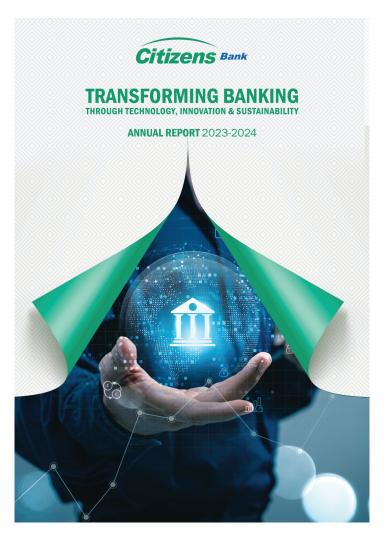


# TRANSFORMING BANKING THROUGH TECHNOLOGY, INNOVATION & SUSTAINABILITY





Citizens Bank International Limited remains committed to transform banking through technology, innovation, and sustainability. As a proud recipient of the Bank of the Year Award 2024, the Bank has delivered sustainable & innovative financial solutions while upholding corporate governance and transparency.

Marking its 17<sup>th</sup> anniversary, the Bank introduced Nepal's first Virtual Credit Card, providing instant access to credit through its mobile banking applications. Strengthening its retail banking presence through innovative products, the Citizens Health and Wealth Savings Account offers competitive financial benefits alongside free healthcare services, ensuring greater customer well-being.

Bank's extensive credit portfolio, from large-scale hydro & renewable energy projects to rural micro finance and SME loans, fosters sustainable economic development and broadens financial access. The Bank actively supports MSME financing through the Sustainable Economic Development in Rural and Semi-Urban Areas – MSME Finance Phase III initiative in partnership with Nepal Rastra Bank, the Ministry of Finance, and Germany's KfW Development Bank.

As a steadfast partner in progress with cutting-edge digital solutions and a customer-centric approach, Citizens Bank relentlessly delivers superior, client-focused services while making continuous advancements in the modern banking landscape.





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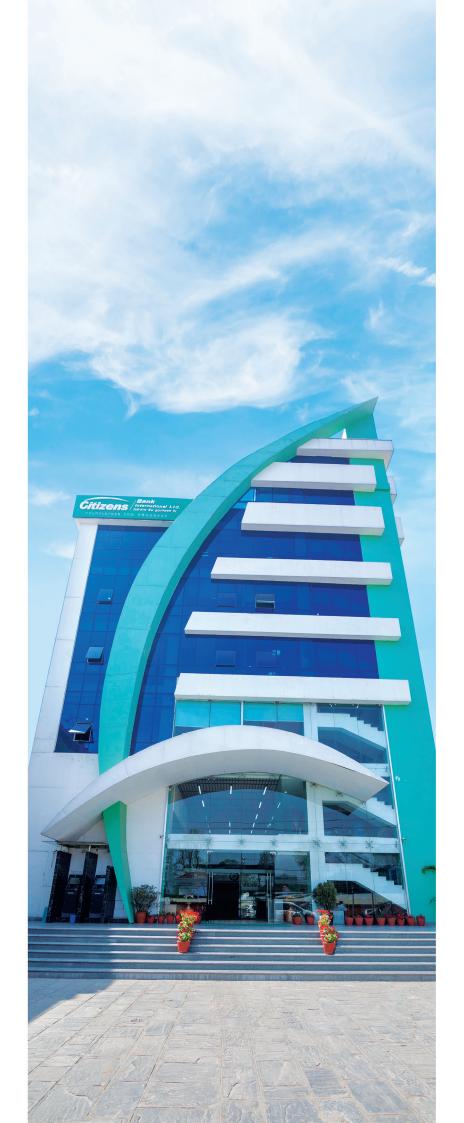
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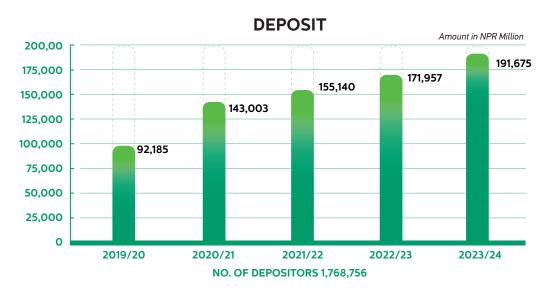


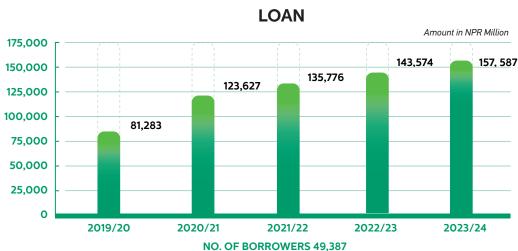
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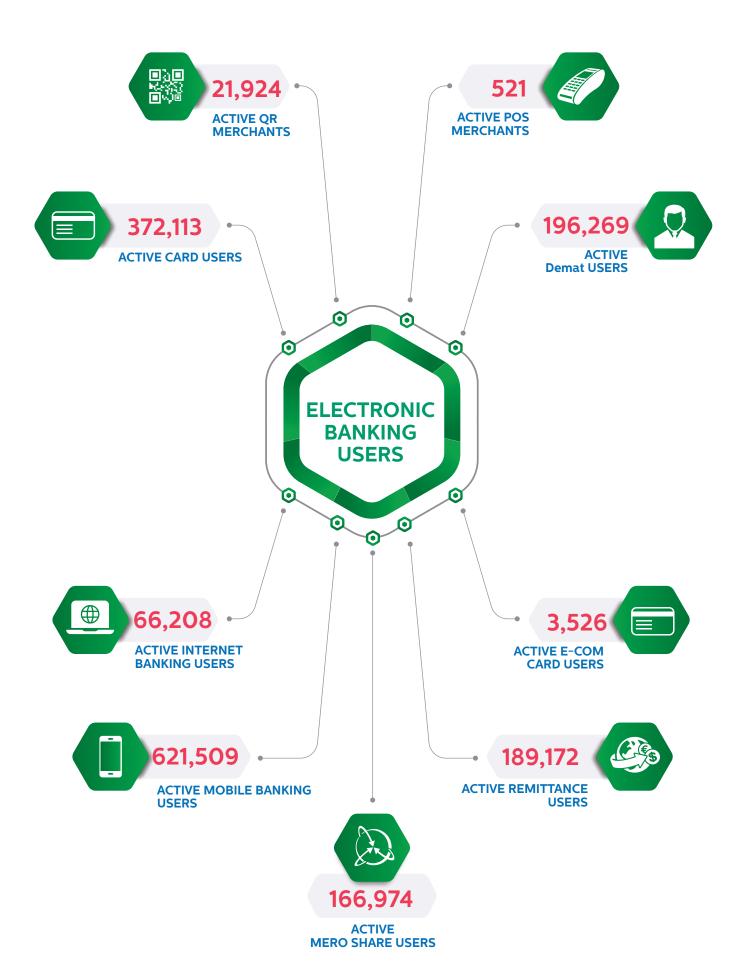
## **CITIZENS BANK AT A GLANCE**

#### FINANCIAL HIGHLIGHTS

4.21%
NPR 9.30
NPR 193.50
6.21%
NPR 1,320,731,001
NPR 2,057,586,297
NPR 7,056,933,841
NPR 222,682,230,891







## **EMPLOYEE STRENGTH, TRAINING AND DEVELOPMENTS**



No. of Employees 1,784

Male 1,024 (57.40%) Female 760 (42.60%)

No. of Trainings 247

No. of Attendees 6,795

**Training Expenses** NPR 37,486,863



#### **KEY RATIOS AND OTHER INFORMATION**

#### PROFITABILITY/ DIVIDENDS/ PERFORMANCE AND LIQUIDITY RATIOS

	GROUP			BANK			
PARTICULARS	FY 2023/24	FY 2022/23	CHANGE %	FY 2023/24	FY 2022/23	CHANGE %	
Net Interest Income Ratio (%)	29.22	28.40	2.89%	29.03	28.21	2.91%	
Profit Before Tax (NPR)	1,372,988,400	2,574,555,553	-46.67%	2,057,586297	2,516,453,537.60	-18.23%	
PE Ratio (times)				20.81	13.19	57.77%	
Capital Adequacy Ratio (%)				13.06	12.12	7.76%	
Return on Capital Employed (%)	6.38	9.10	-29.89%	6.12	8.89	-31.16%	
Debt Equity Ratio (times)				0.25	0.12	111.20%	

#### **BUSINESS RATIOS/ INFORMATION**

		GROUP		BANK		
PARTICULARS	FY 2023/24	FY 2022/23	CHANGE %	FY 2023/24	FY 2022/23	CHANGE %
Statutory Liquidity Ratio (%)				24.15	22.02	9.67%
Return on Average Assets (%)	0.65	0.97	-32.99%	0.63	0.95	-33.68%
Cost to Operating Income Ratio (%)	46.35%	44.89%	3.25%	46.52%	45.13%	3.08%
Net Asset Value per Share (NPR)	152.19	148.01	2.83%	151.92	147.62	2.91%
Profit per Employee (NPR)	769,612	1,109,863	-30.66%	740,320	1,086,105	-31.84%
CRR (%)				4.26	4.09	4.16%
Dividend Coverage Ratio (times)		_		0.45	0.44	2.27%
Non Performing Loan to Total Loan (%)				4.10	3.39	20.94%

#### **DETAIL OF CREDIT CONCENTRATION**

#### PRODUCT WISE

PRODUCT	AMOUNT IN NPR MILLION	PERCENTAGE
Term Loan	67,420	42.78%
Overdraft	6,374	4.04%
Cash Credit	5,876	3.73%
Trust Receipt Loan/ Import Loan	838	0.53%
Demand & Other Working Capital Loan	13,328	8.46%
Home Loan	9,852	6.25%
Real Estate Loan	4,688	2.98%
Margin Loan	4,807	3.05%
Hire Purchase Loan	4,497	2.85%
Deprived Sector Loan	14,381	9.13%
Bills Purchased	-	0.00%
Others	25,527	16.20%
TOTAL	157,587	100%

