083,449,836	4,232,873,290	15,083,449,836
Undrawn Limits of Overdrafts	6,026,954,126	5,029,647,227	6,026,954,126	5,029,647,227
Undrawn Limits of Credit Cards	317,921,711	300,361,928	317,921,711	300,361,928
Undrawn Limits of Letter of Credit	26,636,802,135	23,683,353,621	26,636,802,135	23,683,353,621
Undrawn Limits of Guarantee	13,908,993,462	16,040,360,627	13,908,993,462	16,040,360,627
Total	**51,123,544,723**	**60,137,173,239**	**51,123,544,723**	**60,137,173,239**

4.28.3: CAPITAL COMMITMENTS

Capital Expenditures are approved by relevant authority of the Bank but provision has not been made in Financial Statements.

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Capital Commitments in relation to Property and Equipment				
Approved and Contracted for	7,153,840	34,305,588	7,153,840	34,305,588
Approved but not Contracted for	-	-	-	-
Sub total	**7,153,840**	**34,305,588**	**7,153,840**	**34,305,588**
Capital Commitments in relation to Intangible Assets				
Approved and Contracted for	8,180,417	3,607,412	8,180,417	3,607,412
Approved but not Contracted for	-	-	-	-
Sub total	**8,180,417**	**3,607,412**	**8,180,417**	**3,607,412**
Total	**15,334,257**	**37,913,000**	**15,334,257**	**37,913,000**

4.28.4: LEASE COMMITMENTS

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Operating Lease Commitments				
Future Minimum Lease Payments under Non Cancellable Operating Lease, where the Bank is Lessee				
Not later than 1 year	157,395,840	140,332,761	157,395,840	140,332,761
Later than 1 year but not later than 5 years	649,804,990	524,587,199	649,804,990	524,587,199
Later than 5 years	230,341,740	363,828,770	230,341,740	363,828,770
Sub total	**1,037,542,571**	**1,028,748,730**	**1,037,542,571**	**1,028,748,730**
Finance Lease Commitments				
Future Minimum Lease Payments under Non Cancellable Operating Lease, where the Bank is Lessee				
Not later than 1 year	-	-	-	-
Later than 1 year but not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Sub total	**-**	**-**	**-**	**-**
Grand total	**1,037,542,571**	**1,028,748,730**	**1,037,542,571**	**1,028,748,730**

4.28.5: LITIGATION

The detail of contingent liabilities on account of pending litigation of the Bank are as mentioned below:

a. Status of Contingent Liabilities for Tax Litigation cases pending as on on July 16, 2023

TAX ASSESSMENT ORDER LITIGATION OF	FY	PENDING AT	AMOUNT
Citizens Bank International Limited	2006-07 (2063/64)	Supreme Court	5,528,776
Citizens Bank International Limited	2007-08 (2064/65)	Supreme Court	
Citizens Bank International Limited	2010-11 (2067/68)	Revenue Tribunal	2,885,729
Citizens Bank International Limited	2011-12 (2068/69)	Revenue Tribunal	8,346,517
Citizens Bank International Limited	2012-13 (2069/70)	Revenue Tribunal	12,396,901
Citizens Bank International Limited	2013-14 (2070/71)	Revenue Tribunal	10,118,138
Citizens Bank International Limited	2014-15 (2071/72)	Revenue Tribunal	11,186,382
Citizens Bank International Limited	2015-16 (2072/73)	Revenue Tribunal	27,780,376
Citizens Bank International Limited	2016-17 (2073/74)	Tax Administrative Review	42,066,361
Citizens Bank International Limited	2017-18 (2074/75)	Tax Administrative Review	44,038,781
Citizens Bank International Limited	2018-19 (2075/76)	Tax Administrative Review	59,136,088
People's Finance Limited	2010-11 (2067/68)	Tax Administrative Review	21,002,255
Nepal Housing and Merchant Finance Limited	2011-12 (2068/69)	Tax Administrative Review	3,446,694
Nepal Housing and Merchant Finance Limited	2013-14 (2070/71)	Tax Administrative Review	917,391
Nepal Housing and Merchant Finance Limited	2014-15 (2071/72)	Revenue Tribunal	24,330,360
Nepal Housing and Merchant Finance Limited	2014-15 (2071/72)	Revenue Tribunal	944,223
Sahayogi Bikash Bank Limited	2016-17 (2073/74)	Tax Administrative Review	258,251

Srijana Finance Limited	2015-16 (2072/73)	Tax Administrative Review	1,009,180
Sahayogi Bikash Bank Limited	2017-18 (2074/75)	Tax Administrative Review	268,422
Tinau Mission Development Bank Limited	2017-18 (2074/75)	Tax Administrative Review	2,586,651
Mission Development Bank Limited	2017-18 (2074/75)	Tax Administrative Review	1,362,616
Srijana Finance Limited	2017-18 (2074/75)	Tax Administrative Review	362,850
Total			**279,972,942**

The Bank has not provisioned for the tax liability created as per Section 26 and Section 27 of Finance Act, 2080 on account of waiver of fees and interests on tax not paid as per Section 56 sub- section 3 of Income Tax Act, 2058 for the premium collected on FPO share issued and distributed to the beneficiaries upto Fiscal Year 2021/22 and tax not paid on income earned as Bargain Purchase Gain from mergers/ acquisitions till Fiscal Year 2021/22. The tax liability created as per Section 26 and Section 27 of Finance Act, 2080 has been contested by the Bank in the court of law and has been considered as the contingent liability of the Bank.

Financial Year 2019-20 to 2021-22

The self assessment returns filed by the Bank for financial year 2019-20 (2076/77) to 2021-22 (2078/79) has not yet been opened for reassessment by the Large Taxpayers Office.

b. Status of Contingent Liabilties for other pending litigations

As such, there are no other contingent liabilities that are likely to materialize against the Bank in case of other pending litigations.

INTEREST INCOME 4.29

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Cash and Cash Equivalents	308,816,121	97,877,645	265,495,011	89,457,960
Due from Nepal Rastra Bank	247,397	-	247,397	-
Placement with Bank and Financial Institutions	3,308,865	7,665,035	3,308,865	7,665,035
Loan and Advances to Bank and Financial Institutions	375,762,394	316,209,011	375,762,394	316,209,011
Loan and Advances to Customers	18,212,533,366	14,197,416,581	18,216,412,489	14,201,541,381
Investment Securities	1,436,276,499	1,106,619,148	1,441,750,427	1,106,160,264
Loan and Advances to Staff	357,851,651	246,614,384	357,851,651	246,614,384
Other	-	-	-	-
Total Interest Income	**20,694,796,293**	**15,972,401,804**	**20,660,828,235**	**15,967,648,035**

INTEREST EXPENSES 4.30

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Due to Bank and Financial Institutions	333,626,720	95,626,072	330,126,649	92,927,372
Due to Nepal Rastra Bank	450,043,251	445,328,250	450,043,251	445,328,250
Deposits from Customers	13,721,930,209	10,109,055,628	13,739,685,789	10,126,832,387
Borrowing	-	-	-	-
Debt Securities Issued	258,222,068	258,745,274	258,222,068	258,745,274
Subordinated Liabilities	-	-	-	-
Other	54,682,985	50,324,769	54,254,281	50,324,769
Total Interest Expense	**14,818,505,235**	**10,959,079,993**	**14,832,332,039**	**10,974,158,052**

FEES AND COMMISSION INCOME 4.31

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Loan administration fees	231,289,933	245,297,019	231,289,933	245,297,019
Service fees	197,953,386	167,204,602	197,953,386	167,204,602
Consortium fees	41,024,351	71,101,191	41,024,351	71,101,191
Commitment fees	1,997,896	3,659,335	1,997,896	3,659,335
DD/ TT/ Swift fees	24,140,127	21,242,635	24,140,127	21,242,635
Credit card/ATM issuance and renewal fees	153,426,332	123,698,701	153,426,332	123,698,701
Prepayment and swap fees	3,885,822	5,196,305	3,885,822	5,196,305
Investment banking fees	-	-	-	-
Asset management fees	26,075,655	30,483,316	-	-
Brokerage fees	-	-	-	-
Remittance fees	48,698,966	43,023,325	48,698,966	43,023,325
Commission on letter of credit	73,629,013	89,211,414	73,629,013	89,211,414
Commission on guarantee contracts issued	162,027,320	134,673,457	162,027,320	134,673,457

Commission on share underwriting/ issue	3,084,150	1,500,000	-	-
Locker rental	9,894,254	7,717,917	9,894,254	7,717,917
Other fees and commission income				
Bancassurance Commission	4,265,569	5,224,247	4,265,569	5,224,247
Demat commission	28,989,379	41,912,689	28,608,269	41,331,711
Credit Line Issuance Commission	300,894	12,659,877	300,894	12,659,877
Bills Collection Commission	2,550,428	2,782,482	2,550,428	2,782,482
Others	33,408,530	27,066,820	30,301,105	24,078,266
Total fees and Commission Income	**1,046,642,004**	**1,033,655,331**	**1,013,993,665**	**998,102,482**

FEES AND COMMISSION EXPENSES 4.32

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
ATM Management Fees	9,092,748	7,046,838	9,092,748	7,046,838
VISA/ Master Card Fees	72,357,166	54,733,836	72,357,166	54,733,836
Guarantee Commission	-	-	-	-
Brokerage	203,853	365,365	203,853	50,288
DD/ TT/ Swift Fees	6,565,950	6,810,108	6,565,950	6,810,108
Remittance Fees and Commission	7,326,900	4,450,862	7,326,900	4,450,862
Other Fees and Commission Expenses	43,409,181	57,809,414	41,663,940	55,944,128
Total Fees and Commission Expenses	**138,955,799**	**131,216,423**	**137,210,558**	**129,036,061**

NET TRADING INCOME 4.33

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Changes in Fair Value of Trading Assets	10,571,804	(199,250,616)	9,252,391	(159,094,337)
Gain/ Loss on Disposal of Trading Assets	(4,400,015)	1,476,114	(7,613,507)	3,831,537
Interest Income on Trading Assets	-	-	-	-
Dividend Income on Trading Assets	21,053,234	109,492,969	20,595,447	96,298,358
Gain/ Loss Foreign Exchange Transaction	159,969,080	283,240,890	159,969,080	283,240,890
Other	-	-	-	-
Net Trading Income	**187,194,103**	**194,959,357**	**182,203,411**	**224,276,449**

OTHER OPERATING INCOME 4.34

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Foreign Exchange Revaluation Gain	(51,777,267)	(4,513,340)	(51,777,267)	(4,513,340)
Gain/ Loss on Sale of Investment Securities	13,141,972	-	13,141,972	-
Fair Value Gain/ Loss on Investment Properties	-	-	-	-
Dividend on Equity Instruments	9,512,582	149,406,480	9,512,582	149,406,480
Gain/ Loss on Sale of Property and Equipment	22,089,045	4,433	22,089,045	4,433
Gain/ Loss on Sale of Investment Property	(1,414,427)	9,288,002	(1,414,427)	9,288,002
Operating Lease Income	-	-	-	-
Gain/ Loss on Sale of Gold and Silver	8,270,240	9,172,965	8,270,240	9,172,965
Locker Rent	-	-	-	-
Other	28,306,884	38,000,568	23,755,800	13,868,160
Total	**28,129,030**	**201,359,109**	**23,577,946**	**177,226,700**

IMPAIRMENT CHARGE/ (REVERSAL) FOR LOAN AND OTHER LOSSES 4.35

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Impairment Charge/ (Reversal) on Loan and Advances to B/FIs	(10,395,362)	10,664,320	(10,395,362)	10,664,320
Impairment Charge/ (Reversal) on Loan and Advances to Customer	1,226,875,580	541,756,130	1,226,875,580	541,756,130
Impairment Charge/ (Reversal) on Financial Investment	-	-	-	-
Impairment Charge/ (Reversal) on Placement with Bank and Financial Institutions	-	-	-	-
Impairment Charge/ (Reversal) on Property and Equipment	-	-	-	-
Impairment Charge/ (Reversal) on Goodwill and Intangible Assets	-	-	-	-
Impairment Charge/ (Reversal) on Investment Properties	-	-	-	-
Total	**1,216,480,218**	**552,420,450**	**1,216,480,218**	**552,420,450**

PERSONNEL EXPENSES 4.36

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Salary	533,703,015	513,212,676	527,971,743	508,341,677
Allowances	690,837,920	579,884,380	686,291,330	575,395,072
Gratuity Expenses	49,904,744	49,509,991	49,478,167	49,104,236
Provident Fund	53,307,429	51,260,000	52,795,378	50,772,900
Uniform	13,130,845	-	13,130,845	-
Training & Development expenses	26,415,021	10,228,860	26,114,824	10,156,804
Leave encashment	63,058,035	93,649,873	62,764,998	93,377,240
Medical	8,223,537	3,924,583	8,223,537	3,924,583
Insurance	-	-	-	-
Employees incentive	-	-	-	-
Cash-Settled Share-Based Payments	-	-	-	-
Pension Expense	-	-	-	-
Finance Expense under NFRS	133,529,523	102,816,451	133,529,523	102,816,451
Other Expenses Related to Staff	50,191,939	76,818,517	49,990,689	76,810,344
Sub total	**1,622,302,007**	**1,481,305,331**	**1,610,291,034**	**1,470,699,308**
Employees Bonus	283,817,151	314,732,941	279,605,949	314,732,941
Grand total	**1,906,119,158**	**1,796,038,272**	**1,889,896,983**	**1,785,432,248**

OTHER OPERATING EXPENSES 4.37

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Directors' fee	2,901,650	3,216,000	2,044,000	2,541,000
Directors' expense	1,447,110	1,214,176	1,364,887	1,178,315
Auditors' remuneration	3,079,250	2,408,595	2,825,000	2,175,250
Other audit related expense	2,007,100	2,195,180	2,000,000	2,184,750
Professional and legal expense	8,381,306	8,056,463	7,478,966	8,033,863
Office administration expense	767,287,011	704,827,839	765,146,999	703,071,981
Operating lease expense	5,693,431	4,515,920	5,693,431	4,515,920
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	9,267,377	9,126,345	9,267,377	9,126,345
Onerous lease provisions	-	-	-	-
Other	105,717,812	69,813,175	106,092,857	71,026,821
Total	**905,782,047**	**805,373,694**	**901,913,517**	**803,854,246**

OFFICE ADMINISTRATION EXPENSE 4.37.1

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Water & electricity	48,472,221	45,435,157	48,290,892	45,236,703
Repair & maintenance				
(a) Building	3,292,251	4,530,438	3,292,251	4,530,438
(b) Vehicle	5,268,826	6,195,316	5,268,826	6,195,316
(c) Computer & accessories	5,384,300	19,668,818	5,236,331	19,288,767
(d) Office equipment and furniture	19,758,764	23,545,982	19,758,764	23,530,082
(e) Other	4,872,208	3,562,008	4,872,208	3,562,008
Insurance	26,369,231	35,275,974	26,148,227	35,056,497
Postage,telex,telephone and fax	13,303,033	12,015,963	13,185,340	11,955,786
Printing and stationery	64,208,832	43,566,768	63,925,865	43,337,561
Newspaper,books and journals	161,369	210,637	153,537	202,536
Advertisement	47,101,080	32,825,670	46,491,441	32,668,536
Donation	-	-	-	-
Security expense	150,654,177	154,105,542	150,654,177	154,105,542
Deposit and loan guarantee premium	113,575,249	88,233,711	113,575,249	88,233,711
Travel allowances and expense	15,009,813	14,760,803	15,009,813	14,752,803
Entertainment	1,483,216	1,135,846	1,459,376	1,135,846
Annual /special general meeting expense	1,753,418	567,147	1,705,833	558,147
Other				
(a) Contract staff expense	98,079,779	87,561,649	98,079,779	87,561,649
(b) Fuel expense	59,884,391	43,428,884	59,384,236	43,126,169
(c) Communication expense	26,930,908	27,189,591	26,930,908	27,189,591
(d) Connectivity expense	36,130,489	36,335,956	36,130,489	36,335,956
(e) Fund transfer expense	1,174,271	1,328,502	1,174,271	1,328,502
(f) Bank charge	11,314,001	12,599,765	11,314,001	12,432,122
(g) Cleaning expense	8,124,730	7,102,054	8,124,730	7,102,054
(h) Consumable goods	4,980,455	3,645,660	4,980,455	3,645,660
Total	**767,287,011**	**704,827,839**	**765,146,999**	**703,071,981**

DEPRECIATION & AMORTIZATION 4.38

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Depreciation on Property and Equipment	315,340,473	386,027,023	313,030,476	383,724,973
Depreciation on Investment Property	285,052	715,283	285,052	715,283
Amortisation of Intangible Assets	14,389,569	29,026,934	14,112,161	28,659,820
Total	**330,015,094**	**415,769,240**	**327,427,689**	**413,100,077**

NON OPERATING INCOME 4.39

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Recovery of Loan Written Off	-	51,958,954	-	51,958,954
Other income	13,221,997	63,960,135	20,681,607	71,384,982
Total	**13,221,997**	**115,919,089**	**20,681,607**	**123,343,936**

NON OPERATING EXPENSES 4.40

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Loan Written Off	79,570,322	-	79,570,322	-
Redundancy Provision	-	-	-	-
Expense of Restructuring	-	-	-	-
Other Expenses	-	-	-	-
Total	**79,570,322**	**-**	**79,570,322**	**-**

INCOME TAX EXPENSES 4.41

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Tax Expenses	**778,061,771**	**906,982,003**	**765,409,985**	**890,236,429**
Current Year	765,473,184	912,369,722	752,813,812	899,849,236
Adjustments for Prior Years	12,588,587	(5,387,719)	12,596,173	(9,612,807)
Deferred Tax Expenses	**(108,030,319)**	**(76,120,659)**	**(112,712,458)**	**(63,250,757)**
Origination and Reversal of Temporary Differences	(108,030,319)	(76,120,659)	(112,712,458)	(63,250,757)
Changes in Tax Rate	-	-	-	-
Recognition of Previously Unrecognised Tax Losses	-	-	-	-
Total Income Tax Expenses	**670,031,452**	**830,861,344**	**652,697,527**	**826,985,672**

4.41.1: RECONCILIATION OF TAX EXPENSES AND ACCOUNTING PROFIT

Amount in NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Profit before tax	**2,570,046,420**	**2,834,352,114**	**2,516,453,538**	**2,832,596,467**
Tax amount at tax rate of 30%	771,013,926	850,305,634	754,936,061	849,778,940
Add: Tax effect of expenses that are not deductible for tax purpose				
Capital Items Cost Upto Rs 5,000 Written Off	1,494,137	1,093,698	1,494,137	1,093,698
Unabsorbed Repairs and Maintenance	5,359	3,287,989	-	3,287,989
Disallowed expense	1,901,918	2,249,659	1,781,089	2,249,659
Depreciation & Amortization	17,531,499	44,377,901	17,048,509	44,377,901
Prior period expense	3,794,152	844,373	3,794,152	844,373
CSR expense	2,750,213	2,707,904	2,750,213	2,707,904
Gratuity & Leave Expense Provision	10,989,956	10,722,945	11,025,217	10,722,945
Bond Amortization	677,329	545,838	677,329	545,838
NFRS Lease expense	16,356,570	15,097,431	16,276,284	15,097,431
Staff Bonus Relating to Final Withholding Income	297,148	893,249	297,148	893,249
Interest income reduced by Bonus accrued payable to staff of Home Loan as per Actuary Report	1,027,018	82,699	1,027,018	82,699
Interest Income on Plan Assets	7,854,194	2,626,805	7,854,194	2,626,805
Loan Written Off	23,871,097	-	23,871,097	-
Less: Tax effect on exempt income				
Dividend Income	(3,108,814)	(8,986,858)	(2,971,478)	(8,932,495)
Add/less: Tax effect on other items				
Loss/(profit) on Sale of Fixed Asset	(6,626,714)	(1,330)	(6,626,714)	(1,330)
Recovery of Loan w/off	-	(15,587,686)	-	(15,587,686)
Carried forward of unabsorbed business loss	(9,031,923)	(9,031,923)	(9,031,923)	(9,031,923)
Deferred grant income reversal	(288,788)	(371,715)	(288,788)	(371,715)
Excesss LLP claimed over GAAP LLP	(23,871,097)	7,200,625	(23,871,097)	7,200,625
Rent Expense Claimed on Actual Expense	(44,704,827)	(39,684,932)	(44,309,520)	(39,684,932)
Reversal of Excess lease expense booked on SLM Basis	(137,475)	(15,746,161)	(137,475)	(15,746,161)
NFRS Lease income	(5,925)	(32,878)	(5,925)	(32,878)
Change in fair value of trading assets	(6,315,771)	59,775,185	(2,775,717)	47,728,301
Prior Period Error effect	12,588,587	(5,387,719)	12,596,173	(9,612,807)

Total income tax expense	**778,061,771**	**906,980,731**	**765,409,985**	**890,236,429**
Effective tax rate	**30.27%**	**32.00%**	**30.42%**	**31.43%**

CITIZENS BANK INTERNATIONAL LIMITED

Statement of Distributable Profit or Loss

For the year ended July 16, 2023 (Ashadh 31, 2080)

Amount in NPR

PARTICULARS	BANK	
	CURRENT YEAR	PREVIOUS YEAR
NET PROFIT OR (LOSS) AS PER STATEMENT OF PROFIT OR LOSS	**1,863,756,011**	**2,005,610,796**
APPROPRIATIONS:		
a. General reserve	(372,751,202)	(401,122,159)
b. Foreign exchange fluctuation fund	51,777,267	-
c. Capital redemption reserve	(277,777,778)	(277,777,778)
d. Corporate social responsibility fund	(9,370,183)	(10,929,763)
e. Employees' training fund	(7,920,466)	(11,275,265)
f. Other	-	-
PROFIT OR (LOSS) BEFORE REGULATORY ADJUSTMENT	**1,247,713,649**	**1,304,505,832**
REGULATORY ADJUSTMENT :		
a. Interest receivable (-)/previous accrued interest received (+)	(252,119,669)	(69,537,347)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	(29,914,101)	(42,524,633)
e. Deferred tax assets recognised (-)/ reversal (+)	(167,001,964)	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	669,073	3,478,072
i. Other (+/-)		
- Unrealised Gain on trading assets measured at Fair Value Through Profit or Loss	(3,560,943)	(97,961,368)
Net profit for the year end July 16, 2023 available for distribution	**795,786,046**	**1,293,883,292**
Opening Retained Earnings as on July 17, 2022	**1,329,462,004**	**1,422,777,310**
Adjustment :	(171,209)	80,813
Distribution :		
Bonus share issued	**-**	**(999,022,603)**
Cash Dividend Paid	**(1,278,087,661)**	**(388,256,807)**
Total Distributable Profit or (Loss) as on July 16, 2023	**846,989,180**	**1,329,462,005**
Annualised Distributable Profit/Loss per sahre	**5.96**	**9.36**

CITIZENS BANK INTERNATIONAL LIMITED

Comparison of Unaudited and Audited Financial Statements as of FY 2022-23 (2079/80)

Amount in NPR

STATEMENT OF FINANCIAL POSITION	AS PER UNAUDITED FINANCIAL STATEMENT	AS PER AUDITED FINANCIAL STATEMENT	VARIANCE		REASONS FOR VARIANCE
			IN AMOUNT	IN %	
ASSETS					
Cash And Cash Equivalents	9,815,765,159	9,764,245,573	(51,519,586)	-0.52%	Due to reclassificiation to Due to NRB
Due from Nepal Rastra Bank	6,651,489,286	6,703,008,872	51,519,586	0.77%	Due to reclassification from Cash and Cash Equivalent.
Placement with Bank and Financial Institutions	2,236,412,161	2,236,412,161	-	0.00%	
Derivative Financial Instruments	17,045,476	17,045,476	-	0.00%	
Other Trading Assets	318,872,100	318,872,100	-	0.00%	
Loan and Advances to B/FIs	2,510,671,744	2,510,671,744	-	0.00%	
Loan and Advances to Customers	140,401,519,471	139,832,005,022	(569,514,449)	-0.41%	Due to change in Loan Loss Provision
Investment Securities	28,685,569,583	28,685,569,583	-	0.00%	
Current Tax Assets	138,030,519	283,947,414	145,916,895	105.71%	Recomputation and readjustment of tax liability.
Investment in Subsidiaries	317,204,200	317,204,200	-	0.00%	
Investment in Associates	330,011,545	330,011,545	-	0.00%	
Investment Property	256,128,571	256,128,571	-	0.00%	
Property and Equipment	3,757,646,456	3,757,646,456	-	0.00%	
Goodwill and Intangible Assets	179,517,754	179,517,754	-	0.00%	
Deferred Tax Assets	62,400,408	62,803,729	403,321	0.00%	Due to change in calculation of deferred tax asset.
Other Assets	3,645,444,492	3,677,520,668	32,076,175	0.88%	Due to Audit adjustments.
Total Assets	**199,323,728,925**	**198,932,610,867**	**391,118,058**		
CAPITAL AND LIABILITIES					
Due to Bank and Financial Institutions	3,714,711,816	3,714,711,816	-	0.00%	
Due to Nepal Rastra Bank	-	-	-	0.00%	
Derivative Financial Instruments	-	-	-	0.00%	
Deposits from Customers	168,842,139,608	168,842,139,608	-	0.00%	
Borrowing	-	-	-	0.00%	
Current Tax Liabilities	-	-	-	0.00%	
Provisions	5,306,626	5,306,626	-	0.00%	
Deferred Tax Liabilities	-	-	-	0.00%	
Other Liabilities	2,968,676,540	2,927,086,615	(41,589,926)	-1.40%	Due to Audit adjustments.
Debt Securities Issued	2,479,847,548	2,479,847,548	-	0.00%	
Subordinated Liabilities	-	-	-	0.00%	
Total Liabilities	**178,010,682,138**	**177,969,092,212**	**(41,589,926)**		

EQUITY					
Share Capital	14,200,974,006	14,200,974,006	-	0.00%	
Share Premium	-	-	-	0.00%	
Retained Earnings	1,037,276,866	846,989,180	190,287,685	18.34%	Due to change in net profit and regulatory adjustment.
Reserves	6,074,795,916	5,915,555,469	159,240,447	2.62%	Due to change in net profit and regulatory adjustment.
Total Equity	**21,313,046,787**	**20,963,518,655**	**(349,528,133)**		
Total Liabilities and Equity	**199,323,728,925**	**198,932,610,867**	**(391,118,058)**		
STATEMENT OF PROFIT OR LOSS					
Interest Income	20,688,978,461	20,660,828,235	(28,150,226)	-0.14%	Change in recognition of interest income on accrual basis.
Interest Expenses	(14,831,703,750)	(14,832,332,039)	(628,289)	0.00%	Due to Audit adjustments.
Net Interest Income	**5,857,274,711**	**5,828,496,196**	**(28,778,515)**	**-0.49%**	
Fees and Commission Income	1,013,993,665	1,013,993,665	-	0.00%	
Fees and Commission Expenses	(137,210,558)	(137,210,558)	-	0.00%	
Net Fees and Commission Income	**876,783,106**	**876,783,106**	**-**	**0.00%**	
Net Interest, Fee and Commission Income	**6,734,057,817**	**6,705,279,302**	**(28,778,515)**	**-0.43%**	
Net Trading Income	182,203,411	182,203,411	-	0.00%	
Other Operating Income	23,577,946	23,577,946	-	0.00%	
Total Operating Income	**6,939,839,174**	**6,911,060,659**	**(28,778,515)**	**-0.41%**	
Impairment Charge/ (Reversal) for Loans and Other Losses	(730,303,599)	(1,216,480,218)	(486,176,618)	66.57%	Due to change in loan loss provision.
Net Operating Income	**6,209,535,575**	**5,694,580,442**	**(514,955,133)**	**-8.29%**	
Operating Expenses					
Personnel Expenses	(1,920,757,796)	(1,889,896,983)	30,860,814	-1.61%	Due to change in staff bonus amount.
Other Operating Expenses	(888,649,371)	(901,913,517)	(13,264,146)	1.49%	Due to audit adjustment.
Depreciation & Amortization	(327,427,689)	(327,427,689)	-	0.00%	
Operating Profit	**3,072,700,719**	**2,575,342,253**	**(497,358,466)**	**-16.19%**	
Non Operating Income	20,801,612	20,681,607	(120,005)	-0.58%	Due to audit adjustment.
Non Operating Expenses	(79,570,322)	(79,570,322)	-	0.00%	
Profit Before Income Tax	**3,013,932,008**	**2,516,453,538**	**(497,478,471)**	**-16.51%**	
Income Tax Expenses					
Current Tax	(911,326,879)	(765,409,985)	145,916,895	-16.01%	Due to change in various income and expense as stated above
Deferred Tax	111,820,100	112,712,458	892,358	0.80%	Due to change in calculation of deferred tax liability.
Profit/ (Loss) for the Period	**2,214,425,229**	**1,863,756,011**	**(350,669,219)**	**-15.84%**	
Other Comprehensive Income	**(32,408,231)**	**(31,267,145)**	**1,141,086**	**-3.52%**	**Due to change actuary calculation**
Total Comprehensive Income	**2,182,016,998**	**1,832,488,866**	**(349,528,133)**	**-16.02%**	
Distributable Profit					
Net Profit/ (Loss) as per Profit or Loss	2,214,425,229	1,863,756,011	(350,669,219)	-15.84%	Due to change in income and expense stated above.
Add/ Less: Regulatory Adjustment as per NRB Directive	(1,228,351,497)	(1,067,969,964)	160,381,532	-13.06%	Due to changes in appropration to regualtory reserves.
Free Profit/ (Loss) after Regulatory Adjustments	**986,073,733**	**795,786,046**	**(190,287,686)**	**-19.30%**	

5. DISCLOSURES AND ADDITIONAL NOTES

5.1. RISK MANAGEMENT

Information presented hereunder is as per disclosure requirements of the Capital Adequacy Framework issued by NRB. Disclosures are in respect of the stand-alone capital adequacy of the Bank.

1. Overview of Risk

Risk refers to the chance of financial and reputational losses due to random changes (uncertainty) in underlying risk factors. It is the discipline which makes us identify, measure, mitigate and control the risks and returns arising from various portfolios and transactions in order to design optimal business strategies.

2. The 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 that 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.

3. Credit Risk Management Department analyzes 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.

4. 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 mitigants have minimum impact on the overall capital adequacy of the Bank.

5. Credit Risk

Credit risk is the potential that a Bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. Credit risk is most likely caused by loans, acceptances, interbank transactions, trade financing, foreign exchange transactions, financial futures, swaps, bonds, equities, options, and in the extension of commitments and guarantees, and the settlement of transactions. In simple words, if a person borrows loan from a Bank and is not able to repay the loan because of inadequate income, loss in business, death, unwillingness or any other reasons, the Bank faces credit risk. Hence, to minimize the credit risk on the Bank's end, the rate of interest will be higher for borrowers if they are associated with high credit risk. Factors like unsteady income, low credit score, employment type, collateral assets and others determine the credit risk associated with a borrower. As stated earlier, credit risk can be associated with interbank transactions, foreign transactions and other types of transactions happening outside the Bank. If the transaction at one end is successful but unsuccessful at the other end, loss occurs. If the transaction at one end is settled but there are delays in settlement at the other end, there might be lost investment opportunities.

6. Market Risk

Market risk is the risk of losses in the bank's trading book due to changes in equity prices, interest rates, credit spreads, foreign-exchange rates, commodity prices, and other indicators whose values are set in a public market. It is the risk of losses in on- or off-balance sheet positions that arise from movement in market prices.

Market risk has been divided into 4 types, depending on the potential cause of the risk:

- Interest rate risk: Potential losses due to fluctuations in interest rate
- Equity risk: Potential losses due to fluctuations in stock price
- Currency risk: Potential losses due to international currency exchange rates (closely associated with settlement risk)
- Commodity risk: Potential losses due to fluctuations in prices of agricultural, industrial and energy commodities like wheat, copper and natural gas respectively.

7. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk, but excludes strategic and reputation risk. Operational risk can widely occur in banks due to human errors or mistakes.

Operational risk is the risk of negative effects on the financial result and capital of the bank caused by omissions in the work of employees, inadequate internal procedures and processes, inadequate management of information and other systems, and unforeseeable external events.

Risk events are associated with people; process and technology involved with the product and may be recognized by:

i) Experience of past events
ii) Judgements
iii) Linked events such as loss from market/ credit risks
iv) Intuition
v) Regulatory requirement of recognition of specified events
vi) Breaches in systems and procedures

8. Liquidity Risk

Liquidity risk is the risk that a bank may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Bank scrutinizes to determine whether they can meet their debt obligations without realizing great losses. Institutions face strict compliance requirements and stress tests that indicate their financial stability.

In other words, liquidity is crucial to the ongoing viability of the Bank. The capital positions can have a telling effect on Bank's ability to obtain liquidity, especially in a crisis. Each bank must have adequate systems for measuring, monitoring and controlling liquidity risk. Bank evaluates the adequacy of capital given the liquidity profile and the liquidity of the markets in which it operates. Bank make use of stress testing to determine their liquidity needs and the adequacy of capital.

5.2. CAPITAL MANAGEMENT

Qualitative Disclosures

In compliance with the regulatory requirement of increasing the capital base as prescribed by the Central Bank, the Bank is comfortable in meeting the minimum capital requirements and is strongly positioned to meet the performance benchmarks.

Quantitative Disclosures

A. TIER 1 CAPITAL AND A BREAKDOWN OF ITS COMPONENTS

TIER 1 CAPITAL (CORE CAPITAL) (CET1 + AT1)	AMOUNT IN NPR
Common Equity Tier 1 (CET 1)	**18,799,216,453**
Paid up Equity Share Capital	14,200,974,006
Equity Share Premium	-
Proposed Bonus Equity Shares	-
Statutory General Reserves	3,402,681,478
Retained Earnings	846,989,180
Un-audited current year cumulative profit/ (loss)	
Capital Redemption Reserve	833,333,333
Capital Adjustment Reserve	
Dividend Equalization Reserves	-
Bargain Purchase Gain	-
Other Free Reserve	-
Less: Goodwill	-
Less: Intangible assets	(63,523,525)
Less: Deferred tax Asset	(62,803,729)
Less: Fictitious Assets	-
Less: Investment in equity in licensed Financial Institutions	-
Less: Investment in equity in institutions with financial interests	(317,204,200)
Less: Investment in equity of institutions in excess of limits	-
Less Investments arising out of underwriting commitments	-
Less: Reciprocal crossholdings	-
Less: Purchase of land & building in excess of limit and unutilized	(36,962,735)
Less: Cash Flow Hedge	-
Less: Defined Benefit Pension Assets	-
Less: Un recognized Defined Benefit Pension Liabilities	-
Less: Negative Balance of Reserve Account	(4,267,356)
Less: Other deductions	-

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)	-
Additional Tier 1 (AT1)	-
Perpetual Non Cumulative Preference Share Capital	-
Perpetual Debt Instruments	-
Stock Premium	-
Tier 1 Capital (Core Capital) (CET1 +AT1)	**18,799,216,453**

B. TIER 2 CAPITAL AND A BREAKDOWN OF ITS COMPONENTS

TIER 2 CAPITAL (SUPPLEMENTARY CAPITAL)	AMOUNT IN NPR
Cumulative and / or Redeemable Preference Share	-
Subordinated Term Debt	2,500,000,000
Hybrid Capital Instruments	-
Stock Premium	-
General Loan Loss Provision	1,446,947,068
Exchange Equalization Reserve	23,180,770
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	-
Supplementary Capital (Tier 2)	**3,970,127,838**

C. DETAILED INFORMATION ABOUT THE SUBORDINATED TERM DEBT WITH INFORMATION ON THE OUTSTANDING AMOUNT, MATURITY, AMOUNT RAISED DURING THE YEAR AND AMOUNT ELIGIBLE TO BE RECKONED AS CAPITAL FUNDS

10.25% CITIZENS BANK BOND, 2086	AMOUNT IN NPR
Outstanding Amount	2,500,000,000
Maturity Date	Chaitra 2086
Amount raised during the year	-
Amount eligible for Tier 2 Capital Fund (net of redemption reserve)	2,500,000,000

D. DEDUCTION FROM CAPITAL

The Bank has deducted the following items in calculation of Tier 1 Capital:

- NPR 63.52 Million Intangible Assets.
- NPR 62.80 Million Deferred Tax Asset
- NPR 317.20 Million invested in equity capital of subsidiary company. Out of NPR 317.20 Million, NPR 117.20 million is invested in Citizens Capital Limited and NPR 200 million is invested in CBIL Securities Limited.
- NPR 36.96 Million for unutilized portion of land and building for more than 2 years from the date of acquisition/purchase.
- NPR 4.27 Million Negative Balance of Reserve account.