#### **SECTOR/ INDUSTRY WISE**

SECTOR/ INDUSTRY	AMOUNT IN NPR MILLION	PERCENTAGE
Agricultural & Forest Related	14,402	9.14%
Fishery	373	0.24%
Mining	922	0.58%
Agriculture, Forestry & Beverage Production Related	4,890	3.10%
Non Food Production Related	16,573	10.52%
Construction	11,807	7.49%
Power, Gas, Water	16,299	10.34%
Metal Products, Machinery & Electronic Equipment & Assemblage	387	0.25%
Transport, Communication and Public Utilities	3,574	2.27%
Wholesaler & Retailer	29,790	18.90%
Finance, Insurance & Real Estate	8,403	5.33%
Hotel or Restaurant	2,854	1.81%
Other Services	7,409	4.70%
Consumption Loans	37,936	24.07%
Local Government	-	0.00%
Others	1,970	1.25%
TOTAL	157,587	100%

#### **DISCLOSURE OF NON PERFORMING ASSETS**

#### MOVEMENT IN NON PERFORMING ASSETS

Amount in NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	CHANGE %
Rescheduled/ Restructured	-	-	0.00%
Sub Standard	1,998,189,818	2,051,768,731	2.68%
Doubtful	979,798,562	758,279,970	-22.61%
Loss	1,887,308,761	3,648,789,036	93.33%
TOTAL	4,865,297,141	6,458,837,736	32.75%

#### MOVEMENT OF PROVISION MADE AGAINST NON PERFORMING ASSETS

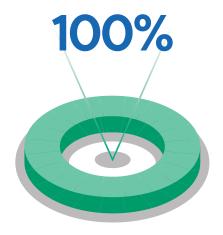
Amount in NPR

· ····-					
PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	ADDITIONAL PROVISION IN CURRENT YEAR	CHANGE %	
Pass Loan	1,480,531,154	1,345,231,949	(135,299,205)	-9.14%	
Watchlist	594,785,430	1,155,192,020	560,406,590	94.22%	
Rescheduled/ Restructured	-	-	-	0.00%	
Sub Standard	450,200,485	368,747,635	(81,452,850)	-18.09%	
Doubtful	413,242,210	261,331,582	(151,910,628)	-36.76%	
Loss	1,834,614,594	3,368,268,180	1,533,653,586	83.60%	
Additional	-	-	-	-	
TOTAL	4,773,373,873	6,498,771,367	1,725,397,494	36.15%	

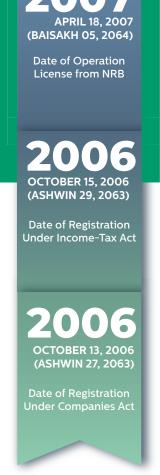
### **BANK'S PROFILE**

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 7 Board of Directors, led by non-executive Chairman Mr. Prabal Jung Pandey and the management team led by Mr. Ganesh Raj Pokharel as Chief Executive Officer. The Bank has employed 1784 staffs including 1697 permanent staffs and 87 staffs on a contract basis working with various Departments and Branches across the country.

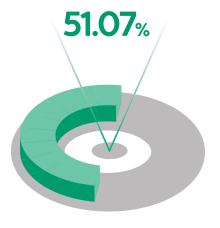
The shareholding pattern of the Bank is as follows:



**Local Ownership** 



The Bank's milestone dates



**Promoters** 



**General Public** 

#### **OWNERSHIP STRUCTURE**

Foreign ownership: NIL | Local ownership: 100%

Local Ownership: General Public: 48.93% | Promoters: 51.07%

## **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.

#### 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 customercentered 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 longterm 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

#### **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

#### **LEADING EXCEPTIONAL IDEAS**

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

#### **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

#### **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

#### **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

#### **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 2023/24**

PARTICULAR	INDICATORS	2023/24	2022/23	CHANGE (%)
OPERATING RESULTS				
Net Fee and Commission Income	NPR Million	1,124.96	876.78	28.31%
Net Interest Income	NPR Million	5,723.82	5,828.50	-1.80%
Other Operating Income	NPR Million	52.09	23.58	120.93%
Profit Before Taxation (PBT)	NPR Million	2,057.59	2,516.45	-18.23%
Profit After Taxation (PAT)	NPR Million	1,320.73	1,863.76	-29.14%
FINANCIAL POSITION				
Loans and Advances to Customer	NPR Million	153,343.65	139,832.01	9.66%
Loans and Advances to B/FIs	NPR Million	1,821.14	2,510.67	-27.46%
Deposits from Customers	NPR Million	189,236.67	168,842.14	12.08%
Due to Bank and Financial Institutions	NPR Million	2,438.00	3,714.71	-34.37%
Total Equity	NPR Million	21,574.37	20,963.52	2.91%
SHARE INFORMATION				
Market Price per Share	NPR	193.50	173.10	11.79%
Earning per Share (EPS)	NPR	9.30	13.12	-29.12%
Book Net Worth per Share	NPR	151.92	147.62	2.91%
Earnings Yield	Percent	4.81	7.58	-36.54%
Dividend Yield	Percent	2.18	3.34	-34.73%
Dividend Payout Ratio	Percent	0.45	0.44	2.27%
Dividend (Including bonus) on Share Capital	Percent	4.21	5.79	-27.29%
Cash Dividend on Share Capital	Percent	0.21	5.79	-96.37%
Total Assets to Shareholder's Fund	Times	10.32	9.49	8.75%
Shareholder's Fund to Total Liability including contingent Liability	Percent	9.23	10.10	-8.61%
STATUTORY RATIOS				
Adequacy of Capital Fund on Risk Weighted Assets	Percent	12.06	12.12	-0.50%
Core Capital	Percent	9.21	10.01	-7.99%
Supplementary Capital	Percent	2.85	2.11	35.07%
Price Earning Ratio	Times	20.81	13.19	57.77%
CCD Ratio as per NRB Directives	Percent	81.84	82.40	-0.68%
OTHER RATIOS				
Return on Assets (ROA)	Percent	0.63	0.95	-33.68%
Return on Equity (ROE)	Percent	6.21	9.01	-31.08%
Cost to Operating Ratio	Percent	46.90	49.42	-5.10%
Non-Performing Loan/ Total Loans (As per NRB Directive)	Percent	4.10	3.39	20.94%
Weighted Average Interest Rate Spread (As per NRB Directive)	Percent	3.99	4.00	-0.25%

# **NON FINANCIAL HIGHLIGHTS OF FY 2023/24**

PARTICULAR	INDICATORS	2023/24	2022/23
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	197	188
No. of ATMs	Number	160	145
Investment in Property, Plant and Equipment	NPR Million	4,491.69	3,937.16
HUMAN CAPITAL			
Total No. of employees	Number	1784	1,716
Employees Hired	Number	227	112
Training Programs carried out	Number	247	380
Investment in Training and Development Programs	NPR Million	37.49	26.11
Staff Remuneration and Benefits	NPR Million	1,987.32	1,889.90
Net Profit per Staff	NPR Million	0.75	1.09
Per Employee Staff Cost	NPR Million	1.05	1.10
SOCIAL AND RELATIONSHIP CAPITAL			
CSR Expense	NPR Million	13.87	9.27
Staff Volunteered hours	Hours	744	372

### **PRODUCT AND SERVICES**

### **DEPOSIT SCHEMES**

#### A. SAVING DEPOSITS

- 1. Health and Wealth Savings Account
- 2. Citizens Hamro Karnali Bachat Khata
- 3. Citizens Bishesh Bachat Khata
- 4. Citizens Samrakshit Bachat Khata
- 5. Citizens Talab Bachat Khata
- 6. Citizens Privilege Saving account
- 7. Citizens Smart Bachat Khata
- 8. Citizens Share Lagani Khata
- 9. Citizens International Remittance Saving Account
- 10. Remittance IPO Savings Account
- 11. Citizens Matribhumi Bachat
- 12. Citizens Normal Savings

#### **B. SPECIAL FIXED DEPOSIT (NPR)**

- 1. Citizens Digital FD
- 2. Citizens Hamro Karnali Muddhati Khata Yojana
- 3. Citizens Recurring Deposit(NPR) 1 Year and above
- 4. Citizens Fixed Deposit, INDIVIDUAL (NPR)
- 5. Citizens Fixed Deposit INSTITUTIONAL (NPR)
- 6. Citizens Xtra Fixed deposit (CXFD)

#### **C. CALL/CURRENT DEPOSITS**

1. Citizens Call Deposit Account (NPR)

#### **D. OTHTER SAVING PRODUCTS**

- 1. Citizens Mahila Bachat
- 2. Citizens Muna Bachat
- 3. Citizens Saral Bachat Khata
- 4. Citizens Senior Citizens Savings
- 5. Citizens Enterprise Fund Account
- 6. Citizens G2P Savings Account
- 7. Citizens Branchless Bachat
- 8. Citizens Ghar Dailo Savings
- 9. Citizens Dasak Savings

#### **E. FOREIGN CURRENCY ACCOUNT**

- 1. Citizens Saving Account (FCY)
- 2. Citizens Call Deposit (FCY)
- 3. Citizens Overseas FCY Fixed Deposit (NRN)
- 4. Citizens FCY Fixed Deposit



#### **DESCRIPTION OF SOME OF THE DEPOSIT PRODUCTS ARE MENTIONED BELOW:**

#### A. SAVING DEPOSITS

#### 1. Health and Wealth Savings Account

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

#### **Health Related Benefits:**

- Free Whole Body Checkup and consultation once a year
- Free Dental Consultation
- Free Skin Consultation
- Free Eve Consultation
- Free Delivery and special Discount of medical purchase by E Pharmacy
- · Special Discount on SPA: Massage and Saloon

#### **Wealth Related Benefits:**

- · Free Internet Banking, Mobile Banking and Debit Card for first Year
- 50% discount on locker annual fee and 100% discount on locker key deposit as min balance is NPR 300K
- 100% discount on Medical Credit Card Issuance Charge (NPR 750 discount on Credit Card issues having limit of NPR 100k against lien mark of min balance of account)
- 50% discount on PMS Services offered by Citizens Capital Limited
- Free opening of Broker Account Service offered by CBIL Securities Limited
- Forced Emergency fund creation by auto opening recurring deposit with at least Rs. 100 contribution from customer each month
- Discount/ Premium of 0.10 paisa on FCY exchange (buy and sell of FCY)
- 25% discount in issuance of Dollar Travel Card
- 50% discount on E Com Card Issuance Charge

Following institutions are the service provider for medical services:

- Chirayu National Hospital and Medical Institute (https://chirayuhospital.com.np/)
- Samaj Dental (https://www.samajdental.com/)
- Nava Derma Skin Laser Aesthetics, New Baneshwor
- · Himal Hospital (https://himalhospital.com)
- Surkhet Hospital Pvt. Ltd.