E. TOTAL QUALIFYING CAPITAL

DESCRIPTION	AMOUNT IN NPR
Common Equity Tier 1 Capital (CET 1)	18,799,216,453
Tier 1 Capital	18,799,216,453
Tier 2 Capital	3,970,127,838
Total Capital Fund (Tier 1 and Tier 2)	**22,769,344,291**
Risk Weighted Exposures	**187,819,786,719**

F. CAPITAL ADEQUACY RATIO

DESCRIPTION	AMOUNT IN NPR
Leverage Ratio	7.55%
Common Equity Tier 1 Capital to Total Risk Weighted Exposures Ratio	10.01%
Tier 1 Capital to Total Risk Weighted Exposures Ratio	10.01%
Total Capital to Total Risk Weighted Exposures Ratio	12.12%

RISK WEIGHTED EXPOSURES

G. RISK WEIGHTED EXPOSURES FOR CREDIT RISK, MARKET RISK AND OPERATIONAL RISK

RISK WEIGHTED EXPOSURES	AMOUNT IN NPR
Risk Weighted Exposure for Credit Risk	174,142,872,277
Risk Weighted Exposure for Operational Risk	6,743,827,776
Risk Weighted Exposure for Market Risk	1,011,228,751
Add: 2% of RWE as Supervisory Haircut	3,637,958,576
Add: 4% of Operational Risk as Supervisory Haircut	2,283,899,340
Total Risk Weighted Exposures (after Bank's adjustments of Pillar II)	**187,819,786,719**

H. RISK WEIGHTED EXPOSURES UNDER EACH 13 CATEGORIES OF CREDIT RISK

RISK WEIGHTED EXPOSURES	AMOUNT IN NPR
Categories of Credit Risk	
Claims On Government and Central Bank	-
Claims On Other Official Entities	-
Claims On Banks	2,278,229,035
Claims on Corporate And Securities Firms	71,853,752,678
Claims On Regulatory Retail Portfolio	22,934,040,995
Claims Secured By Residential Properties	6,786,331,685
Claims Secured By Commercial Real Estate	2,720,224,539
Past Due Claims	8,866,454,695
High Risk Claims	24,303,373,360
Lending against securities upto 2.5 million	184,910,816
Claims on trading Loans	821,414,293
Other Assets	9,947,662,504
Off Balance Sheet Items	23,446,477,677
Total Credit Risk Weighted Exposures	**174,142,872,277**

I. TOTAL RISK WEIGHTED EXPOSURE CALCULATION TABLE

RISK WEIGHTED EXPOSURES	AMOUNT IN NPR
Credit Risk Exposure	174,142,872,277
Operational Risk Exposure	6,743,827,776
Market Risk Exposure	1,011,228,751
Adjustments under Pillar II	
Add: 2% of RWE as Supervisory Haircut	3,637,958,576
Add: 4% of Operational Risk as Supervisory Haircut	2,283,899,340
Total Risk Weighted Exposures	**187,819,786,719**
Total Core Capital (CET1 + AT1)	18,799,216,453
Total Capital Fund (Tier 1 and Tier 2)	22,769,344,291
Common Equity Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	**10.01%**
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	**10.01%**
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	**12.12%**

J. AMOUNT OF NON-PERFORMING ASSETS AS PER REGULATORY CLASSIFICATION

AMOUNT IN NPR

PARTICULARS	GROSS AMOUNT	PROVISION	NET AMOUNT
Rescheduled / Restructured	-	-	-
Sub Standard	1,998,189,818	450,200,485	1,547,989,333
Doubtful	979,798,562	413,242,210	566,556,352
Loss	1,887,308,761	1,834,604,594	52,704,167
Total	**4,865,297,141**	**2,698,047,289**	**2,167,249,852**

K. RATIO OF NON PERFORMING ASSETS AS PER REGULATORY CLASSIFICATION

PARTICULARS	PERCENTAGE
Total NPL to Total Loans & Advances	3.39%
Net NPL to Net Loans & Advances	1.56%

L. MOVEMENT OF NON PERFORMING ASSETS AS PER REGULATORY CLASSIFICATION

AMOUNT IN NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	CHANGE
Rescheduled / Restructured	293,250	-	-100.00%
Sub Standard	1,671,232,196	1,998,189,818	19.56%
Doubtful	316,052,880	979,798,562	210.01%
Loss	1,024,748,161	1,887,308,761	84.17%
Total	**3,012,326,487**	**4,865,297,141**	**61.51%**

M. WRITE OFF OF LOANS AND INTEREST SUSPENSE

AMOUNT IN NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	CHANGE
Loan written off	-	79,570,322	100%
Interest Suspense written off	154,070,839	189,287,043	22.86%

N. MOVEMENTS IN LOAN LOSS PROVISION AND INTEREST SUSPENSE

AMOUNT IN NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	CHANGE	
			AMOUNT	%
Loan Loss Provision	3,556,883,655	4,773,363,873	1,216,480,218	34.20%
Interest Suspense	1,417,533,132	2,195,545,922	778,012,790	54.88%

O. DETAILS OF ADDITIONAL LOAN LOSS PROVISION AS PER REGULATORY CLASSIFICATION

AMOUNT IN NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	ADDITIONAL PROVISION IN CURRENT YEAR	CHANGE IN %
Pass Loan	1,457,218,149	1,480,531,154	23,313,005	1.60%
Watchlist	584,102,042	594,785,430	10,683,388	1.83%
Rescheduled / Restructured	36,656	-	(36,656)	-100.00%
Sub Standard	394,942,297	450,200,485	55,258,188	13.99%
Doubtful	133,149,039	413,242,210	280,093,171	210.36%
Loss	987,435,471	1,834,604,594	847,169,123	85.79%
Additional	-	-	-	-
Total	**3,556,883,655**	**4,773,363,873**	**1,216,480,218**	**34.20%**

P. SEGREGATION OF INVESTMENTS PORTFOLIO

PARTICULARS	AMOUNT IN NPR
Investment securities measured at amortized cost	28,134,022,868
Investment in equity measured at FVTOCI	551,546,715
Trading Assets	318,872,100
Total	**29,004,441,684**

Q. 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 and Reserve & Surplus are sufficient to cover the current and future activities of the Bank for a year.

R. SUMMARY OF THE TERMS, CONDITIONS AND MAIN FEATURES OF ALL CAPITAL INSTRUMENTS, SPECIALLY IN CASE OF SUBORDINATED TERM DEBTS, INCLUDING HYBRID CAPITAL INSTRUMENTS

The Bank has Subordinated Debt of 2,500,000 10.25% Citizens Bank Bond, 2086, the main features of which are as under::

NAME	10.25% CITIZENS BANK BOND, 2086
Amount	NPR 2,500,000,000
Interest Rate	10.25% per annum (before tax) payable quarterly
Type	Unsecured and Redeemable at Maturity No call / convertible feature
Numbers of Debentures	2,500,000 (Twenty Five Hundred Thousand Only)
Face Value	NPR 1,000
Maturity Period	10 Years
Priority to Debenture Holders	At the time of liquidation, priority of payment to the debenture holders will be after the depositors and secured creditors.
Listing	Listed with Nepal Stock Exchange

5.3. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair values of the financial instruments of the group are done by referring to externally quoted prices or observable/ unobservable pricing inputs, in accordance with the following hierarchy:

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 portfolios are those where there are unobservable inputs of the instruments. The inputs are not based on observable market data.

This fair value may differ from the actual amount that may be received or paid on settlement, realization or maturity of those financial instruments.

Following table demonstrates the valuation hierarchy wise fair values of financial instruments of the Group:

AMOUNT IN NPR

Financial Assets	Bank				Group			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments								
Forward Exchange Contract	-	17,045,476	-	**17,045,476**	-	17,045,476	-	**17,045,476**
Other Trading Assets	-	-	-	**-**	-	-	-	**-**
Quoted Equities	318,664,245	-	-	**318,664,245**	517,449,460	-	-	**517,449,460**
Unquoted Equities	-	-	-	**-**	-	-	-	**-**
Others	-	-	-	**-**	-	-	-	**-**
Investment Securities	-	-	-	**-**	-	-	-	**-**
Investment securities measured at amortized cost	-	-	-	**-**	-	-	-	**-**

Treasury Bills	-	-	6,791,143,745	**6,791,143,745**	-	-	6,791,143,745	**6,791,143,745**
Government Securities	-	-	19,854,981,400	**19,854,981,400**	-	-	19,854,981,400	**19,854,981,400**
NRB deposits instruments	-	-	800,323,288	**800,323,288**	-	-	800,323,288	**800,323,288**
Others	-	-	687,574,436	**687,574,436**	-	-	687,574,436	**687,574,436**
Investment in equity measured at FVTOCI	-	-	-	-	-	-	-	-
Quoted Equities	296,550,000	97,905,066	-	**394,455,066**	296,550,000	97,905,066		**394,455,066**
Unquoted Equities	-	-	157,091,649	**157,091,649**	-	-	171,256,530	**171,256,530**
Total	**615,214,245**	**114,950,542**	**28,291,114,517**	**29,021,279,305**	**813,999,460**	**114,950,542**	**28,305,279,398**	**29,234,229,400**
Financial Liabilities	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

***Investments made in promoter shares of Prabhu Insurance Limited, Mero Micro Finance Laghubitta Bittiya Sanstha Limited, Aarambha Chautari Laghubitta Bittiya Sanstha Limited, Mahuli Laghubitta Bittiya Sanstha Limited and Nerude Laghubitta Bittiya Sanstha Limited has been valued at 50% of price of ordinary share.*

Financial Assets and Liabilities not carried at Fair Value

There are financial assets and liabilities that are not measured at fair value due to lack of observable pricing inputs or external quoted price and their carrying amount best represents and approximates the fair value or the settlement value.

Following table demonstrates the financial assets and liabilities of the Group not carried at fair value:

AMOUNT IN NPR

FINANCIAL ASSETS	BANK	GROUP
Cash and cash equivalents	9,764,245,573	9,772,068,845
Due from Nepal Rastra Bank	6,703,008,872	6,703,008,872
Placement With Bank And Financial Institutions	2,236,412,161	2,236,412,161
Loans And Advances To B/FIs	2,510,671,744	2,510,671,744
Loans And Advances To Customers	139,832,005,022	139,832,005,022
Other Assets	3,677,520,668	3,523,909,817
Total	**164,723,864,040**	**164,578,076,462**

FINANCIAL LIABILITIES	BANK	GROUP
Due To Bank And Financial Institutions	3,714,711,816	3,714,711,816
Due To Nepal Rastra Bank	-	-
Deposits From Customers	168,842,139,608	168,432,895,149
Other Liabilities	2,927,086,615	2,946,359,974
Debt Securities Issued	2,479,847,548	2,479,847,548
Total	**177,963,785,587**	**177,573,814,488**

5.4. OPERATING SEGMENT INFORMATION

1. GENERAL INFORMATION

A. Factors that management used to identify the entity's reportable segments

The Bank has identified the reportable segment as the business activities from which it earns revenues and incurs expenses, including revenues and expenses that relating to transactions with any of the Group's other components, whose operating results are reviewed by the management to make decision about resource allocation to each segment and assess its performance.

The Bank comprises the following major business segments on the nature of products and services of the Bank:

- Banking,
- Treasury,
- Cards and
- Remittance.

Segment results that have been reported include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

B. Factors that management used to identify the entity's reportable segments

I. Banking

This segment includes all existing branches. The major product and service of this segment is loans and deposits. The segment generates its revenue from its interest on loan and major expense comprises the interest expense.

II. Treasury

This segment primarily includes the investments in securities, bonds, treasury bills and dealing in the foreign currencies and gold, silvers, etc. The segment generates its revenue from the interest on bonds, debentures, income from sale of gold, gain on foreign exchange and gain on the revaluation of investments, etc.

III. Cards

This segment introduces new innovation on digital banking and transactional banking. Introduction of credit card, debit card, E-com card,etc. are its major products and the segment generates its revenue from the registration fee, application charge, annual maintenance charge, commission from agents, etc.

IV. Remittance

This segment collects remittances from abroad through various agencies and transfers to the customers after collecting the charges/ commission. Major source of income is commission received from the agents for the collection and distribution to the customers.

2. INFORMATION ABOUT PROFIT OR LOSS, ASSETS AND LIABILITIES

AMOUNT IN NPR '000

S.N.	PARTICULARS	BANKING	TREASURY	CARD	REMITTANCE	TOTAL
(a)	Revenues from External Customers	869,921	2,687	92,554	21,389	986,551
(b)	Expenses to External Customers	(48,766)	(6,819)	(72,414)	(7,327)	(135,326)
(c)	Intersegment Revenues	-	-	-	-	-
(d)	**Net Revenue (a)**	**821,155**	**(4,132)**	**20,140**	**14,062**	**851,225**
(e)	Interest Revenue	18,932,213	1,705,792	22,823	-	20,660,828
(f)	Interest Expense	(13,945,319)	(832,759)	-	-	(14,778,078)
(g)	**Net Interest Revenue (b)**	**4,986,894**	**873,033**	**22,823**	**-**	**5,882,750**
(h)	Other Income	49,031	137,245	242	6,941	193,459
(i)	Depreciation and Amortization	(129,003)	(717)	(934)	(335)	(130,990)
(j)	Other Expenses	(1,841,782)	(10,757)	(34,574)	(4,796)	(1,891,909)
(k)	**Segment Profit**	**3,886,295**	**994,673**	**7,698**	**15,871**	**4,904,537**
(l)	Entity's Interest in the Profit or Loss of Associates accounted for using Equity Method	-	-	-	-	-
(m)	Other material non-cash item	-	-	-	-	-
(n)	Impairment of Assets	(1,216,480)	-	-	-	(1,216,480)
(o)	**Segment Assets**	**154,412,623**	**38,399,921**	**302,450**	**21,165**	**193,136,159**
(p)	**Segment Liabilities**	**172,688,004**	**3,348,687**	**109,281**	**13,454**	**176,159,426**

Notes having brief description for above items are provided below:

a) **Revenues from External Customers:** Revenue from external customers have been segregated according to the nature of segment.
b) **Expenses to External Customers:** Expenses to external customers have been segregated according to the nature of segment.
c) **Intersegment Revenues:** Bank accounts for intersegment revenue as per predetermined inter branch transaction rate.
d) **Net Revenue:** Net revenue is revenue from external customers less expenses to external customers.
e) **Interest Revenue:** Interest revenue has been presented separately for revenue from loans and advances and interest income from investments.
f) **Interest Expense:** Interest expense has been apportioned on the basis of fund used by the segment.
g) **Net Interest Revenue:** Net interest revenue is interest revenue less interest expenses.
h) **Other Income:** Income other than income from regular operations.
i) **Depreciation and Amortization:** Depreciation and amortization have been segmented according to the usage of the assets by the segments.
j) **Other Expenses:** Expenses other than direct operational expenses.
k) **Segment Profit:** Net profit derived from segments other than allocated to specific segments.

l) **Entity's Interest in the Profit or Loss of Associates accounted for using Equity Method:** Separately disclosed in notes.
m) **Other material non-cash item:** Bank does not have any non-cash assets.
n) **Impairment of Assets:** Impairment has been allocated to specific segments.
o) **Segment Assets:** Allocated in accordance with usage of assets.
p) **Segment Liabilities:** Allocated in accordance with incurrence of the liabilities of related segment.

3. MEASUREMENT OF OPERATING SEGMENT PROFIT OR LOSS, ASSETS AND LIABILITIES

a) Basis of accounting for any transactions between reportable segments

The intersegment revenue has been distributed between segments on the basis of pre-determined sharing ratio determined on the basis of resources used of the service providing segment and the segment to which the product or service belongs to. Such revenues are included in core revenue of the segment as allocation of revenue and not included in intersegment revenue. No any other notional intersegment pricing has been done.

b) Nature of any differences between the measurements of the reportable segments' profits or losses and the entity's profit or loss before income tax

Not Applicable

c) Nature of any differences between the measurements of the reportable segments' assets and the entity's assets

Not Applicable

d) Nature of any changes from prior periods in the measurement methods used to determine reported segments' profit or loss and the effect, if any, and

Not Applicable

e) Nature and effect of any asymmetrical allocations to reportable segments

There are no asymmetrical allocations to reportable segments. The incomes, expenses, assets and liabilities that are not identifiable to particular segment have not been allocated. The unallocated items comprise mainly corporate assets (primarily the Bank's corporate building), head office expenses, share capital, General reserves and tax assets and liabilities and prepaid expenses and provision for expenses.

4. RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS, ASSETS AND LIABILITIES

(A)	REVENUE	AMOUNT IN NPR '000
	Total revenues for reportable segments	6,733,976
	Other revenues	193,459
	Elimination of intersegment revenues	-
	Entity's Revenue	**6,927,435**

(B)	PROFIT OR LOSS	AMOUNT IN NPR '000
	Total profit or loss for reportable segments	4,904,537
	Other profit or loss	(1,216,480)
	Elimination of intersegment profits	-
	Unallocated amounts	(1,171,603)
	Profit Before Income Tax	**2,516,454**

(C)	ASSETS	AMOUNT IN NPR '000
	Total assets for reportable segments	193,136,159
	Other assets	-
	Unallocated amounts	5,796,452
	Entity's Assets	**198,932,611**

(D)	LIABILITIES	AMOUNT IN NPR '000
	Total liabilities for reportable segments	176,159,426
	Other liabilities	-
	Unallocated liabilities	1,809,666
	Entity's Liabilities	**177,969,092**

5. INFORMATION ABOUT PRODUCTS AND SERVICES

Revenue from each type of product and services described in point no. 1(a) above:

S.N.	PARTICULARS	AMOUNT IN NPR '000
(a)	Banking	5,808,049
(b)	Treasury	868,901
(c)	Card	42,964
(d)	Remittance	14,062
	Total	**6,733,976**

6. INFORMATION ABOUT GEOGRAPHICAL AREAS

The operations of the Bank could be segmented on the basis of geographical presence in each of the Provinces. However, the Province wise results do not constitute major role in the decision making process of the management.

7. INFORMATION ABOUT MAJOR CUSTOMERS

No any single external customer revenue amounts to 10 percent or more of the Bank's revenue.

5.5 SHARE OPTIONS AND SHARE BASED PAYMENT

The Bank has not issued share options and share based payments during the reporting period.

5.6 CONTINGENT LIABILITIES AND COMMITMENT

Contingent liabilities are given in Note 4.28 of Statement of Financial Position.

5.7 RELATED PARTY DISCLOSURE

5.7.1 RELATED PARTY DISCLOSURE OF THE BANK

The related parties of the Bank which meets the definition of related parties as defined in "NAS 24 Related Party Disclosures" are as follows:

Key Management Personnel (KMP)

The key management personnel are those persons having authority and responsibility of planning, directing and controlling the activities of the entity, directly or indirectly including any director. The key management of the Bank includes members of its Board of Directors, Chief Executive Officer and other higher level employee of the Bank. The name of the key management personnel who were holding various positions in the office during the year were as follows:

NAME OF THE KEY MANAGEMENT PERSONNEL	POST
Mr. Rajan Singh Bhandari	BOD Chairman
Mr. Prakash Chandra Mainali	Director
Mr. Bijaya Dhoj Karki	Director
Mr. Prabal Jung Pandey	Director
Mr. Sajan Sharma	Director
Mr. Anil Gyawali	Professional Director
Mr. Ganesh Raj Pokharel	Chief Executive Officer
Mr. Sumit Babu Khatri	Senior Deputy Chief Executive Officer
Mr. Paras Kumar Kafle	Deputy Chief Executive Officer
Mr. Rajendra Lal Shrestha	Deputy Chief Executive Officer
Mr. Sanjeeb Kumar Shrestha	Chief Information Technology Officer
Mr. Suman Mulepati	Chief Credit Officer
Mr. Narayan Raj Adhikari	Chief Administrative Officer
Mr. Amit Khanal	Chief Risk Officer
Mr. Ravi Kumar Rauniyar	Chief Operating Officer
Mr. Pramesh Raj Kayastha	Chief Finance Officer
Mr. Roshan Manandhar	Chief Mass Banking Officer

Subsidiary Company

Name and percentage of shareholding in Subsidiary Company is as below:

S.N.	PARTICULARS	SHAREHOLDING %
a.	Citizens Capital Ltd.	58.60%
b.	CBIL Securities Ltd.	100%

Associate Companies

S.N.	PARTICULARS	SHAREHOLDING %
a.	Nepal Electronic Payment Systems Ltd.	9.09%
b.	Mero Microfinance Bittiya Sansthan Ltd.	6.90%

Fund Sponsor

S.N.	PARTICULARS
a.	Citizens Mutual Fund- I
b.	Citizens Mutual Fund- II

i. Compensation to Key Management Personnel

The members of Board of Directors are entitled to meeting allowances and other facilities as per AOA approved by AGM. Salary and allowances are provided to Chief Executive Officer (CEO) and other member of Key Management Personnel (KMP). Salary, Allowances and other facilities provided to the Chief Executive Officer is based on the contract entered by the Bank with him whereas compensation paid to other member of KMP are governed by Employees Byelaws and decisions made by management from time to time in this regard. In addition to salaries and allowances, non- cash benefits like vehicle facility, subsidized rate employees loan, termination benefits are also provided to KMP.

The details relating to compensation paid and expenses incurred to key management personnel (directors only) were as follows:

PARTICULARS	CURRENT YEAR (NPR)
Meeting Fees	2,044,000
Other Board Facility	841,000
Other Expenses	540,177
Total	**3,425,177**

The details relating to compensation paid to key management personnel (CEO only) were as follows:

PARTICULARS	CURRENT YEAR (NPR)
Short term employee benefits	23,476,891
Post employment benefits*	840,000
Other long term benefits**	-
Total	**24,316,891**

The details relating to compensation paid to key management personnel other than directors and CEO were as follows:

PARTICULARS	CURRENT YEAR (NPR)
Short term employee benefits	44,191,945
Post employment benefits*	1,466,316
Other long term benefits**	-
Total	**45,658,261**

* Post employment benefits include Provident Fund and Gratuity. Provident Fund is deposited in an independent institution and Gratuity is provided for as per actuarial valuation against which investment is made in an independent planned asset.

** Other long term employment benefit includes Home Leave and Sick Leave encashment over and above the accumulation limit set as per Employee Byelaws of the Bank.

*** KMP also gets accidental and medical insurance, vehicle, fuel, lunch and mobile facilities as per Employee Byelaws of the Bank.

ii. Transaction with Subsidiary

Citizens Capital Limited

The Bank has made strategic investment to broaden the scope of service and source of income by investing in share capital of Citizens Capital Limited which is the subsidiary company of the Bank. The Bank holds 58.60 % controlling interest in the subsidiary. The Bank has also nominated three directors from among the higher-level employees of the Bank, one of whom is the Chairman of Citizens Capital Limited.

The subsidiary is engaged in Merchant Banking Services

1. The Bank has entered into a Management Service Agreement (MSA) with Subsidiary for providing management services. Provisions laid in MSA are in line with arms-length principle.

2. An agreement has been made between the Bank and the Subsidiary Company to provide following facilities to Subsidiary Company by the Bank for a monthly fee of NPR 300,000:

   a) The Bank has the right to appoint the CEO of Citizens Capital Limited.

   b) The Bank provides technical assistance required for Computer hardware, software and network maintenance.

   c) Internal audit team of the Bank will handle all internal audit works of the subsidiary and will submit quarterly report to its Audit Committee.

   d) Bank has also agreed to provide legal consultancy and vehicle facility to the Subsidiary Company.

   e) The Bank also provides investment management services through the Bank's branch network.

3. Similarly, Bank has rented its building located in Dillibazaar, Kathmandu to the Subsidiary Company with the agreement to pay Monthly Rent of NPR 110,000 till Magh 2076 which was revised from Falgun 2076 with monthly rent of NPR 109,808/-, which will be increased by 10% in every 2 year.

4. All receipt and payment transactions entered into by the Bank with Subsidiary were made net of TDS. TDS has been duly deposited at Tax Office.

5. Citizens Capital Ltd holds deposit accounts with the Bank which has a balance of NPR 192,503,000 as on July 16, 2023.

6. The overall transactions with the Subsidiary included in Financial Statements of the Bank has been tabulated below:

PARTICULARS	NPR
Statement of Profit or Loss	
Rental Income	1,317,690
Management Fee income	3,600,000
Server & Database Rental Income	2,420,000
Dividend Income	-
Interest Income	3,879,123
Other Income	27,000
Total Income	**11,243,813**
Interest Paid to Subsidiary	22,176,773
RTS fee to Subsidiary	975,000
Total Expenses	**23,151,773**
Statement of Financial Position	
Deposit of Subsidiary	**192,503,000**
Dividend payable to Shareholders of the Bank held on behalf of the Bank by the Subsidiary	174,336,789

The following table summarizes the financial information of Citizens Capital Limited in its own financial statements:

PARTICULARS	NPR
Non Current Assets	9,606,963
Current Assets	420,457,151
Non Current Liabilities	2,854,678

Current Liabilities	190,589,574
Net Assets Attributable to Share Holders	**236,619,862**
Revenue	76,465,227
Profit from Continuing Operations	25,274,515
Other Comprehensive Income	8,346
Total Comprehensive Income	**25,282,861**

CBIL SECURITIES LIMITED

The Bank has made strategic investment to broaden the scope of service and source of income by investing in share capital of CBIL Securities Limited which is the subsidiary company of the Bank. The Bank holds 100 % controlling interest in the subsidiary

The Subsidiary is engaged in Securities Brokerage Services.

1. Bank has rented out its building located in Kupondole, Lalitpur to the Subsidiary Company with the agreement to pay Monthly Rent of NPR 60,000 which will be increased by 10% in every 2 year, effective from the date of commencement of operation of CBIL Securities Limited.

2. All receipt and payment transactions entered into by the Bank with Subsidiary were made net of TDS. TDS has been duly deposited at Tax Office.

3. CBIL Securities Ltd holds a deposit account with the Bank which has a balance of NPR 216,741,459 as on July 16, 2023.

4. The overall transactions with the Subsidiary included in Financial Statements of the Bank has been tabulated below:

PARTICULARS	NPR
Statement of Profit or Loss	
Total Income	-
Interest Paid to Subsidiary (Net of Tax)	17,785,516
TOTAL EXPENSES	**17,785,516**
STATEMENT OF FINANCIAL POSITION	
Deposit of Subsidiary	216,741,459

The following table summarizes the financial information of CBIL Securities Ltd. in its own financial statements:

PARTICULARS	NPR
Non Current Assets	2,789,800
Current Assets	218,418,467
Non Current Liabilities	28,672
Current Liabilities	137,223
Net Assets Attributable to Share Holders	**221,042,372**
Revenue	17,793,516
Profit from Continuing Operations	10,984,442
Other Comprehensive Income	-
Total Comprehensive Income	**10,984,442**

iii. Transaction with Associates

Investments in Associates have been reported in the statement of financial position of the group and are initially recognized at cost and subsequently accounted for using the equity method. Similarly, the Bank has accounted for investments in associates at fair value in separate financial statements.

The Bank has significant influence, but not control, over the financial and operating policies of the company even if the Manager of the Bank is the representative director on behalf of the Bank in the company.

Nepal Electronic Payment Systems Limited (NEPS)

NEPS is formulated as a consortium of seven national level commercial Banks, with aim to pool the resources of these Banks together and establish a common platform, which will be more secure, reliable and able to encompass the rapid growth of new technologies in electronic payments.

Executive Member Mr. Sanjeeb Kumar Shrestha is the Board member in NEPS. The Bank holds investment of Rs. 16,000,000 in share capital of NEPS which comes to 9.09 % of the total capital of NEPS.

Agreement has been entered by the Bank with NEPS for availing services related to debit cards and credit cards for which Bank makes the payment at an arm's length price.

The aggregate amounts of the transactions during the year from the relevant related party at the year end are summarized below:

PARTICULARS	NPR
Payments made towards transaction fees	24,652,273

The investment in NEPS has been accounted for at cost in separate financial statement of the Bank and as per equity method in consolidated financial statement.

Mero Microfinance Laghubitta Bittiya Sanstha Limited

Mero Microfinance Laghubitta Bittiya Sanstha Limited is "D" class Financial Institution licensed by NRB established to support and strengthens the bottom of the socio-economic pyramid by facilitating easy and responsive access to micro-finance services and enhance their business skills and grow their enterprises at optimum level.

Senior DCEO of the Bank, Mr. Sumit Babu Khatri is the Chairman in Mero Microfinance. The Bank holds investment of NPR 36,494,100 (910,800 Equity Shares) in share capital of microfinance which comes to 6.90 % of the total capital of Microfinance.

The aggregate amounts of the transactions during the year from the relevant related party at the year end are summarized below:

PARTICULARS	NPR
Payments made towards Interest Expense	791,998
Payments received towards Interest Income	129,766,028
Loan & Advances	1,022,243,390
Deposit	15,673,295

The investment in Mero Microfinance Laghubitta Bittiya Sanstha Ltd. has been accounted for at fair value in separate financial statement of the Bank and as per equity method in consolidated financial statement.

iv. Transaction with Citizens Mutual Fund- I

The Bank is the shareholder holding substantial interest and the sponsor of the Citizens Mutual Fund- I under the Citizens Mutual Fund (the Fund) registered with Securities Board of Nepal (SEBON) under the Mutual Fund Regulation 2067 as a close ended, equity oriented fund.

The Scheme started its operation on March 04, 2018 (Falgun 20, 2074) with the maturity period of 7 years (i.e. up to Falgun 19, 2081). It was listed in Nepal Stock Exchange on April 16, 2018 (Baisakh 03, 2075).

The Bank has invested NPR 150,000,000 in Citizens Mutual Fund- I which has been marked to market and disclosed in Investment measured at Fair Value through Other Comprehensive Income.

The Scheme has Bank Balance of NPR 53,378,925.36 as on Balance Sheet date with the Bank.

v. Transaction with Citizens Mutual Fund- II

TheThe Bank is the shareholder holding substantial interest and the sponsor of the Citizens Mutual Fund- II under the Citizens Mutual Fund (the Fund) registered with Securities Board of Nepal (SEBON) under the Mutual Fund Regulation 2067 as a close ended, equity oriented fund.

The Scheme started its operation on July 7, 2019 (Ashadh22, 2076) with the maturity period of 7 years (i.e. up to July 5, 2026).

The Bank has invested NPR 150,000,000 in Citizens Mutual Fund- II.

The Scheme has Bank Balance of NPR 21,241,408.92 as on Balance Sheet date with the Bank

5.7.2 RELATED PARTY DISCLOSURE OF THE SUBSIDIARY

i. Key Management Personnel (KMP)

The name of the key management personnel who were holding various positions in the office during the year were as follows:

a) Citizens Capital Limited

NAME OF THE KEY MANAGEMENT PERSONNEL	POST
Mr. Paras Kumar Kafle	Chairman
Mr. Rajendra Lal Shrestha	Board Member
Mr. Pramesh Raj Kayastha	Board Member
Mr. Subash Khadka	Board Member
Mrs. Jyotshana Bohara Pandey	Board Member (Independent Director)
Mr. Abhijit Mool	Board Member (Independent Director)

The details relating to compensation paid to key management personnel (directors only) were as follows:

PARTICULARS	CURRENT YEAR (NPR)
Meeting Fees	685,000
Total	**685,000**

The details relating to compensation paid to key management personnel (CEO only) were as follows:

PARTICULARS	CURRENT YEAR (NPR)
Short term employee benefits	1,987,500
Post- employment benefits	115,200
Other long term benefits	-
Total	**2,102,700**

ii. Parent Company

During the fiscal year following receipts and payments were made to/ from the Parent Company, Citizens Bank International Limited by Citizens Capital Limited:

PARTICULARS	TOTAL AMOUNT (NPR)
Office Rental Expenses	1,317,690
Technical Fee Paid	3,600,000
Server & Database Rental Expenses	2,420,000
D-mat Expense	27,000
Interest Expense on Loan	3,879,123
Total Expenses	**11,243,813**
Interest Received on Deposits	22,176,773
Share Registrar Fees Received	975,000
Total Income	**23,151,773**

Outstanding balance of transaction done on behalf of the Parent Company, Citizens Bank International Ltd.:

CITIZENS BANK INTERNATIONAL LTD.	TOTAL AMOUNT (NPR)
Dividend Payable to shareholders	174,336,789
RTS Sharing payable	-
Total	**174,336,789**

During the fiscal year, following receipts and payments were made to/ from the Parent Company, Citizens Bank International Limited by CBIL Securities Limited:

PARTICULARS	TOTAL AMOUNT (NPR)
Office Rental Expenses	-
Interest on Loan against FDR	-
Total Expenses	-
Interest Received on Deposits	17,785,516
Total Income	**17,785,516**

5.8 MERGER AND ACQUISITION

No any Merger and acquisitions have taken place during current fiscal year 2022/23.

5.9 ADDITIONAL DISCLOSURES OF NON CONSOLIDATED ENTITIES

The Bank has no any unconsolidated entities during the reporting period.

5.10 LEASE

The Group has initially recognized the Right of Use assets at the amount of lease liability plus any initial direct costs incurred by the Group. Right of Use asset has been depreciated over the period of lease term on the Straight Line basis. Right of Use Assets shall be measured at cost less any accumulated depreciation and any accumulated impairment and adjusted for any re-measurement of the lease liability.