#### 2. Citizens Hamro Karnali Bachat Khata

Citizens Hamro Karnali Muddhati Khata Yojana is a special Savings Deposit account designed for customers of Karnali Province.

- Minimum balance of NPR. 10,000/-
- Free Internet Banking\*
- Free Debit Card\*
- Free Mobile Banking\*
- Free Account Statement
- Free Cheque Book
- Free Issuance of Balance Certificate
- Free Cheque Stop Payment facility
- Free Demat Opening\*
- 50% discount on annual locker fee\*
- 50% discount on E Com Card Issuance Charge
- 50% discount on issuance of Credit Card\*
- \*For 1st Year only

#### 3. Citizens Bishesh Bachat Khata

- · Minimum balance to open account will be Rs.100.00;
- Interest Rate 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 C-ASBA registration service
- Activate of 3-D secure e-com transaction
- · Free Internet banking facility (\*first year only);
- Free activation of 3-D secure for e-com transaction; • 50% discount on annual Locker Fees for 1st year;
- 50% discount on balance certificate issuance charge
- · 50% discount on draft and swift issuance commission;
- Issuance of Cheque book;

#### 4. Citizens Samrakshit Bachat Khata

Saving deposit is of top priority in the banking industry today and product with additional and attractive features especially with insurance facilities has become a necessity to attract the individual savings deposit customers. Hence, to enhance the brand of the bank in market and to lure the masses in the Bank seeking insurance facilities, we have focused on this product. Thus, this product is expected to improve the savings deposit base of the bank.

- Minimum Balance- Rs. 1,000.00
- 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 for 1st Year:
- 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)
- Medical Insurance upto Rs. 50,000 (24 hrs Hospitalization)
- Accidental Death Insurance upto Rs. 5,00,000.

#### 5. Citizens Talab Bachat Khata

"Citizens Talab Bachat Khata (CTBK)" a saving product 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.

- Minimum Balance- Rs. 0.00
- Free issuance of Cheque Book
- Free 'Any Branch Banking Service' (ABBS)
- Free Issuance of Visa Debit Card\*
- Free Mobile Banking\*
- Free Internet Banking\*
- C-ASBA registration service: Free
- Activation of 3-D secure e-com transaction
- Free activation of 3-D secure for e-com transaction;
- Medical Insurance up to Rs. 25,000 (24 hrs Hospitalization)
- Accidental Death Insurance up to Rs. 3,00,000.
- 50% discount on annual Locker Fees for 1st year;
- 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 for 1st year;
- Free Cash Withdrawal Facility from other Bank's ATM (2 transactions per month)
- 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

#### 6. Citizens Privilege Saving account

- Minimum Balance: NPR 100,000.00
- Free Any Branch Banking Service' (ABBS)
- Free issuance of Visa Debit Card\*
- Free Mobile Banking\*;
- Free Internet Banking\*:
- Free C-ASBA registration service
- Activation of 3-D secure e-com transaction
- 100% discount on locker key deposit
- 50% discount on annual locker fee
- 50% discount on issuance of credit Card\*
- \*For first year only.

#### 7. Citizens Smart Bachat Khata

This is regarding launching of "Citizens Smart Bachat Khata (CSBK)" a Savings Deposit Product to be launched especially for the Young Generation (Millennials) and tech savvy population; however, this product shall also be available for all citizens. This product will be our step toward digitization and it shall be a complete eco friendly product.

- Minimum balance Rs. 0;
- Free 'Any Branch Banking Service' (ABBS) upto 2 lakhs;
- Free De-Mat Account for 1st year;
- Free activation of 3-D secure for e-com transaction;
- Internet Banking: 1st year Free
- Debit Card: 1st year Free
- Mobile Banking: 1st year free
- C-ASBA registration service: free
- Free Cash Withdrawal Facility from other Bank's ATM
- 50% discount on all digital products of the bank every year. Customers have to avail all products i.e. ATM, Mobile Banking and Internet Banking.

#### 8. Citizens Share Lagani Khata

- Minimum balance: Nil
- Opening of Demat and share trading account along with this account.
- Free monthly subscription of share market analysis bulletin.
- Visa Debit Card: 1st year free
- Mobile banking: 1st year free
- Free CASBA Registration Service
- Internet Banking: 1st year free
- · Activation of 3D-Secure for e-commerce transaction
- Free ABBS

#### 9. Citizens International Remittance Saving Account

- Minimum Balance: NPR 5,000.00
- Free Any Branch Banking Service' (ABBS)
- Free issuance of Visa Debit Card\*
- Free Mobile Banking\*
- Free De-Mat Account\*
- Free Internet Banking\*
- C-ASBA Registration Service: Free
- · Activation of 3D Secure for e-com transaction

#### 10. Remittance IPO Savings Account

Remittance IPO Savings Account (RISA)" is a new Savings Deposit Product to be launched for Nepalese Individual worker who are working abroad under foreign employment with having valid labor permit from concern government authority of Nepat. This product has been designed in reference to Securities Issuance and Allotment (Sixth Amendment) Directive dated 207 9/07/18 issued by Securities Board of Nepal.

- Minimum Balance: NPR 1,000.00
- Free Any Branch Banking Service' (ABBS)
- 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
- Interest Rate
- \*For first year only.
- The eligible criteria for this accounts and IPO application are as follows:

Nepalese residing abroad under foreign employment with valid visa and labor permit obtained from concern Government authority of Nepal shall be eligible to open RISA.

Minimum of Rs 50,000 (at once or accumulated) within 6 months must be received in the account. The remittance must receive from abroad through formal banking channel from the country in which customer is working under foreign employment and it should be sent by the remitters themselves.

IPO application amount shall be limited to remittance sent in last six months from abroad where customer is working as foreign employee. Eg, If NPR 70,000 is received as remittance in the past six months, the maximum application amount is NPR 70,000.

<sup>\*</sup>For first year only.

Work Permit expiry date should be valid to apply for every IPO as work Permit document is compulsory to be provided to Issue Managers for every IPO.

New CRN shall be provided.

#### 11. Citizens Matribhumi Bachat

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. There is no any amount fixed as minimum balance and no restriction on the amount of withdrawals. Better rates are provided in Exchange Rate to account holders while remitting money to Nepal through Citizens Remit.

- Online Account Opening Facility
- Better exchange rate while remitting money through Citizens Remit.
- Interest is calculated on Daily balance and credited quarterly
- No restriction on the amount of withdrawals
- Free 'Any Branch Banking Service' (ABBS);
- Free Issuance of Visa Debit Card\*;
- Free Internet Banking\*;
- Free Mobile Banking\*;
- Free C-ASBA Registration Charge\*;
- Minimum Balance: NPR. 100.00

Nepalese Citizens residing abroad can open Citizens Matri Bhumi Bachat by contacting staff deputed by Citizens Bank International Ltd. in foreign countries who shall complete the account opening form with verification of all the relevant documents and forward the details of account to be opened to Head Office of Citizens Bank International Ltd. in Nepal.

Nepalese Citizens going abroad for foreign employment are also eligible to open this account subject to presentation of a valid visa.

#### 12. Citizens Normal Savings

Citizens Savings (NPR) Account is a Saving Deposit Product launched for individuals of all age groups. The product is in the nature of Savings Account in domestic currency and provides instant access to funds.

- Minimum Balance: Zero
- Suitable Account for all.
- Free issuance of cheque book
- No cash withdrawal restriction
- Internet Banking free for 1st year
- Activation of 3-D secure for e-com transactions: Free
- ABBS: Free.

#### 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.

#### **B. Special Fixed Deposit (NPR)**

#### 1.Citizens Digital FD

Citizens Digital Fixed Deposit (CDFD) a fixed deposit product which can be opened live through our Mobile Banking Platform and provides additional interest rate as compared to regular fixed deposit opened.

- Minimum Amount: NPR 10,000 and Maximum Amount: NPR 50,000,000 at a time.
- Interest rate p.a. Up to 0.25% in addition to published rate for Normal Fixed Deposit and shall be within the regulatory requirement set by the NRB.

- Interest Payment Frequency: Monthly/Quarterly (as per Nepalese Calendar)
- Tenor- 1 year (Can be changed as decided by ALCO)
- Fixed Deposit opened by individual customer through Mobile Banking only

#### 2. Citizens Hamro Karnali Muddhati Khata Yojana

Citizens Hamro Karnali Muddhati Khata Yojana is a special Fixed Deposit account designed for customers of Karnali Province.

- Minimum Amount- NPR 100,000/-
- Interest Rate Payment frequency- Monthly/Quarterly
- Tenure: minimum 3 Months to maximum of 5 Years.

#### 3. Citizens Recurring Deposit(NPR) - 1 Year and above

The Bank offers Citizens Recurring Deposit for Nepalese citizen. Minors can also enjoy the facility. The Bank provides zero balance service for the offer. Account holders can enjoy loan facility of 90% of the deposit amount.