The carrying amount of Right of Use assets recognized is tabulated below:

RIGHT OF USE ASSETS	2022/23 (NPR)	2021/22 (NPR)
Cost	-	-
As on July 17, 2022	866,279,062	-
Addition during the year	113,301,945	866,279,062
As on July 16, 2023	**979,581,007**	**866,279,062**
Depreciation	-	-
As on July 17, 2022	121,533,663	-
Depreciation charge for the year	127,869,312	121,533,663
As on July 16, 2023	**249,402,975**	**121,533,663**
Net Book Value	**730,178,032**	**744,745,399**

Right of Use assets has been presented on Property and Equipments on Schedule 4.13.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at incremental borrowing rate.

The carrying amount of lease liability is tabulated below:

LEASE LIABILITY	2022/23 (NPR)	2021/22 (NPR)
As on July 17, 2022	784,320,725	-
Addition during the year	113,301,945	866,279,062
Interest on Liability	54,254,281	50,324,769
Actual payments during the year	(147,698,399)	(132,283,106)
Total	**804,178,552**	**784,320,725**

Depreciation on Right of Use Assets amounting NPR 127,869,312 and interest on lease liability amounting NPR 54,254,281 has been recognized on Profit or Loss account.

The details of future Actual Lease Payments of the Bank are tabulated below:

ACTUAL LEASE LIABILITY	2022/23 (NPR)	2021/22 (NPR)
Less than one year	157,395,840	140,332,761
Between one to five years	649,804,990	524,587,199
More than five years	230,341,740	363,828,770
Total	**1,037,542,571**	**1,028,748,730**

5.11 DETAIL OF LOANS AND ADVANCES

AMOUNT IN NPR

PARTICULARS	TO CUSTOMERS	TO BFIS
Loans and Advances	141,029,994,662	2,543,740,369
Interest Receivables on Loans and Advances	1,344,805,125	-
Staff Loans and Advances	2,197,500,483	-
Interest Receivables on Staff Loans and Advances	-	-
Total Loans and Advances [a]	**144,572,300,270**	**2,543,740,369**

Impairment Provision charge		
i. Total Impairment as per NFRS 9- Para 5 of Carve Out	**1,993,755,765**	**-**
Individual Impairment (Specific Provision)	485,208,777	-
Collective Impairment (General Loan Loss Provision)	1,508,546,988	-
ii. Impairment as per norms of NRB in loan loss provision	**4,740,295,248**	**33,068,625**
Collective Impairment	2,042,247,959	33,068,625
Individual Impairment	2,698,047,289	-
Impairment charge for the year, higher of i. and ii. [b]	**4,740,295,248**	**33,068,625**
Net Loans and Advances [a-b]	**139,832,005,022**	**2,510,671,744**

Impairment calculation as per Paragraph 5 of Carve out of NFRS 9- Impairment

The Bank has considered evidence of impairment for loans and advances measured at amortized cost at both specific asset and collective level. The Bank first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant and that are not individually significant and that are found not impaired individually are assessed collectively.

The Bank has covered 32.69% of total loans and advances to customers and BFIs (in terms of principal outstanding) for individual impairment assessment. The Bank believes that coverage to this extent provides adequate assurance on the reliability of impairment assessment of gross loans and advances.

The Bank has then grouped loans and advances made to customers into different portfolios based on the general product type so as to achieve similarity in credit risk and repayment characteristics among loan accounts grouped within a given portfolio for collective assessment of impairment. The groupings done are Home Loans, Short Term Loans, Long Term Loans, Personal Loans and Vehicle Loans.

The Bank has considered overdue movement trend of past 7 years and current year data and loss given default rate from the data since inception of the Bank for deriving loss rate in collective impairment of loans and advances.

Impairment as per norms of NRB in Loan Loss Provision

The Bank has provided for impairment provision as per norms of NRB in loan loss provision as given in NRB Directive no. 2 on the basis of overdue period of principal and interest. Additional criteria include personal guarantee loans, security shortfalls, blacklisting of borrowers, rescheduled loans, etc.

5.12 STAFF LOANS AND ADVANCES AND EMPLOYEE BENEFITS INCLUDED IN LOANS AND ADVANCES TO CUSTOMERS OF THE BANK

Presented in financial statements under Loans and Advances to Customers are staff loans and advances extended in line with the Employee Byelaws of the Bank. Eligibility criteria for availing staff loans are directly linked to the period of service under permanent payroll of the Bank as per the Employee Byelaws of the Bank.

The carrying amount as at the balance sheet date was as under:

AMOUNT IN NPR

PARTICULARS	2022/23	2021/22
Staff Vehicle Loan	66,976,104	71,465,639
Staff Home Loan	1,632,689,938	1,188,487,587
Employee Advances	487,566,834	424,887,029
Credit Card Receivable	10,267,608	8,500,443
Total	**2,197,500,483**	**1,693,340,697**

5.13 INVESTMENT PROPERTY

The details of Investment property of the Bank are as follows:

AMOUNT IN NPR

PARTICULARS	2022/23	2021/22
Cost		
Balance as on July 17, 2022	209,361,154	141,146,454
Addition during the year	69,003,390	116,410,954
Disposal during the year	(21,854,794)	(48,196,254)
As on July 16, 2023	**256,509,750**	**209,361,154**
Accumulated Depreciation		

Balance as on July 17, 2022	715,283	-
Depreciation charge for the year	285,052	715,283
Disposal during the year	(619,154)	-
As on July 16, 2023	**381,179**	**715,283**
Net Amount	**256,128,571**	**208,645,871**

5.14 LIABILITY FOR LONG-SERVICE LEAVE

The detail of liability for long-service leave recognized in Other Liabilities in Statement of Financial Position is as follows:

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Present Value of Unfunded Obligations	2,531,234	3,401,528	1,806,798	2,498,396
Present Value of Funded Obligations	213,860,958	185,188,907	213,860,958	185,188,907
Total Present Value of Obligations	**216,392,192**	**188,590,435**	**215,667,756**	**187,687,303**
Fair Value of Plan Assets	213,860,958	185,188,907	213,860,958	185,188,907
Present Value of Net Obligations	2,531,234	3,401,528	1,806,798	2,498,396
Recognized Liability for Defined Benefit Obligations	216,392,192	188,590,435	215,667,756	187,687,303

Plan Assets

AMOUNT IN NPR

PLAN ASSETS COMPRISE	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Equity Securities	-	-	-	-
Government Bonds	-	-	-	-
Bank Deposit	-	-	-	-
Other	213,860,958	185,188,907	213,860,958	185,188,907
Total	**213,860,958**	**185,188,907**	**213,860,958**	**185,188,907**

Movement in the Present Value of Defined Benefit Obligations

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Defined Benefit Obligations At July 17, 2022	188,590,435	120,793,058	187,687,303	119,872,396
Actuarial Losses	23,276,415	63,351,682	23,288,338	63,117,055
Benefits Paid By The Plan	(51,042,272)	(34,843,140)	(50,582,462)	(34,318,350)
Current Service Costs And Interest	55,567,614	39,288,835	55,274,577	39,016,202
Defined Benefit Obligations at July 16, 2023	**216,392,192**	**188,590,435**	**215,667,756**	**187,687,303**

Movement in the Fair Value of Plan Assets

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Fair Value Of Plan Assets At July 17, 2022	185,188,907	135,799,147	185,188,907	135,799,147
Contributions Paid Into The Plan	63,456,596	74,952,093	63,456,596	74,952,093
Benefits Paid During The Year	(50,582,462)	(34,318,350)	(50,582,462)	(34,318,350)
Actuarial (Losses) Gains	(1,448,420)	(5,294,424)	(1,448,420)	(5,294,424)
Expected Return On Plan Assets	17,246,337	14,050,441	17,246,337	14,050,441
Fair Value Of Plan Assets At July 16, 2023	**213,860,958**	**185,188,907**	**213,860,958**	**185,188,907**

Amount Recognized in Profit or Loss

AMOUNT IN NPR

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Service Costs	40,891,377	29,985,401	40,658,930	29,772,012
Interest On Obligation	14,676,237	9,303,434	14,615,647	9,244,190
Actuarial (Gain)/ Losses	24,736,758	68,411,479	24,736,758	68,411,479
Expected Return On Plan Assets	(17,246,337)	(14,050,441)	(17,246,337)	(14,050,441)
Total	**63,058,035**	**93,649,873**	**62,764,998**	**93,377,240**

5.15 TAXATION

Status of Tax Assessment

The Bank has filed for appeal in Revenue Tribunal against tax assessment of FY 2010/11 (2067/68), FY 2011/12 (2068/69), FY 2012/13 (2069/70), FY 2013/14 (2070/71), FY 2014/15 (2071/72) and FY 2015/16 (2072/73) and filed for administrative review against tax assessment of FY 2016/17 (2073/74), FY 2017/18 (2074/75) and FY 2018/19 (2075/76) against additional income tax demand. Bank has filed for appeal in Revenue Tribunal against tax assessment of acquired institution, Nepal Housing and Merchant Finance of FY 2014/15 (2071/72). Similarly, tax assessment of acquired institution, People's Finance Limited of FY2010/11(2067/68) is under Administrative Review and Nepal Housing and Merchant Finance Limited of FY 2011/12 (2068/69)is under Administrative Review & tax assessment of FY 2014/15 (2071/72) is under Administrative Review. Tax assessment of Srijana Finance is under Administrative Review of FY 2015/16 (2072/73) and FY 2017/18(2074/75). Tax assessment of SahayogiVikas Bank is under Administrative Review of FY2016/17(2073/74) and FY 2017/18 (2074/75).Tax assessment of Tinau Mission Development Bank and Mission Development Bank is under Administrative Review of FY 2017-18 (2074/75).

Similarly, in case of FY 2006/07 (2063/64) and FY 2007/08 (2064/65), the Bank has filed for petition with Supreme Court which is yet to be decided.

The Bank has disclosed the disputed tax amount as contingent liability on Schedule 4.28.5

The self-assessment returns filed by the Bank for FY2019/20(2076/77) to FY 2021/22(2078/79), has not yet been opened for reassessment by the LTO.

Current Year Tax

Current year tax liability has been recognized on net profit at the rate of 30%, after required adjustment to arrive at taxable profit.

Reconciliation between current year tax liability and current tax based on net profit of the book has been given in Note 4.41.1.

Deferred Tax

Deferred tax is computed at 30% of the temporary differences between accounting base and tax base. Deferred tax assets/ liabilities and the calculation of deferred taxes are given in Note 4.15 of Statement of Financial Position.

5.16 STATUTORY RESERVES AND FUNDS

The reserves of the Bank include statutory reserves and funds set aside for specific purpose, as per Bank and Financial Institutions Act, 2017 and NRB Directives. The various reserves and funds are as below:

i. General Reserve

General Reserve is created as per Section 44 of the Bank and Financial Institutions Act, 2017 equivalent to 20% of the net profit earned during the year until the reserve is twice the paid up share capital of the Bank after which 10% of the net profit earned during the year shall be set aside as General Reserve. During the year, the Bank has transferred NPR 372,751,202 to General Reserve from Retained Earnings.

Such reserve could not be expensed or transferred to other heads without prior approval of Nepal Rastra Bank.

ii. Exchange Fluctuation Reserve Fund

Exchange Fluctuation Reserve is the reserve created as per Section 45 of the Bank and Financial Institutions Act, 2017 equivalent to 25% of the foreign exchange gain realized on the translation of foreign currency to the reporting currency during the year other than Indian Rupees. During the current year, the Bank has incurred foreign exchange revaluation loss of NPR 51,777,267and same amount has been transferred from Exchange Fluctuation Reserve to Retained Earnings during the FY 2022/23.

The balance of exchange fluctuation reserve fund at the end of current year is NPR 23,180,770.Such reserve could not be expensed or transferred to other heads without prior approval of Nepal Rastra Bank other than to set off revaluation loss incurred, if any during the year.

iii. Investment Adjustment Reserve

Investment adjustment Reserve is required to be created as per the regulatory requirement of NRB Directive no 8. During the current year, no any amount is required to be transferred to Investment Adjustment Reserve.

iv. Bond Redemption Reserve

The Bank has issued another Subordinated Debt of 10.25% Citizens Bank Bond, 2086 of NPR 2,500,000,000 during FY 2019/20 as per NRB approval dated 2076/06/30. As per NRB Directive 2076(16) (5), Capital Redemption Reserve is to be created on proportionate basis over the year except for the issuance year and payment year. So, the Bank has set aside amount of NPR 277,777,778 to Capital Redemption Reserve during FY 2022/23 for 10.25% Citizens Bank Bond, 2086.

v. Employees Training Cost and Employees Capacity Development Fund

Employees training cost of NPR 26,114,824 has been incurred during the current year. As per NRB Directive 06/2079, 3% of salary & allowance expense of the previous year is to be incurred on training and development of staffs. So, the Bank has set aside amount of NPR 7,920,466 to Employees' Capacity Development Fund during FY 2022/23.

vi. Corporate Social Responsibility (CSR) Fund

During the year, the Bank has expensed NPR 9,267,377 on CSR activities. Such amount of NPR 9,267,377 has been transferred from CSR fund to retained earnings in the current year.

Similarly, additional CSR Fund of NPR 18,637,560has been created as per NRB Directive No. 06/2079. The fund so created shall be used for CSR activities of the Bank in the next fiscal year as per Corporate Social Responsibility Manual of the Bank.

The total movement of Bond Redemption Reserve, Corporate Social Responsibility Fund, Investment Adjustment Reserve, Employee Training Cost and Employees Capacity Development Fund and other reserve arose from prior period adjustment of acquisition reflected in totality in Statement of Changes in Equity under Other Reserve are as follows:

AMOUNT IN NPR

OTHER RESERVE	CSR RESERVE	BOND REDEMPTION RESERVE	ACUTARAL GAIN RESERVE	STAFF TRAINING RESERVE	OTHER RESERVE	TOTAL
BALANCE AS ON JULY 17, 2022	**28,973,173**	**555,555,556**	**(4,936,429)**	**11,275,265**	**115,994,228**	**706,861,793**
Other comprehensive income, net of tax						
Actuarial gains/(losses) on defined benefit plans	-	-	669,073	-	-	669,073
Transfer to Reserve	18,637,560	277,777,778	-	7,920,466	-	304,335,804
Transfer from Reserve	(9,267,377)	-	-	-	-	(9,267,377)
BALANCE AS ON JULY 16, 2023	**38,343,356**	**833,333,333**	**(4,267,356)**	**19,195,731**	**115,994,228**	**1,002,599,293**

vii. Regulatory Reserve

The regulatory reserve has been created of NPR 831,803,765upto the current year as per NRB Directive 4(3) (ka). The detail of regulatory reserve created in the current year is given in the Statement of Distributable Profit or Loss.

As per the NRB Directive 04/079, BFIs are not required to transfer to the regulatory reserve for the interest income recognized on accrual basis and recovered within July 31, 2023. Accordingly, the Bank has recovered interest income of NPR 558,118,612 after mid-July, 2023 till July 31, 2023 for which no regulatory reserve has been created.

Out of total interest accrued as on mid July 2023, amount of NPR 1,344,805,125 has been recognized as income on Accrual Basis uptomid July 2023as per "Guideline on Recognition of Interest Income, 2019" issued by Nepal Rastra Bank and NPR 252,119,668 has been transferred to Retained Earnings from Regulatory Reserve during FY 2022/23.

The detail of movement of Regulatory Reserves of the Bank since FY 2017-18 till FY 2022-23 is summarized as below:

AMOUNT IN NPR

FY	INTEREST RECEIVABLE	SHORT LOAN LOSS PROVISION	SHORT PROVISION FOR POSSIBLE LOSS ON INVESTMENT	SHORT PROVISION ON NBA	DEFERRED TAX ASSET	GOODWILL	GAIN ON BARGAIN PURCHASE GAIN	ACTUARIAL LOSS RECOGNIZED	FAIR VALUE LOSS RECOGNIZED ON OCI	OTHER (UNREALIZED GAIN ON TRADING ASSETS)	TOTAL
2017/18	210,137,516	-	-	287,547,060	-	-	291,445,773	-	6,300,000	-	795,430,349
2018/19	26,279,833			(64,999,907)	20,235,997		(291,445,773)	7,086,997	(6,300,000)		(309,142,853)
2019/20 (Acquired Inst.)	55,570,464				1,651,744						57,222,208

2019/20	(82,625,226)			(99,361,497)	(21,887,741)		90,879,384	17,353,631		4,114,252	(91,527,197)
2020/21 (Acquired Inst.)	99,940,646									70,411,749	170,352,395
2020/21	(135,347,743)			(34,263,391)			(90,879,384)	(16,026,127)		23,435,367	(253,081,278)
2021/22	69,537,347	-	-	42,524,633	-	-	-	(3,478,072)	-	(97,961,368)	10,622,539
2022/23	252,119,668			29,914,101	167,001,964			(669,073)		3,560,943	451,927,603
TOTAL	**495,612,505**	**-**	**-**	**161,360,998**	**167,001,964**	**-**	**-**	**4,267,356**	**-**	**3,560,943**	**831,803,766**

The detail of movement of Reserves of the Bank is summarized as below:

AMOUNT IN NPR

MOVEMENT IN RESERVES OF THE BANK	OPENING BALANCE	TRANSFER FROM RESERVES	TRANSFER TO RESERVES	OTHER RESERVE MOVEMENT	CLOSING BALANCE
Statutory General Reserve	3,029,930,276	372,751,202	-	-	3,402,681,478
Exchange Equalization Reserve	74,958,036	-	(51,777,267)	-	23,180,770
Corporate Social Responsibility Reserve	28,973,173	9,370,183	-	-	38,343,356
Capital Redemption Reserve	555,555,556	277,777,779	-	-	833,333,334
Regulatory Reserve	379,876,163	451,927,602	-	-	831,803,765
Investment Adjustment Reserve	-	-	-	-	-
Assets Revaluation Reserve	407,893,594	-	-	-	407,893,594
Fair Value Reserve	279,332,789	-	-	(31,936,218)	247,396,570
Dividend Equalization Reserve	-	-	-	-	-
Actuarial Gain	(4,936,429)	-	-	669,073	(4,267,356)
Capital Reserve	-	-	-	-	-
Special Reserve	-	-	-	-	-
Other Reserve	127,269,493	7,920,466	-	-	135,189,959
TOTAL	**4,878,852,650**	**1,119,747,231**	**(51,777,267)**	**(31,267,145)**	**5,915,555,470**

5.17 SHARE PREMIUM

The Bank does not have any share premium as at the reporting date.

5.18 PROPOSED BONUS SHARE

The Board of Directors of the Bank has not proposed any bonus share during the current year.

5.19 PROPOSED DIVIDEND

The Board of Directors of the Bank has proposed Cash Dividend of 5.79 percent on paid up share capital of the Bank subject to approval from Nepal Rastra Bank and ratification of Annual General Meeting of the shareholders of the Bank.

5.20 PROVISION FOR BONUS TO EMPLOYEES

Provision for staff bonus has been made as per Bonus Act 2030, calculated at 10% of net profit before bonus. For the FY 2022/23, the Bank has made provision of NPR 279,605,949 towards Staff Bonus.

5.21 NON- DELIVERABLE FORWARD (NDF) CONTRACT

Liabilities on account of derivative contracts entered into by the Bank are reported under Contingent Liabilities under sub- heading Outstanding Liabilities for Forward Exchange Contract. These include notional principal on outstanding forward rate agreements. The Forward Exchange Contract is marked to market and resulting difference is recognized in Statement of Profit or Loss.
The unsettled proprietary NDF contract of USD 16.50 million has been marked to market at exchange rate of INR/USD = 82.1021 as on reporting date.

5.22 EARNINGS PER SHARE

Basic Earnings Per Share

Earnings per share, also called net income per share, is a market prospect ratio that measures the amount of net income/ loss earned per share of stock outstanding. In other words, this is the amount of money each share of stock would receive if all of the profits were distributed to the outstanding shares at the end of the year. It is calculated by dividing profit or loss attributable to ordinary equity holders by the average number of ordinary shares outstanding during the period.

The earnings attributable to the ordinary equity holders consists of the earnings of the Bank after deduction of all expenses, tax expense and preference dividends, differences arising on the settlement of preference shares, and other similar effects of preference shares classified as equity.

The calculation of basic earnings per share of the Bank has been based on the profit/ loss attributable to ordinary shareholders and weighted average number of shares outstanding as tabulated below:

AMOUNT IN NPR

PARTICULARS	2022/23	2021/22
Profit attributable to ordinary shareholders NPR	1,863,756,011	2,005,610,795
Weighted average number of ordinary shares	142,009,740	142,009,740
Basic Earnings Per Share NPR	**13.12**	**14.12**
Restated Basic Earnings Per Share NPR		

Weighted average number of ordinary shares calculation

AMOUNT IN NPR

FY 2022/23	NOS. OF SHARES	TOTAL SHARES OUTSTANDING	PORTION OF THE YEAR	WEIGHTED AVERAGE NUMBER OF SHARES
Opening Balance	142,009,740	142,009,740	1.0000	142,009,740
	142,009,740			**142,009,740**

FY 2021/22	NOS. OF SHARES	SHARES OUTSTANDING	PORTION OF THE YEAR	WEIGHTED AVERAGE SHARES
Opening Balance	125,769,231	125,769,231	1.0000	125,769,231
Bonus Share of FY 2020/21	16,240,509	142,009,740	1.0000	16,240,509
	142,009,740			**142,009,740**

Diluted Earnings Per Share

Diluted shares are the shares that would be outstanding if all possible sources of conversion, such as convertible bonds and stock options, were exercised. Specific financial figures in terms of fully diluted shares outstanding are reported to allow investors to properly assess the Bank's financial situation. There are no dilutive shares during the year of the Bank and the Subsidiary.

5.23 INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements of the Group have been prepared and published on quarterly basis as per NFRS and NRB Directive no 4 in compliance of statutory and legal requirement within the time frame prescribed.

5.24 AGE-WISE PARTICULARS OF RECONCILIATION PENDING ITEMS (1 YEAR, 1-3 YEARS, AND ABOVE 3 YEARS) IN AGENCY ACCOUNTS OF THE BANK

i. Inter Branch Account

There is no un-reconciled transaction in Inter branch Accounts of the Bank as on year end FY 2022/23.

ii. Nepal Rastra Bank

NPR IN '000

TIME DURATION	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
1 month and below	-	-	1,445.21	-
1 - 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
1 - 2 years	-	934.61	-	-
Total	**-**	**934.61**	**1,445.21**	**-**

iii. Local Financial Institutions

NPR IN '000

TIME DURATION	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
1 month and below	19,986.97	3,590.71	4,088.16	428.13
1 - 3 months	-	-	57.02	0.90
3 - 6 months	15.28	8.40	181.92	10.00
6 - 12 months	11.96	10.25	69.24	7.76
1 - 2 years	10.32	5.01	16.14	107.03
Total	**20,024.53**	**3,614.37**	**4,412.49**	**553.81**

iv. Foreign Bank

NPR IN '000

TIME DURATION	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
1 month and below	-	59,329.94	331,566.29	208,265.68
1 - 3 months	-	4,415.69	1.85	3,286.25
3 - 6 months	-	2,535.45	-	1.31
6 - 12 months	-	444.48	3.86	1.79
1 - 2 years	-	1,210.01	6.01	36.13
Total	**-**	**67,935.57**	**331,578.01**	**211,591.17**

5.25 NFRS CARVE-OUTS ADJUSTMENTS

During the current fiscal year, the Group has not applied the numbers of standards as prescribed inNFRS and used the NFRS carve- out adjustments. As a consequence, the net profit and retained earnings have been impacted.

The impacts of each carve- out adjustment done and the affected financial statement line items have been summarized as follows wherever quantifiable or described otherwise:

5.25.1 NFRS 9: FINANCIAL INSTRUMENTS (PARA 5.5 IMPAIRMENT: EXPECTED CREDIT LOSS MODEL TO MEASURE THE IMPAIRMENT LOSS ON LOANS AND ADVANCES)

NFRS 9 requires an entity to measure the expected credit losses of financial instruments in a way that reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

However, as per carve out on NFRS Para 5.5, the Bank has assessed and measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 5 of carve out on para 5.5 of NFRS 9 issued by ICAN.

As per carve out, the Bank first assesses whether objective evidence of impairment exist individually for financial assets that are individually significant and collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exist for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The Bank has used the formula based approaches and statistical methods to determine the impairment losses in a group of financial assets that are not individually impaired in individual assessment.

The impacts of the application of carve- out in the current year financials is as under:

Particulars	Amount in NPR
Gross Loans and Advances (To customers and BFIs)	143,573,735,031
Impairment Loss as per NFRS	1,993,755,765
Impairment Loss as per norms of NRB	4,773,363,873

The higher of two above i.e.; NPR NPR 4,773,363,873 has been taken into account for impairment loss on loan and advances in the preparation of consolidated financial reports.

5.25.2 NFRS 9: FINANCIAL INSTRUMENTS (EFFECTIVE INTEREST RATE)

Para 5.4 of NFRS 9 requires using of effective interest rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross amount of financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

However, as per carve out on NFRS 9 Para 5.4, the Bank has not included the fees and points paid or received that are immaterial or impracticable to determine reliably the effective interest rate and have recognized them directly as revenue in the Statement of Profit or Loss.

The Bank shall adopt the NFRS 9 Para 5, in its 2023/24 financial statements or later.

5.26 LOAN WRITTEN OFF

Bank has written off loan amounting NPR 79,570,322 during current fiscal year 2022/23. Details of loan written off are as follows:

S. N.	CUSTOMER'S NAME	LOAN TYPE	AMOUNT WRITE OFF NPR	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
1	Oriental Builder And Devlopers (P) L.	Other Loan	186,722.80	Land and building	Government and market rate	Credit Committee Approval	Followup letter, call back notice, auction notice, blacklisted
2		Other Loan	135,622.60				
3		Other Loan	15,577.00				
4		Other Loan	135,622.60				
5		Other Loan	135,622.60				
6		Other Loan	135,622.60				
7	Ninasha Builder (P) Ltd.	Other Loan	11,322.60	Land and building	Government and market rate	BOD	Followup letter, call back notice, auction notice, blacklisted
8	Ninasha Builder (P) Ltd.	Other Loan	4,542.60				
9	Ninasha Builder (P) Ltd.	Other Loan	4,542.60				
10	Bharat Kumar Thapa	Other Loan	26,696.00	Truck and Tipper	Quotation price	ParsuramKunwarChhetri/ General Manager	Followup letter, call back notice, auction notice, blacklisted, DRT
11	Mohan Lal Shrestha	Other Loan	29,366.00	Tipper	Quotation price	BodhrajDevkota/Chief Credit Officer	Followup letter, call back notice, auction notice, blacklisted, DRT
12	Ramesh DhojKarki/ Ram Pd Khadka	Other Loan	21,357.00	Land &Rubel Master Crusher Plant	Market Rate & Government Rate, Quotation Price	Rajan Singh Bhandari/CEO	Followup letter, call back notice, auction notice, blacklisted, DRT
13		Other Loan	35,256.00				
14		Other Loan	44,070.00				
15	Haris Chandra Khanal	Bina Dhito	397,357.27			SumanMulepati/H-CBU	Followup letter, call back notice, auction notice, blacklisted
16	Insan Shrestha	Bina Dhito	601,814.63			PramilaGuniSadaula/RM-CBU	Followup letter, call back notice, auction notice, blacklisted
17	Insan Shrestha	Other Loan	2,000.00				
18	Insan Shrestha	Other Loan	2,017.00				
19	Rahul Sachdev	Clean Bills Purchase	2,900,000.00			Rajan Singh Bhandari/CEO	Followup letter, call back notice, blacklisted
20	Bal Krishna Pangeni	Clean Bills Purchase	11,000,000.00			Rajan Singh Bhandari/CEO	
21	Gokul Bahadur Thapa	Clean Bills Purchase	11,000,000.00			Rajan Singh Bhandari/CEO	
22	Mega International Tours And Travels Pvt Ltd	Auto Loan	829,334.40	Private Vehicle	Quotation price	AkhilDevkota/Head-province No 3	Followup letter, call back notice, auction notice, blacklisted
23	Ramesh DhojKarki / Tara Kumari Rai	Other Loan	9,036.00	Land &Rubel Master Crusher Plant	Market Rate & Government Rate, Quotation Price	Rajan Singh Bhandari/CEO	Followup letter, call back notice, auction notice, blacklisted, DRT
24		Other Loan	11,930.00				
25	Prema Shopping Center	Overdraft	116,360.45	Land and building	Government and market rate	SumitBabu Khatri/ CCO	Followup letter, call back notice, auction notice, blacklisted
26	D.R.S Enterprises Pvt. Ltd.	Other Loan	28,895.00	Land and building	Government and market rate	Ganesh Raj Pokharel/CEO	Followup letter, call back notice, auction notice, blacklisted and DRT
27	D.R.S Enterprises Pvt. Ltd.	Other Loan	70,512.00				
28	D.R.S Enterprises Pvt. Ltd.	Overdraft	556,000.00				
29	Hari Kumar Kusule	Auto Loan	354,689.23	Commercial vehicle	Quotation price	SumanMulepati/Head-CBU	Followup letter, call back notice, auction notice, blacklisted
30	Hari Kumar Kusule	Other Loan	2,000.00				
31	GirirajBhujel	Auto Loan	1,162,776.13	Commercial vehicle	Quotation price	SumanMulepati/Head CBU	Followup letter, call back notice, auction notice, blacklisted
32	GirirajBhujel	Other Loan	66,105.00				
33	GirirajBhujel	Other Loan	4,500.00				
34	GirirajBhujel	Other Loan	48,816.00				
35	Maha Shiv Shankar DhuwaniSewa	Auto Loan	983,998.51	Tractor	Quotation price	SumanMulepati/Head CBU	Followup letter, call back notice, auction notice, blacklisted
36		Other Loan	2,000.00				
37		Other Loan	54,412.89				
38	Bilash Kitchen Decorative P. Ltd.	Other Loan	14,877.50	Vehicle	Quotation price	SumitBabu Khatri / CCO	Followup letter, call back notice, auction notice, blacklisted
39		Other Loan	4,473.50				
40		Auto Loan	721,891.65				
41		Other Loan	-				
42		Other Loan	16,557.89				
43		Other Loan	12,204.00				
44		Other Loan	2,000.00				
45		Other Loan	12,485.00				
46		Other Loan	5,000.00				
47		Other Loan	4,802.20				

48	H.K. Traders	Overdraft	3,426,641.00	Land and building	Government and market rate	Bodh Raj Devkota / Deputy CEO	Followup letter, call back notice, auction notice, blacklisted
49	Nabin Kumar Yadav	Other Loan	2,000.00	Vehicle	Government and market rate	Management Committee (Premier Finance Co. Ltd.)	Followup letter, call back notice, auction notice, blacklisted
50	Gopal Prasad Kandel	Other Loan	2,000.00	Veicle	Quotation price	Management Committee (Premier Finance Co. Ltd.)	Followup letter, call back notice, auction notice, blacklisted
51	Shanti Aryal	Other Loan	131			Management Committee (Premier Finance Co. Ltd.)	Followup letter, call back notice, blacklisted
52	Shanti Aryal	Bina Dhito	170,237.60				
53	Shanti Aryal	Other Loan	3,688.20				
54	Shanti Aryal	Other Loan	2,000.00				
55	S.K.Hotel And Multipurpose Pvt.Ltd	Term Loan	550,000.00	Land	Government and market rate	Rajan Prasad Khanal (Chief Executive Officer- Nepal Community Development Bank Limited)	Followup letter, call back notice, auction notice, blacklisted
56		Other Loan	36,306.00				
57	Jyoti Bal Kunj Academy Pvt Ltd	Auto Loan	987,492.41	Land and building	Government and market rate	Arjun Khatiwada/BM	Followup letter, call back notice, auction notice, blacklisted and DRT
58		Other Loan	2,684.00				
59	Shree Pooja Poultry Farm Pvt Ltd	Term Loan	21,958,812.90	Land and building	Government and market rate	Ganesh Raj Pokharel/CEO	Followup letter, call back notice, auction notice, blacklisted
60		Term Loan	20,419,571.44				
61		Other Loan	50,000.00				
62	Nitan Traders	Other Loan	37,968.00	Cash Margin		Rajan Singh Bhandari/CEO	Followup letter, call back notice, auction notice, blacklisted and DRT
		Total	**79,570,322**				

5.27 DETAILS OF REFINANCE LOAN AND BUSINESS CONTINUITY LOAN

The Bank has provided the Refinance Loan and Business Continuity Loan. Details of such loan as on July 16, 2023 is as follows:

PARTICULARS	NO. OF CUSTOMERS	AMOUNT (NPR)
Refinance Loan	-	-
Business Continuity Loan	1	33,144,179

5.28 DETAILS OF SUBSIDIZED LOAN

The Bank has provided the Subsidized Loan. Details of such loan as on July 16, 2023 is as follows:

PARTICULARS	NO. OF CUSTOMERS	AMOUNT (NPR)
Subsidized Loan	3,705	3,994,675,413

5.29 COVID- 19 RELAXATION

The details of relaxation provided to the customer and Accrued Interest received after July 16, 2023 till July 31, 2023 along with additional provision of 0.3% on pass loan portfolio is as follows:

S.NO.	PARTICULARS	AS OF JULY 16, 2023	
		NO OF CUSTOMERS	AMOUNT (NPR)
1	Accrued Interest Received after July 16, 2022 till July 31, 2022	12,808	558,118,611
2	Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	NA	342,224,508
3	Extension of Moratorium Period of Loan provided to industry or project under construction	8	1,455,368,411
4	Restructured/Rescheduled Loan with 5% Loan Loss Provision	681	1,026,510,714
5	Enhancement of Working Capital Loan by 20% to COVID affected borrowers	-	-
6	Enhancement of Term Loan by 10% to COVID affected borrowers	-	-
7	Expiry Date of Additional 20% working capital loan (COVID Loan) extended for up to 1 year with 5% provisioning	6	7,692,367
8	Expiry Date of Additional 10% Term Loan (COVID Loan) extended for up to 1 year with 5% provisioning	-	-
9	Time Extension provided for repayment of Principal and interest for up to 2 years as per clause 44(2) of NRB Directive 2.	4	133,050,545
10	Time Extension provided for repayment of Principal and interest for up to 2 years as per clause 44(1) of NRB Directive 2.	-	-