- Loan facility up to 90% of the deposit amount.
- Interest is calculated on daily balances.
- Free Internet Banking (First year only)
- Rs. 500 and Above to be deposited every month.
- Minimum Balance: Zero

#### 4. Citizens Fixed Deposit INDIVIDUAL or INSTITUTIONAL (NPR)

A fixed deposit account is an investment account and a type of savings account in which money is deposited for a stated period of time and a fixed interest rate is paid at the end of that period. The Bank offers multitudes of fixed deposit schemes for various durations. It offers simple reinvestment Fixed Deposits (at very competitive interest rates). One of the easier ways of making money work for you is by investing in a fixed deposit account. Opening a fixed deposit account is both quick and easy and all that needs to be done is to deposit money into the account for a given period of time, for it to earn interest.

#### 5. Citizens Xtra Fixed deposit (CXFD)

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.

- Minimum Amount- Rs. 100,000.00
- Tenure: minimum 1 Year and above
- 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.

#### C. Call Deposit (NPR)

#### 1. Citizens Call Deposit (NPR)

Organization having excess amount in their current account can instruct the bank to open a call account in its name. This account provides attractive interest on deposit on the basis of mutual agreement. The interest rate on call account is dependent upon money market rate and NRB's guidelines.

#### **D. Other Savings Products**

#### 1. Citizens Mahila Bachat

The Bank offers "Citizens Mahila Bachat Khata" for Nepalese woman with age above 16 years. Citizens NPR Debit Card facility is available which is valid in Nepal as well as in India. The scheme allows 25% discount on Locker charge. This product is designed to support the women and their upliftment.

- 25% discount on Locker Fee every year
- Interest is calculated on Daily balance and credited quarterly
- Facility of Citizens NPR Debit Card -Valid in Nepal as well as in India.
- Free Internet Banking (First year only)
- Visa Debit Card: Free for 1st year
- · Mobile Banking: Free for 1st year
- ABBS: Free
- Minimum Balance: NPR. 500.00

#### 2. Citizens Muna Bachat

"Citizens Muna Bachat Khata" is primarily for the minors (below the age of 16 years) facilitated by the guardians. The Bank provides zero balance service for the offer. Facility of Citizens NPR Debit Card is provided which is valid in Nepal as well as in India. This is designed to help to save for the child's future. With children's saving accounts, children learn to manage money - and parents, relatives and friends have a place to save for a child they care about.

- 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.

- Visa Debit Card: Free for 1st year.
- Mobile Banking: Free for 1st year
- C-ASBA registration service: Free
- Activation of 3-D secure e-com transaction: Free
- ΔRRS: Free
- Minimum Balance: NPR. 100.00
- Interest Rate

#### 3. Citizens Saral Bachat Khata

We have launched 'Citizens Saral Bachat khata', a new savings deposit product, in view of the recently launched Government campaign with slogan खोलों बैंक खाता अभियान, २०७६ as per Nepal Rastra Bank circular number तै.वि.वि.वि. रनीतिरपरिपत्ररकखगर२२२०७५२७६ dated 2075/12/27 for opening bank accounts of all individual Nepali citizens. The main aim of the account is to establish banking habits of unbanked population.

- Minimum balance: Rs.100.00; (As per the circular of Nepal Rastra Bank, NPR100.00 will be credited in each account from the Bank's side)
- Any Branch Banking Service (ABBS) free;
- Visa Debit Card: Free for 1st year;
- 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: Free;
- Issuance of Cheque book:
- Other services provided by the bank.
- Interest Rate

#### 4. Citizens Senior Citizens Savings

- Minimum balance zero
- Free internet banking for 1st Year
- 50% discount locker key deposit
- Free debit card facility for \*1st year
- Free IPS(Fund Transfer Facility)\*
- Free issuance of balance certificate
- Free issuance of cheque book
- Free account statement
- Free stop payment facility
- Free ABBS (Any Branch Banking Service)
- Better rate in FCY exchange
- Activation of 3-D secure e-com transaction: Free

#### 5. Citizens Enterprise Fund Account

- Minimum balance zero
- The account shall be non operative type. Account shall be opened only upon formal request of the enterprises requesting our bank to open the accounts in the name of their staff.
- Loan facility against the deposit amount can be enjoyed by the account holder as per the employee by laws and request of the enterprise. For this purpose, the loan will be booked in the name of the account holder. A separate document for this purpose shall be made in the due course of time.
- ATM cards and cheque books shall not be provided to the customers.
- Debit shall be restricted in the account
- Statement shall be provided to the enterprises on year basis as per Nepalese calendar.

#### 6. Citizens G2P Savings Account

Citizens G2P Savings Account is a savings account targeted to the beneficiaries of Social Security Allowance. This product is specially designed to distribute Social Security Allowance of Ministry of Federal Affairs and General Administration.

Citizens G2P Savings Account can be opened by individuals nominated for receiving Social Security Allowance as per the list provided by MoFALD and subject to valid documentation.

- · Zero Minimum Balance
- · Interest payable on quarterly basis
- · No charge on account closing
- Interest Rate

#### 7. Citizens Branchless Bachat

- Minimum Balance:0.00
- Visa Debit Card: Free for 1st year
- Mobile Banking: Free for 1st year
- Internet Banking: Free for 1st year
- ABBS: Free
- Interest Rate

#### 8. Citizens Ghar Dailo Savings

- 50% discount on Internet Banking.
- Facility of Citizens NPR Debit Card -Valid in Nepal as well as in India.
- On demand cash withdrawal from any branch.
- · Locker Services.
- Visa Debit Card: Free for 1st year
- Activation of 3-D Secure e-com transaction and ABBS: Free
- Interest Rate
- Minimum Balance: NPR. 500.00
- Interest is calculated on Daily balance and credited quarterly

#### 9. Citizens Dasak Savings

- 50% discount on Locker Fees for 1st year
- No Restricition on the amount of deposit and withdrawls
- C-ASBA registration service: Free
- Activation of 3-D Secure e-com transaction: Free
- Minimum Balance: NPR 500.00
- Interest Payable Quarterly

#### E. Foreign Currency Account

#### 1. Citizens Saving Account (FCY)

• Issuance of Citizens Visa Dollar Debit Card

#### 2. Citizens Overseas FCY Fixed Deposit (NRN)

- Currency: USD, GBP, EURO and AUD
- 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

#### 3. Citizens FCY Fixed Deposit

Any individual or corporate bodies are entitled to open FCY Fixed Deposit account for higher returns at competitive interest rate.

Interest remains fixed for seven years



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Whether you're a first-time buyer or looking to upgrade, we're here to make your home ownership journey smooth and affordable.

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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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# Citizens

# Health and Wealth Savings Account

We take care of your health & wealth



# **HEALTH RELATED BENEFITS**



SPECIAL DISCOUNT ON SPA: MASSAGE & SALOON



FREE WHOLE BODY
CHECK UP & CONSULTATION
ONCE A YEAR



FREE EYE CONSULTATION



FREE DELIVERY & SPECIAL DISCOUNT ON ONLINE MEDICAL PURCHASE



FREE SKIN CONSULTATION



FREE DENTAL CONSULTATION



# **WEALTH RELATED BENEFITS**



HIGHEST INTEREST RATE



FREE MOBILE BANKING & DEBIT CARD



FREE OPENING OF BROKER ACCOUNT AT CBIL SECURITIES



100% DISCOUNT ON MEDICAL CREDIT CARD ISSUANCE CHARGE



50% DISCOUNT ON PMS SERVICES OFFERED BY CITIZENS CAPITAL LIMITED







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

#### A. CONSUMER LOANS

#### 1. Citizens Auto Loan

Purpose: Financing to purchase of new/used Private and Commercial Vehicles to individuals and business concern.

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size:

- Up to 20.0 Million for new or used private vehicles.

- Up to NPR 7.0 Million for new commercial vehicles.

- Up to NPR 4.0 Million for used commercial vehicles.

Tenure: Maximum up to 10 years for private vehicles

#### 2. Citizens Home Loan

Historically and traditionally, Nepalese have preferred to buy land and build houses themselves. Now, with the changing lifestyle, demand for ready built houses is also in the rise. Considering these points, the Bank offers loan for different needs and situations. The Bank provides financing for the purchase of land and/or building, apartment, renovation, construction and extension of residential properties.

Purpose: To finance a purchase of a plot of land and/or readymade building, Construction, Repairs, Renovation, Additions, Alteration to the house/flat.

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Up to 50.00 Million

**Tenure:** Repayment period maximum 25 years.

Loan Portion: Maximum up to 40% (for property located inside valley) and up to 50% of Fair Market Value (for property located outside valley) of the Collateral security or purchase price whichever is lower.

#### 3. Citizens Education Loan

Education is the most important investment one makes in life. Therefore, the Bank has brought the 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. Citizens Education loan covers a maximum of 100% of expenses in connection with the studies of the borrower in the country or abroad.

Purpose: To finance the education cost of the students desiring to pursue higher education in Nepal or Abroad

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Maximum Up to 10.00 Million

**Tenure:** Repayment period maximum 15 years including moratorium period.

Loan Portion: Up to 100% of total expenses to be incurred during the course period not exceeding 80% of the Distress Value of the mortgaged collateral security or 100% of rajinama value till claim period of 1 year and 35 days whichever is lower or 2 years and 35 days in case of transfer of ownership by Bakas Patra or 2 months 35 days in case of Anshabanda.

#### 4. Citizens SME Loan

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.

Purpose: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 etc.

#### 5. Citizens Equipment Loan

The Bank has been financing for purchase/import of various equipments under Equipment Loan. Equipment loan is offered to those customers who have to finance import or local purchase of construction related equipments such as Excavators, Backhoe Loaders, Dozers etc. Some of the equipment loans are advanced also to finance purchase of medical equipment to the professionals.

Purpose: To finance import/purchase of equipments

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Up to NPR 10.0 Million or 70% value of equipment whichever is lower

**Tenure:** Repayment period maximum 5 years. Loan Portion: Up to 70% of cost of Equipment.

Rate of Interest: Premium of 1.50% to 5.00% p.a. over the Base Rate

#### 6. Citizens Bina Dhito Karja

The Bank also provides loan to those having no collateral. Citizens Bina Dhito Karja is a new product which helps to get loan without any collateral. This loan is offered to meet the financial obligation/s to fulfill personal requirement or professional requirement. The loan is advanced to meet various requirements of the Borrower such as travel expenses, medical expenses, social expenses, purchase of medical equipments and appliances for professional use, home appliances, etc.

**Purpose:** Terminating loan payable in Equal Monthly Installment.

Nature: Personal loan facility to meet personal financial obligation to salaried individuals.

Loan Size: Up to 1.50 Million.

Tenure: Repayment period maximum 7 years.

#### 7. Citizens Mortgage Loan(Term Loan)

Purpose: Personal loan facility to meet personal financial obligation

Nature: Term Loan / Overdraft Facility

Loan Size: Up to 5.00 Million

Tenure: In case of Term Loan - Repayment period maximum 15 years payable in Equated Monthly Installment.

In case of Overdraft – 1-year revolving facility.

Loan Portion: Up to 50% of Fair Market Value of the collateral security

#### 8. Citizens One District One Product

This product aims to bring those deprived from formal banking sector due to traditional banking approaches within the reach of our bank. In the absence of reach to the formal banking channel, those involved in agriculture have to pay higher cost to meet their financial requirements; this product provides an opportunity to be directly involved in the benefit of the farmers for their economic upliftment. At the same time, the proposed modus operandi also helps reduce the dependency of farmers with the middlemen, thereby making it more profitable to the farmers/ those involved directly in agriculture. "Citizens One District One Product" have different products, which 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.

Purpose: To meet financial requirement of the people involved in agriculture and/or agricultural business.

Nature: Term Loan / Overdraft Loan Loan Size: up to NPR 5.0 Million

Tenure: Repayment period maximum of 10 years payable in Equated Monthly Installment.

**Overdraft:** 1 year revolving facility.

**Loan Portion:** Up to 70% of the Derived Value of the collateral security.

\*Freehold agriculture land is also acceptable. #Derived Value will be the minimum of: 5 times the government value for properties located at VDC / 3 times the government value for properties located in municipalities and/or 60% of the Market Value ascertained by the Bank and/or Fair Market Value provided by an authorized valuator of the bank.

#### 9. Citizens Fast Track Loan (CFTL)

The primary objective of the Product is to uplift the living standards of the under- privileged families by providing them financial support at the time of their need. It could be for the purpose of starting up a new business or run their existing businesses in more organized manner or meeting their financial need for any of their family/social need. In simple terms, it is aimed to cater the urgent requirement of cash for under privileged, middle class and lower class families to meet their family, social and/or business requirement by extending loans against mortgage of land (including farm land, if any) and/or buildings in urban, semi urban or rural areas.

Purpose: To meet financial requirement of the borrower, both individuals, and business units, for agriculture/business/personal use.

Nature: Term Loan / Overdraft Loan Loan Size: Up to NPR 2.0 Million

Tenure: In case of Term Loan - Repayment period maximum 10 years payable in Equated Monthly Installment.

Overdraft: 1 year revolving facility

Loan Portion: Up to 80% of the Distressed Value in case of real estate property having minimum 8 Ft. road access to be mortgaged in favor of the bank.

Or, 60% of Derived Value of collateral having less than 8 Ft. road access or no road access to be mortgaged in favor of the bank.

\*Freehold agriculture land is also acceptable.

#Derived Value will be the minimum of: 5 times the government value for properties located at VDC / 3 times the government value for properties located in municipalities and/or 60% of the Market Value ascertained by the Bank and/or Fair Market Value provided by an authorized valuator of the bank.

#### 10. Citizens Margin Lending

The Bank provides loan against the shares of selected companies listed in the Nepal Stock Exchange (NEPSE).

Purpose: To meet financial obligations for investment in shares/Mutual fund/Debenture or refinancing the existing investment made in

Nature: Revolving and Non-Revolving (Demand Loan)

Loan Size:

Revolving Type: up to NPR 5.0 Million for Individuals

Revolving Type Facility: up to NPR 200.0 Million for firms/companies

Non-Revolving Type Facility: up to NPR 200.0 Million for firms/Companies and NPR 150.0 Million for individuals.

(The above maximum loan amount is for Single Obligor. Also, the loan amount from all BFIs shall not exceed NPR 200.0 million of Single Obligor)

**Tenure:** 1 year for revolving and non-revolving facility

#### Pledge over the acceptable ordinary shares

Maximum drawdown shall be 70% of the eligible value of the shares.

#### Pledge over the acceptable promoter shares

Maximum drawdown shall be 50% of the eligible value of the shares

#### Pledge over the acceptable mutual fund/Debenture

Maximum drawdown shall be 50% of the face value of Mutual fund/Debenture

(Drawdown criteria shall be subject to the NRB guidelines from time to time or as specified by us.)

#### 11. Loan against first class Bank Guarantee

The bank will extend various funded as well as non-funded facilities against unconditional guarantee issued by the World Bank, Asian Development Bank and International Finance Corporation including multilateral institutions and internationally rated Banks (Banks included annually in the list of TOP THOUSAND WORLD BANKS of "The Banker") and/or acceptable guarantees issued by the banks in line with NRB Directives issued from time to time. For banks, outside Nepal, the Bank shall accept guarantees issued by only top 1000 banks as rated by the latest July issue of 'The Bankers' magazine each year. A margin of at least 10% to be maintained on guarantee amount. Interest payable on quarterly basis, as per Nepalese calendar.

Rate of Interests: Premium of 1% to 5 % p.a. over the Base Rate.

#### 12. Citizens Agriculture and Livestock Loan

Purpose: To meet the financial requirement for commercial agricultural and livestock farming (e.g. seed plantation, vegetable, forestry, horticulture, animal husbandry, production, processing, stocking and selling and distribution)

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 50.00 Million

Tenure: Minimum: 1 year, Maximum: 5 years

Rate of interest: Average Base Rate of last three consecutive month plus Premium Rate @ 2% minus Interest Subsidy of 5%

#### 13. Term Loan

Premium (% p.a.) on Base Rate Interest Rate: 0.50% - 5.00%

#### 14. Overdraft

Premium ( % p.a.) on Base Rate : 0.75% - 5.00%

#### 15. Trust Receipt Loan

Premium ( % p.a.) on Base Rate: 0.25% - 4.75%

#### 16.Export Finance

Premium (% p.a.) on Base Rate: 0.25% - 4.75%

#### 17. Subsidized Loan

Bank has offered various concessional loans for paving the way for unemployed educated youths, returnee migrant works, women entrepreneurs, Dalits, earthquake victims, other targeted groups as Subsidized loans. Details of various subsidized loans are as follows:

#### i. Commercial Agriculture and Livestock Loan

Purpose: To meet the financial requirement for commercial agricultural and livestock farming (e.g. seed plantation, vegetable, forestry, Horticulture, Animal Husbandry, production, processing, stocking and selling and distribution)

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 50.00 Million

Tenure: Minimum: 1 year Maximum: 5 years

Rate of interests: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5% (No other charges)

#### ii. Educated Youth Self Employment Loan

Purpose: To meet the financial requirement to jobless educated individuals to start a business

Nature: Terminating loan payable in Equal Monthly Installment Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 700,000

Tenure: Minimum: 1 year Maximum: 5 years

Rate of interests: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5% (No other charges)

#### iii. Foreign Employment Returnee Project Loan

Purpose: To meet the financial requirement for doing various businesses

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 1.00 Million

Tenure: Minimum: 1 year Maximum: 5 years

Rate of interests: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5% (No other charges)

#### iv. Women Entrepreneurship Loan

Purpose: To meet the financial requirement of the woman for encouraging them to start business venture

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 1.50 Million

Tenure: Minimum: 1 year Maximum: 5 years

Rate of interests: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 6% (No other charges)

#### v. Dalit Community Entrepreneurship Development Loan

Purpose: To meet the financial requirement of the youth under Dalit Community to start business for modernizing and promoting the

traditional skill and occupation of Dalit Community.

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 1.00 Million

Tenure: Minimum: 1 year Maximum: 5 years

Rate of interests: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5% (No other charges)

#### vi. Higher & Technological or Vocational Education Loan

Purpose: To meet the financial requirement of the student to pursue higher, Technological and Vocational bachelor level or higher studies defined by Nepal Government.

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 500,000.00

**Tenure:** Minimum: 1 year Maximum: 5 years

Rate of interests: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5% (No other charges)

#### vii. Earthquake Victims Residence Construction Loan

Purpose: To support the earthquake victims to construct the residential building for personal use.

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 300,000.00

Tenure: Minimum: 1 year Maximum: 5 years

Rate of interests: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5% (No other charges)

#### viii. Subsidized Loan (Citizens Technical Education Loan)

Purpose: To meet the financial requirement for pursuing Vocational/Technical courses provided by CTEVT and/or Institutions affiliated/certified with CTEVT

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Maximum up to NPR 200,000.00

**Tenure:** Maximum 5 years

Rate of Interest: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5% Eligibility Criteria- Borrower should not be above 35 years of age at the time of loan approval.

- Documentary Evidence of admission or Documents verifying the eligibility of admission.

- Borrower should not be black listed.

#### ix. Subsidized Loan (Citizens Youth Self Employment Loan)

Purpose: To meet the financial requirement of youth individual to start business as directed by prevailing law related to industrial business

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Maximum up to NPR 500,000.00

**Tenure:** Maximum 5 years

Rate of Interest: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5%.

#### 18. Citizens Pay Day Loan

Citizens PAY DAY Loan is a digital lending service introduced by Citizens Bank International Ltd. to provide small short term loans to customers instantly, through bank's mobile banking application. Customers need to use Citizens Bank's mobile banking application "Citizens Smart" to register andapplyforCitizens PAY DAY Loan.Loan disbursement happens automatically after customer input digital CVV, agreed terms & conditions and the loan amount is deposited to customer's account instantly thru virtual credit card.