5.30 TABLE OF ASSETS AND LIABILITIES ACCORDING TO THE LIQUIDITY POSITION

AMOUNT IN NPR

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	5,421,133,739							5,421,133,739
Balance with Banks & FIs	7,270,642,809							7,270,642,809
Investment in Foreign Banks	111,732,500	-	2,629,000,000	-	-	-	-	2,740,732,500
Call Money	1,646,009,559							1,646,009,559
Government Securities	146,448,650	515,589,091	2,071,101,283	2,629,298,300	706,263,431	2,717,305,450	17,553,750,200	26,339,756,405
Nepal Rastra Bank Bonds	-	800,000,000	-	-				800,000,000
Inter Bank & FI Lending	-	1,012,165,000	-	-	-	-	-	1,012,165,000
Loans & Advances	2,109,958,978	11,313,111,519	17,709,449,285	12,131,666,088	9,285,408,446	6,662,236,493	86,559,404,706	145,771,235,515
Interest Receivable	5,074,605	1,364,380,299	14,079,720	44,320,934	9,498,589	13,571,893	213,554,138	1,664,480,178
Reverse Repo		600,000,000						600,000,000
Acceptance Receivable								-
Payments under S.No. 20,21 & 22	5,077,511,263	3,282,578,813	6,135,918,151	8,774,719,781	5,592,024,797	9,057,972,994	6,326,816,805	44,247,542,604
Others	3,677,520,668	335,917,576	283,947,414	256,128,571		-	5,886,304,835	10,439,819,064
Total (A)	**25,466,032,770**	**19,223,742,298**	**28,843,495,853**	**23,836,133,673**	**15,593,195,263**	**18,451,086,830**	**116,539,830,685**	**247,953,517,373**
LIABILITIES								
Current Deposits	2,214,160,864						7,018,496,775	9,232,657,639
Saving Deposits (including call)	8,090,060,443	3,850,406,866	3,850,414,952	-	-	-	38,156,851,007	53,947,733,269
Fixed Deposits	4,554,962,301	7,932,990,169	18,859,914,632	22,387,086,655	15,471,354,517	13,602,136,797	25,968,015,474	108,776,460,544
Debentures/Bonds			-				2,479,847,548	2,479,847,548
Borrowings	600,000,000	-	-	-	-	-	-	600,000,000
Call/Short Notice								-
Inter-bank/Financial Institutions	600,000,000	-	-	-	-	-	-	600,000,000
Refinance	-	-	-	-	-	-	-	-
Others								-
Other Liabilities and Provisions	2,927,086,616	-	-	-	-	-	-	2,927,086,616
Sundry Creditors	15,568,830							15,568,830
Bills Payable	154,236,665							154,236,665
Interest Payable	87,966,973							87,966,973
Provisions	29,603,120							29,603,120
Others	2,639,711,028							2,639,711,028
Acceptance Liabilities	261,456,272	785,591,843	1,383,276,858	1,235,469,556	422,497,701	32,493,595	267,580,204	4,388,366,029
Irrevocable Loan Commitment	1,867,243,262	933,621,631	933,621,631	4,668,108,156	3,734,486,525	6,535,351,418	-	18,672,432,623
Letter of Credit/Guarantee	2,948,811,728	1,563,365,339	3,819,019,662	2,871,142,069	1,435,040,571	2,490,127,981	6,059,236,602	21,186,743,952
Repo	-							-

Payable under s.no.11	-	-	-	-	-	-	-	-
Others	53,259,767	211,840,138	254,929,999	138,291,312	93,549,108	75,047,363	24,915,271,466	25,742,189,153
Total (B)	**23,517,041,255**	**15,277,815,986**	**29,101,177,734**	**31,300,097,747**	**21,156,928,422**	**22,735,157,154**	**104,865,299,076**	**247,953,517,373**
Net Financial Assets (A-B)	**1,948,991,515**	**3,945,926,312**	**(257,681,881)**	**(7,463,964,074)**	**(5,563,733,159)**	**(4,284,070,324)**	**11,674,531,611**	**-**
Cumulative Net Financial Assets	**1,948,991,515**	**5,894,917,827**	**5,637,235,946**	**(1,826,728,128)**	**(7,390,461,286)**	**(11,674,531,611)**	**-**	**-**

5.31 KEY FINANCIAL INDICATORS

	INDICATORS	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FISCAL YEAR 2021/22	FISCAL YEAR 2022/23
1. Net Profit / Gross Income	Percent	15.20	11.28	14.59	11.47	8.51
2. Earnings Per Share (Basic)	NPR	17.49	13.88	17.35	14.12	13.12
3. Market Value Per Share	NPR	224	188	386	202.5	173.1
4. Price Earnings Ratio	Times	12.81	13.55	22.24	14.34	13.19
5. Dividend (including bonus) on Share Capital	Percent	15	11	16	9	5.79
6. Cash Dividend on Share Capital	Percent	12	3	3.087	9	5.79
7. Interest Income / Loans and Advances	Percent	12.22	10.85	8.00	10.74	13.00
8. Staff Expenses / Total Operating Expenses	Percent	58.63	56.63	57.88	59.47	60.59
9. Interest Expenses / Total Deposits and Borrowings	Percent	7.67	6.90	4.89	6.44	8.47
10. Foreign Exchange Gain / Total Income	Percent	2.95	3.51	3.80	1.59	0.62
11. Staff Bonus / Total Staff Expenses	Percent	26.88	18.75	23.36	17.63	14.79
12 Net Profit / Loans and Advances	Percent	2.22	1.45	1.44	1.46	1.27
13. Return on Total Assets	Percent	1.62	1.08	1.29	1.11	0.95
14. Total Credit / Deposits	Percent	88.76	89.56	87.52	89.08	85.55
15. Total Operating Expenses / Total Assets	Percent	1.70	1.49	1.26	1.54	1.57
16. Adequacy of Capital Fund on Risk Weighted Assets	Percent	14.37	15.14	13.7	12.69	12.12
Core Capital	Percent	13.46	11.85	11.02	10.45	10.01
Supplementary Capital	Percent	0.91	3.29	2.68	2.24	2.11
17. Non-Performing Loans / Total Loans (As per NRB Directive)	Percent	1.13	1.55	1.64	2.22	3.39
18. Weighted Average Interest Rate Spread (As per NRB Directive)	Percent	3.15	4.03	3.59	4.25	4.00
19. Book Net Worth Per Share	NPR	149.26	147.61	150.18	143.72	147.62
20. Number of Equity Shares (At Year End)	Nos.	83,710,648	90,898,173	125,769,231	142,009,740	142,009,740
21. Number of Permanent Staffs	Nos.	955	1091	1458	1758	1716
22. Return on Equity	Percent	11.71	8.93	11.17	10.21	9.01
23. Dividend Pay Out Ratio	Percent	0.86	0.79	0.92	0.64	0.44
24. Earnings Yield	Percent	6.7	7.38	5.76	6.97	7.58
25. Dividend Yield	Percent	7.81	5.85	4.15	4.44	3.34
26. Cost to Operating Income Ratio	Percent	43.90	45.69	55.08	47.93	49.42
27. Total Assets to Shareholder' Fund	Times	7.21	8.24	8.91	9.53	9.49
28. Shareholders' Fund to Total Liability including Contingent Liability	Percent	15.34	7.97	10.79	10.14	10.10
29. Base Rate	Percent	10.52	9.04	7.55	10.09	10.51
30. CCD Ratio as per NRB Directives	Percent	76.79	70.63	77.42	85.20	82.40
31. Number of Branches	Nos.	81	109	189	178	188
32. Number of ATMs	Nos.	78	99	117	130	146
33. Net Profit per staff	NPR	1,532,166	1,098,538	1,237,545	1,140,848	1,086,105
34. Per employee staff cost	NPR	942,664	857,245	843,452	1,015,604	1,101,339
35. Diluted Earnings Per Share	NPR	17.49	13.88	17.35	14.12	13.12

04

INFORMATION AND DISCLOSURES TO SHAREHOLDERS

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INFORMATION ABOUT ANNUAL GENERAL MEETING

As decided by the 429th BOD meeting held on September 21, 2023; 17th Annual General Meeting (AGM) of the Bank will be held on following date, place and time:

Date : October 13, 2023 (Ashwin 26, 2080), Friday

Place : Amritbhog, Kalikasthan, Dillibazar, Kathmandu

Time : 11:00 AM

Following agendas will be discussed at the Annual General Meeting:

A. ORDINARY RESOLUTION

1. To approve Director's Report of FY 2022/23 after deliberation.
2. To discuss and approve the Consolidated Statement of Financial Position as of July 16, 2023, Consolidated Statement of Profit or Loss for the period July 17, 2022 to July 16, 2023 and Consolidated Statement of Cash Flows of the Bank and Bank's subsidiary companies, for the year ended thereon, together with Auditor's report.
3. To approve cash dividend of NPR 822,161,652.96 (including tax on dividend) which is 5.79 percent of paid-up capital as proposed by the Board of Directors.
4. To appoint auditor for the FY 2023/24 (2080/81) and to fix the auditor's remuneration as per Section 111 of Companies Act, 2006. (As per Section 111(3) of the Companies Act, 2006, auditor M/s J.K. and S.S. Associates, Chartered Accountants is eligible for reappointment).
5. As per AOA of the Bank, to elect 3 directors representing Group 'A' Promoter shareholders and 1 director representing Group 'B' Ordinary shareholders via election.

B. SPECIAL RESOLUTION

1. Delegation of authority to Board of Directors of the Bank for merger or acquisition of Citizens Bank International Limited and other appropriate Bank and Financial Institutions or to seek for foreign strategic partnership and if appropriate to conduct the valuation of movable and immovable assets and liabilities by appointing national or international certified valuator and to enter into primary and final agreement in relation to Merger or Acquisition and to complete necessary procedures for the same.

C. OTHERS

OTHER INFORMATION REGARDING AGM

1. Shareholders register book will be closed for one day on October 2, 2023 (Ashwin 15, 2080). If the name of the shareholders is registered in shareholders' register book located in the Bank's share registrar Citizens Capital Limited, Batule Ghar, Dillibazar, Kathmandu because of the transactions conducted in Share Stock Exchange till October 1, 2023 (Ashwin 14, 2080), then such shareholders can participate in the AGM and is entitled to receive cash dividend.

2. Shareholders interested in participating in AGM shall bring either share certificate or details of DEMAT account and documents proving his identity or its copy along with them.

3. Shareholders attendance register will be made available at 9:00 A.M. onwards for the purpose of signing.

4. Shareholders interested in appointing a proxy for attending AGM, shall fill the proxy form in the format prescribed by the Companies Act and shall submit the form at least 48 hours before AGM (i.e. within 11:00 A.M on October 11, 2023 (Ashwin 24, 2080) to the head office of the Bank at Narayanhitipath, Kathmandu. No one other than shareholders of the Bank shall be appointed as a proxy. More than one person cannot be appointed as proxy by dividing shares or by division through any means. If done so, then proxy shall be cancelled.

5. If any shareholder wants to replace the previously appointed proxy, then he shall submit a separate letter along with proxy form stating that the previously appointed proxy shall be cancelled and new proxy shall be given accreditation and such information shall be submitted at least 48 hours before AGM. If any shareholder, who has appointed proxy, presents himself in AGM, then the appointed proxy shall be automatically cancelled.

6. Shareholders whose name has been recorded in shareholders' register book as mentioned in point no.1 shall only be entitled to receive approved dividend amount.

7. If two or more shareholders jointly hold shares, then representative appointed by such partners or the partner whose name appears first in the serial order in the shareholders register shall only be entitled to take part in AGM.

8. If any shareholder is a minor, then the person who is registered as his guardian in the shareholders' register shall be entitled to take part, vote or appoint a proxy in the AGM.

9. For any queries regarding AGM, you are requested to contact the head office of the Bank, within office hours.

10. You are requested not to carry any bags while attending AGM, for the security reasons. If required, security guards can conduct the security check. Therefore, you are requested to cooperate with the security check.

Note: *As per Companies Act, 2006, shareholders can inspect and obtain a copy of Annual Financial Report, Director's Report and Auditor's Report from the head office of the Bank, located at Narayanhiti Path or from the Bank's share registrar Citizens Capital Limited, Batuleghar, Dillibazar, Kathmandu. For detailed information, you can visit the Bank's website: www.ctznbank.com.*

By Order from Board of Directors
Company Secretary



INFORMATION TO SHAREHOLDERS

SHAREHOLDERS COMMUNICATION

The Bank recognizes the need for keeping its members and stakeholders informed of the events of their interests through present means of communication. The Bank regularly communicates all the appropriate and relevant information to shareholders, customers and the general public through print media (national daily) and electronically through the Bank's official website, http://ctznbank.com/. The detailed information on Annual General Meeting including ordinary agendas and special agendas to be discussed in the meeting is published in the national daily newspapers, 21 days prior to the date of Annual General Meeting as per the requirement of the Companies Act. The financial results of the Bank are submitted to the stock exchanges, where the securities of the Bank are listed, immediately after the conclusion of the Board Meeting approving the same. The results are also published in at least one national daily newspaper circulating in the whole or substantially the whole of Nepal. The Bank furnishes results to the shareholders on yearly basis.

Over the years, the timeliness of conducting Annual General Meeting (AGM) shows how enthusiastic the Bank is to communicate the information and reports to the shareholders.

Equally, the Bank has been publishing an interim financial report within the stipulated time of 30 days as prescribed by the Securities Board of Nepal. The Bank also publishes Basel-III Disclosures as prescribed by point 7.4(b) of Capital Adequacy Framework, 2007 (updated July, 2008) under Directive 1 of NRB Unified Directives on the Bank's website on a timely basis.

DIVIDEND PAYMENT, BONUS SHARE DISTRIBUTION, AND TAX IMPLICATION

As per section 88(2) read with Section 92(1) (a) of Income Tax Act, 2002, the tax on dividend distributed by the Bank is subject to final withholding tax (Tax Deduction at Source, TDS) at the rate of 5%. Similarly, distribution of bonus share is deemed a distribution of dividend as per section 53(1) (b) of Income Tax Act, 2002.

Similarly, Section 47A (5) of Income Tax Act, 2002 has provided a tax exemption on the dividend paid by the Financial Institutions that have merged or acquired another Financial Institutions to the shareholders that existed as on date of such migration/ acquisition.

Uncollected cash dividend after five years is transferred to Investor's Protection Fund, as per the provision of Companies Act. The fund is being operated by Office of Company Registrar, Nepal Government. Investors may lodge their mandate with Bank's Registrar & Share Transfer Agent i.e. Citizens Capital Ltd., Dillibazar, Kathmandu, Nepal.

S.NO.	FISCAL YEAR	AMOUNT
1	2016/17	3,269,431.03

COMPLAINT HANDLING OF INVESTORS

As part of its commitment to improve quality and customer service, the Bank encourages to receive feedbacks on the service provided to investors for proper funds management. The Bank aims to create and maintain among its employees, senior management and directors (the "directors" or "Board of directors"), a culture of treating all investors fairly and diligently. Thus, the Bank handles all complaints from investors who invest in funds for which the Bank acts as Management Company in a professional, correct and prompt manner and in accordance with its internal instruction. In order to ensure a consistent and efficient investor-oriented approach for shares registration service, the Bank has appointed Citizens Capital Limited for:

- Maintaining the shareholder's list of the Bank.
- Safe keeping deposit & withdrawal of securities certificates & transfer of ownership / rights in dematerialized form.
- Registration of transfer (NaamSaari) of shares.
- Delivery of share certificate to the stock exchange after transfer of the share in the name of the buyer.
- Distribution of remaining bonus shares, cash dividend, IPO share certificate.
- Assisting the company for preparation/ conduct of the Annual General Meeting / Extraordinary General Meeting / Special General Meeting.

PROCEDURE FOR THE SHAREHOLDER COMPLAINTS/ENQUIRES

A. CONTACT TO REGISTRAR

The Bank has appointed Citizens Capital Limited as its Registrars and Share Transfer Agent (RTA) with a mandate to process transfer of Shares / Bonds, dividend / interest payments, recording of Shareholders' requests, solution of investors' grievances amongst other activities connected with the issue of Shares / Bonds. Shareholders / investors who wish to lodge Complaints / enquiries shall at first instance contact the registrar, Citizens Capital Limited. Upon the receipt of complaint / enquiries, Registrar shall either address within the timeline as per our agreement with them. They are also bound to provide with relevant details of such complaints to the Bank.

The Investors may lodge their transfer deed / requests / complaints with the RTA at following address:

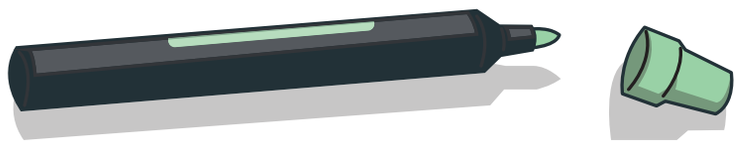
CITIZENS CAPITAL LIMITED
Registrar to Share Division
Batule Ghar, Dillibazar – 33
Kathmandu, Nepal
Phone: (977-1) 4417723 / 4417457 / 4418526 / 4421235
Fax: (977-1) 4239306
E Mail: info@citizenscapital.com.np
URL: www.citizenscapital.com.np

B. CONTACT CHIEF INFORMATION OFFICER
If the registrar is unable to satisfactorily address the enquiries and resolve the complaints, then shareholder may contact the office of the Chief Information Officer of the Bank.

ADDRESS OF THE CHIEF INFORMATION OFFICER
MR. RAJENDRA LAL SHRESTHA
Deputy Chief Executive Officer/ Chief Information Officer
Citizens Bank International Limited
P.O.Box: 19681, Narayanhiti Path, Kathmandu, Nepal
Toll-Free Number: 977-1-6600166667
TEL: 977-1-4427842/4427843
URL: www.ctznbank.com

C. CONTACT ONLINE
Investors can lodge the complaints and inquiries via online complaint handling. The reporting and resolution process for investors and shareholders are same as the Bank follows with valued customers.

FINANCIAL CALENDAR



Year	
SEPTEMBER	**Sep 22, 2022** BOD proposed 9% cash dividend for FY 2021/22
OCTOBER	**Oct 14, 2022** Book Closure date for AGM of FY 2021/22
	Oct 21, 2022 AGM Conducted for FY 2021/22
	Oct 24, 2022 1st Quarterly Unaudited Result Publication for FY 2022/23
JANUARY	**Jan 21, 2023** 2nd Quarterly Unaudited Result Publication for FY 2022/23
APRIL	**Apr 20, 2023** 3rd Quarterly Unaudited Result Publication for FY 2022/23
JULY	**July 28, 2023** 4th Quarterly Unaudited Result Publication for FY 2022/23





CAPITAL STRUCTURE OF THE BANK

DETAILS OF OUR SHARE CAPITAL AND SHARE DISTRIBUTION

NPR IN MILLION

PARTICULARS	2022/23	2021/22	2020/21
Paid-up Share Capital at the end of the year	14,200.97	12,576.92	9,089.82
Less: Share Issued	-	1,624.05	2,759.92
Less: Bonus Shares Issued	-	-	727.18
Paid-up Share Capital at the beginning of the year	14,200.97	14,200.97	12,576.92

NPR IN MILLION

HOLDER	FY 2022/23		FY 2021/22		FY 2020/21	
	AMOUNT	% HOLDING	AMOUNT	% HOLDING	AMOUNT	% HOLDING
Institutional Promoter Shares	614.22	4.33%	614.22	4.33%	543.97	4.33%
Individual Promoter Shares	6,638.61	46.75%	6,638.61	46.75%	5,879.42	46.75%
Public Shareholder	6,948.15	48.92%	6,948.15	48.92%	6,153.53	48.92%
Total	**14,200.97**	**100.00%**	**14,200.97**	**100.00%**	**12,576.92**	**100.00%**

PARTICULARS	FY 2022/23	FY 2021/22	FY 2020/21
No. of Shareholder Holding 0.5 % or more shares	26	23	22
% of Holding	27.23%	25.95%	25.27%

DETAILS OF SHARES HELD BY DIRECTORS AND EXECUTIVE MEMBERS

NAME	DESIGNATION	NO. OF SHARES HELD AS ON FY END OF 2022/23
Rajan Singh Bhandari	Chairman	404,899.30 Promoter Shares
(Chandra Investment Pvt. Ltd.)		118,902.96 Ordinary Shares
Prakash Chandra Mainali	Director	970.81Ordinary Shares
Bijaya Dhoj Karki	Director	262.88 Ordinary Shares
Prabal Jung Pandey	Director	2,178.98 Promoter Shares
Sajan Sharma	Director	68,189.25 Promoter Shares
		1.05 Ordinary Shares
Anil Gyawali	Professional Director	-
Ganesh Raj Pokharel	CEO	264,490.08 Promoter Shares
		148,524.28 Ordinary Shares
Sumit Babu Khatri	Senior DCEO	-
Paras Kumar Kafle	DCEO	20,554.80 Ordinary Shares
Rajendra Lal Shrestha	DCEO	-
Sanjeeb Kumar Shrestha	CITO	25,162.89 Ordinary Shares
Suman Mulepati	CCO	7,567.35 Ordinary Shares
Narayan Raj Adhikari	CAO	549.17 Ordinary Shares
Amit Khanal	CRO	100.12 Ordinary Shares
Ravi Kumar Rauniyar	COO	15,242.70 Ordinary Shares
Pramesh Raj Kayastha	CFO	-
Roshan Manandhar	CMBO	12,153.30 Ordinary Shares

SHARE MARKET INFORMATION

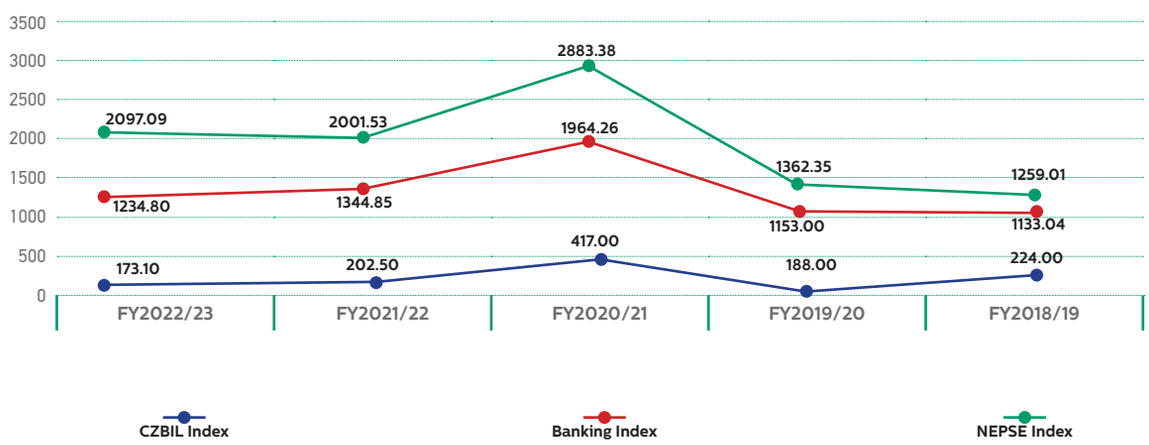
STOCK SYMBOL

The Bank's shares are traded on the Nepal Stock Exchange Ltd. (NEPSE) with stock symbol "CZBIL" for ordinary shares and "CZBILP" for promoter shares.

PARTICULARS	SYMBOL	YEAR END 2022/23 CLOSING PRICE NPR
Ordinary Shares	CZBIL	173.10
Promoter Shares	CZBILP	133.00

PARTICULARS	FY 2022/23	FY 2021/22	FY 2020/21
CZBIL Index	173.10	202.5	417
Banking Index	1,234.80	1,344.85	1,964.26
NEPSE Index	2,097.09	2,001.53	2,883.38

SHARE MARKET INFORMATION



DISCLOSURES OF INFORMATION UNDER SECTION 109(4) OF COMPANIES ACT, 2006

a) Business review of the previous year

This has been disclosed in detail in Director's Report.

b) Any impact caused to the business of the company due to national and international condition, risk that may arise from fluctuation in exchange rate in course of foreign exchange transactions, economic risks of affecting Nepalese market as an impact of recession in the international market

Devaluation of Nepalese currency in comparison to foreign currency on account of fluctuating foreign exchange rate has resulted in increase in the price of raw materials used for manufacturing and industrial purpose and has subsequently reduced production. Furthermore, the record breaking increase in price of crude oil as a result of war break out in Europe has impacted the purchasing power capacity of developing countries like Nepal. This has led to significant decrease in foreign currency reserves which in turn has hampered the banking business as well.

c) Current year's achievement till the preparation of the Director's Report and Board of Directors' view on future activities of the company

As per the Current Year Financial Report of September 16, 2023, there has been decrease in total deposit by NPR 1.10 Billion and the total mobilized deposit is NPR 170.85 Billion. For loan & advances, there has been decrease in loan by NPR 180 Million and the total mobilized Loan & Advances is NPR 143.39 Billion.

The future program and plan has been provided in director's report.

d) Industrial and professional relations of the company

The Bank maintains sound and cordial relationship with all its stakeholders related to industrial and professional sectors.

e) Changes in the Board of Directors and the reason thereof

In the review year, as decided by the 419th BOD meeting, Mrs. Seeta Karki (K.C.) has voluntarily resigned as the member of BOD with effect from June 13, 2023.

f) Main factors that affect business activities

1. Risks that may arise due to change in economic state of affairs of the country.
2. Risks that may arise due to change in financial, monetary and economic policy of the country.
3. Risks that may arise due to change in policy relating to Commercial Banks by Nepal Government or Nepal Rastra Bank.
4. Risks that may arise from change in the exchange rate in course of foreign exchange transactions.
5. Risks arising from changes in the interest rate of loans & advances and deposits and risks relating to business growth due to liquidity crunch in the market.
6. Risks relating to deposit collection and loans and advances increment due to absence of suitable market.
7. Risks arising from non-recovery of loans & advances on time.
8. Possible risks that may arise while providing non-funded services such as issuing LC and Guarantee.
9. Economic risks affecting Nepalese market due to recession in the international market.
10. Risks that may arise due to fluctuations in the capital market.
11. Risks arising from lack of alternative investment sectors.
12. Risks arising from negative impact in economy due to fluctuation in remittance income.
13. Effects due to unstable political affairs of the country.
14. Effects due to immense competition in banking sector.
15. Risks arising due to absence of centralized data system and adequate technology for minimizing money laundering.
16. Risks related to providing high returns to shareholders due to effect of new standards in capital at the time of narrow income source.
17. Operational Risks arising from development of information technology.

g) Any remarks and observation stated in the Independent Auditors' Report and Board of Directors' response thereon

There are no material remarks.

h) Amount recommended for distribution of dividend

From the distributable profit of FY 2022/23, cash dividend of 5.79 Percent (i.e. NPR 822,161,652.96) from paid-up capital of NPR 14,200,974,006 has been recommended for distribution as dividend.

i) Details of shares forfeited (number of shares, face value, amount received by the company prior to forfeiture, amount received by the company after putting such forfeited shares into subscription and amount refunded on account of forfeited shares)

The Bank has not forfeited any shares.

j) Review of the progress made by the Company and its subsidiary(s) in the previous fiscal year and the position of the same at the end of that fiscal year

Review of the progress made by the Company and its subsidiary Citizens Capital Limited & CBIL Securities Limited in the previous fiscal year and the position of the same at the end of that fiscal year is reflected through Consolidated Financial Statements.The synopsis of the same is also presented in Director's Report.

k) Major transactions completed by the company and its subsidiary company in the financial year and any material changes that have taken place in transactions of the company during that period

The major transactions of the Bank and the subsidiary Citizens Capital Limited & CBIL Securities Limited for the period of 2022/23 have been clarified in the Consolidated Financial Statements and Audit Report.

l) Disclosures made by the substantial shareholders of the company to the company in the previous financial year

No such information has been received.

m) Details of shareholding taken by the directors and officers of the company in the previous financial year and in the event of their involvement in share transaction of the company, details of information received by the company from them in that respect

Details of shareholding taken by the directors are as follows:

S.No.	Position	Name	Shareholding Pattern	Total Shares
1	Chairman	Mr. Rajan Singh Bhandari (Chandra Investment Pvt. Ltd.)	Promoter	404,899.30 (Promoter) 118,902.96 (Ordinary)
2	Director	Mr. Prakash Chandra Mainali	Public	970.81
3	Director	Mr. Bijaya Dhoj Karki	Public	262.88
4	Director	Mr. Prabal Jung Pandey	Promoter	2,178.98
5	Director	Mr. Sajan Sharma	Promoter	68,189.25 (Promoter) 1.05 (Ordinary)
6	Independent Director	Mr. Anil Gyawali	Independent Director	-

n) Information provided on personal interest of Board of Directors and the irrelative (nearest kin) regarding contractor agreement done with the Company during previous financial year

The Bank has not received any such information.

o) Buyback of share by the Company, reason thereof for buyback, and number of shares bought back, face value of share and amount paid during the buyback

The Bank has not bought back any shares.

p) Information on existence/non-existence of internal control system and its detail

The Bank has the following policies, procedures, and mechanism in place to ensure Internal Control System:

1. Financial Bye laws, Employee Byelaws, Loan Write-Off policy, Credit Policy Guidelines and other operational policies, procedures and guidelines for Operational process.
2. Independent Internal Audit Department has been formed.
3. A system has been developed for regular supervision of internal control system by Audit Committee.
4. All efforts are made to ensure that the Bank adheres to good corporate governance.
5. Credit risk management department has been formed which is separate from credit business line to minimize the risk on credits.
6. Formation of Organizational Structure of Risk Management & AML/CFT Compliance Department, who will be responsible to Risk Management Committee & AML/CFT Committee in order to minimize Operational & AML/CFT risk.

q) Details of total management expenses incurred during the previous financial year

S.NO.	PRATICULARS	AMOUNT (NPR)
1	Staff Expenses	1,889,896,983
2	Office operating expenses	1,229,341,206

r) Name list of members in the audit committee, remuneration, allowance and benefits they have received, details of the functions performed by that committee, and details of suggestions, if any, made by that committee

1. Audit Committee:

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Anil Gyawali	Director	Coordinator
2	Mrs. Seeta Karki (K.C.)	Director	Member
3	Mr. Ram Dhan Shrestha	Head of Internal Audit Department	Member Secretary

The committee was reconstituted later on September 06, 2022 with following members:

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Anil Gyawali	Director	Coordinator
2	Mrs. Seeta Karki (K.C.)	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

** As decided by the 419th BOD meeting, Mrs. Seeta Karki (K.C.) has voluntarily resigned as the member of BOD with effect from June 13, 2023.*

2. Apart from sitting fees, no any remuneration or facilities are provided to Audit Committee members.
3. The committee meeting was held 7 times during the FY 2022/23.
4. As per the prevailing law, the Audit Committee has reviewed overall financial status, internal controls, audit plans as well as given instructions for taking corrective action as per the query/remarks of the internal auditor and external auditor. The Audit Committee had also reviewed and ensured that any remarks pointed out by Regulation & Supervision Department of NRB has been complied with as well as this information were provided to the Board of Directors, assisted the management in preparation of Financial report in true and fair way, analyzed whether the operation of the Bank has been carried out in continuous, economical, relevant, influential way & informed the same to the Board of Directors, reviewed the quarterly financial and presented to the Board.

s) Dues payable to the company by any director, MD, CEO, Substantial shareholder (holding share more than 1%) or their relatives or firms or institutions in which they have their involvement

The Bank has no such dues.

t) Remuneration, allowances, and benefits paid to Director, MD, CEO and Other Officials

S.NO.	POSITION	DIRECTOR (NPR)	CHIEF EXECUTIVE OFFICER (NPR)	OTHER EXECUTIVE OFFICER (NPR)
1	Sitting Fees	2,044,000*	-	-
2	Remuneration and Allowances			
	a) Salary	-	8,400,000	14,751,000
	b) Allowances	-	5,400,000	13,015,200
	c) Dashain allowances	-	1,150,000	2,268,810
	d) Provident fund contribution	-	840,000	1,466,316
	e) Leave Fare Allowances	-	-	3,661,995
	f) Others	-	3,968,853	2,279,480
	Gross remuneration and allowances		**19,758,853**	**37,867,607**
	less: Income Tax		8,266,550	11,542,295
	Net remuneration and allowances		**11,492,303**	**26,265,312**
3	Bonus		As per prevailing Bonus Act	
4	Telephone/Mobile	166,000	As per contract with the bank	As per Employee Bye-laws of the Bank
5	Fuel	442,290		
6	Newspaper	249,000		
7	Vehicle facility	No	Yes	Yes
8	Accommodation facility	No	Home loan facility as per contract with the Bank	Home loan facility as per Employee Bye-laws
9	Insurance	No	Yes	Yes

**Including sitting fees of different committees of NPR 506,000.*

Notes:

1. Vehicle facility is provided to CEO along with the driver, fuel, and repair and maintenance. Other executive level officers are provided vehicle facilities along with fuel as per Employee Bye laws of the Bank.
2. Payment for Gratuity and Accumulated Leaves to CEO has been made from Approved Retirement Fund, Citizens Investment Trust.
3. There is a provision of accidental insurance, medical insurance as per rules of the Bank to all staffs including CEO. Similarly, there is also medical insurance facility for their dependent family members.
4. There is the provision of payment of mobile expenses of CEO and other executive level officers by the Bank as per rules.
5. Chairman of the Bank is provided with vehicle facility for official purpose.

u) Uncollected dividend by the shareholder

Dividend declared to the shareholders but not collected till the end of the reported fiscal year 2022/23 are as follows:-

S.NO.	FINANCIAL YEAR	AMOUNT (NPR)
1	FY 2008/09	259,120
2	FY 2009/10	507,608
3	FY 2010/11	702,738
4	FY 2011/12	1,645,859
5	FY 2012/13	2,303,862
6	FY 2013/14	2,767,841
7	FY 2014/15	1,240,286
8	FY 2017/18	6,058,208
9	FY 2018/19	42,981,779
10	FY 2019/20	13,822,473
11	FY 2020/21	23,313,972
12	FY 2021/22	81,456,080
13	FY 2009/10 (Former Nepal Housing and Merchant Finance Ltd.)	149,340
14	FY 2010/11 (Former Nepal Housing and Merchant Finance Ltd.)	31,324
15	FY 2003/04 & 2004/05 (Former People's Finance Ltd.)	12,470
16	FY 2009/10 (Former People's Finance Ltd.)	19,236
17	FY 2006/07 (Former Premier Finance Ltd.)	67,120
18	FY 2009/10 (Former Premier Finance Ltd.)	742,693
19	Former Tinau Mission Development Bank Ltd.	1,560,635
20	Former Sahayogi Bikash Bank Ltd.	3,874,969
21	Former Srijana Finance Ltd.	975,656

v) Information on asset bought or sold as per Section 141

Not applicable.

w) Details of related party transactions as per section 175 (transactions between associated companies)

The details of related party transactions have been disclosed in the clause no. 5.7 in the annual financial statements of the Bank.

x) Any other details to be disclosed in the report from the directors in accordance with the Companies Act, 2006 or other prevailing laws

Not applicable.

y) Any other pertinent details

Not applicable.

DISCLOSURES OF INFORMATION UNDER REGULATION 26(2) OF SECURITIES REGISTRATION AND ISSUE REGULATION, 2017

1) DIRECTOR'S REPORT

Report presented separately in annual report.

2) AUDITOR'S REPORT

Report presented separately in annual report.

3) AUDITED FINANCIAL STATEMENT

Report presented separately in annual report.

4) LEGAL PROCEEDINGS

a. A law-suit filed by or against the Bank during the period:

In fiscal year 2022/23, 5 law-suits have been filed by the Bank and 80 law-suits have been filed against the Bank.

b. A law-suit filed by or against the promoters or director of the Bank involving statutory regulations or criminal offence:

No such information has been received.

c. A law-suit, if any, filed against the promoters and director for committing economic crimes:

No such information has been received.