#### 19. Citizens Educated Youth Self Employment Loan

Purpose: To meet the financial requirement to jobless educated individuals to start a business

Nature: Terminating loan payable in Equal Monthly Installment Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 700,000

Tenure: Minimum: 1 year, Maximum: 5 years

Rate of interest: Average Base Rate of last three consecutive months plus Premium Rate @ 2% minus Interest Subsidy of 5%

#### 20. Citizens Foreign Employment Returnee Project Loan

Purpose: To meet the financial requirement for doing various businesses

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 1.00 Million

Tenure: Minimum: 1 year, Maximum: 5 years

Rate of interest: Average Base Rate of last three consecutive months plus Premium Rate @ 2% minus Interest Subsidy of 5%

#### 21. Citizens Dalit Community Entrepreneurship Development Loan

Purpose: To meet the financial requirement of the youth under Dalit Community to start business for modernizing and promoting the traditional skill and occupation of Dalit Community.

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 1.00 Million

Tenure: Minimum: 1 year, Maximum: 5 years

Rate of interest: Average Base Rate of last three consecutive month plus Premium Rate @ 2% minus Interest Subsidy of 5%

#### 22. Citizens Women Entrepreneurship Loan

Purpose: To meet the financial requirement of the woman for encouraging them to start business venture

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 1.50 Million

Tenure: Minimum: 1 year, Maximum: 5 years

Rate of interest: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 6% (No other charges)

#### 23. Citizens Higher & Technological or Vocational Education Loan

Purpose: To meet the financial requirement of the student to pursue higher, Technological and Vocational bachelor level or higher studies defined by Nepal Government.

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 500,000.00

Tenure: Minimum: 1 year, Maximum: 5 years

Rate of interest: Average Base Rate of last three consecutive month plus Premium Rate @2% minus Interest Subsidy of 5%

#### 24. Citizens Earthquake Victims Residence Construction Loan

Purpose: To support the earthquake victims to construct the residential building for personal use.

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum of NPR 50,000.00 and Maximum of NPR 300,000.00

Tenure: Minimum: 1 year, Maximum: 5 years

Rate of interest: Average Base Rate of last three consecutive month plus Premium Rate @ 2% minus Interest Subsidy of 5%

#### 25. Citizens Technical Education Loan

Purpose: To meet the financial requirement for pursuing Vocational/Technical courses provided by CTEVT and/or Institutions affiliated/

certified with CTEVT

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Minimum: NPR 50,000.00, Maximum: NPR 200,000.00

**Tenure:** Maximum 5 years

Rate of interest: Average Base Rate of last three consecutive month plus Premium Rate @ 2% minus Interest Subsidy of 5%

#### 26. Citizens Youth Self Employment Loan

Purpose: To meet the financial requirement of youth individual to start business as directed by prevailing law related to industrial business

Nature: Terminating loan payable in Equal Monthly Installment

Loan Size: Maximum up to NPR 500,000.00

**Tenure:** Maximum 5 years

Rate of interest: Base Rate of last month plus Premium Rate @ 2% minus Interest Subsidy of 5%.

### **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





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# **BOARD OF DIRECTORS**















FROM LEFT TO RIGHT Top Row

Mr. Prabal Jung Pandey Chairman

Mr. Prakash Chandra Mainali Public Director

Mr. Bijaya Dhoj Karki Pubilc Director

Mr. Digvijay Bista Director

FROM LEFT TO RIGHT **Bottom Row** 

Dr. Binod Atreya Professional Director

Mrs. Ila Sharma **Public Director** 

Mr. Anil Gyawali Director

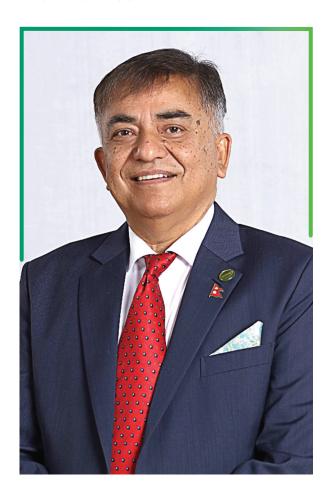
# **DIRECTOR'S PROFILE**



MR. PRABAL JUNG PANDEY Chairman

Mr. Prabal Jung Pandey, an accomplished professional aged 52, 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. 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 specialty.

# **MEMBERSHIP OF BOARD LEVEL COMMITTEE**

-Coordinator **Budget Sub-Committee** Land and Building Purchase Sub-Commitee -Coordinator **Human Resource Compensation Committee** -Member **Audit 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

-Coordinator Human Resource Compensation Committee Land and Building Purchase Sub-Commitee -Member



# **MR. DIGVIJAY BISTA Director**

Mr. Digvijay Bista, aged 52 years, is an accomplished and experienced businessman with a diverse portfolio spanning various sectors like capital market, financial sector and different businesses over 25 years. He obtained his MBA degree from Miami University, Ohio, USA. He is also associated with numerous social and professional organizations.

# **MEMBERSHIP OF BOARD LEVEL COMMITTEE**

Risk Management Committee -Member -Memher Anti-Money Laundering Committee **Budget Sub-Committee** -Member



# DR. BINOD ATREYA **Professional Director**

Dr. Binod Atreya is an experienced central banker having over 40 years of work experience, skilled in the areas of training and development, strategic planning, human resource management, office and general services administration, and micro finance operations. Worked with United Nations Projects in island countries for seven years and drafted institutional reform and restructuring action plans for the ministries. Developed managerial skills working over three years as Chief Executive Officer (CEO) of public sector bank and implemented reforms to turn into a profitable Bank. Conducted feasibility studies for the establishment of Infrastructure Bank and other entities (BFIN, Emerging Nepal Limited, and Care Rating Nepal Limited). Conducted and developed skills in organizing training, conferences, workshops and seminars. Experienced Board member, Adjunct Professor, Trainor and Speaker in training and conferences, and Chair of the Editorial Board of journals publication. Published over 3 dozens of articles in the journals and newspapers. Highly committed and determined professional focused on achieving results. Dr. Atreya has educational background of PhD from Australia, MBA from India, and MPA from Nepal and winner of Victoria University Lifetime Achievement Award 2023.

# **MEMBERSHIP OF BOARD LEVEL COMMITTEE**

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



# MRS. ILA SHARMA **Public Director**

Mrs. Ila Sharma, aged 58, brings over 35 years of diverse experience across law, media, public relations, education, and development sectors. She holds LL.M. degree in Public International Law and Human Rights (Tribhuvan University, Nepal) and International Business Law (University of Hull, UK).

She has worked as a national consultant for Nepal's Ministry of Industry & Commerce and UNDP, focusing on trade law and WTO-compliant legislation. Her international advocacy includes treaty-making at the United Nations on human rights, trade, and development issues. She has held senior management roles in INGOs and bilateral agencies, excelling in strategic planning and implementation.

Mrs. Sharma has served on the boards of FIAN Nepal, SAWM, and SAWTEE, and as an Independent Director in a prominent Nepali commercial bank. As a former Election Commission Commissioner, she chaired the Legal Drafting & Political Relations Committee and played an instrumental role in designing and teaching Academic Master's Course provided by the Election Commission of Nepal in collaboration with the Kathmandu University, School of Law and the Norwegian Centre for Human Rights at the University of Oslo. She currently teaches law at IILM University, India.

# **MEMBERSHIP OF BOARD LEVEL COMMITTEE**

-Coordinator Anti-Money Laundering Committee



# MR. ANIL GYAWALI **Director**

Mr. Anil Gyawali aged 64 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 35 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

# **MANAGEMENT TEAM**



















FROM LEFT TO RIGHT Top Row

Mr. Ganesh Raj Pokharel Chief Executive Officer

Mr. Rajendra Lal Shrestha Deputy Chief Executive Officer/Company Secretary

Mr. Sanjeeb Kumar Shrestha Chief Information Technology Officer / Assistant Chief Executive Officer

Mr. Suman Mulepati Chief Credit Officer / Assistant Chief Executive Officer

Mr. Narayan Raj Adhikari Chief Administrative Officer/ Spokesperson / Information Officer / Assistant Chief Executive Officer

FROM LEFT TO RIGHT Middle Row

Mr. Amit Khanal Chief Risk Officer / Assistant Chief Executive Officer

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

Mr. Pramesh Raj Kayastha Chief Finance Officer

Mr. Roshan Manandhar Chief Mass Banking Officer

**Bottom Row** 

Mr. Roshan Malla Chief Infrastructure / Consortium and Corporate Banking Officer

# **MANAGEMENT TEAM PROFILE**



Mr. Ganesh Raj Pokharel **Chief Executive Officer** 

Ganesh Raj Pokharel, a professional banker with more than 31 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 IT Steering Committee Deposit Review Committee **Executive Committee** Credit Review Committee **Budget Committee** 

- -Chairman
- -Coordinator
- -Chairman
- -Coordinator
- -Coordinator
- -Member Secretary



# Mr. Rajendra Lal Shrestha **Deputy Chief Executive Officer/ Company Secretary**

Mr. Shrestha, an MBA from SIBM, Pune has around 25 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 New Road Branch as Branch Manager for 5 years. He has been associated with Citizens Bank International Limited since its inception. At present, he is also Company Secretary of the Bank. He has been heading Legal and Share Department, Credit & Marketing, Finance and Research/ Development under his portfolio.