5) ANALYSIS OF STOCK PERFORMANCE OF THE BANK

a. Management's view on stock performance of the Bank in the Stock Exchange:

Due to the high fluctuation in the share transaction of the organized institution in the stock market of the country, the Bank 's share transactions has been decreased as compared to last year.

b. High, low and closing price of the stocks of the Bank during each quarter of the preceding year along with total volume of trading of the shares and number of days traded:

The same is as follows:

DETAILS	MID-OCT 2022 (NPR)	MID-JAN 2023 (NPR)	MID-APR 2023 (NPR)	MID-JUL 2023(NPR)
High Price	217.80	224.00	209.00	184.00
Low Price	180.00	175.00	169.00	165.00
Closing Price	187.50	206.00	182.00	173.10
Total volume of trading of shares	2,382,604	2,491,763	1,777,073	1,800,043
Total days Traded	65	52	56	62

6) PROBLEMS AND CHALLENGES

a. Internal Problems and Challenges:

Increasing the sustainable profit of the Bank has become challenging due to internal problems in present scenario such as increase/ decrease in interest rate, increase in operating expenses, income versatility, increase in non performing loans, identification of investment opportunities and increase in operational risk with the increase in transactions and branches.

b. External Problems and Challenges:

In the current situation, the entire business has been affected adversely, which has led to delay in recovery and subsequent rise in non-performing loan of the Bank. In the face of such challenges, intense competition in the banking sector, lack of skilled man power in the banking sector, new types of challenges in the field of information technology, low government development expenditure, etc. are the major external problems. In the current situation, it is challenging to expand the business of the Bank in a sustainable manner and give a fair return to the investors while maintaining the quality of assets.

c. Strategy

The strategy of the Bank is to provide financial services to the mass that are still without the reach of financial services by ways of expanding branches in local as well as rural and in accessible areas. Likewise, the Bank aims to provide easy and quick customer oriented service in order to strengthen the relation with various business institutions and individual customers, strengthen the overall risk management system, taking up of cost control measures, and focus on providing quality service to the customers by the modernization of Core Banking System (CBS) of the Bank. In addition, Bank shall also adopt a policy of recovering non-performing loan and overdue interest for increasing distributable profit of the Bank.

7) CORPORATE GOVERNANCE

a. In order to manage the internal control system of the Bank for the prosperity of Corporate Governance, as directed by NRB; the Bank has in place adequate Internal Audit Department, Compliance Department and Corporate Governance Unit. The Audit Committee of the Bank is proactive on implementing the suggestions and instructions of auditors and regulators.

b. The Bank has formed Risk Management Department to minimize operational risk as well as to systematize the core functions. For minimizing and managing credit risk, the Credit Risk Department and Credit Department are treated as separate functional units. Similarly, in order to systematize the operation of departmental works, various internal policies, rules and regulations has been formed and implemented. In order to execute the transaction in robust way, several management committees like Executive Committee; Assets Liabilities Management Committee (ALCO) has been formed.

c. The Board of Director and management remains alert and committed towards shareholders, general depositors, and preservation of interest of every stakeholders and corporate governance.

8) DETAILS ON DEVIATION OF 20 PERCENT OR MORE IN THE BANK'S AUDITED FINANCIALS IN COMPARISON TO FINANCIAL PROJECTED IN PROSPECTUS

The projected financial statement in prospectus issued by the Bank, for issue of subordinated debenture of 2,500,000 units of 10.25% Citizens Bank Bond, 2077 of NPR 1000 each amounting to NPR 2,500,000,000 to general public is based upon the assumption of increase in the business of banking industry. However, due to liquidity crunch in the market and due to acquisition of various institutions by the bank, it was slightly affected thus causing the Financial Statement items to deviate by more than15% than that of projected.

STATEMENT OF FINANCIAL POSITION

NPR IN THOUSAND

STATEMENT OF FINANCIAL POSITION	FY 2022/23			
	AUDITED FINANCIALS (NPR)	PROJECTED FINANCIALS (NPR)	DIFFERENCE (%)	REASON FOR DEVIATION ABOVE 15%
Assets				
Cash and Cash Equivalent	9,514,960	9,764,246	2.62%	
Due from Nepal Rastra Bank	7,149,340	6,703,009	-6.24%	
Placement with Bank And Financial Institutions	2,000,000	2,236,412	11.82%	
Derivative Financial Instruments	35,530	17,045	-52.03%	Due to regular banking transactions
Other Trading Assets	99,300	318,872	221.12%	Due to regular banking transactions
Loans and Advances to B/FIs	2,902,430	2,510,672	-13.50%	
Loans and Advances to Customers	116,240,220	139,832,005	20.30%	Due to regular banking transactions
Investment Securities	13,238,450	28,685,570	116.68%	Due to regular banking transactions
Current Tax Assets	115,760	283,947	145.29%	Due to regular banking transactions
Investment in Subsidiaries	167,200	317,204	89.72%	Due to regular banking transactions
Investment in Associates	17,950	330,012	1,738.50%	Due to reclassification from Investment Securities
Investment Property	56,030	256,129	357.13%	Due to sale of Investment Property not as projected
Property and Equipment	2,453,910	3,757,646	53.13%	Due to Merger and Acquisition and recognition of Right of Use Assets as per NFRS
Goodwill and Intangible Assets	14,290	179,518	1,156.25%	Due to Merger and Acquisition
Deferred Tax Assets	-	62,804	100.00%	Due to recognition of Deferred Tax Assets
Other Assets	5,456,300	3,677,521	-32.60%	Due to regular banking transactions
TOTAL ASSETS	**159,461,670**	**198,932,611**	**24.75%**	
Liabilities				
Due to Bank And Financial Institutions	8,226,930	3,714,712	-54.85%	Due to decrease in Inter Bank Borrowing and Deposit with BFIs
Due to Nepal Rastra Bank	2,120,830	-	-100.00%	Due to Restructured loans and SLR not received from NRB
Derivative Financial Instruments	-	-	0.00%	
Deposits From Customers	125,148,390	168,842,140	34.91%	Due to Merger and acquisition and regular banking transactions

Borrowing	-	-	0.00%	
Current Tax Liabilities	-	-	0.00%	
Provisions	-	5,307	100.00%	Due to regular banking transactions
Deferred Tax Liabilities	-	-	0.00%	
Other Liabilities	4,133,890	2,927,087	-29.19%	Due to regular banking transactions
Debt Securities Issued	2,492,950	2,479,848	-0.53%	
Subordinated Liabilities	-	-	0.00%	
Total Liabilities	**142,122,990**	**177,969,092**	**25.22%**	**Due to above mentioned adjustments**
Share Capital	11,008,600	14,200,974	29.00%	Due to merger and acquisition and Bonus share distribution of FY 2020-21
Share Premium	-	-	0.00%	
Retained Earnings	1,310,520	846,989	-35.37%	Due to change in Net Profit and Distribution from Retained Earnings
Reserves	5,019,560	5,915,555	17.85%	Due to Merger and Acquisition and change in Net Profit
Total Equity Attributable To Equity Holders	**17,338,680**	**20,963,519**	**20.91%**	**Due to above mentioned adjustments**
Total Liabilities And Equity	**159,461,670**	**198,932,611**	**24.75%**	**Due to above mentioned adjustments**

STATEMENT OF PROFIT OR LOSS

NPR IN THOUSAND

STATEMENT OF PROFIT OR LOSS	FY 2022/23			
	AUDITED FINANCIALS (NPR)	PROJECTED FINANCIALS (NPR)	DIFFERENCE (%)	REASON FOR DEVIATION ABOVE 15%
Interest Income	14,067,250	20,660,828	46.87%	Due to increment in loan and advance
Interest Expense	(10,052,310)	(14,832,332)	47.55%	Due to increment in deposits
Net Interest Income	**4,014,940**	**5,828,496**	**45.17%**	Due to above mentioned adjustments
Fees and Commission Income	1,611,160	1,013,994	-37.06%	Due to regular banking transactions
Fees and Commission Expense	(139,770)	(137,211)	-1.83%	
Net Fees and Commission Income	**1,471,390**	**876,783**	**-40.41%**	Due to above mentioned adjustments
Net Interest, Fees And Commission Income	**5,486,330**	**6,705,279**	**22.22%**	Due to above mentioned adjustments
Net Trading Income	232,340	182,203	-21.58%	Due to regular banking transactions
Other Operating Income	130,350	23,578	-81.91%	Due to regular banking transactions
Total Operating Income	**5,849,020**	**6,911,061**	**18.16%**	
Impairment (Charge)/Reversal For Loans And Other Losses	(198,820)	(1,216,480	411.85%	Due to increment in NPA
Net Operating Income	**5,650,200**	**5,694,580**	**0.79%**	
Operating Expense				
Personnel Expenses	(1,617,020)	(1,889,897)	16.88%	Due to increment in salary and number of staffs
Other Operating Expenses	(880,180)	(901,914)	2.47%	
Depreciation & Amortization	(229,420)	(327,428)	42.72%	Due to increment in property and equipment
Operating Profit	**2,923,580**	**2,575,342**	**-11.91%**	
Non Operating Income	25,000	20,682	-17.27%	Non-operatingincome not as projected
Non Operating Expense	-	(79,570)	100.00%	Due to Loan Written Off
Profit Before Income Tax	**2,948,580**	**2,516,454**	**-14.66%**	
Income Tax Expense				
Current Tax	(884,570)	(765,410)	-13.47%	
Deferred Tax	-	112,712	100.00%	Due to deferred tax
Profit(Loss) For The Period	**2,064,010**	**1,863,756**	**-9.70%**	

DISCLOSURES OF INFORMATION AS PER SECTION 5(3) OF RIGHT TO INFORMATION ACT, 2007 AND RULE 3 OF RIGHT TO INFORMATION RULES, 2009

1) NATURE AND FORMATION OF THE ENTITY:

Citizens Bank International Limited is "A" class National Level Commercial Bank established in accordance with Companies Act, 2006 operated under Bank and Financial Institutions Act, 2017.

2) FUNCTIONS, DUTIES AND POWERS OF THE ENTITY:

The functions, power and duties of the Bank is to mobilize deposit and their payment, money transfer, project and hypothecation loans, consortium lending and providing other various types of loans, issuing letter of credit and guarantee, issuing share, debenture bond etc., doing foreign exchange transactions, doing government transactions on behalf of the Government of Nepal as per conditions specified by the Nepal Rastra Bank, buying and selling bonds issued by the Government of Nepal or the Nepal Rastra Bank, receiving remittances from abroad, etc. and any other functions as specified by Banks and Financial Institutions Act, 2017, directives published by Nepal Rastra Bank and as per Memorandum of Association (MOA) of the Bank.

3) NUMBER OF EMPLOYEES AND PERFORMANCE DETAIL OF EMPLOYEES OF THE ENTITY:

The total number of employees of the Bank is 1716 staffs and performance detail of employees are as specified by the Bank's Management. Name of the management team along with their job responsibility can be observed in website, https://www.ctznbank.com/about-us/executive-teams.

4) SERVICE PROVIDED BY THE ENTITY:

Citizens Bank International Limited has been providing all banking services provided by "A" class commercial banks in accordance with the Banks and Financial Institutions Act, 2017 and the directive issued by Nepal Rastra Bank. In this context, the Bank has been providing regular banking services by collecting deposits and disbursing loans through 190 branches in 50 districts under seven provinces, as well as providing letter of credit, guarantee, remittance, debit card, credit card, prepaid card, mobile banking, internet banking, ATM, call center and other modern facilities.

5) BRANCH AND AUTHORIZED PERSON OF THE ENTITY PROVIDING SERVICES:

The details of branch offering service along with the authorized personnel are available at the Bank's website https://www.ctznbank.com/branches.

6) TIME AND AMOUNT REQUIRED TO OBTAIN SERVICE:

The detail of various service provided by the Bank and fees regarding such service are available at the website https://www.ctznbank.com/interest-rate and https://www.ctznbank.com/interest-rate/fees-and-commission.

7) PROCEDURE OF TAKING DECISION AND PERSON AUTHORIZED TO DO SO:

Required authority has been delegated to different level of officers of the Bank. For other day to day operation, the final decision makers are Chief Executive Officer and Board of Directors.

8) OFFICER TO HANDLE COMPLAINTS OF THE DECISION MADE:

There is an arrangement of Grievance Handling Officer to handle the complaints and grievances. All the detail regarding the proceedings can be observed through the Bank's website https://www.ctznbank.com/grievance-handling and https://www.ctznbank.com/about-us/grievance-handling-officer.

9) DETAIL OF THE WORK COMPLETED:

The Bank has been carrying out all the banking transactions that "A" class Commercial Banks can operate in accordance with Bank and Financial Institutions Act, 2017. Any new activity performed by the Bank is informed to the public through press release. Such detail is available at the Bank's website https://www.ctznbank.com/news

10) NAME AND DESIGNATION OF INFORMATION OFFICER AND CHIEF EXECUTIVE OFFICER:

The detail of Chief Information Officer of the Bank is provided below:

Name : Mr. Rajendra Lal Shrestha
Designation : Deputy Chief Executive Officer

The detail regarding Chief Executive Officer of the Bank is provided below:

Name : Mr. Ganesh Raj Pokharel
Designation : Chief Executive Officer

11) LIST OF ACT, RULES, REGULATIONS AND DIRECTIVES:

The Bank is conducting its day to day operation under the Rule, Regulations and Directives mentioned below:

- Bank and Financial Institutions Act, 2017, Companies Act, 2006, and other related Acts, Directives and Regulations
- Nepal Rastra Bank Act, 2002 and Unified Directives, Circulars and Information released accordingly
- Memorandum of Association (MOA) and Articles of Association (AOA) of the Bank
- Employees Bye laws
- Financial Bye Laws
- Loan write-off policy, etc.

12) PERIODIC DETAILS OF INCOME, EXPENSES AND OTHER FINANCIAL TRANSACTIONS:

The periodic information of the Bank regarding income, expenses and other financial transactions are published quarterly in national daily newspaper. Similarly, all such periodic details are published in website of the Bank under Reports & Disclosure section.

13) DETAIL REGARDING THE PROGRAM OR PROJECT OPERATED BY THE ENTITY IN PREVIOUS FISCAL YEAR IF ANY:

During the previous fiscal year FY 2022/2023, the Bank has conducted regular banking transactions, annual general meeting and other Corporate Social Responsibility activities supporting different communities/ organizations at various times, as per the directives of Nepal Rastra Bank, to achieve social transformation along with upliftment of economic, cultural and educational sectors of the country. The Bank has organized various financial literacy programs for banking awareness to general public, by publishing and broadcasting visual materials.

14) WEBSITE OF THE ENTITY IF ANY:

The website of the Bank is www.ctznbank.com.

15) DETAILS OF FOREIGN ASSISTANCE, LOANS, GRANT AND TECHNICAL ASSISTANCE AND AGREEMENT ENTERED BY THE ENTITY:

No.

16) PROGRAM OPERATED BY THE ENTITY AND PROGRESS REPORT REGARDING SAME:

As part of corporate social responsibility, the Bank, according to the directive of Nepal Rastra Bank, has conducted various programs such as construction of physical structures for patients visiting naturopathy centers, tree plantation, providing support to flood victims, providing support to community educational institutions, providing scholarships to poor students, providing support to institutions treating poor kidney patients, providing support for the disabled community, conducting blood donation program, providing support for operation of old age homes, providing support for disaster management, environmental protection, providing support for improvement of infrastructure facilities in remote areas and conducting financial literacy programs for banking awareness to general public. The Bank, with its various organized programs, aims to achieve social transformation along with upliftment of economic, cultural and educational sectors of the country. Detail of such programs conducted by the Bank can be observed in the Bank's website https://www.ctznbank.com/csr.

17) LIST OF NOTICE CLASSIFIED AND PROTECTED BY THE ENTITY AND TIME SPECIFIED FOR PROTECTION OF SUCH NOTICE:

No.

18) APPLICATION RELATED TO DEMAND OF INFORMATION FROM THE ENTITY AND DETAILS OF INFORMATION PROVIDED OVER IT:

The Bank has provided information as demanded by regulatory authorities and except that, information demanded by the general public has also been provided by the Bank as per the rules.

19) DETAIL OF INFORMATION OF THE ENTITY PUBLISHED OR TO BE PUBLISHED:

Annual Report of the Bank are published in the form of book and published in the website too. Similarly, financial statements of the Bank are published quarterly on different national daily newspaper along with the website of the Bank.

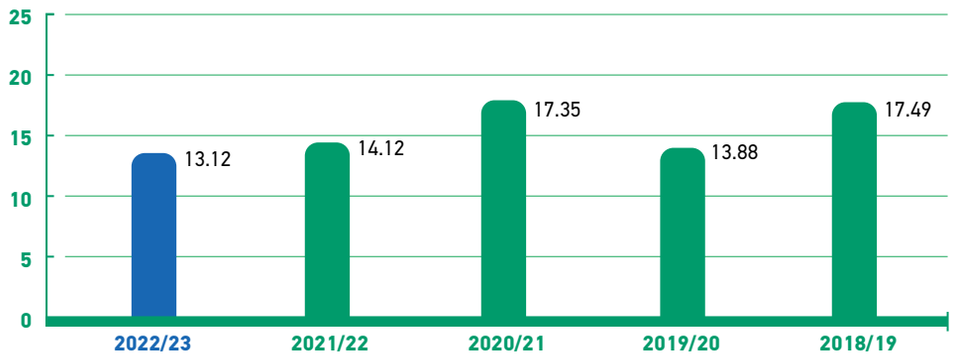
05

BANK'S PERFORMANCE IN KEY PERFORMANCE INDICATORS

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THE BANK'S PERFORMANCE IN NUMBERS

EARNINGS PER SHARE

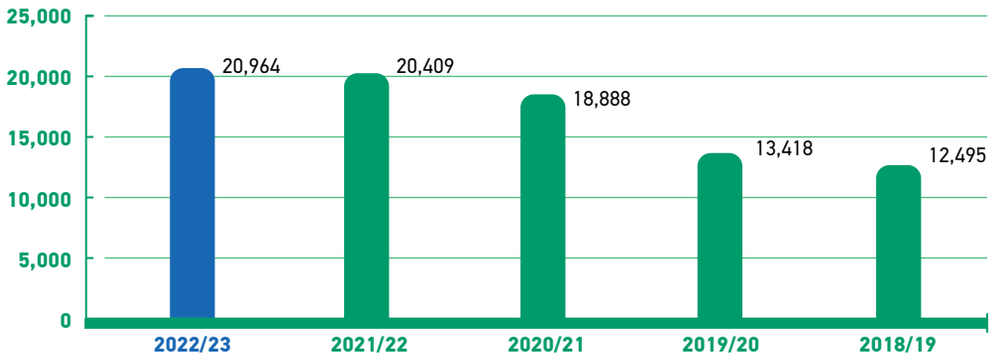


Earnings Per Share represents total earnings of a company that belong to common shareholders, dividend by the numbers of common shares outstanding.

EPS has decreased by 7.08% in FY 2022/23 as compared to FY 2021/22 with average declination of 1.51% over the last 5 years.

NET ASSETS

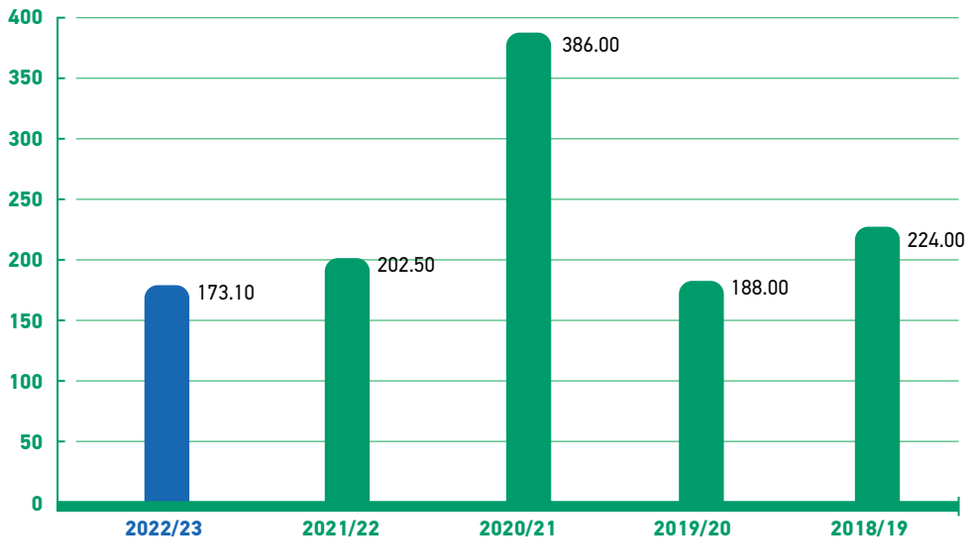
NPR IN MILLION



Net Assets represents the value of company's total assets minus total liabilities.

In FY 2022/23 Net Assets grew by 2.72% and reached NPR 20,964 Million compared to FY 2021/22 maintaining the average growth of 14.47% over the last 5 years. This growth of net assets shows that the company has been able to increase their assets and earnings over a period of time.

STOCK PERFORMANCE

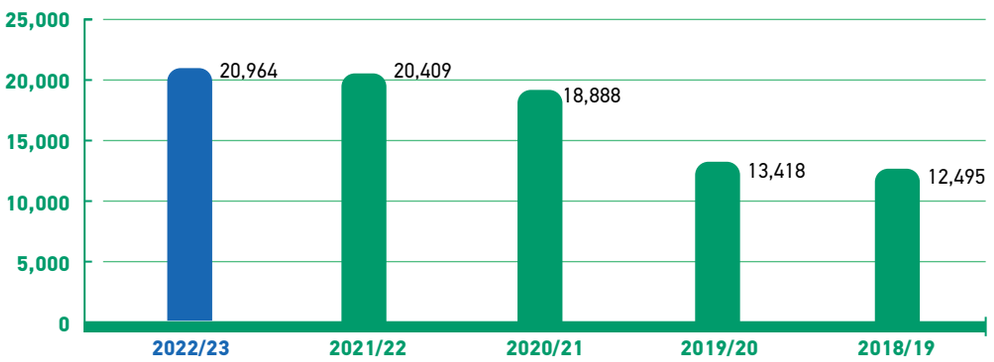


Stock Performance represents the price at which the stock can be readily bought or sold in the current market place.

In FY 2022/23 the market price of share has decreased by 14.52% reaching NPR 173.1 as compared to FY 2021/22. It has decreased from NPR 224.00 as of FY 2018/19 to NPR 173.1 during the year with the average growth of 4.42% over the last 5 years.

SHAREHOLDER'S FUND

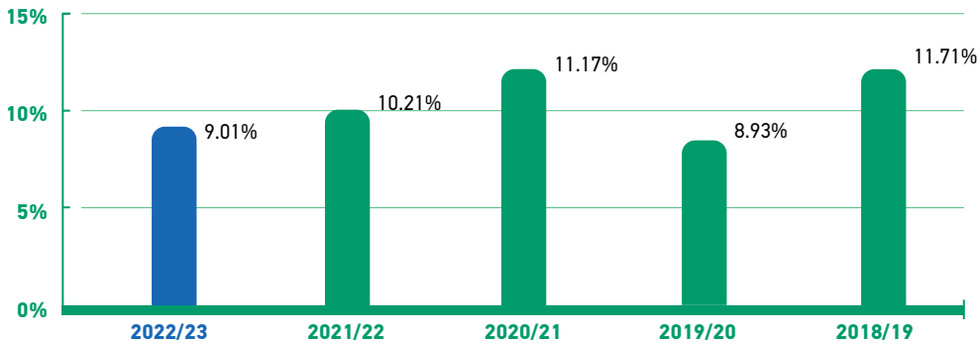
NPR IN MILLION



Shareholder's Fund represents the total assets (what the bank owns) minus the total liabilities (what the bank owes). It is the amount of equity in the company which belongs to the shareholders.

Shareholder's fund has been growing in each year which indicates the sound financial health of the company and injection of capital. Shareholder's fund in FY 2022/23 has increased by 2.72% and reached NPR 20,964 Million in compared to FY 2021/22 keeping the average growth by 14.47% over the last 5 years.

RETURN ON SHAREHOLDER'S FUND

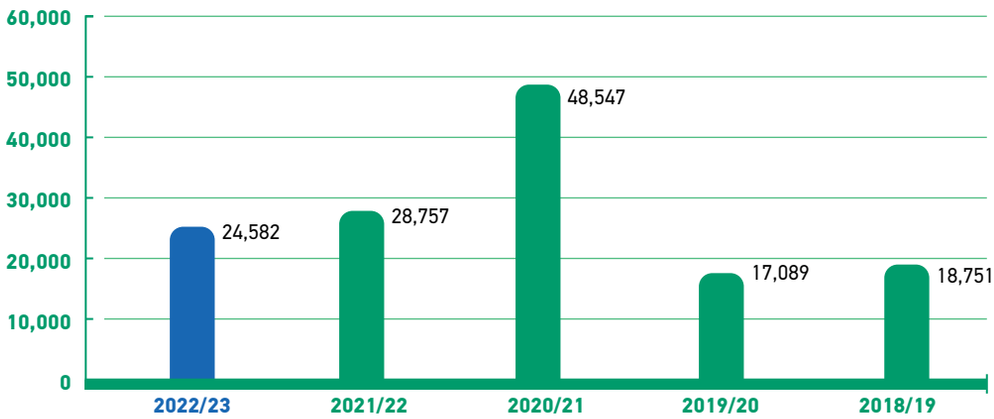


Return on Shareholder's Fund represents the ratio of overall profitability of Bank which indicates the amount returned to the shareholders or owners as a percentage of money they have invested in the company.

The return on shareholder has decreased by 11.75% and reached to 9.01% in FY 2022/23 as compared to FY 2021/22 with 10.21% with the average decline of 2.93% over the last 5 years.

MARKET CAPITALIZATION

NPR IN MILLION

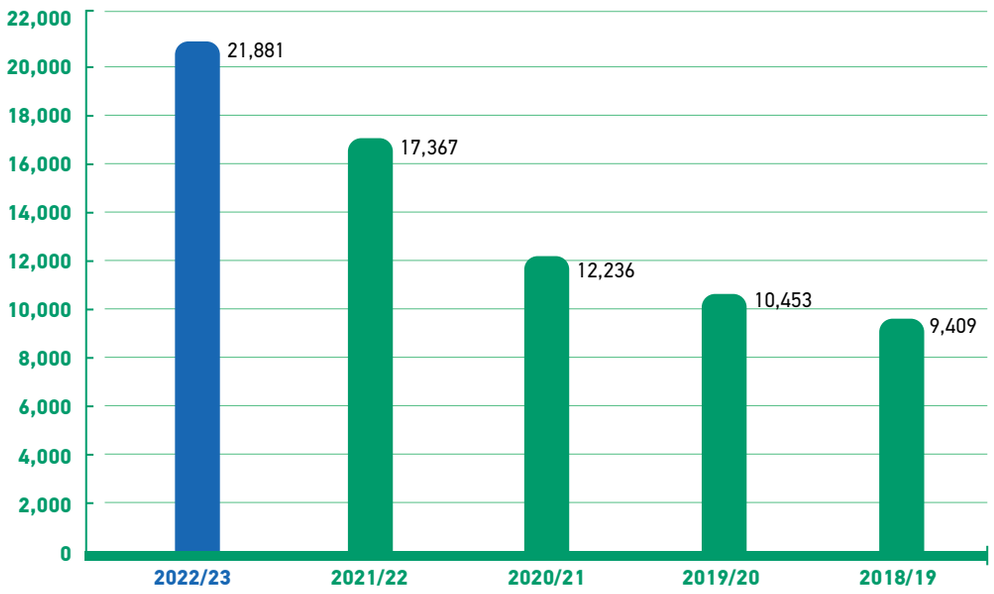


Market Capitalization represents the total market value of all the outstanding shares of the bank.

Market capitalization of the bank has decreased by 14.52% and reached to NPR 24,582 million which was NPR 28,757 Million in FY 2021/22 with the average growth of 23.77% over the last 5 years.

TOTAL OPERATING REVENUE

NPR IN MILLION

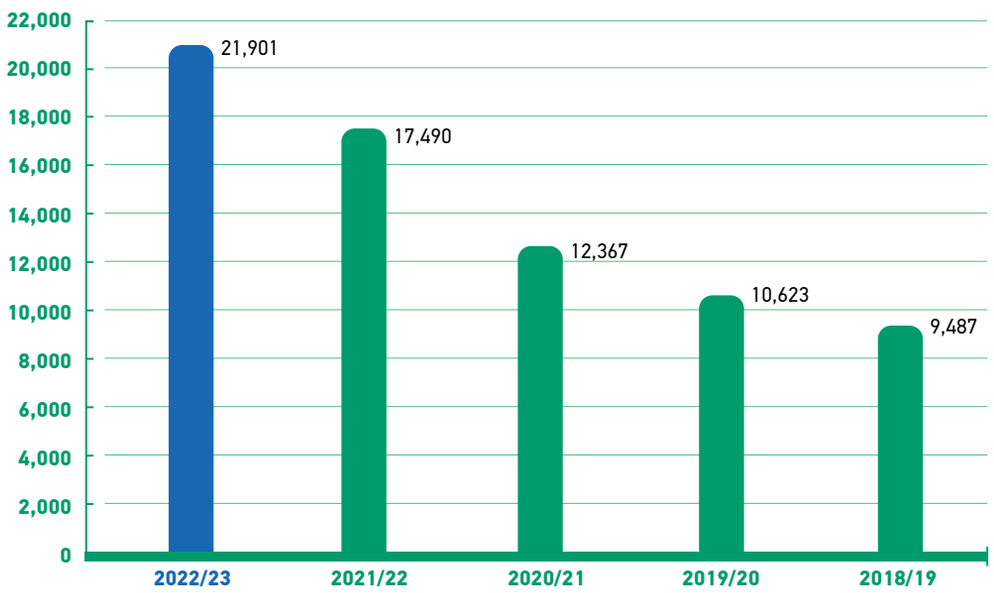


Total Operating Revenue represents the revenue generated from a company's primary business activities. In FY 2022/23, total operating revenue increased by 25.99% reaching NPR 21,881Million in compared to FY 2021/22. Total operating revenue has been continuously growing with the average growth of 22.82% over the last 5 years.

The revenue has tremendously increased by 132.55% in the time of 5 years from NPR 9,409 Million in FY 2018/19 to NPR 21,881 Million in FY 2022/23. The addition of new and innovative customer services and the bank's satisfactory performance in overall department is expected to increase the revenue in the coming future.

TOTAL REVENUE (INCLUDING OPERATING AND NON-OPERATING REVENUE)

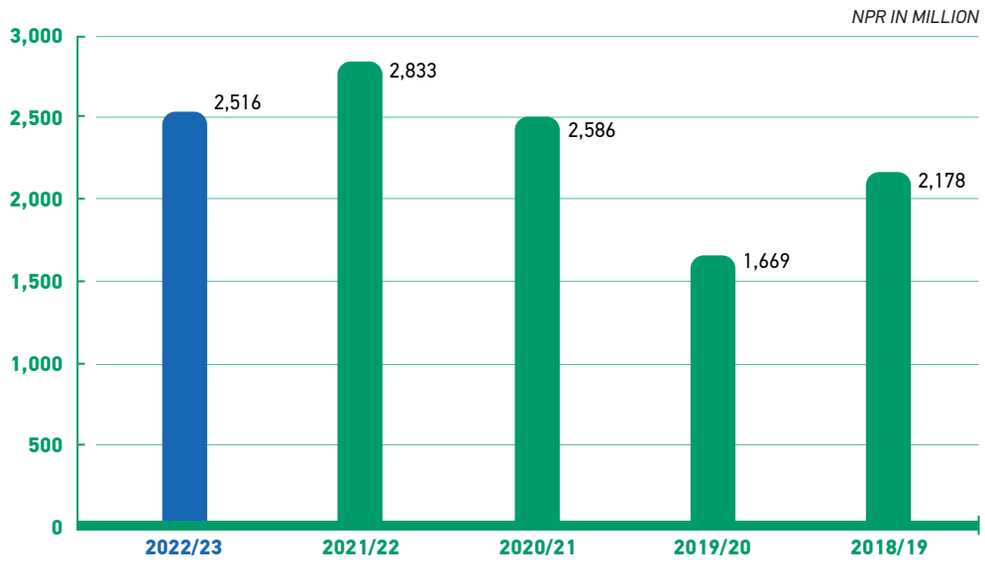
NPR IN MILLION



Total Revenue including operating and non-operating revenue represents all the income of the bank. In FY 2022/23, the Bank's total revenue increased to NPR 21,601Million with the growth of 25.22% as compared to FY 2021/22 with the average growth of 22.70% over the last 5 years.

The bank has seen a tremendous growth of 130.86% in the time of 5 years from NPR 9,487 Million in FY 2018/19 to NPR 21,901 Million in FY 2022/23 which indicates better operating performance of the bank.

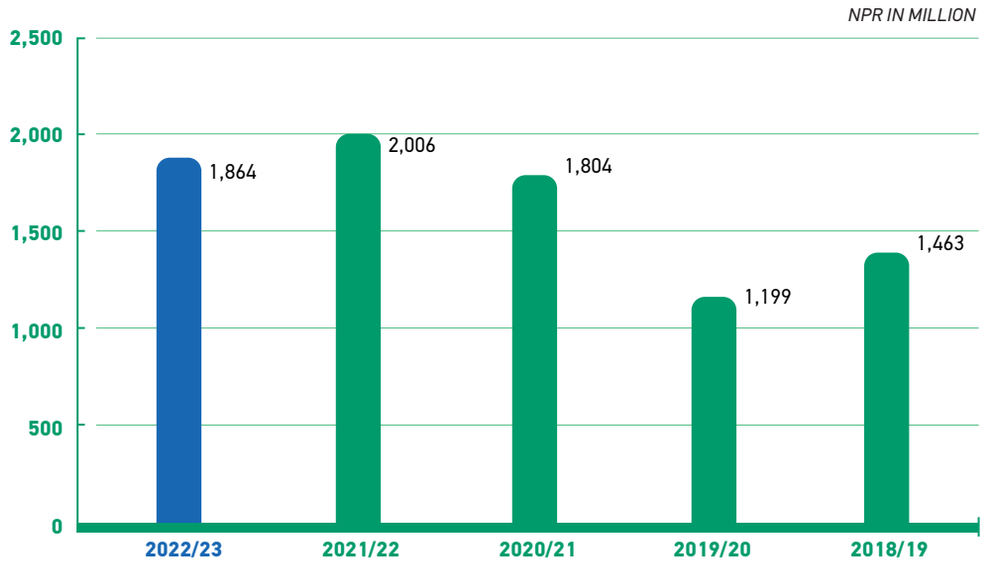
PROFIT BEFORE TAX



Profit before Tax represents a profitability measure that looks at a company's profit before the company has to pay corporate income tax. The chart above shows that the profit before tax in FY 2022/23 has been decreased by 11.17% and reached to NPR 2,516 Million in compared to FY 2021/22. However, the bank shows average growth of 11.51% over the last 5 years which reflects the sound operating performance of the bank.

There has been a growth of 15.54% in profit before tax in the time of 5 years from NPR 2,178 Million in FY 2018/19 to NPR 2,516 Million in FY 2022/23.

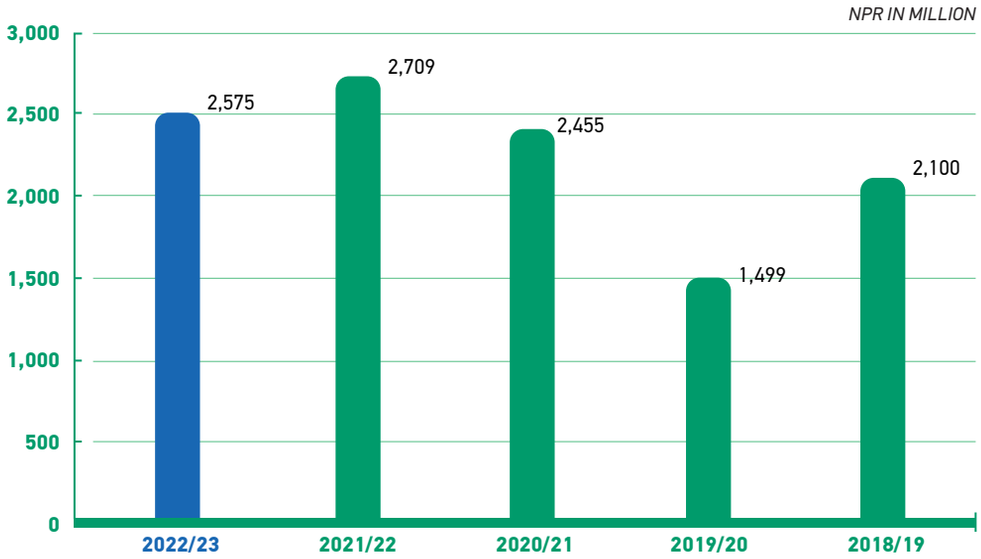
PROFIT AFTER TAX



Profit after Tax represents the net amount earned by the bank after deducting all the expenses including tax related expenses from the total revenue. The profit after tax in FY 2022/23 is NPR 1,864 Million which has been decreased by 7.09% as compared to FY 2021/22 with the average growth of 11.02% over the last 5 years.

There is the growth of 27.39% in profit after tax in the time of 5 years from NPR 1,463 Million in FY 2018/19 to NPR 1,864 Million in FY 2022/23.

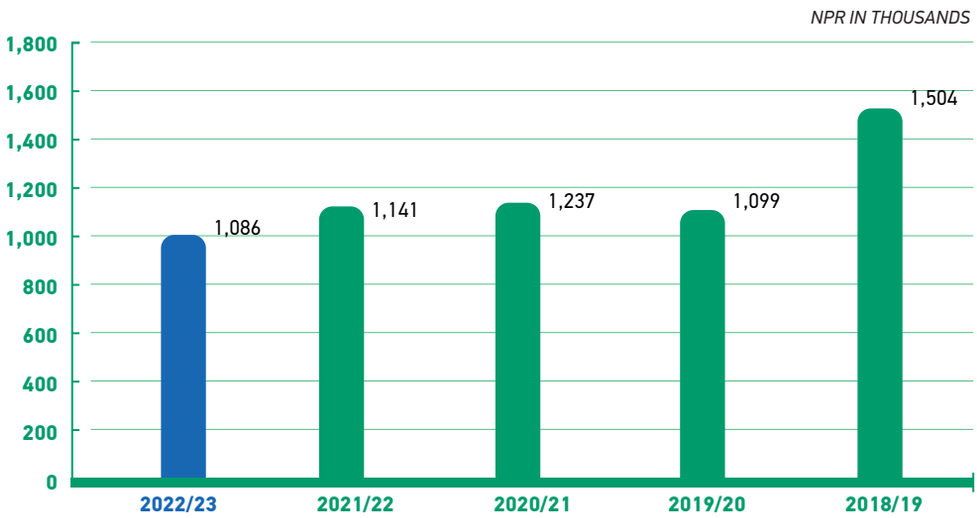
OPERATING PROFIT



Operating Profit represents the profit earned from the Bank's normal core operations and doesn't include any profit earned from the Bank's investment. The Bank has an operating profit of NPR 2,575 Million in FY 2022/23 which has been decreased by 4.93% in comparison to operating profit of NPR 2,709 million in FY 2021/22. The Bank has the average growth of 13.02% in operating profit over the period of last 5 years.

Operating profit has shown a growth of 22.64% in the time of 5 years from NPR 2,100 Million in FY 2018/19 to NPR 2,575 Million in FY 2022/23.

NET PROFIT PER STAFF



Net Profit per Staff represents the ratio that measures average net profit earned by the staff of the bank. The net profit per staff of the bank in FY 2022/23 is NPR 1,086 thousand which has been decreased by 4.81% in compared to FY 2021/22. Over the last 5 years, the Bank has shown the average declination of 4.81% in net profit per staff.

HORIZONTAL AND VERTICAL ANALYSIS

• HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

PARTICULARS	MID JULY (AMT IN NPR MILLION)					
	2023		2022		2021	
ASSETS						
Cash And Cash Equivalent	9,764	84.44%	17,893	154.74%	11,563	100%
Due From Nepal Rastra Bank	6,703	176.58%	4,267	112.39%	3,796	100%
Placement With Bank And Financial Institutions	2,236	77.79%	1,234	42.91%	2,875	100%
Derivative Financial Instruments	17	36.27%	3	5.66%	47	100%
Other Trading Assets	319	53.41%	327	54.83%	597	100%
Loans And Advances To B/FIs	2,511	77.32%	3,300	101.63%	3,247	100%
Loans And Advances To Customers	139,832	117.59%	131,344	110.46%	118,912	100%
Investment Securities	28,686	130.29%	28,153	127.87%	22,017	100%
Current Tax Assets	284	98.59%	348	120.88%	288	100%
Investment In Subsidiaries	317	189.94%	167	100.12%	167	100%
Investment In Associates	330	2062.57%	376	2347.78%	16	100%
Investment Property	256	181.65%	209	147.98%	141	100%
Property And Equipment	3,758	130.47%	3,704	128.62%	2,880	100%
Goodwill And Intangible Assets	180	213.71%	197	234.33%	84	100%
Deferred Tax Assets	63	100%	-	-	-	100%
Other Assets	3,678	216.58%	2,891	170.28%	1,698	100%
Total Assets	**198,933**	**118.18%**	**194,413**	**115.50%**	**168,329**	**100%**
LIABILITIES						
Due To Bank And Financial Institutions	3,715	134.35%	4,063	146.95%	2,765	100%
Due To Nepal Rastra Bank	-	0.00%	11,070	917.93%	1,206	100%
Derivative Financial Instruments	-	-	-	-	-	100%
Deposits From Customers	168,842	120.05%	152,801	108.65%	140,638	100%
Borrowing	-	-	-	-	-	100%
Current Tax Liabilities	-	-	-	-	-	100%
Provisions	5	106.13%	5	106.13%	5	100%
Deferred Tax Liabilities	-	0.00%	63	29.17%	217	100%
Other Liabilities	2,927	137.23%	3,522	165.12%	2,133	100%
Debt Securities Issued	2,480	100.16%	2,478	100.08%	2,476	100%
Subordinated Liabilities	-	-	-	-	-	100%
Total Liabilities	**177,969**	**119.09%**	**174,003**	**116.44%**	**149,441**	**100%**
EQUITY						
Share Capital	14,201	112.91%	14,201	112.91%	12,577	100%
Share Premium	-	-	-	-	-	100%
Retained Earnings	847	59.52%	1,329	93.43%	1,423	100%
Reserves	5,916	121.02%	4,879	99.81%	4,888	100%
Total Equity Attributable To Equity Holders	**20,964**	**110.99%**	**20,409**	**108.05%**	**18,888**	**100%**
Non-Controlling Interest	-	-	-	-	-	-
Total Equity	**20,964**	**110.99%**	**20,409**	**108.05%**	**18,888**	**100%**
Total Liabilities And Equity	**198,933**	**118.18%**	**194,413**	**115.50%**	**168,329**	**100%**

Horizontal Analysis on statement of financial positions refers to the analysis of growth of each component of statement of financial position items from the base period. Here base period is considered the mid July 2021 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. Here, assets, liabilities and shareholders' equity are showing consistent growth over the last three years.

STATEMENT OF PROFIT OR LOSS

PARTICULARS	MID JULY (AMT IN NPR MILLION)					
	2023		2022		2021	
Interest Income	20,661	190.60%	15,968	147.30%	10,840	100%
Interest Expense	(14,832)	206.32%	(10,974)	152.65%	(7,189)	100%
Net Interest Income	**5,828**	**159.68%**	**4,993**	**136.81%**	**3,650**	**100%**
Fee And Commission Income	1,014	122.91%	998	120.98%	825	100%
Fee And Commission Expense	(137)	187.96%	(129)	176.76%	(73)	100%
Net Fee And Commission Income	**877**	**116.59%**	**869**	**115.57%**	**752**	**100%**
Net Interest, Fee And Commission Income	**6,705**	**152.32%**	**5,863**	**133.18%**	**4,402**	**100%**
Net Trading Income	182	43.59%	224	53.65%	418	100%
Other Operating Income	24	15.41%	177	115.83%	153	100%
Total Operating Income	**6,911**	**138.94%**	**6,264**	**125.94%**	**4,974**	**100%**
Impairment (Charge)/Reversal For Loans And Other Losses	(1,216)	308.75%	(552)	140.21%	(394)	100%
Net Operating Income	**5,695**	**124.34%**	**5,712**	**124.71%**	**4,580**	**100%**
Operating Expense						
Personnel Expenses	(1,890)	153.65%	(1,785)	145.16%	(1,230)	100%
Other Operating Expenses	(902)	138.76%	(804)	123.67%	(650)	100%
Depreciation & Amortisation	(327)	133.64%	(413)	168.61%	(245)	100%
Operating Profit	**2,575**	**104.90%**	**2,709**	**110.36%**	**2,455**	**100%**
Non Operating Income	21	15.91%	123	94.88%	130	100%
Non Operating Expense	(80)	0.00%	-	0.00%	-	100%
Profit Before Income Tax	**2,516**	**97.31%**	**2,833**	**109.54%**	**2,586**	**100%**
Income Tax Expense						
Current Tax	(765)	98.13%	(890)	114.13%	(780)	100%
Deferred Tax	113	-11271.25%	63	-6325.08%	(1)	100%
Profit(Loss) For The Period	**1,864**	**103.31%**	**2,006**	**111.18%**	**1,804**	**100%**

Horizontal Analysis on statement of profit or loss refers to the analysis of growth of each component of statement profit or loss items from the base period. Here base period is considered the mid July 2021 giving value 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. The above table shows that total operating income of the Bank is growing consistently. Similarly, loan loss provisions have increased significantly resulting decrease in Net profit as compared to the previous year.

• VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

PARTICULARS	MID JULY (AMT IN NPR MILLION)					
	2023		2022		2021	
ASSETS						
Cash And Cash Equivalent	9,764	4.91%	17,893	9.20%	11,563	9.81%
Due From Nepal Rastra Bank	6,703	3.37%	4,267	2.19%	3,796	2.20%
Placement With Bank And Financial Institutions	2,236	1.12%	1,234	0.63%	2,875	0.27%
Derivative Financial Instruments	17	0.01%	3	0.00%	47	0.00%
Other Trading Assets	319	0.16%	327	0.17%	597	0.08%
Loans And Advances To B/FIs	2,511	1.26%	3,300	1.70%	3,247	1.39%
Loans And Advances To Customers	139,832	70.29%	131,344	67.56%	118,912	71.44%
Investment Securities	28,686	14.42%	28,153	14.48%	22,017	10.70%
Current Tax Assets	284	0.14%	348	0.18%	288	0.13%
Investment In Subsidiaries	317	0.16%	167	0.09%	167	0.15%
Investment In Associates	330	0.17%	376	0.19%	16	0.02%
Investment Property	256	0.13%	209	0.11%	141	0.18%
Property And Equipment	3,758	1.89%	3,704	1.91%	2,880	2.31%
Goodwill And Intangible Assets	180	0.09%	197	0.10%	84	0.07%
Deferred Tax Assets	63	0.00	-	-	-	0.00%
Other Assets	3,678	1.85%	2,891	1.49%	1,698	1.26%
Total Assets	**198,933**	**100%**	**194,413**	**100%**	**168,329**	**100%**

LIABILITIES						
Due To Bank And Financial Institutions	3,715	1.87%	4,063	1.64%	2,765	3.34%
Due To Nepal Rastra Bank	-	0.00%	11,070	0.72%	1,206	0.51%
Derivative Financial Instruments	-	0.00%	-	0.00%	-	0.00%
Deposits From Customers	168,842	84.87%	152,801	83.55%	140,638	80.05%
Borrowing	-	0.00%	-	0.00%	-	0.00%
Current Tax Liabilities	-	0.00%	-	0.00%	-	0.00%
Provisions	5	0.00%	5	0.00%	5	0.00%
Deferred Tax Liabilities	-	0.00%	63	0.13%	217	0.01%
Other Liabilities	2,927	1.47%	3,522	1.27%	2,133	1.25%
Debt Securities Issued	2,480	1.25%	2,478	1.47%	2,476	2.69%
Subordinated Liabilities	-	0.00%	-	0.00%	-	0.00%
Total Liabilities	**177,969**	**89.46%**	**174,003**	**88.78%**	**149,441**	**87.86%**

EQUITY						
Share Capital	14,201	7.14%	14,201	7.47%	12,577	8.22%
Share Premium	-	0.00%	-	0.00%	-	0.00%
Retained Earnings	847	0.43%	1,329	0.85%	1,423	0.84%
Reserves	5,916	2.97%	4,879	2.90%	4,888	3.07%
Total Equity Attributable To Equity Holders	**20,964**	**10.54%**	**20,409**	**11.22%**	**18,888**	**12.14%**
Non-Controlling Interest	-		-	-	-	-
Total Equity	**20,964**	**10.54%**	**20,409**	**11.22%**	**18,888**	**12.14%**
Total Liabilities And Equity	**198,933**	**100%**	**194,413**	**100%**	**168,329**	**100%**

Vertical Analysis on statement of financial position refers to the components of balance sheet items as a percentage of total assets over the period. In assets side of mid July 2023, we can observe that the loans & advances to customer holds the major part. i.e. 70.29% which has been increased as compared to last year by 2.73%. The investment in securities has been decreased by 0.06% as compared to last year and holds the second highest portions i.e. 14.42% of total assets in mid July 2023.Similarly, the deposit in mid July 2023 holds the major portion i.e. 84.87% out of total equity and liabilities and it has been increased as compared to last year by 1.32%.



STATEMENT OF PROFIT OR LOSS

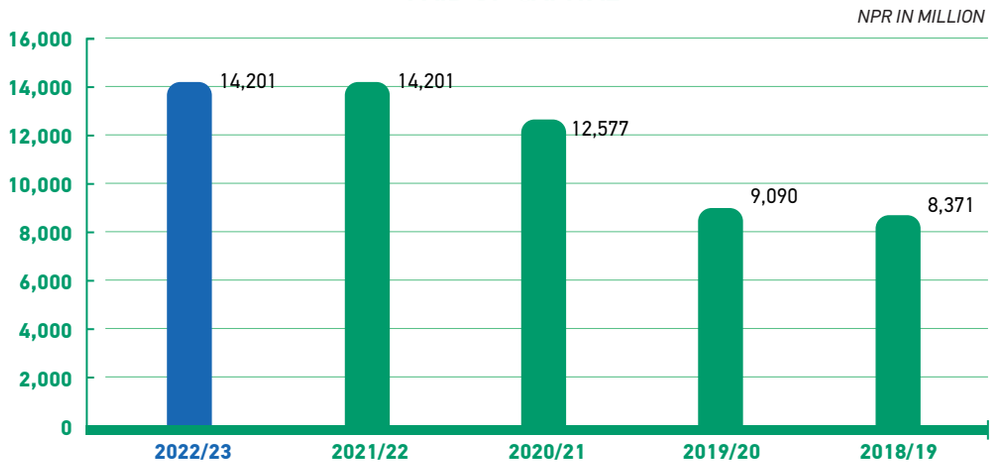
PARTICULARS	MID JULY (AMT IN NPR MILLION)					
	2023		2022		2021	
Interest Income	20,661	94.34%	15,968	91.29%	10,840	87.66%
Interest Expense	(14,832)	-67.72%	(10,974)	-62.74%	(7,189)	-58.14%
Net Interest Income	**5,828**	**26.61%**	**4,993**	**28.55%**	**3,650**	**29.52%**
Fee And Commission Income	1,014	4.63%	998	5.71%	825	6.67%
Fee And Commission Expense	(137)	-0.63%	(129)	-0.74%	(73)	-0.59%
Net Fee And Commission Income	**877**	**4.00%**	**869**	**4.97%**	**752**	**6.08%**
Net Interest, Fee And Commission Income	**6,705**	**30.62%**	**5,863**	**33.52%**	**4,402**	**35.60%**
Net Trading Income	182	0.83%	224	1.28%	418	3.38%
Other Operating Income	24	0.11%	177	1.01%	153	1.24%
Total Operating Income	**6,911**	**31.56%**	**6,264**	**35.81%**	**4,974**	**40.22%**
Impairment (Charge)/Reversal For Loans And Other Losses	(1,216)	-5.55%	(552)	-3.16%	(394)	-3.19%
Net Operating Income	**5,695**	**26.00%**	**5,712**	**32.66%**	**4,580**	**37.04%**
Operating Expense						
Personnel Expenses	(1,890)	-8.63%	(1,785)	-10.21%	(1,230)	-9.95%
Other Operating Expenses	(902)	-4.12%	(804)	-4.60%	(650)	-5.26%
Depreciation & Amortisation	(327)	-1.50%	(413)	-2.36%	(245)	-1.98%
Operating Profit	**2,575**	**11.76%**	**2,709**	**15.49%**	**2,455**	**19.85%**
Non Operating Income	21	0.09%	123	0.71%	130	1.05%
Non Operating Expense	(80)	-0.36%	-	0.00%	-	0.00%
Profit Before Income Tax	**2,516**	**11.49%**	**2,833**	**16.19%**	**2,586**	**20.91%**
Income Tax Expense						
Current Tax	(765)	-3.49%	(890)	-5.09%	(780)	-6.31%
Deferred Tax	113	0.51%	63	0.36%	(1)	-0.01%
Profit(Loss) For The Period	**1,864**	**8.51%**	**2,006**	**11.47%**	**1,804**	**14.59%**

Vertical Analysis on income statement refers to the components of income statements items as percentage of total income over the periods. From the above table we can analyze that the net interest income has been increased as compared to previous year. However, operating profit and Net profit has been decreased as compared to previous year figures due to increase in Loan Loss provision.



TREND ANALYSIS OF STATEMENT OF FINANCIAL POSITION / PROFITABILITY / DIVIDENDS / PERFORMANCE & LIQUIDITY RATIOS

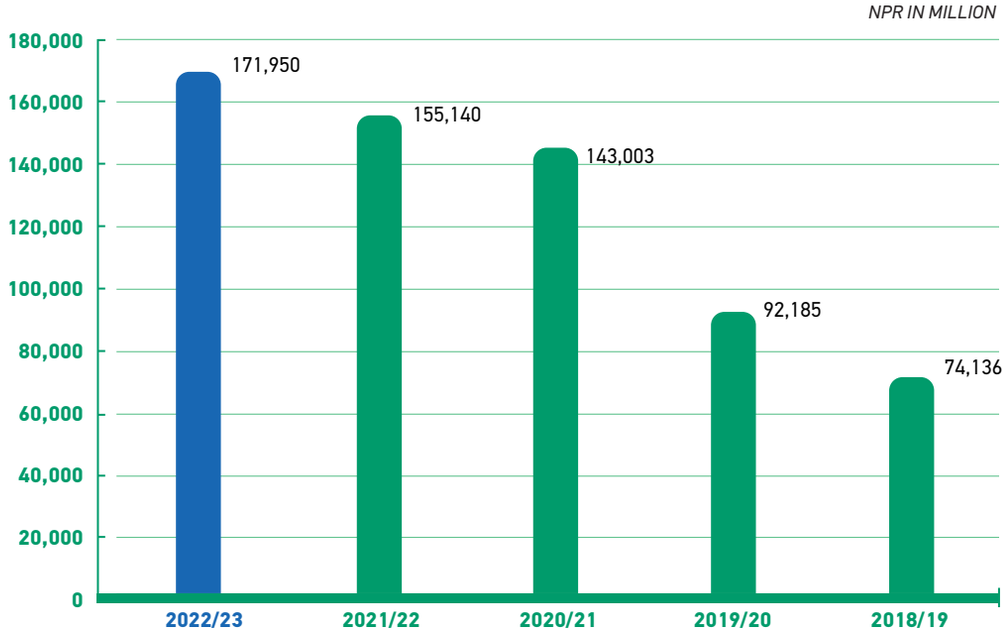
PAID UP CAPITAL



Paid-Up Capital represents the amount of money a company has received from shareholders in exchange for shares of stock. The paid up capital is in increasing trend over the past years. The bank has maintained paid up capital of NPR 14,201 Million in FY 2022/23 which was also same in the previous year. The Bank has achieved average growth of 12.81% in the paid up capital over the last 5 years.

The paid up capital of the Bank in FY 2018/19 was 8,371 Million increased by 69.64% to NPR 14,201 Million in FY 2022/23 in time of 5 years.

DEPOSITS

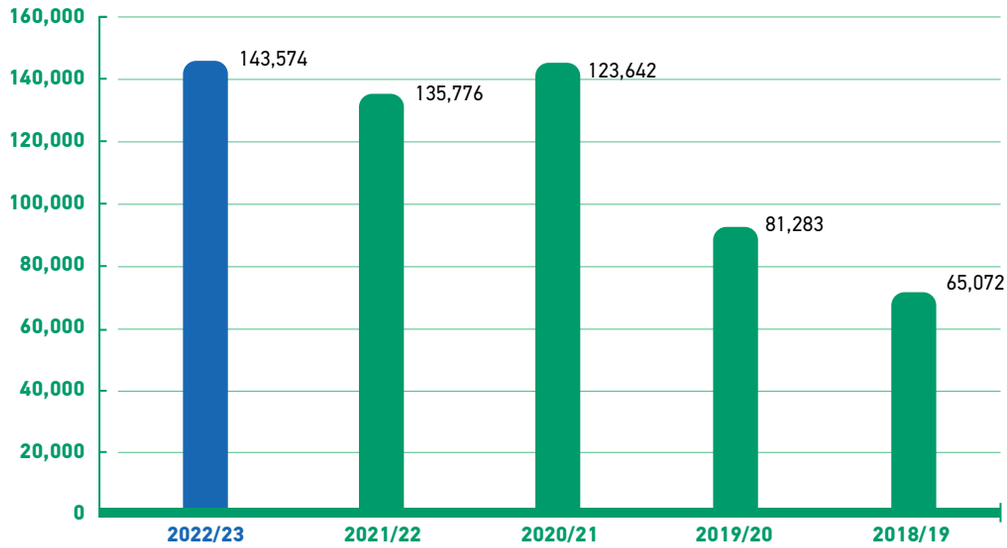


The deposit of the Bank is in incremental trend over the last 5 years and has reached NPR 171,957 Million in FY 2022/23 with the growth of 10.84% as compared to previous year. The Bank has been able to maintain average growth rate of 23.88% over the last 5 years which shows the increasing customer satisfaction with the bank.

In time of 5 years the bank has achieved growth of 131.95% in deposits being NPR 74,136 Million in FY 2018/19 to NPR 171,957 Million in FY 2022/23.

LOANS AND ADVANCES

NPR IN MILLION

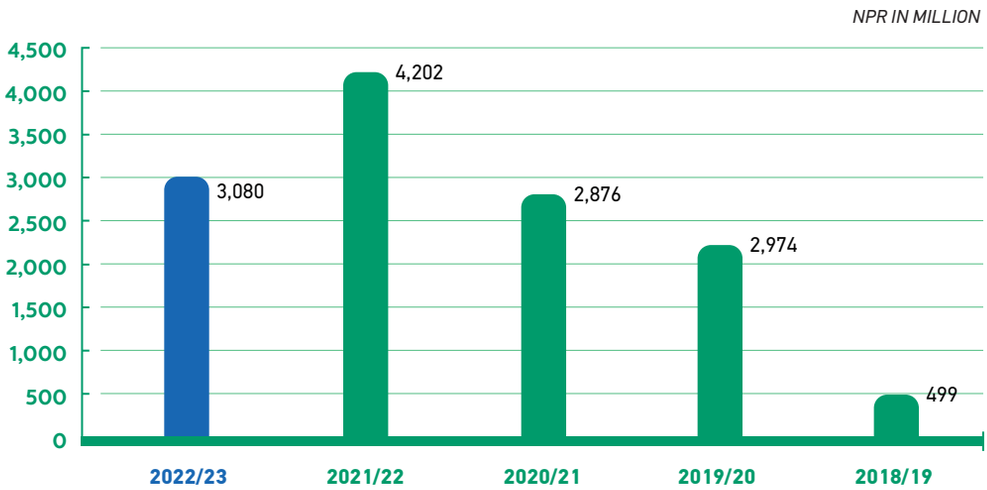


The Bank has been able to expand its loans and advances portfolio to NPR 143,574 Million in FY 2022/23 from NPR 135,776 Million in FY 2021/22 with the increment of 5.74%. The trend of loans and advances has been increasing continuously with the average growth of 20.97% over the last 5 years.

In time of 5 years the bank has achieved growth of 120.64 % in loans and advances being NPR 65,072 Million in FY 2018/19 to NPR 143,574 Million in FY 2022/23.

BORROWINGS AND DEBENTURES

NPR IN MILLION

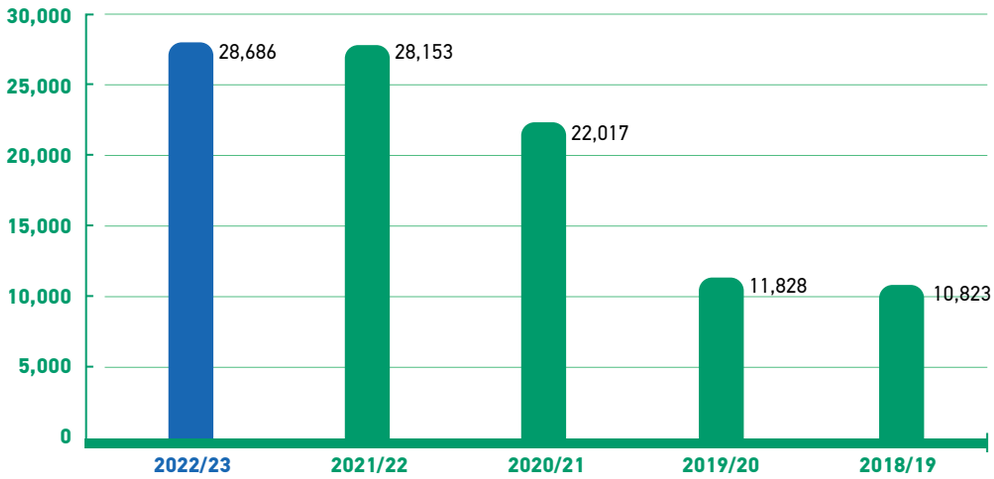


Borrowings and debentures represents the amount of money borrowed by the bank at fixed or floating rate of interest with or without collateral. The balance of borrowings and debentures stand at NPR 3,080 Million in FY 2022/23 including the debentures issued in FY 2019/20 of NPR 2,500 Million. The debentures are measured at amortized cost using effective interest rate method. The bond is unsecured and hence qualifies for inclusion in Tier-II capital.

The borrowings and debentures have been increased by 517.20 % from NPR 499 Million in FY 2018/19 to NPR 3,080 Million in FY 2022/23.

INVESTMENTS

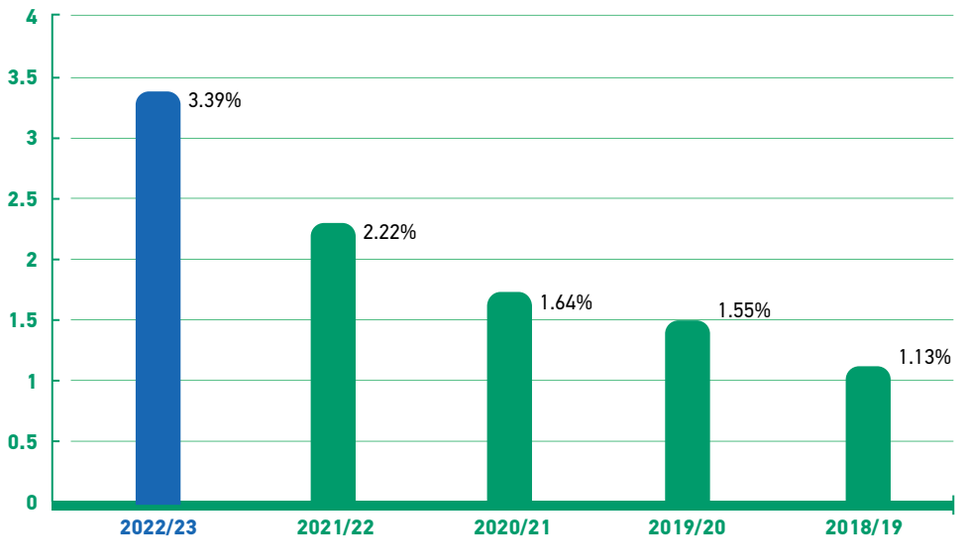
NPR IN MILLION



Investment has been made mostly in government securities and other short term investments so as to maintain the level of investment well above the minimum SLR requirement and to use the excess fund productively to generate revenue to the Bank. Investment has been increased by 1.89% in FY 2022/23 as compared to FY 2021/22. Investment has faced the average growth of 43.57% over the last 5 years.

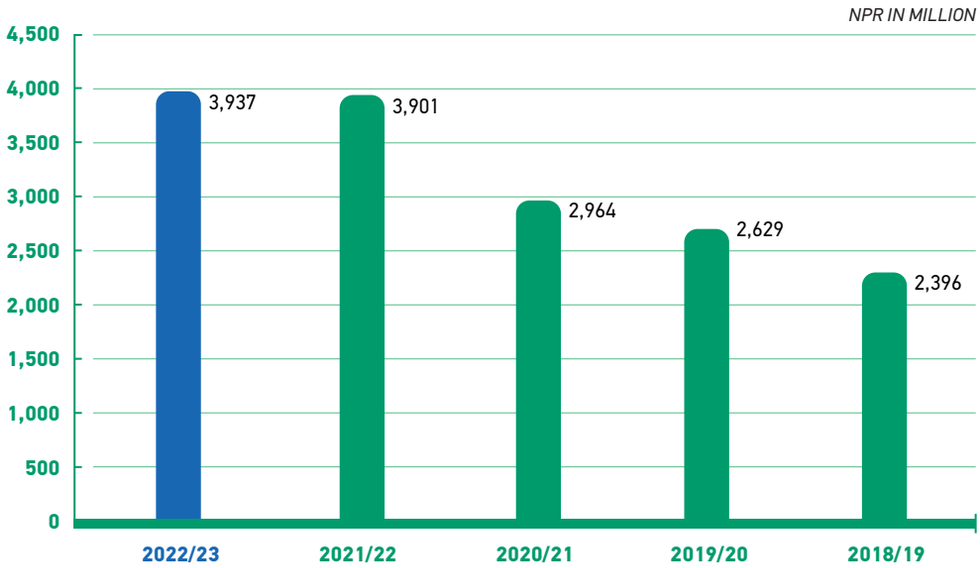
In time of 5 years the bank has achieved growth of 165.04% in investments being NPR 10,823 Million in FY 2018/19 to NPR 28,686 Million in FY 2022/23.

NPL TO TOTAL LOAN



Non-performing loan represents the default of borrower of loan in the schedule payment of principal or interest for some time. There is a fluctuation in the trend of non-performing loan to total loan and it remains at 3.39% in FY 2022/23 from 2.22% in FY 2021/22. Non-performing loan to total loan has been Increased by 21.48 % in average during the period of last 5 years.

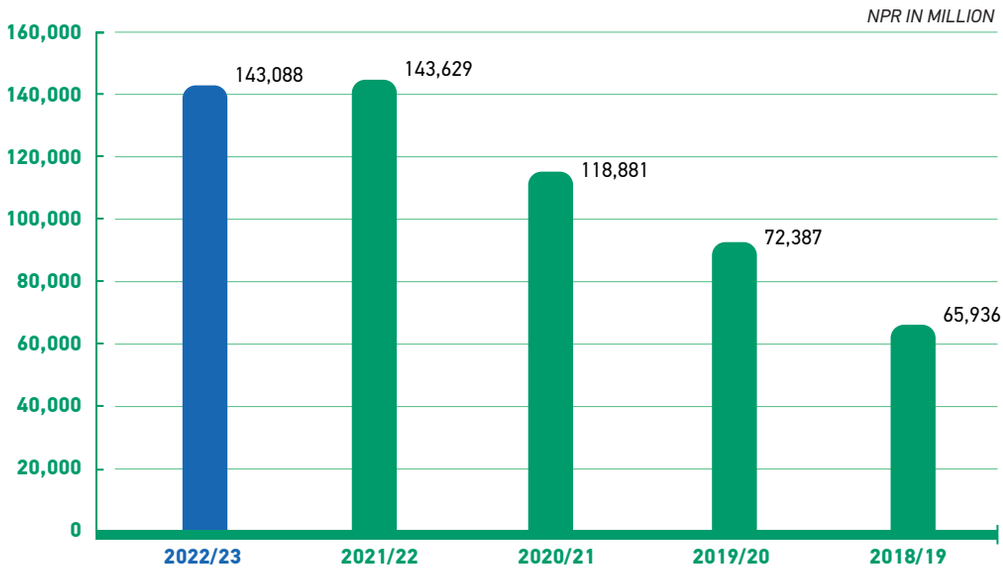
FIXED ASSETS



A fixed asset represents the assets of the bank that is vital to business operations and is expected to be used for more than one year. Fixed assets of the bank has been increased in FY 2022/23 by 0.93% in compared to FY 2021/22 and reached NPR 3,937 Million with the average growth of 12.86% over the last 5 years. During the last 5 years the bank has been able to increase total fixed assets including intangibles and goodwill.

The fixed assets have been increased by 64.32% in the time of 5 years from NPR 2,396 Million in FY 2018/19 to NPR 3,937 Million in FY 2022/23.