#### **POSITIONS HELD DURING THE YEAR**

-Member **Executive Committee** Assets Liabilities Management Committee -Member Credit Review Committee -Member Recruitment Committee -Coordinator Deposit Review Committee -Member Disciplinary Action Committee -Coordinator



# Mr. Sanjeeb Kumar Shrestha Chief Information Technology Officer / Assistant Chief **Executive Officer**

Mr. Shrestha, Master in Computer Engineering from Ukraine has over 26 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**

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

-Permanent Invitee Purchase Committee



# Mr. Suman Mulepati **Chief Credit Officer / Assistant Chief Executive Officer**

Mr. Mulepati is a post graduate from Tribhuvan University and has over 21 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
Transfer Commitee	-Member



# Mr. Ravi Kumar Rauniyar Chief Operating Officer (COO) / Grievance Handling Officer / **Assistant Chief Executive Officer**

Mr. Rauniyar is associated with the Bank since Falgun 19, 2064. He has more than 28 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
Risk Management Committee	-Member
Disciplinary Action Committee	-Member
Recruitment Committee	-Member
Branch Expansion Committee	-Member
Transfer Committee	-Member



# Mr. Narayan Raj Adhikari Chief Administrative Officer / Spokesperson / Information Officer / Assistant Chief Executive Officer

Mr. Adhikari, a post graduate from Tribhuvan University, has more than 21 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, Spokesperson and Information officer of the bank. He 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 -Coordinator **Auction Committee Executive Committee** -Member IT Steering Committee -Member -Member **Branch Expansion Committee Executive Policy Review Committee** -Member Recruitment Committee -Member Health and Safety Committee -Member

Disciplinary Action Committee -Member Secretary Purchase Committee -Coordinator Transfer Committee -Coordinator



# Mr. Amit Khanal Chief Risk Officer / Assistant Chief Executive Officer

Mr. Khanal did Masters in Business Studies from TU and has over 20 years of experience in Banking. Mr. Khanal has been associated with Citizens Bank International Ltd for the last 16 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 7 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), Compliance and AML/CFT 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 **Executive Policy Review Committee** -Coordinator Operational Risk Management Committee -Chairman Transfer Committee -Member Anti-Money Laundering 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. And now he is leading as Chief finance officer.

# **POSITIONS HELD DURING THE YEAR**

Assets Liabilities Management Committee -Member Purchase Committee -Member -Member **Executive Policy Review Committee** -Member **Auction Committee 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 Deposit Review Committee -Member -Member **Executive Committee** Capacity Development & Training Committee -Member -Member Transfer Committee



# Mr. Roshan Malla Chief Infrastructure / Consortium and Corporate Banking Officer

Mr. Malla is a seasoned banking professional with over 18 years of experience in corporate banking, project financing, and infrastructure banking holding MBS degree (Finance), MBA degree (Financial Management) and ACCA. Currently he is serving as Chief of the Infrastructure/Consortium and Corporate Banking Officer at bank, & manages a portfolio focus on infrastructure and hydropower projects. He is successfully leading financing for major projects in sectors such as hydropower, steel manufacturing, cement, hotels, real estate, and trading units, working in collaboration with various financial institutions as part of consortium financing.

# **POSITIONS HELD DURING THE YEAR**

**Executive Committee** - Member Credit Review Committee - Member

# **HEAD OF DEPARTMENTS**

NAME OF HEAD	POSITION	DEPARTMENT
Pradeep Sedai	Head	Operations Department
Sanjeev Neupane	Head	Corporate Credit Banking Unit
Tulasi Raj Rijal	Head	SME Unit
Manisha Karn	Head	Human Resource Department
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
Bhupendra Bista	Head	Digital Banking Department
Akanksha Basnet	Head	AML Department
Suyesh Kumar Paudel	Head	Transactional Banking Department
Binayak Rimal	Head	Information Technology Department
Hari Babu Thapa	Head	Central Clearing Department
Paras Bikram Thapa	Head	Deposit Marketing Department
Ratneshwar Lal Karna	Head	Compliance
Nabindra Napit	Head	Recovery Department
Bikas Chand	Head	Credit Risk Department (SME)
Bishal Dahal	Head	Credit Risk (CBU)
Aashish Koirala	Head	Executive Finance Officer
Dikendra Ram Kashajoo	Head	General Service Department
Bishnu Man Shrestha	Head	Remittance Department
Kedar Adhikari	Head	Legal 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
Manisha Shrestha	Incharge	Branchless Banking Unit
Rojena Tiwari	Head	Demat/ ASBA Unit
Smarica Tiwari	Head	Corporate Communications Department
Bipin Dhakal	Incharge	Ebanking Unit
Prabesh Aryal	Incharge	Microfinance Unit



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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 3.87 percent for 2023/24 compared to 1.86 percent growth in the previous year.

Gross domestic saving to GDP stands 7.61 percent in 2023/24 from 6.41 percent in the previous year. Ratio of gross fixed capital formation and gross national saving to GDP stands at 24.45 percent and 36.15 percent respectively in the review year as compared to 25.21 percent and 31.66 percent in the previous year.

The federal government has presented a budget of NPR 1,860.30 Billion for the 2024/25. The share of current expenditure, capital expenditure and financing expenditure in the total budget is 61.32 percent, 18.94 percent and 19.74 percent respectively.

#### SHARE MARKET

NEPSE index stood 2240.41 in mid-July 2024 compared to 2097.10 in mid-July 2023. Stock market capitalization in mid-July 2024 stood NPR 3553.68 Billion compared to NPR 3082.52 Billion in mid-July 2023. Number of companies listed at NEPSE reached 270 in mid-July 2024 which was 254 in mid-July 2023.

# **INFLATION AND PRICE LEVEL: Consumer price inflation**

The annual average consumer price inflation stood at 5.44 percent in 2023/24 compared to 7.74 percent in the previous year.

In the terms of ecological regions, the Kathmandu Valley witnessed an annual average inflation at 5.99 percent, followed by Terai region at 4.82 percent, Hilly region at 5.78 percent and Mountain Region at 6.86 percent in the review year. The inflation rate was 7.12 percent in the Mountain region, 7.56 percent in Hilly region, 8 percent in Terai region and 7.55 percent in Kathmandu valley in the previous year.

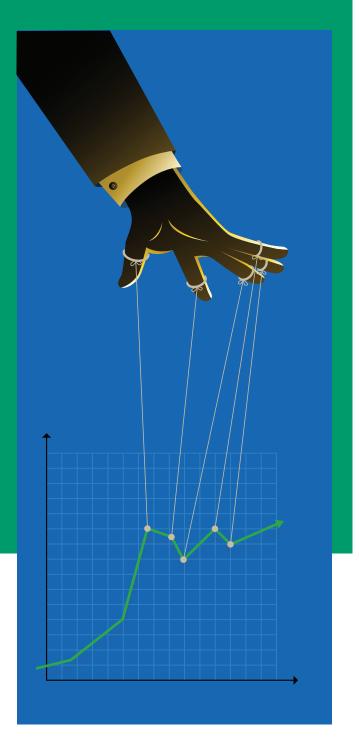
# WHOLESALE PRICE INFLATION

The average annual wholesale price inflation stood at 3.92 percent in FY 2023/24 compared to 8.47 percent a year ago.

#### CURRENT ACCOUNT AND BALANCE OF **PAYMENT (BOP)**

The current account remained at surplus of NPR 221.34 Billion in the review year compared to a deficit of NPR 46.57 Billion in the previous year. Similarly, the Overall BOP recorded surplus of NPR 502.49 Billion in the review year compared to a surplus of NPR 285.82 Billion in the previous year.

In the review year, capital transfer decreased 22.9 percent to NPR 5.81 Billion and net foreign direct investment (FDI) remained at NPR 8.40 Billion. In the previous year, capital transfer and net FDI amounted to NPR 7.54 Billion and NPR 6.17 Billion respectively.



# LIQUIDITY MANAGEMENT

In the review year 2023/24, NPR 4,673.60 Billion liquidity was absorbed including NPR 3,522.35 Billion through Standing Deposit Facility (SDF) and NPR 1,151.25 Billion through deposit collection auction. Meanwhile, only NPR 804.76 Billion liquidity was injected (on turnover basis), of which, NPR 1.20 Billion was through Standing Liquidity Facility (SLF) and NPR 803.56 Billion through Overnight Liquidity Facility (OLF). Consequently, a net liquidity of NPR 3868.84 Billion was absorbed in the review year against the net liquidity injection of NPR 5409.99 Billion in FY 2022/23.

In the review year, the NRB injected liquidity of NPR 783.47 Billion through the net purchase of USD 5.89 Billion from foreign exchange market. Liquidity of NPR 712.50 Billion was injected through the net purchase of USD 5.45 Billion in the previous year.

NRB purchased Indian currency (INR) equivalent to NPR 535.07 Billion through the sale of USD 4.02 Billion in the review year. INR equivalent to NPR 596.37 Billion was purchased through the sale of USD 4.56 Billion in the previous year.

# INTER-BANK TRANSACTION

In the review year, inter-bank transactions of commercial banks stood at NPR 3,863.48 Billion and those of other financial institutions (excluding transactions among commercial banks) amounted to NPR 363 Billion. Such transactions were NPR 3942.15 Billion and NPR 352.07 Billion respectively in the previous year.

# **INTEREST RATES**

The weighted average 91-day Treasury Bill rate has remained 3.00 percent in the last month of 2023/24, which was 6.35 percent a year ago. The weighted average inter-bank transaction rate that was 3.14 percent a year ago, which has decreased to 2.99 percent in the review period.

Weighted average interest rate spread between deposit and lending rates of commercial banks increased to 4.16 percent in the review period from 4.44 percent a year ago. Likewise, the average base rate of commercial banks decreased to 8 percent in the last month of 2023/24 from 10.03 percent a year ago.

# **DEPOSIT MOBILIZATION**

Deposits at Banks and Financial Institutions (BFIs) increased by 13 percent in the review year compared to growth of 12.3 percent in the previous year. The share of demand, saving, and fixed deposits in total deposits stands at 5.8 percent, 30.3 percent and 56.4 percent respectively in mid-July 2024. This was 7.7 percent, 26.6 percent and 58.9 percent in the previous year.