CURRENT LIABILITIES

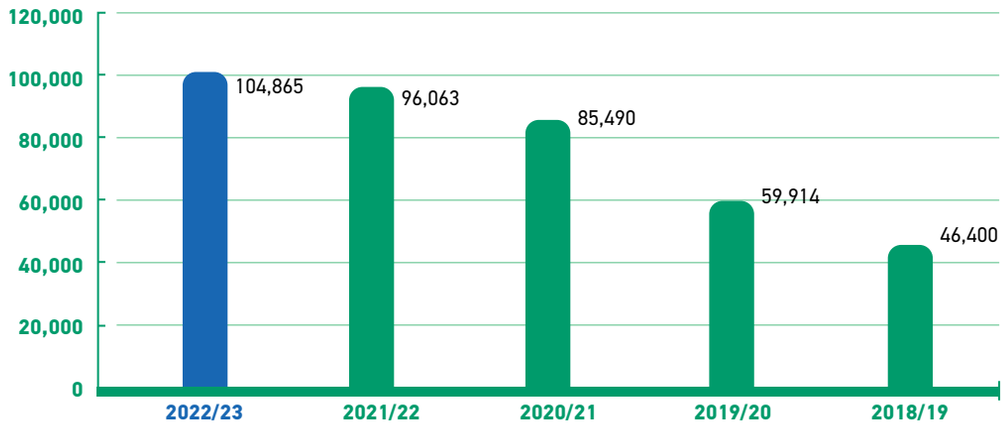


Current Liabilities represents the short term financial obligations of the bank that are due within one year. The current liabilities have decreased by 0.38% in FY 2022/23 compared to FY 2021/22 with the average growth of 20.55% during last 5 years. The Bank has maintained better net current position which indicates liquidity strength and good relationship with its creditors.

The current liabilities have increased by 117.01% in time of 5 years from NPR 65,936 Million in FY 2018/19 to NPR 143,088 Million in FY 2022/23.

LONG TERM LIABILITIES

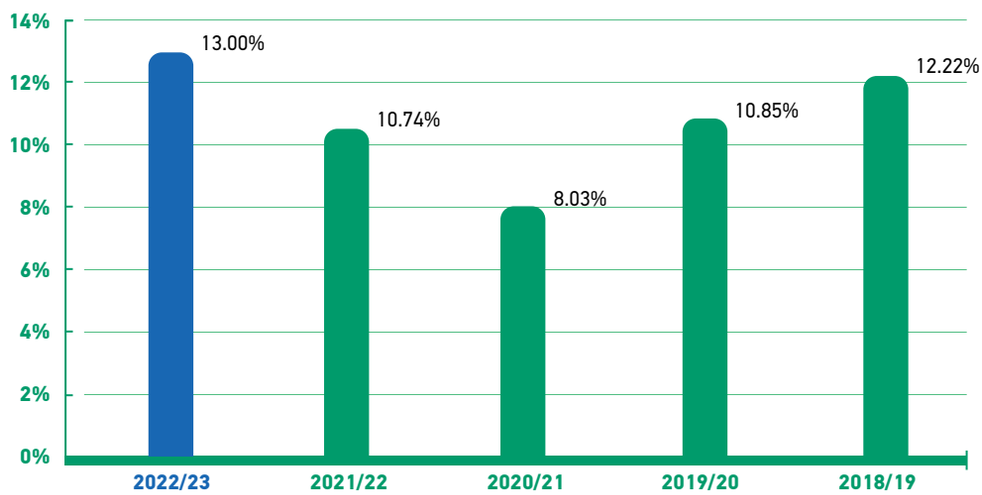
NPR IN MILLION



Long Term Liabilities represents the loans and financial obligations that are not due within one year. Long term liabilities increased by 9.16% reaching NPR 104,865 Million in FY 2022/23 compared to previous year due to the increment in deposits from other banks and financial institutions. Due to the increase in long term liabilities of the bank, the bank has been able to maintain its liquidity position within the acceptable limit. There is the average growth of 20.33% of long term liabilities over the last 5 years.

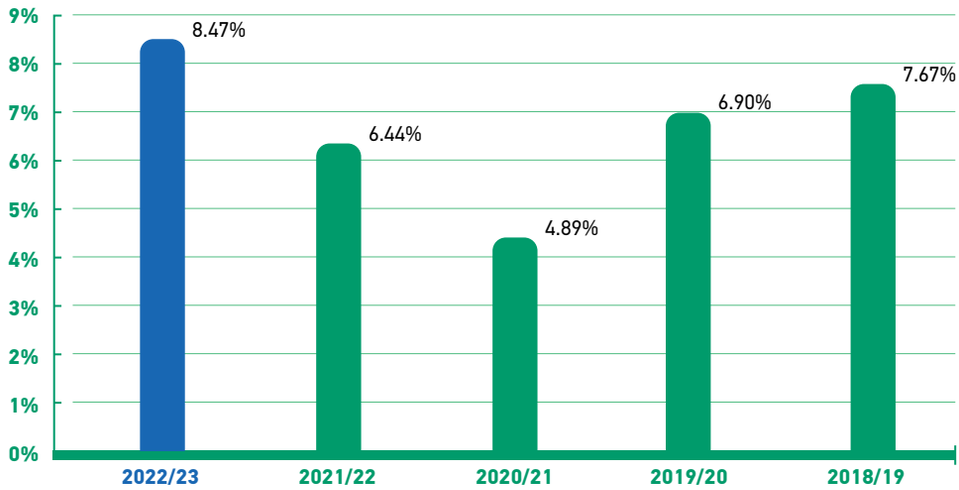
In time of 5 years the bank has seen a change of 126.00% in long term liabilities from NPR 46,400 Million in FY 2018/19 to NPR 104,865 Million in FY 2022/23.

INTEREST INCOME / LOANS AND ADVANCES



Interest income to loans and advances represents the average interest income earned by the bank on its year end loans and advances. From the above graph, interest income to loans and advances is seen fluctuating over the last 5 years. There is increase in interest income to loans and advances to 13.00% in FY 2022/23 in compared to previous year 10.74% with the average increment of 2.42% over last 5 years.

INTEREST EXPENSES / DEPOSITS AND BORROWINGS

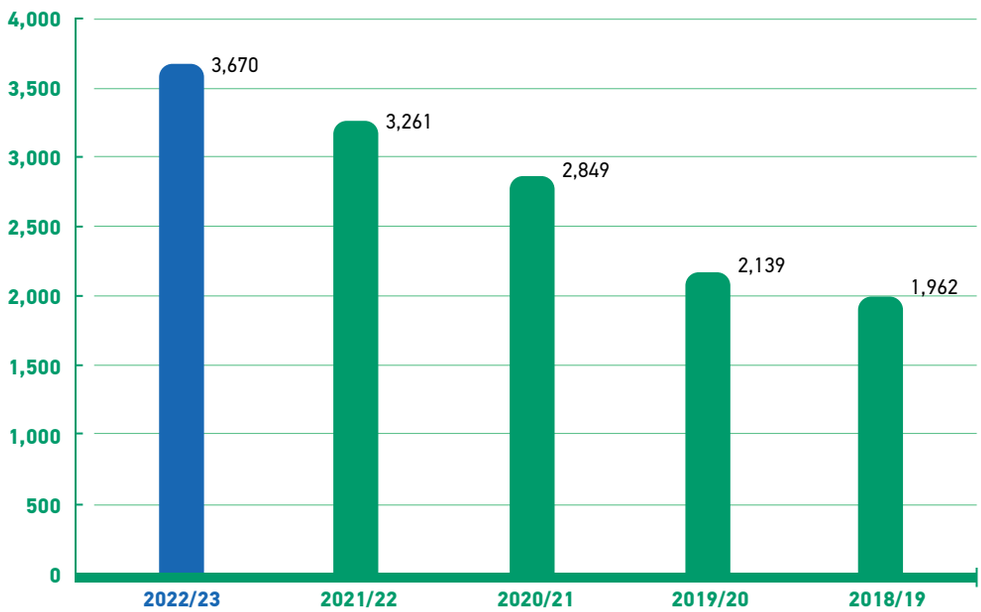


Interest expense to deposits and borrowings represents the average interest paid by the bank on its year end deposits and borrowings. The interest expense to deposits and borrowings has been increased by 31.52% in FY 2022/23 as compared to previous year. There has been a fluctuating trend over the period of last 5 years with the average increase of 3.63%.

The Bank has faced a change of 10.43% in the time of 5 years being 7.67% in FY 2018/19 to 8.47% in FY 2022/23.

OPERATING PROFIT BEFORE LOAN LOSS PROVISION (LLP)

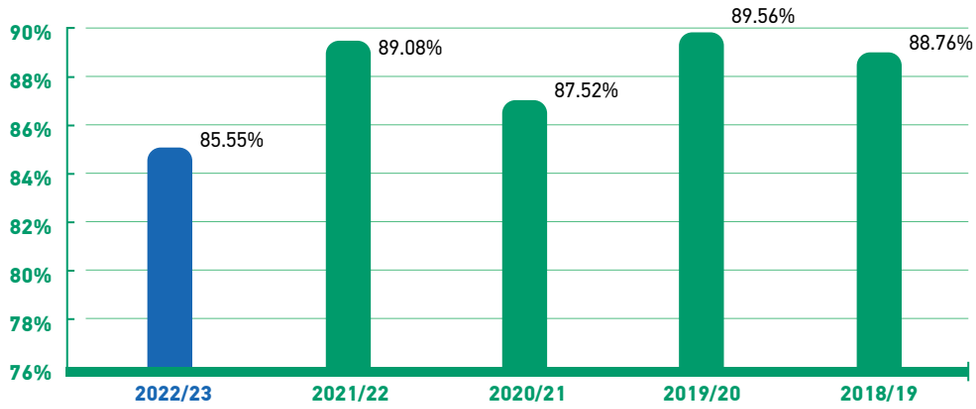
NPR IN MILLION



The operating profit before LLP has been maintained at NPR 3,670 Million in FY 2022/23 with the increment of 12.55% as compared to previous year. The operating profit before LLP is in incremental trend and has the average growth of 15.95% over the last 5 years. Such increment of profit is due to increase in the net interest income of the Bank and other operating incomes.

In time of 5 years the Bank has achieved the growth of 87.06% in operating profit before LLP being NPR 1,962 Million in FY 2018/19 to NPR 3,670 Million in FY 2022/23.

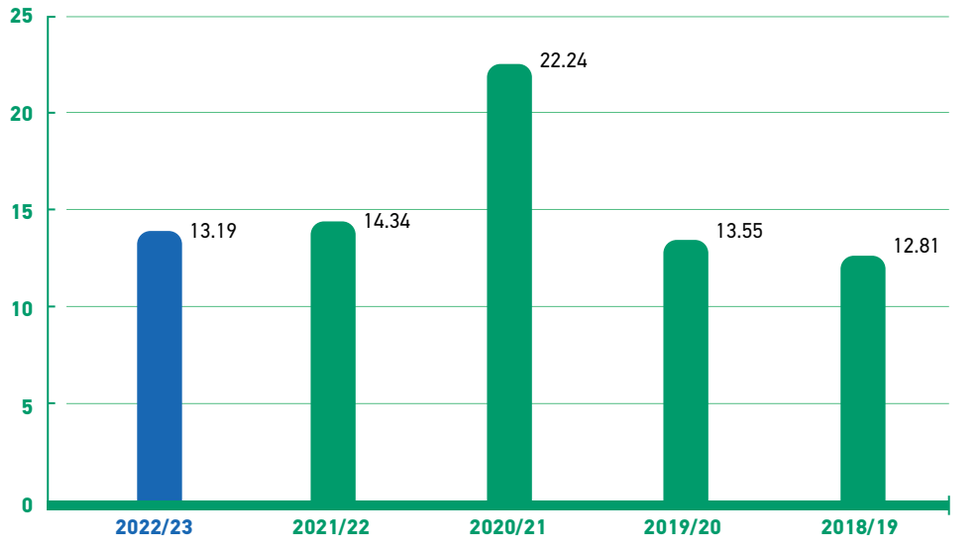
CREDIT TO DEPOSIT RATIO



Credit to Deposit Ratio represents the statistical method for assessing a bank's liquidity by dividing the bank's total loan by its total deposits. The ratio has reached to 85.55% in the FY 2022/23 in comparison to previous year which was 89.08%. There is the average change of 1.57% in credit to deposit ratio over the period of last 5 years.

The credit to deposit ratio has been decreased by 3.62% in a time of 5 years being 88.76 % in FY 2018/19 and 85.55 % in FY 2022/23.

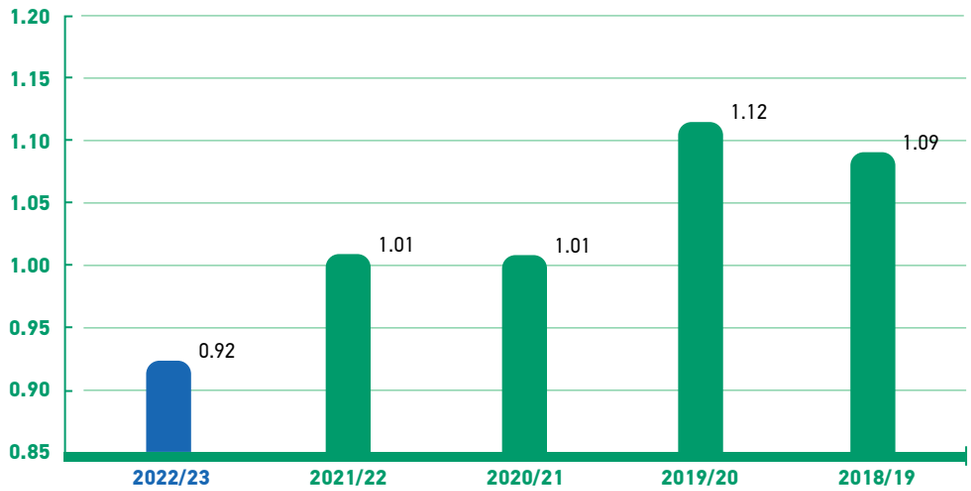
PRICE EARNINGS RATIO



Price Earnings Ratio represents the ratio that measures its current share price relative to its per-share price earnings. PE ratio over the period of last 5 years has been fluctuated and reached to 13.19 times decreased by 8.02% in FY 2022/23 as compared to previous year with the average growth of 1.95% over the last 5 years.

PE ratio has been increased by 2.97% in time of 5 years from 12.81 in FY 2018/19 to 13.19 in FY 2022/23.

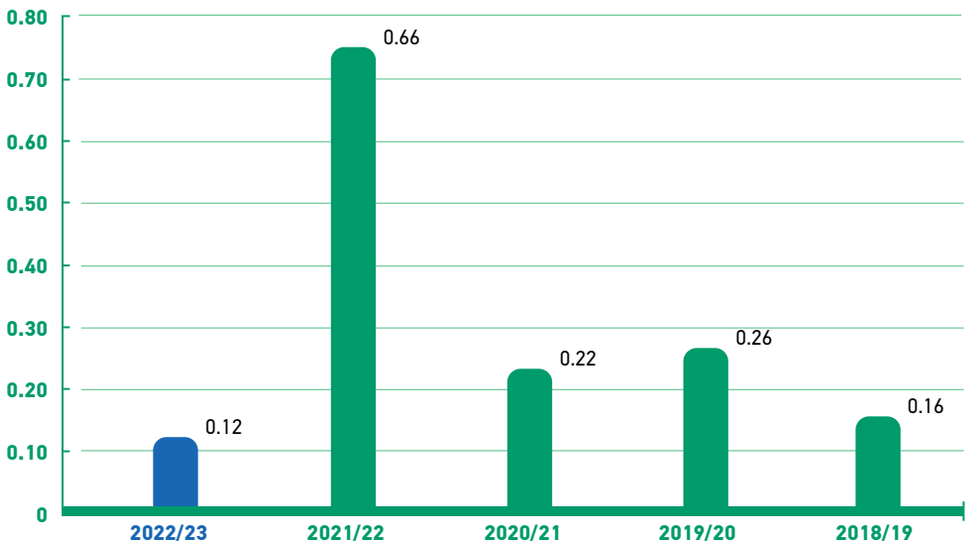
CURRENT RATIO



Current Ratio is a liquidity ratio that measures a company's ability to pay short term obligations or those due within one year. The Bank has maintained positive current ratio of 0.92 in FY 2022/23 which was 1.01 the previous year. The trend of current ratio is fluctuating with average decline of 4.60%. However, the Bank is in comfortable position to meet its short term obligation.

The current ratio has been decreased by15.74% in time of 5 years from 1.09 in FY 2018/19 to 0.92 in FY 2022/23.

DEBT EQUITY RATIO



Debt Equity Ratio represents the bank's financial leverage, calculated by dividing a company's debt and financial liability by its shareholder's equity. The debt equity ratio in FY 2022/23 has been decreased by 82.08% reaching to 0.12 times from 0.66 times than previous year.

The ratio has been increased from 0.16 times in FY 2018/19 to 0.12 times in FY 2022/23 with total average turnaround of 29.59% in time of 5 years.

06

INFORMATION ABOUT BANK'S SERVICE NETWORKS

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BRANCH LOCATIONS

KOSHI
- Branches: 27
- ATMs: 14
- BLBs: 06

MADHESH
- Branches: 29
- ATMs: 24
- BLBs: 09

BAGMATI
- Branches: 52
- ATMs: 61
- BLBs: 59

GANDAKI
- Branches: 13
- ATMs: 12
- BLBs: 06

LUMBINI
- Branches: 51
- ATMs: 30
- BLBs: 14

KARNALI
- Branches: 10
- ATMs: 06
- BLBs: 03

SUDUR PASCHIM
- Branches: 08
- ATMs: 05
- BLBs: 01



KATHMANDU
- BRANCHES 29
- ATMs 37
- BLBs 06

LALITPUR
- BRANCHES 06
- ATMs 11
- BLBs 05

BHAKTAPUR
- BRANCHES 03
- ATMs 04
- BLBs 05

Province Offices

S.N.	PROVINCE OFFICE	DISTRICT	ADDRESS	PHONE NO
1	PROVINCE 1	Morang	Dharan Road, Biratnagar-07, Morang	021-440501/2/3
2	MADHESH	Parsa	Adarsh Nagar Chowk, Birgunj-06	051-552078
3	BAGMATI	Kathmandu	Batuleghar, Dillibazar, Kathmandu-31	01-4430528
4	GANDAKI	Kaski	Pokhara-8, Kaski	01-4430528
5	LUMBINI	Rupandehi	Butwal-06, Rupandehi	071-540681
6	KARNALI	Surkhet	Birendranagar-06, Surkhet	083-520850
7	SUDURPASHCHIM	Kailali	Main Road, Dhangadi-4	9857011646

Province 1

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	BANIGAMA	Morang	Netachowk, Gramthan Rural Municipality-07	021402093
2	BHOJPUR	Bhojpur	Bank Road, Bhojpur-07	029-420729
3	BIRATNAGAR	Morang	Biratnagar Municipality -01, Hanuman Road	021-528058
4	MAHENDRA CHOWK	Morang	Biratnagar Municiplaity -07, Dharan Road	021-440501
5	BIRTAMOD	Jhapa	Kakadvitta Road, Birtamod-5, Jhapa	023-540255
6	CHAKRAGHATTI	Sunsari	Barahachhetra Municipality-06	025-551140
7	DAMAK	Jhapa	Damak Municipality-06	01-4487872
8	DANGIHAT	Morang	Belbari Municipality-11, Laxminagar Marg	021-411184
9	DHARAN	Sunsari	Puutali Line, Dharan-9	025-533779
10	DUHABI	Sunsari	Duhabi -05, Sunsari	025-541113
11	GAIGHAT	Udayapur	Triyuga Municipality-11, Gaighat, Udayapur	035 421330
12	HALDIBARI	Jhapa	Mangalbare Chowk-4, Jhapa	9803502928
13	HARINAGARA	Sunsari	Harinagara Rural Municipality-04	9802734543
14	INARUWA	Sunsari	Inaruwa Municipality-01	025-561440
15	ITAHARI	Sunsari	Itahari -06, Purba Line, Sunsari	025-580665
16	KANCHANBARI	Morang	Rajbanshi Chowk, Morang-03	021-420192
17	KANCHANBARI-2	Morang	Biratnagar-4, Kanchanbari Chowk	021-460633
18	KARSIYA	Morang	Dhanapalthan Rural Municipality-04 Karsia, Morang	021-565240
19	KATAHARI	Morang	Katahari Rurak Municipality-02 , Morang	021-404052
20	LAUKAHI	Sunsari	Kpshi Rural Municipality-01 Laukahi, Sunsari	025-401070
21	LIKHUPIKEY	Solukhumbhu	Likhupikey-3, Solukhumbhu	025-580665
22	MANGSEYBUNG	Illam	Manseybung RM-2, Illam,	023-540255
23	PATHARI	Morang	Pathari-01, Morang	021-556114
24	RANGELI	Morang	Rangeli-07, Morang	021-580204
25	SALAKPUR	Morang	Sundarharaicha-08, Morang	021-545393
26	SHAHIDBHUMI	Dhankuta	Sahidbhumi-04, Dhankuta	029-420729
27	KHADBARI	Sankhuwasabha	Khadbari, Khadbari Municipality- 01, Sankhuwasabha	029-590458/59

Madhesh Province

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	AURAHI	Mahottari	Mahottari, Aurahi Ward no. 1	9841464905
2	BARDIBAS	Mahottari	Bardibas-14, Mahottari	01-4169067
3	BHANU CHOWK	Dhanusha	Bhanu Chowk-2, Janakpur	041-528581
4	BHARDAHA	Saptari	Hanumannagar Kankalini Municipality-01	031-440280
5	BIRGUNJ	Parsa	Adarsha Nagar Chowk, Main Road, Birgunj-06	051-520782
6	BODEBARSHAIN	Saptari	Bode Barsain -05, Saptari	031-446061
7	DHANUSHADHAM	Dhanusha	Dhanushadham-03, Dhanusha	041-414070
8	FATEHPUR	Saptari	Saptakoshi Municiplaity-01, Saptari	031-550084
9	GARUDA	Rautahat	Garuda Municipality-4, Rautahat	055-565061
10	GAUSHALA	Mahottari	Gaushala-1, Mahottari	044-556156
11	JALESHWAR	Mahottari	Mina Bazar, Jaleshwar-4, Mahottari	044-521058
12	KOLHABI	Bara	Kolhabi-01, Bara	053-410030
13	KALYANPUR	Saptari	Khadak Municipality-07	021-540018
14	KANCHANRUP	Saptari	Kanchanrup-08, Saptari	021-560323
15	LAHAN	Siraha	Lahan-08, Siraha	033-590018
16	LOHARPATTI	Mahottari	Loharpatti-6, Mahottari	9845028342
17	MAHENDRANAGAR (DHANUSHA)	Dhanusha	Chhireshwornath-05, Dhanusha	041-540473
18	NIJGADH	Bara	Nijgadh-7, Bara	053-540480
19	PATHALAIYA	Bara	Jitpur Simara Sub metropolitan-01, Bara	053-521883
20	PATO	Saptari	Dakneshwori-05, Saptari	9802752818
21	PIPARA	Mahottari	Pipara-04, Mahottari	9854028970
22	RAJBIRAJ	Saptari	Rajbiraj-02, Saptari	031-530979
23	RAMGOPALPUR	Mahottari	Ramgopalpur-06, Mahottari	044-410072
24	SABAILA	Dhanusha	Sabaila-03, Dhanusha	041-401082
25	SAMSI	Mahottari	Samsi-06, Mahottari	9854028338
26	VIDYAPATI CHOWK	Dhanusha	Vidyapati Chowk, Janakpur-4, Dhanusha	041-590402
27	YADUKUWA	Dhanusha	Shahidnagar-03, Dhanusha	041-410075
28	BARAHATHAWA	Sarlahi	Barahathawa-06, Sarlahi	046-540523
29	KRISHNA PRANAMI CHOWK	Parsa	Krishna Pranami Chowk, Birgunj	051-591827

Bagmati Province

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	BANEPA	Kavre	Banepa-06, Kavre	011-660967
2	BHAISEPATI	Lalitpur	Bhaisepati Chowk-25, Lalitpur	01-5592709
3	BHAKTAPUR	Bhaktapur	Durbar Square Area, Khauma-02, Bhaktapur	01-6612061
4	BHARATPUR	Chitwan	Bharatpur-7, Buddhachowk, Chitwan	056-527550
5	BOUDDHA	Kathmandu	Kathmandu-6, Nepal	01-4915020
6	BUDHANILKANTHA	Kathmandu	Budhanilkantha-02, Kathmandu	01-662047
7	CHABAHIL	Kathmandu	Kumari Building, Chabahil-7, Kathmandu	01-4481683
8	CHARIKOT	Dolakha	Beech Bazzar, Charikot-6, Dolakha	049-421926
9	DEVIGHAT	Nuwakot	Bidur Municiplaity-05, Nuwakot	010-410087
10	DILLIBAZAR	Kathmandu	Batuleghar, Dillibazar, Kathmandu-01	01-4430528
11	DURBARMARG	Kathmandu	Narayanhiti Path, Kathmandu-1	01-4427842
12	GWARKO	Lalitpur	Gwarko, Harati Bhawan, Lalitpur-17	044-550441
13	HARIHARPURGADI	Sindhuli	Hariharpurgadi RM-02, Sindhuli	9844112165
14	HETAUDA	Makawanpur	Parijat Path, Hetauda-4, Makawanpur	057-527306
15	JYAMIRE	Chitwan	Kharehani-1, Chitwan	057-583204
16	KALANKI	Kathmandu	Ganesh Man Singh Marg (Near Kalanki), Ktm-14	01-4286534
17	KAMALADI	Kathmandu	Kamaladi, Kathmandu-09	9841433276
18	KAPAN	Kathmandu	Saraswatinagar-6, Kapan Marg,	01-4822811
19	KIRTIPUR	Kathmandu	Naya Bazar-09, Kirtipur, Kathmandu	01-4335556
20	KOTESHWOR	Kathmandu	Koteshwor, Kathmandu-30	01-4601510
21	KULESHWOR	Kathmandu	Agni Complex 14, Kathmandu	01-4281743
22	KUMARIPATI	Lalitpur	Lalitpur-03, Kumaripati, Lalitpur	01-5551020
23	KUPONDOLE	Lalitpur	Lalitpur-10, Kupondole, Lalitpur	01-5010687
24	LAMBAGAR	Kathmandu	Lambagar, Tarkeshwor Municipality-8	01-4025830
25	MAHABOUDHA	Kathmandu	Wotu Gali-24, Kathmandu	01-4158536
26	MAITIDEVI	Kathmandu	Setopul, Maitidevi, Kathmandu-30	01-4423537
27	MANAHARI	Makawanpur	Manahari -07, Makawanpur	057-414118
28	MANGALPUR	Chitwan	Bharatpur-15, Mangalpur, Chitwan	056-591822
29	NARAYANGADH	Chitwan	Lions Chowk, Bharatpur, Chitwan-3	056-571111
30	NARAYAN GOPAL CHOWK	Kathmandu	Narayan Gopal Chowk, Maharajgunj, Ktm-03	01-4017591
31	NAYA BANESHWOR	Kathmandu	Naya Baneshwor-10, Kathmandu	01-4793299
32	NAYABAZAR	Kathmandu	V.S. Complex, Sohrakhutte, Nayabazar, Kathmandu-16	01-4388601
33	NEW ROAD	Kathmandu	Park Plaza Building, Khichapokhari, Newroad-22	01-4223979
34	SAMAKHUSHI	Kathmandu	Samakhusi, Kathmandu-26	01-4356557
35	SINAMANGAL	Kathmandu	Sinamangal-9, Kathmandu	01-4496022
36	SINDHULI	Sindhuli	Kamalamai-6, Sindhuli	047-520262
37	SUNAPATI	Ramechhap	Sunapati RM-3, Ramechhap	9851145676
38	SURYABINAYAK	Bhaktapur	Suryabinayak-08	01-662047
39	TANDI	Chitwan	Ratnanagar-01, Tandi	056-593286
40	TEMAAL	Kavre	Temaal-5, Kavre	053-521813
41	THAHITI	Kathmandu	Thahiti Chowk, Thahiti-17, Kathmandu	01-4216027
42	THANKOT	Kathmandu	Chandragiri-7, Kathmandu	9841048212
43	THAPATHALI	Kathmandu	Thapathali, Kathmandu-11	01-4100578
44	THIMI	Bhaktapur	Madhyapur Thimi-6, Bhaktapur	01-6636534
45	TOKHA	Kathmandu	Tokha-3, Kathmandu	9841203159
46	THULO BHARAYANG	Kathmandu	Nagarjun Municipality -15	01-5313007
47	THALI	Kathmandu	Kageshwori Municipality -05	01-591202
48	DHUMBARAHI	Kathmandu	Dhumbarahi, Kathmandu	01-5911258
49	THASIKHEL	Lalitpur	Thasikhel, Lalitpur	01-5532007
50	KADAGHARI	Kathmandu	Kageshwori Manahara Municipality-09, Kathmandu	01-4992424
51	TEKU	Kathmandu	Ambe Complex, Teku, Kathmandu-12	01-5901945/6
52	IMADOLE	Lalitpur	Imadole, Mahalaxmi Municipality City-04, Lalitpur	01-5201839/47

Gandaki Province

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	AMARAPURI	Nawalparasi East	Gaindakot-15, Amarapuri, Nawalparasi	078-545206
2	ARUNKHOLA	Nawalparasi East	Madhyabindu-10, Arunkhola, Nawalparasi East	078-555317
3	BAGLUNG	Baglung	Bhimapokhara, Baglung-02	068-522992
4	BENI	Myagdi	New Road, Beni Bazar-08, Myagdi	069-521019
5	BHOTEWODAR	Lamjung	Sundarbazar-09, Lamjung	066-400151
6	CHAME	Manang	Chame-03, Manang	066-440189
7	DHARAPANI	Nawalparasi East	Devchuli Municipality-11, Nawalparasi	056-598434
8	KAWASOTI	Nawalparasi East	Kawasoti-2, Kawasoti, Nawalparasi East	078-540312
9	KOLHUWA	Nawalparasi East	Madhyabindu Municipality-03, Nawalparasi East	078-401055
10	NEW ROAD POKHARA	Kaski	New Road, Pokhara-9, Kaski	061-527083
11	POKHARA (HOSPITAL CHOWK)	Kaski	Pokhara-10, Hospital Chowk	9846210680
12	SIMALCHAUR	Kaski	Pokhara-8, Kaski	061-522271
13	DAMAULI	Tanahun	Damuli, Byas Municipality Ward-02, Tanahun	065-590480/81

Lumbini Province

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	AMUWA	Rupandehi	Siyari-7, Amuwa, Rupandehi	071-501084
2	BADHAIYATAAL	Bardiya	Mainapokhari-6, Bardiya	9848027339
3	BANGLACHULI	Dang	Banglachuli-03, Kamirechaur, Dang	9849035264
4	BANSGADI	Rupandehi	Sainamaina-8, Bansgadhi, Rupandehi	071-505288
5	BARDAGHAT	Nawalparasi West	Bardaghat-4, Nawalparasi west	078-590025
6	BELATARI	Nawalparasi West	Pratappur-9, Belatari, Nawalparasi West	078-419091
7	BELBAS	Rupandehi	Butwal-13, Belbas, Rupandehi	071-445063
8	BHAIRAHAWA	Rupandehi	Siddharthanagar-08 ,Bhairahawa, Rupandehi	071-522004
9	BHALUHI	Rupandehi	Devdaha-10, Bhaluhi, Rupandehi	071-403008
10	BHUMAHI	Nawalparasi West	Sunawal Municipality-12 Bhumahi, Nawalparasi	078-415366
11	BHUME	East Rukum	Bhume-08, Khabang Bazar, East Rukum	9800549219
12	BHUTAHA	Nawalparasi West	Bardaghat-9, Bhutaha, Nawalparasi West	078-412056
13	BUTWAL	Rupandehi	Pushpalal Park, Butwal -06	071-540681
14	CHAPIYA	Rupandehi	Siyari-4, Chhapiya, Rupandehi	071-413105
15	CHHAHARA	Palpa	Rainadevi Chhahara-04, Palpa	9857062499
16	DRIVERTOLE	Rupandehi	Tilottama-4, Drivertorle, Rupandehi	071-414490
17	GHORAHI	Dang	New Road, Ghorahi-15, Dang	082-563307
18	GOPIGUNJ	Nawalparasi West	Pratappur-2, Gopijung, Nawalparasi West	078-400063
19	HOSPITALLINE	Rupandehi	Butwal-6, Hospitalline, Rupandehi	071-545576
20	IMILIYA	Kapilvastu	Buddhabhumi-9, Imiliya, Kapilvastu	076-412087
21	JHIMRUKH	Pyuthan	Jhimrukh-05, Pyuthan	9851149485
22	JIMIREBHAR	Nawalparasi	Bardaghat-07, Nawalparasi	078-411024
23	JITPUR	Kapilvastu	Banganga-04 Jitpur, Kapilvastu	9847204511
24	KALIKANAGAR	Rupandehi	Butwal-11, Kalikanagar, Rupandehi	071-415639
25	KOHALPUR	Banke	Banke, Kohalpur Municipality Ward no. 11	081-542183
26	KOPAWA	Kapilvastu	Banganga-5, Kopawa, Kapilvastu	076-693848
27	KOTIHAWA	Rupandehi	Tilottama-15, Kotihawa, Rupandehi	071-562782
28	LAMAHI	Dang	Lamahi-5, Bazartole, Dang	082-564012
28	MAHESHPUR	Nawalparasi West	Palhinnadan-1, Mahespur, Nawalparasi	9802301729
30	MANIGRAM	Rupandehi	Tilottama-5, Manigram, Rupandehi	071-561417
31	MANPAKADI	Rupandehi	Suddhodhan-5, Manpakadi, Rupandehi	071-400008
32	MURGIYA	Rupandehi	Sainamaina-4, Murgiya, Rupandehi	071-440754

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
33	NEPALGUNJ	Banke	Dhambouji Chowk,Nepalgunj-2 Banke	081-527471
34	ODARI	Kapilvastu	Banganga-11, Odari, Kapilvastu	076-410071
35	PARASI	Nawalparasi West	Ramgram Municipality-05, Nawalparasi West	078-520404
36	PIPARA	Kapilvastu	Banganga-2, Pipara, Kapilvastu	076-550421
37	PRABHAS	Palpa	Tansen-7, Prabhash, Palpa	075-411020
38	RAMAPUR	Rupandehi	Sainamaina-6, Ramapur Colony, Rupandehi	071-505277
39	RANIBAGIYA	Rupandehi	Sainamaina-1, Ranibagiya, Rupandehi	071-405115
40	SANOSHREE	Bardiya	Madhuban Municipality-08, Bardiya	084-440376
41	SAU. PHARSATIKAR	Rupandehi	Suddhodhna Municipality-04, Rupandehi	071-400009
42	SEMARA	Rupandehi	Tilottama-7, Semara, Rupandehi	071-510099
43	SHITALNAGAR	Rupandehi	Devdaha-7, Shittalngar, Rupandehi	071-577910
44	SIDDHARTHANAGAR	Rupandehi	Siddharthanagar Municipality -13, Rupandehi	071-571163
45	SUKKHANAGAR	Rupandehi	Butwal-8, Sukhkhhanagar, Rupandehi	071-541242
46	SUNAWAL	Nawalparasi West	Sunawal-4, Sunawal, Nawalparasi West	078-570554
47	TAMNAGAR	Rupandehi	Butwal-12, Tamnagar, Rupandehi	071-450016
48	TANSEN	Palpa	Tansen-4, Silkhantole, Palpa	075-522404
49	TAULIHAWA	Kapilvastu	Kapilvastu-1, Taulihawa, Kapilvastu	076-560616
50	TULSIPUR	Dang	Tulsipur-14, Dang	082-521380
51	GULARIYA	Bardiya	Gulariya Municipality-06, Bardiya	084-590001/2

Karnali Province

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	DOLPA	Dolpa	Dunai Bazar, Thuliveri Municipality Dolpa-3	087-550189
2	GAMGADI	Mugu	Gamgadi, Mugumakarmarg Rural Municiplaity-02	087-460344
3	JAJARKOT	Jajarkot	Bheri Malika Municipality-03, Jajarkot	089-430175
4	JUMLA	Jumla	Chandannath Municipality-05,Jumla	087-520586
5	JUPHAL	Dolpa	Juphal Thuli Bheri-7 Municipality, Dolpa	087-551089
6	NAMKHA	Humla	Humla, Namkha Ruran Municipality -04	9849669238
7	SARKEGAD	Humla	Sarkegad Municipality-04, Humla	9848339608
8	SIMIKOT	Humla	Simikot-2, Mathilo Bazaar,Humla	087-680206
9	SURKHET	Surkhet	Jumla Road, Birendranagar-06, Surkhet	083-520850
10	SHREENAGAR	Salyan	Shreenagar, Sharada Municipality-01	088-590328/9

Sudurpashchim Province

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	ATTARIYA	Kailali	Godaveri-2, Mahendranagar Road, Kailali	9848630390
2	BAJHANG	Bajhang	Chainpur-10, Jayaprithvi Muncipality Bajhang	092-521377
3	DHAKARI	Achham	Achham, Dhakari-1, Sainbazar	9841649405
4	DHANGADHI	Kailali	Main Road,Dhangadhi-4, Kailali	091-527487
5	MAHENDRANAGAR	Kanchanpur	Bheemdatta Municipality-4, Mahendranagar	099-520485
6	MOHANYAL	Kailali	Kailali, Mohaniyal RM, Ward no 6	9865655555
7	SUKKHAD	Kailali	Ghodaghodi Municipality-01 Sukkhad, Kailali	091-403130
8	PATAN	Baitadi	Patan Municipality- 06, Baitadi	095-590300/38

ATM LOCATIONS

LOCATION INSIDE VALLEY

CITIZENS ATM TERMINAL	LOCATION
BABA PETROL PUMP ATM	BABA OIL STORE, KALANKI, KATHMANDU
BHAISEPATI ATM	BHAISIPATI, KATHMANDU
BHAKTAPUR ATM	DURBAR SQUARE AREA KHAUMA, BHAKTAPUR
BHATBHATENI ATM	BISHALNAGAR, BHATBHATENI SUPERMARKET, KATHMANDU
BOUDHA ATM	JORPATI -3 BOUDHA, KATHMANDU
BUDHANILKANTHA ATM	CHAPALI GHUMTI, BUDHANILKHANTHA, KATHMANDU
CHABAHIL ATM	KUMARI BUILDING, CHABAHIL, KATHMANDU
DHUMBARAHI ATM	DHUMBARAHI, KATHMANDU
DILLIBAZAR ATM	BATULEGHAR, DILLIBAZAR, KATHMANDU
FRONTLINE HOSPITAL ATM	SETOPUL, MAITIDEVI, KATHMANDU
GEMS ATM	GEMS SCHOOL, DHAPAKHEL, LALITPUR
GLOBAL COLLEGE OF MANAGEMENT ATM	GLOBAL COLLEGE, MID-BANESHWOR, KATHMANDU
GWARKO ATM	GWARKO, LALITPUR
HIMAL HOSPITAL ATM	THIRBOM SADAK, CHARDOBATO, NAXAL, KATHMANDU
IMADOLE ATM	IMADOLE, LALITPUR
KADAGHARI ATM	MEDICAL CHOWK, KADAGHARI
KALANKI ATM	GANESHMAN SINGH MARGA, KALANKI
KAMALADI ATM-1	KAMALADI, KATHMANDU
KAMALADI ATM-2	PRAGYA PRATISTHAN, KAMALADI, KATHMANDU
KAPAN ATM	SARASWATINAGAR, KAPAN MARG, KATHMANDU
KIRTIPUR ATM	PANGA DOBATO, NAYABAZAAR, KIRTIPUR, KATHMANDU
KIST MEDICAL COLLEGE ATM	KIST MEDICAL COLLEGE, IMADOL MARG, GWARKO, LALITPUR
KIST MEDICAL COLLEGE ATM-2	KIST MEDICAL COLLEGE, IMADOLE, LALITPUR
KOTESHWAR ATM	KOTESHWOR, KATHMANDU
KULESHWOR ATM	KULESHWOR, KATHMANDU
KUMARIPATI ATM	KUMARIPAti, LALITPUR
KUPONDOLE ATM	KUPONDOLE, LALITPUR
LAMBAGAR ATM	TARKESHWOR-08, LAMBAGAR, KATHMANDU
MAHABOUDHA ATM	WOTU, MAHABOUDHA, KATHMANDU
MAITIDEVI ATM	SETOPUL, MAITIDEVI, KATHMANDU
NARAYANGOPAL CHOWK ATM	NARAYANGOPAL CHOWK, KATHMANDU
NARAYANHITI ATM-1	NARAYANHITI PATH, KATHMANDU
NARAYANHITI ATM-2	NARAYANHITI PATH, KATHMANDU
NAYABAZAR ATM	V.S. COMPLEX, SOHRAKHUTTE , KATHMANDU
NEW BANESHWOR ATM	NAYA BANESHWOR, KATHMANDU
NEWROAD ATM	PARK PLAZA, KHICHAPOKHARI, KATHMANDU
PATAN ATM	PATAN DHOKA, LALITPUR
SALLAGHARI ATM	SALLAGHARI, ARMY SCHOOL, BHAKTAPUR
SAMAKHUSI ATM	SAMAKHUSI, KATHMANDU
SINAMANGAL ATM	SINAMANGAL, KATHMANDU
STAR HOSPITAL ATM	STAR HOPITAL, SANEPA, LALITPUR
SURYABINAYAK ATM	SURYABINAYAK, BHAKTAPUR
TEKU ATM	AMBE COMPLEX, TEKU, KATHMANDU
THAHITI ATM	THAHITI CHOWK, KATHMANDU
THALI ATM	THALI, KATHMANDU
THANKOT ATM	THANKOT, KATHMANDU
THAPATHALI ATM	THAPATHALI, KATHMANDU
THASIKHEL ATM	THASIKHEL, LALITPUR
THIMI ATM	MADHYAPUR, THIMI, BHAKTAPUR
THULO BHARYANG ATM	THULOBHARYANG CHOWK, KATHMANDU
TOKHA ATM	TOKHA GATE, TOKHA, KATHMANDU
V.S NIKETAN ATM	MINBHAWAN, NAYA BANESHWOR, KATHMANDU

LOCATION OUTSIDE VALLEY

CITIZENS ATM TERMINAL	LOCATION
AAURAHI ATM	AURAHI BAZAR, MAHOTTARI
AMARAPURI ATM	16 No. CHOWK, AMARAPURI, NAWALPARASI EAST
ARUNKHOLA ATM	BHUPUCHOWK, ARUNKHOLA, NAWALPARASI EAST
ATTARIYA ATM	ATTRIYA, MAHENDRANAGAR ROAD, KAILALI
BADHIYATAAL ATM	BADHAIYATAAL-06, BARDIYA
BAGLUNG ATM	DHAULAGIRI ZONEL HOSPITAL BAGLUNG
BAJHANG ATM	CHAINPUR, BAJHANG
BANEPA ATM	BANEPA, KAVRE
BARAHATHAWA ATM	HAJARIYA ROAD, BARAHATHAWA, SARLAHI
BARDAGHAT ATM	MAIN CHOWK, NAWALPARASI WEST
BARDIBAS ATM	BARDIBAS, MAHOTARI
BELBAS ATM	BELBAS MAINROAD, RUPANDEHI
BENI ATM	NEW ROAD 1, BENI BAZAR, MYAGDI
BHAIRAHAWA ATM	NARAYANSTHAN, RUPANDEHI
BHALUHI ATM	BHALUHI CHOWK, RUPANDEHI
BHARATPUR ATM	BUDDHACHOWK, CHITAWAN
BHARDAHA ATM	BHARDAH, SAPTARI
BHOTEWODAR ATM	BHOTEWODAR, DHARAPANI, LAMJUNG
BHUMAHI ATM	BHUMAHI CHOWK, SUNWAL, BHUMAHI, NAWALPARASI
BIDYAPATI ATM	BIDYAPATI CHOWK, DHANUSHA
BIDYAPATI ATM-2	BIDYAPATI CHOWK, DHANUSHA
BIRATNAGAR ATM	RANGELI ROAD, BIRATNAGAR
BIRGUNJ ATM	ADARSHA NAGAR CHOWK, BIRGUNJ
BIRTAMOD ATM	KAKADVITTA ROAD ANARMANI VDC-3, BIRTAMOD, JHAPA
BODEBARSHAIN ATM	BODE BARSIAN, SAPTARI
BUTWAL ATM	PALPAROAD, RUPANDEHI
CHAKARGHATI ATM	MUNAL CHOWK, CHAKARGHATI, SUNSARI
CHARIKOT ATM	BEECH BAZAR, CHARIKOT, DOLAKHA
CHHAHARA ATM	CHHAHARA BAZAAR, CHHAHARA, PALPA
DAMAK ATM	THANA ROAD, DAMAK, JHAPA
DAMAULI ATM	SHREE TOLE, DAMAULI
DEVIGHAT ATM	DEVIGHAT, NUWAKOT
DHANGADHI ATM	MAINROAD, DHANGHADI, KAILALI
DHANUSHADHAM ATM	DHANUSHADHAM, DHANUSHA
DHARAN ATM	PUTALI LINE, DHARAN
GAIGHAT ATM	GAIGHAT, UDAYAPUR
GAIGHAT ATM-2	SHREE 18 NO BAHINI ARMY ADDA, BHULKE, GAIGHAT, UDAYAPUR
GAMGADHI ATM	GAMGADHI, MUGU
GARUDA ATM	GARUDA BAJAAR, RAUTAHAT
GAUSHALA 2 ATM	GAUSHALA, MAHOTTARI
GHORAHI ATM	NEW ROAD -11, GHORAHI, DANG
GULARIYA ATM	GULARIYA, BARDIYA
HALDIBARI ATM	MANGALBARE CHOWK, HALDIBARI, JHAPA
HETAUDA ATM	PARIJAT PATH, HETAUDA, MAKWANPUR
HOSPITAL CHOWK ATM	HOSPITAL CHOWK, POKHARA
HOSPITALLINE ATM	HOSPITAL LINE, RUPANDEHI
ITAHARI ATM	DHARAN ROAD, ITAHARI, SUNSARI
JAJARKOT ATM	THATI BAZAAR, KHALANGAWA, JAJARKOT
JALESHWOR ATM	JALESHWOR CHOWK, DHANUSHA

CITIZENS ATM TERMINAL	LOCATION
JANAKPUR ATM	BHANUCHOWK, JANAKPUR
JIMIREBHAR ATM	JIMIREBHAR, NAWALPARASI WEST
JITPUR ATM	JEETPUT-4, KAPILVASTU
JUMLA ATM	CHANDANNATH VDC-07, JUMLA
KALIKANAGAR ATM	KALIKANAGAR, RUPANDEHI
KALYANPUR ATM	KALYANPUR, SAPTARI
KANCHANBARI ATM	KANCHANBARI, MORANG
KANCHANRUP ATM	KANCHANRUP BARIYAR, SAPTARI
KARSIA ATM	DHANPALTHAN, MORANG
KAWASOTI ATM	NAYABAZAR CHOWK, NAWALPARASI WEST
KOHALPUR ATM	KOHALPUR-11, BANKE
KOLHABI ATM	KOLHABI, BARA
KOLHUWA ATM	KOLHUWA, NAWALPARASI EAST
KOTIHAWA ATM	KOTIHAWA, RUPANDEHI
KRISHNAPRANAMI CHOWK BRJ ATM	KRISHNA PRANAMI CHOWK, BIRGUNJ
LAHAN ATM	LAHAN, SIRAHA
LAKESIDE ATM	LAKESIDE, POKHARA
LAMAHI ATM	PCO ROAD, LAMAHI, DANG
MAHENDRA CHOWK ATM	MAHENDRA CHOWK, BIRATNAGAR
MAHENDRANAGAR DHANUSHA ATM	MAHENDRANAGAR, DHANUSHA
MAHENDRANGAR ATM	BHEEMDATTA MUNICIPALITY 4, MAHENDRANAGAR, KANCHANPUR
MANAHARI ATM	MANAHARI RURAL MUNICIPALITY-7, MAKWANPUR
MANIGRAM ATM	MANIGRAM, RUPANDEHI
NARAYANGADH ATM	NARAYANGHAT, CHITWAN
NEPALGUNJ 2 ATM	DHAMBOUJI CHOWK, NEPALGUNJ
NEPALGUNJ ATM	DHAMBOUJI CHOWK, NEPALGUNJ
NIJGADH ATM	NIJGADH, BARA
PATHALAIYA	PATHALAIYA, BARA
PATHARI ATM	PATHARI, MORANG
PATO ATM	PATO, SAPTARI
PHATEPUR ATM	FATTEPUR, SAPTARI
POKHARA ATM	NEW ROAD, POKHARA
RAJBIRAJ ATM	GAJENDRA NARAYAN CHOWK, SAPTARI
RAMAPUR ATM	RAMAPUR COLONY, RUPANDEHI
RANIBAGIYA ATM	RANIBAGIYA, RUPANDEHI
SALAKPUR ATM	SALAKPUR, MORANG
SANOSHREE ATM	SANOSHREE-03 KUSUMBA BAZAR, BARDIYA
SEMARA ATM	SEMARA BAZAR, RUPANDEHI
SHITALNAGAR ATM	SHITALNAGAR, RUPANDEHI
SHREENAGAR ATM	SHREENAGAR, SALYAN
SIDDHARTHANAGAR ATM	BANK ROAD SIDDHARTHANAGAR, BHAIRAHAWA
SIMALCHAUR ATM	SIMALCHAUR, POKHARA
SIMIKOT ATM	MATHILLO BAZAR, SIMKOT, HUMLA
SINDHULI ATM	BANK ROAD, KAMALAMAI, SINDHULI
SUKHAD ATM	BHAJANI ROAD, SUKHAD, KAILALI
SUNAWAL ATM	SUNWAL CHAURAHA, NAWALPARASI WEST
SURKHET ATM	SUNNY HALL LINE, SURKHET
TANDI ATM	JYOTI HALL ROAD, BAKULAR TANDI, CHITWAN
TANSEN ATM	SILKHAN TOLE, PALPA
TAULIHAWA ATM	GAUDI CHOWK, TAULIHAWA, KAPILBASTU
TULSIPUR ATM	TULSIPUR, DANG

REMITTANCE PARTNER NETWORKS

S.N	INTERNATIONAL BUSINESS PARTNERS	BUSINESS COUNTRY
1	Axis Bank Ltd, India	India
2	Doha Bank, Qatar	Qatar
3	Dollarco Exchange Company Limited, Kuwait	Kuwait
4	Redha Al Ansari Exchange, UAE	UAE
5	Alfa Exchange, UAE	UAE
6	Al Ansari Exchange, UAE	UAE
7	Al Dahab Exchange, UAE	UAE
8	Al Ahalia Money Exchange Bureau, UAE	UAE
9	Casco Financial Services Limited, UK	UK
10	D. Communications Inc. Japan	Japan
11	World Remit Ltd, UK	UK
12	Aussie Forex pty ltd, Australia	Australia
13	Aftab Currency Exchange, UK	UK
14	Small World Financial Services, UK	UK
15	Xpress Money Services, UK	UK
16	Placid NK Corporations, USA	USA
17	Lumbini Group Pte. Ltd, Australia	Australia
18	Royal Nepal Investment Group Pty Ltd, Australia	Australia
19	Subhida UK Ltd, UK	UK
20	Millennings Pte Ltd, Singapore	Singapore
21	Hamro Remit, Australia	Australia
22	UPT Money Transfer, Turkey	Turkey
23	Omnex Group, Inc, USA	USA
24	National Exchange Company, Kuwait	Kuwait
25	Epay Global Ltd, China	China
26	ATL Money Transfer (AGPAYTECH Ltd), UK	UK
27	IPS Gurkha Ltd, London	UK
28	TEST Remit, Malaysia	Malaysia
29	Namaste Remittance, Australia	Australia

S.N	LOCAL PARTNER
1	Ramro Remit Pvt. Ltd
2	Boom Remittance Pvt. Ltd.
3	Overseas Remit Pvt. Ltd.
4	IPAY Reliable Remitttance Pvt. Ltd.
5	GME Remit Pvt. Ltd.
6	Sewa Remit Pvt. Ltd.
7	Samsara Money Transfer
8	Easy Link Remittance Co. Pvt. Ltd.
9	Nepal Remit Int. Pvt. Ltd.
10	JME Remit Co. Pvt. Ltd.
11	C.G Money Remit Pvt. Ltd.
12	Nepal Investment Bank Ltd.
13	United Remit Pvt. Ltd.

S.N	LOCAL PARTNER
14	C.G Finco Pvt. Ltd.
15	City Express Money Transfer
16	Batas Associates Pvt. Ltd.
17	Prabhu Money Transfer
18	IME Limited
19	Panos Remit Pvt. Ltd.
20	Muktinath Bikas Bank Ltd.
21	Cash Way Money Transfer Pvt. Ltd.
22	BhatBhateni Money Transfer Pvt. Ltd.
23	Remit to Nepal Pvt. Ltd.
24	Lalit Money Transfer Pvt. Ltd.
25	Max Money Transfer Pvt. Ltd.
26	Esewa Money Transfer Pvt. Ltd.
27	Goodwill Remit

BRANCHLESS BANKING LOCATIONS (BLB)

S.N	BRANCH NAME	BLB LOCATED DISTRICT	BLB LOCATED VDC/MUNICIPALITY	LOCATION NAME
1	Pokhara Branch	Kaski	PokharaMetropolitian City-40504-Kaski	Armala
2	Nepalgunj Branch	Bardiya	Badhaiyatal Rural Municipality-51208-Bardiya	Bholagaudi
3	Nepalgunj Branch	Bardiya	Badhaiyatal Rural Municipality-51208-Bardiya	MainaPokhar
4	Nepalgunj Branch	Bardiya	Badhaiyatal Rural Municipality-51208-Bardiya	Sitalbazar
5	Nepalgunj Branch	Banke	Badhaiyatal Rural Municipality-51208-Bardiya	Mahadevpuri
6	Narayanghat Branch	Chitwan	BharatpurMetropolitian City-31304-Chitawan	Meghauli
7	Butwal Branch	Rupandehi	Devdaha Municipality-50801-Rupandehi	Kerwani
8	Dhangadhi Branch	Kailali	Godawari Municipality-70803-Kailali	Godavari
9	Nayabazar Branch	Kathmandu	Tarakeshwor Rural Municipality-30507-Nuwakot	Tinpiple
10	Nayabazar Branch	Kathmandu	Tarakeshwor Rural Municipality-30507-Nuwakot	Kavresthali
11	Birtamod Branch	Jhapa	Buddhashanti Rural Municipality-11102-Jhapa	Bahundagi
12	Kirtipur Branch	Kathmandu	Kirtipur Municipality-30609-Kathmandu	Machhegaun
13	Kirtipur Branch	Kathmandu	Kirtipur Municipality-30609-Kathmandu	Chalnakhel
14	Mahendranagar Branch	Kanchanpur	Bhimdatta Municipality-70904-Kanchanpur	Bramhadev
15	Tokha Branch	Kathmandu	Tokha Municipality-30605-Kathmandu	Zhor
16	Pathlaiya Branch	Bara	JitpurSimara Sub-Metropolitian City-20703-Bara	Piluwa
17	Charikot Branch	Dolkha	Baitedhar Rural Municipality-30104-Dolakha	Namdu
18	Charikot Branch	Dolkha	Bhimeshwor Municipality-30109-Dolakha	Boche
19	Charikot Branch	Dolkha	Tamakoshi Rural Municipality-30106-Dolakha	Sahare
20	Charikot Branch	Dolkha	Shailung Rural Municipality-30108-Dolakha	Sailung
21	Charikot Branch	Dolkha	Bhimeshwor Municipality-30109-Dolakha	SusmaChyamawoti
22	Charikot Branch	Dolkha	Shailung Rural Municipality-30108-Dolakha	Magadeurali
23	Bhaktapur Branch	Bhaktapur	Suryabinayak Municipality-30704-Bhaktapur	Sipadol
24	Bhaktapur Branch	Bhaktapur	Changunarayan Municipality-30701-Bhaktapur	Chhaling
25	Bhaktapur Branch	Bhaktapur	Changunarayan Municipality-30701-Bhaktapur	Changu Narayan
26	Bhaktapur Branch	Bhaktapur	Changunarayan Municipality-30701-Bhaktapur	Tathli
27	Bhaktapur Branch	Bhaktapur	Changunarayan Municipality-30701-Bhaktapur	Nagarkot
28	Janakpur Branch	Mahottari	Matihani Municipality-20414-Mahottari	Matiyani
29	Janakpur Branch	Mahottari	Laxminiya Rural Municipality-20306-Dhanusa	Laxminiya Bazar
30	Kupondole Branch	Lalitpur	Godawari Municipality-30803-Lalitpur	Lele/TikaBhairab
31	Kupondole Branch	Lalitpur	Mahalaxmi Municipality-30801-Lalitpur	Tika Thali
32	Kupondole Branch	Lalitpur	LalitpurMetropolitian City-30802-Lalitpur	Dhapakhel
33	Surkhet Branch	Surkhet	Panchapuri Municipality-61008-Surkhet	Babiyachaur
34	Gaushala Branch	Mahottari	Aurahi Rural Municipality-20216-Siraha	AURAHI
35	Baglung Branch	Baglung	Galkot Municipality-41108-Baglung	Hatiya
36	Baglung Branch	Baglung	Kathekhola Rural Municipality-41102-Baglung	Kanthekhola
37	Samakhusi Branch	Nuwakot	Kakani Rural Municipality-30512-Nuwakot	Okharpauwa
38	Samakhusi Branch	Nuwakot	Kakani Rural Municipality-30512-Nuwakot	Kakani
39	Samakhusi Branch	Nuwakot	Bidur Municipality-30504-Nuwakot	Battar
40	Samakhusi Branch	Nuwakot	Bidur Municipality-30504-Nuwakot	Charghare
41	Samakhusi Branch	Nuwakot	Likhu Rural Municipality-30509-Nuwakot	Chaughada
42	Samakhusi Branch	Nuwakot	Bidur Municipality-30504-Nuwakot	Gerkhu
43	Samakhusi Branch	Nuwakot	Dupcheshwor Rural Municipality-30501-Nuwakot	Samundratar
44	Samakhusi Branch	Nuwakot	Tadi Rural Municipality-30502-Nuwakot	Sundaradevi

S.N	BRANCH NAME	BLB LOCATED DISTRICT	BLB LOCATED VDC/MUNICIPALITY	LOCATION NAME
45	Samakhusi Branch	Nuwakot	Kispang Rural Municipality-30505-Nuwakot	Fikuri
46	Samakhusi Branch	Nuwakot	Bidur Municipality-30504-Nuwakot	Tupche
47	Samakhusi Branch	Nuwakot	Tarakeshwor Rural Municipality-30507-Nuwakot	Gorshyang
48	Samakhusi Branch	Nuwakot	Myagang Rural Municipality-30506-Nuwakot	Deurali
49	Samakhusi Branch	Nuwakot	Bidur Municipality-30504-Nuwakot	Bidur
50	Samakhusi Branch	Nuwakot	Kispang Rural Municipality-30505-Nuwakot	Mankamana
51	Samakhusi Branch	Nuwakot	Bidur Municipality-30504-Nuwakot	Khadgabhanjyang
52	Samakhusi Branch	Nuwakot	Belkotgadhi Municipality-30508-Nuwakot	Duipipal
53	Samakhusi Branch	Nuwakot	Likhu Rural Municipality-30509-Nuwakot	Thanapati
54	Samakhusi Branch	Nuwakot	Suryagadhi Rural Municipality-30503-Nuwakot	Ganesthan
55	Samakhusi Branch	Nuwakot	Likhu Rural Municipality-30509-Nuwakot	Thansing
56	Samakhusi Branch	Nuwakot	Dupcheshwor Rural Municipality-30501-Nuwakot	Balkumari
57	Samakhusi Branch	Nuwakot	Tadi Rural Municipality-30502-Nuwakot	Kharanitar
58	Samakhusi Branch	Nuwakot	Tadi Rural Municipality-30502-Nuwakot	Khanigaun
59	Samakhusi Branch	Nuwakot	Tadi Rural Municipality-30502-Nuwakot	Ralukadevi
60	Samakhusi Branch	Nuwakot	Suryagadhi Rural Municipality-30503-Nuwakot	Bageshwori
61	Samakhusi Branch	Nuwakot	Tarakeshwor Municipality-30606-Kathmandu	Budhasing
62	Samakhusi Branch	Nuwakot	Dupcheshwor Rural Municipality-30501-Nuwakot	Rautbesi
63	Samakhusi Branch	Nuwakot	Panchakanya Rural Municipality-30510-Nuwakot	Thaprek
64	Samakhusi Branch	Nuwakot	Shivapuri Rural Municipality-30511-Nuwakot	Sunkhani
65	Samakhusi Branch	Nuwakot	Belkotgadhi Municipality-30508-Nuwakot	Belkot
66	Samakhusi Branch	Nuwakot	Belkotgadhi Municipality-30508-Nuwakot	Jiling
67	Samakhusi Branch	Nuwakot	Tarakeshwor Municipality-30606-Kathmandu	Taruka
68	Samakhusi Branch	Nuwakot	Panchakanya Rural Municipality-30510-Nuwakot	Kabilash
69	Bhaisepati Branch	Lalitpur	LalitpurMetropolitian City-30802-Lalitpur	Khokana
70	Nepalgunj Branch	Bardiya	Badhaiyatal Rural Municipality-51208-Bardiya	Jamuni
71	Samakhusi Branch	Rasuwa	Uttargaya Rural Municipality-30303-Rasuwa	Laharepouwa
72	Samakhusi Branch	Nuwakot	Tadi Rural Municipality-30502-Nuwakot	Narjamandap
73	Beni Branch	Myagdi	Dhawalagiri Rural Municipality-40403-Myagdi	Takam
74	Kolhabi Branch	Rautahat	PhatuwaBijayapur Municipality-20603-Rautahat	Bijaypur
75	Banepa Branch	Sindhuli	Sunkoshi Rural Municipality-31106-Sindhuli	Khalte
76	Bhojpur Branch	Bhojpur	Bhojpur Municipality-10604-Bhojpur	Helaucha
77	Kolhabi Branch	Rautahat	PhatuwaBijayapur Municipality-20603-Rautahat	Santapur Do.
78	Kirtipur Branch	Lalitpur	Kirtipur Municipality-30609-Kathmandu	Chovar
79	Mangseybung Branch	Illam	Mangsebung Rural Municipality-11006-Ilam	Panchami Bazzar
80	Jajarkot Branch	Jajarkot	Nalagad Municipality-60707-Jajarkot	KalimatiBazzar
81	Surkhet Branch	Surkhet	Barahatal Rural Municipality-61007-Surkhet	Taranga
82	Gaighat Branch	Gaighat	Triyuga Municipality-11403-Udayapur	Lalpatta
83	Mangseybung Branch	Illam	Mangsebung Rural Municipality-11006-Ilam	BhalutarBazzar
84	Sanoshree Branch	Bardiya	Barbardiya Municipality-51202-Bardiya	Jogigaun
85	Kolhuwa Branch	Nawalparasi	Kawasoti Municipality-40806-Nawalparasi East	Tribhuwantar
86	Banglachuli Branch	Dang	Bangalachuli Rural Municipality-51001-Dang	Murkuti
87	Bhanu Chok (Janakpur) Branch	Mahottari	Balawa Municipality-20407-Mahottari	Padual
88	Devighat Branch	Nuwakot	Belkotgadhi Municipality-30508-Nuwakot	Madanpur
89	Bhumahi Branch	Nawalparasi	Sunawal Municipality-50702-Nawalparasi West	Jargha

S.N	BRANCH NAME	BLB LOCATED DISTRICT	BLB LOCATED VDC/MUNICIPALITY	LOCATION NAME
90	Parasi Branch	Nawalparasi	Bardaghat Municipality-50701-Nawalparasi West	Bhatauliya Bazzar
91	Thapathali Branch	Kathmandu	Bagmati Rural Municipality-30806-Lalitpur	Subhane
92	Bhume Branch	Rukum	Bhoome Rural Municipality-50103-Rukum East	Mahat
93	Sanoshree Branch	Bardiya	Madhuwan Municipality-51206-Bardiya	Orali Bazzar
94	Mahendranagar Dhanusha Branch	Dhanusa	Chhireshwornath Municipality-20305-Dhanusa	Ramdaiya Bhawadi
95	Gaighat Branch	Udayapur	Triyuga Municipality-11403-Udayapur	Toribari
96	Bhume Branch	Rukum	Bhoome Rural Municipality-50103-Rukum East	Chungwang
97	Beni Branch	Myagdi	Beni Municipality-40406-Myagdi	Singa
98	Imiliya Branch	Kapilvastu	Buddhabhumi Municipality-50902-Kapilbastu	Premnagar

CORRESPONDENT BANKS

FOREIGN BANKS

BANK NAME	ADDRESS	ACCOUNT NO.	SWIFT CODE
STANDARD CHARTERED BANK	KOLKATA 19, NS ROAD G/F KOLKATA, WEST BENGAL, INDIA	22205350212	SCBLINBBXXX
HDFC BANK	SENAPATI BAPAT MARG MUMBAI, INDIA	00600390000544	HDFCINBBXXX
STANDARD CHARTERED BANK	1095, 6TH AVENUE #37 NEW YORK, NY 10036, USA	3582021189001	SCBLUS33XXX
MASHREQ BANK	255, 5TH AVENUE NEW YORK, NY 10016, USA	70008505	MSHQUS33XXX
KB KOOKMIN BANK	#9-1 NAMDAEMUNRO 2-GA, JUNG-GU SEOUL, SOUTH KOREA	8258USD010	CZNBKRSEXXX
STANDARD CHARTERED BANK	LONDON EC2V 7SB LONDON, UNITED KINGDOM	01255115201	SCBLGB2LXXX
STANDARD CHARTERED BANK	B0486 FRANKFURT AM MAIN GERMANY	50006503	SCBLDEFXXX
STANDARD CHARTERED BANK	PLOT#1 SHAHAJALAL AVE DHAKA 1230, BANGLADESH	15111167801	SCBLBDDXXX
STANDARD CHARTERED BANK	2 CHOME-11-1 NAGATACHO, CHIYODA TOKYO 100-0014, JAPAN	23760321110	SCBLJPJTXXX
STANDARD CHARTERED BANK (CHINA) LIMITED SHANGHAI CN	22ND FLOOR,STANDARD CHARTERED TOWER, 201 CENTURY AVENUE, PUDONG, SHANGHAI, PRC, ZIP CODE;200120	000000501511722552	SCBLCNSXTMN
STATE BANK OF INDIA	AUSREALIA SQUARE, LEVEL 31, SUITE 02 264, GEORGE STREET SYDNEY NSW 2000	30113019220001	SBINAU2XXX
AXIS BANK INDIA	AXIS HOUSE, CORPORATE OFFICE 8 FLOOR, C-2 WADIA INTERNATIONAL CENTRE, P.B MARG ,WORLI, MUMBAI, INDIA	918020048434038	AXISINBBFIC
DOHA BANK INDIA	SAKHAR BHAVAN, GROUND FLOOR, PLOT NO 230, BLOCK NO. 3, BACKBAY RECLAMATION, NARIMAN POINT, MUMBAI, INDIA	0602300010000295	DOHBINBBXXX
MASHREQ BANK	MASHREQ BANK HEADQUARTERS , PLOT NO. 345, UMNIYATI STREET (O AL ASAYEL STREET) BURJ KHALIFA COMMUNITY, PO BOX 1250, DUBAI, UAE	019030000731	BOMLAEADFTC
AKTIF YATIRIM BANKASI A.S.	BÜYÜKDERE CADDESI NO: 163 ZINCIRLIKUYU ŞIŞLI 34394 ISTANBUL, TURKEY	9566718	CAYTTRISXX
ICICI BANK	163, HT PAREKH MARG, BACKBAY RECLAMATION, CHURCHGATE, MUMBAI, 400028 / 20, INDIA	39305075018	ICICINBB

LOCAL BANKS

BANK NAME	ADDRESS	ACCOUNT NO.	SWIFT CODE
MACHHAPUCHRE BANK LTD	LAZIMPAT, KATHMANDU	0390003997800021	MBLNNPKA
NEPAL INVESTMENT MEGA BANK LTD	DURBARMARG, KATHMANDU	00101010058663	NIBLNPKT
NEPAL INVESTMENT MEGA BANK LTD	DURBARMARG, KATHMANDU	01201020258180	NIBLNPKT
SUNRISE BANK LTD	GAIRIDHARA, KATHMANDU	00210283686013	SRBLNPKA
SUNRISE BANK LTD	GAIRIDHARA, KATHMANDU	00210283686021	SRBLNPKA
HIMALAYAN BANK LTD	KAMALADI, KATHMANDU	01901546890032	HIMANPKA
NABIL BANK LTD	DURBARMARG, KATHMANDU	1701017500202	NARBNPKA
SIDDHARTHA BANK LTD	HATTISAR ,KATHMANDU	00115490432	SIDDNPKA
SIDDHARTHA BANK LTD	HATTISAR, KATHMANDU	00115490446	SIDDNPKA
NEPAL BANK LTD	JHIMRUKH, PYUTHAN	05200107215831000001	NEBLNPKA
NEPAL BANK LTD	DEVIGHAT, NUWAKOT	02600107266138000001	NEBLNPKA
NEPAL BANK LTD	CHAME ,MANANG	12800106427736000001	NEBLNPKA
NEPAL BANK LTD	BHUME, RUKUM	18900106585646000001	NEBLNPKA
NEPAL BANK LTD	DOLPA	08700101264228000001	NEBLNPKA
NEPAL BANK LTD	JAJARKOT	07500101195791000001	NEBLNPKA
NEPAL BANK LTD	BENI, MYAGDI	06300101163474000001	NEBLNPKA
NEPAL BANK LTD	GHORAHI, DANG	02700100276193000001	NEBLNPKA
NEPAL BANK LTD	BAGLUNG	02200107033916000001	NEBLNPKA
RASTRIYA BANIJYA BANK LTD	BAJHANG	4110100005470001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	DHAKARI, ACHHAM	4260100012298001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	JUMLA	4030100005110001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	SANOSHREE, BARDIYA	4140100005526001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	BHOJPUR	2040100003763001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	GAIGHAT, UDAYAPUR	2090100004562001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	HUMLA	4190100002160001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	MANANG	4180100004704001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	SURKHET	4080100008541001	RBBANPKA
RASTRIYA BANIJYA BANK LTD	BHOTEWODAR, LAMJUNG	3040100007055001	RBBANPKA

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