# **LOANS AND ADVANCES**

Credit to the private sectors from BFIs increased by 5.8 percent in the review year compared to a growth of 3.8 percent in the previous year. In the review year, private sector credit from commercial banks increased by 5.8 percent whereas credit from development banks and finance companies increased by 5 percent and 7.7 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 increased by 8.2 percent to USD 86.42 per barrel in mid-July 2024 from USD 79.90 per barrel a year ago. The price of gold increased by 23.9 percent to USD 2,421.25 per ounce in mid-July, 2024, from USD 1,953.7 per ounce a year ago.

Nepalese currency vis-à-vis the US dollar depreciated by 1.64 percent in mid-July, 2024 from mid- July 2023. It had depreciated 2.79 percent in the previous year. The buying exchange rate per US dollar stood at NPR 133.36 in mid-July, 2024 compared to NPR 131.17 in mid-July, 2023.

# **REVIEW OF FINANCIAL MARKET OF THE COUNTRY**

The total number of BFIs licensed by NRB remained 107 in mid-July 2024. As of mid-July 2024, 20 commercial banks, 17 development banks, 17 finance companies, 52 microfinance financial institutions and 1 infrastructure development bank are in operation. The number of BFIs branches reached 11,530 in mid-July 2024 from 11,589 in mid-July 2023.

# 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 2,176.98 Billion and NPR 1,890.6 Billion respectively in the mid-July 2024. Accordingly, the net IIP remained at surplus of NPR 286.38 Billion as in mid-July, 2024. Net IIP was in deficit of NPR 177.02 Billion in mid-July, 2023.

# **EXPORT AND IMPORT PRICE INDEX**

The y-o-y unit value export price index increased by 2.1 percent, while import price index increased by 0.4 percent in the twelfth month of the review year. Consequently, the Terms of Trade (TOT) index increased by 1.7 percent in the review month compared to an increase of 9.2 percent in the corresponding period of the previous

The export-import ratio decreased to 9.6 percent in the review period from 9.7 percent in the previous year.

# **WORKERS' REMITTANCES**

The workers' remittance inflows increased by 16.5 percent to NPR 1,445.32 Billion in the review year compared to increase of 23.2 percent in the previous year. The net transfer receipt increased by 14.7 percent to NPR 1,571.24 Billion in the review year. Such receipt had increased by 22.5 percent in the previous year.

The number of workers going abroad for foreign employment (except renew entry) stands at 460,103 and renew entry stands at 281,199. Such numbers were 497,704 and 277,272 in the previous

# **DIRECTOR'S REPORT**

Respected Shareholders,

On behalf of the Board of Directors, I would like to welcome all the shareholders for the eighteenth 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 15, 2024 (Ashadh 31, 2081) of the FY 2023/24. 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 2023/24)

#### GROSS DOMESTIC PRODUCTION:

The National Statistics Office has estimated the Gross Domestic Product (GDP) to grow by 3.87% in the fiscal year 2023/24. The GDP grew at 1.86 percent in the previous year. For the period under review, agricultural sector production increased by 3.05 percent, industrial sector by 1.25 percent and service sector production increased by 4.50 percent as compared to the increment of the previous year by 2.73 percent, 0.59 percent and 2.33 percent respectively. In the review period, the share of industrial sector stands at 13 percent of total GDP whereas the share of service sector stands at 62.90 percent and the agriculture sector stands at 24.10 percent of total GDP, as compared to the previous year of 13.60 percent, 62.48 percent and 23.91 percent respectively.

# **FOREIGN TRADE**

During FY 2023/24, merchandise exports decreased by 3 percent to reach Rs. 152.35 Billion against a decrease of 21.4% previous year. In the review period, exports to India and other countries decreased by 3.3% and 4.3% respectively whereas exports to china increased by 46.6%. Product-wise, exports of zinc sheet, particle board, juice, polyster yarn & thread, oil cakes among others, increased whereas exports of soyabean oil, palm oil, woolen carpet, brans, jute goods, among others, decreased in the review period.

During FY 2023/24, merchandise imports decreased 1.2 percent to 1592.99 Billion against a decrease of 16.1 percent a year ago. In the review period, imports from India and other countries decreased by 3 percent and 17.6 percent respectively whereas imports from china increased by 34.2 percent. Product-wise, imports of transport equipment, vehicle and other vehicle spare parts, readymade garments, aircrafts spare parts, electrical equipment, other machinery and parts among others, increased whereas imports of crude soyabean oil, gold, hot rolled sheet in coil, crude palm oil, rice/ paddy among others, decreased in the review year.

In the review year, total trade deficit decreased 1.0 percent to Rs. 1440.60 Billion. Such deficit had decreased by 15.5 percent in the previous year. The export-import ratio decreased to 9.6 percent in the review year from 9.7 percent in the previous year.

# **CURRENT ACCOUNT, BALANCE OF PAYMENT AND REMITTANCE**

The current account remained at surplus of NPR 221.34 Billion in the review year compared to a deficit of NPR.46.57 Billion in the previous year. In terms of US Dollar, current account remained at surplus of USD 1.66 Billion in the review year compared to a deficit of USD 360.60 Million in the previous year.

In the review year, capital transfer decreased 22.9 percent to NPR 5.81 Billion and net foreign direct investment (FDI) remained at NPR 8.40 Billion. In the previous year, capital transfer and net FDI amounted to NPR 7.54 Billion and NPR 6.17 Billion respectively.

Similarly, the Overall BOP recorded surplus of NPR 502.49 Billion in the review year compared to a surplus of NPR 285.82 Billion in the previous year. In terms of US Dollar, the overall BOP remained at surplus of USD 3.77 Billion in the review year compared to a deficit of USD 2.17 Billion in the previous year.

The workers' remittance inflows increased by 16.5 percent to NPR 1,445.32 Billion in the review year compared to increase of 23.2 percent in the previous year. In terms of US Dollar, remittance inflows increased by 14.5 percentage to USD 10.86 billion. In FY 2022/23, remittance inflows had increased by 13.9 percentage in US Dollar terms.

The number of workers going abroad for foreign employment (except renew entry) stands at 460,103 and renew entry stands at 281,199. Such numbers were 497,704 and 277,272 in the previous



#### **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 2023/24. The weighted average interest rate on 91-day treasury bills stood at 3.00 percent in July 15, 2024 compared to 6.35 percent in July 16, 2023. Similarly, the weighted average interest rate on interbank transactions between commercial banks has decreased to 2.99 percent in July 15, 2024 from 3.14 percent in July 16, 2023. In the last month of the FY 2023/24, average base rate of commercial banks stood at 8 percent which was 10.03 percent a year ago. Similarly, the weighted average deposit rate and weighted average lending rate of the commercial banks stood at 5.77 percent and 9.93 percent in the last month of FY 2023/24 which were 7.86 percent and 12.30 percent a year ago.

# **DEPOSIT MOBILIZATION:**

Deposits in banks and financial institutions increased by 13.0 percent during the review period. Such deposits had increased by 12.3 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 5.8 percent, 30.3 percent and 56.4 percent respectively. Such share was 7.7 percent, 26.6 percent and 58.9 respectively in the corresponding period of the previous year.

#### **CREDIT DISBURSEMENT:**

Loans to the private sector from banks and financial institutions increased by 5.8 percent in FY 2023/24. Such loans had increased by 3.8 percent in the previous year. Amongst the disbursement of loans to private sector, credit from commercial banks increased by 5.8 percent, credit from finance companies increased by 7.7 percent and credit from development banks increased by 5.0 percent.

In the review year 2023/24, credit to agriculture sector increased by 0.9 percent, credit to industrial manufacturing sector increased by 8.8 percent, credit to transport, communication and public services sector increased by 16.7 percent, credit to wholesale and retail trade sector increased by 1.5 percent and services sector increased by 6.2 percent.

In FY 2023/24, 66.5 percent of the total disbursed loans by banks and financial institutions were secured against the collateral of land and building and 13.2 percent against the collateral of current assets. In the corresponding period of the previous year, the ratio of such collateral was 68 percent and 11.6 percent respectively.

During the review year, term loans from banks increased by 22.2 percent, real estate loans (including personal housing loans) by 9.6 percent, margin nature loan by 18.1 percent, and Trust receipt (import) loan by 12.6 percent. However, hire purchase, overdraft, and demand and working capital loans decreased by 22.0 percent, 46.3 percent, and 17.3 percent respectively.

# **EFFECTS FROM WORLD ECONOMIC EVENTS**

World economy is gradually recovering however the pace of recovery is slow and uneven among nations. Economic Growth and Inflation in developed economies have reached near about Pre-Covid level however most of the emerging markets and developing economies are still struggling to recover in terms of economic growth while inflation remains elevated. Such world economic events have impacted Nepalese economy in direct or indirect way. Consequently, credit growth has remained sluggish despite excess liquidity in Nepalese banking system.

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

PARTICULARS	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	AVERAGE
					NPR IN THOUSANDS
Paid Up Capital	12,576,923	14,200,974	14,200,974	14,200,974	13,794,961
Deposit	143,003,413	155,140,045	171,956,851	191,674,671	165,443,745
Loan and advances	123,642,357	135,776,131	143,573,735	157,587,269	140,144,873
Net Interest Income	3,650,398	4,993,490	5,828,496	5,723,819	5,049,051
Non Interest Income	1,527,379	1,522,950	1,240,457	1,516,354	1,451,785
Total Operating Expenses	2,198,037	3,131,423	3,256,449	3,437,660	3,005,892
Net Profit	1,804,341	2,005,611	1,863,756	1,320,731	1,748,610
Total Distributable Profit	1,422,777	1,329,462	846,989	613,242	1,053,118
					IN NUMBERS
No. of Depositors	1,191,988	1,411,348	1,600,695	1,768,756	1,493,197
No. of Borrowers	58,921	60,484	50,858	49,387	54,913
No. of Branches	189	178	188	197	188
Total Dividend	16.00%	9.00%	5.79%	4.21	8.75%

PAID UP CAPITAL: Paid up Capital of the Bank has reached NPR 14 Billion 201 Million in FY 2023-24 from NPR 12 Billion 576 Million in FY 2020-21, with an increment of 12.91 percent.

**DEPOSIT:** Deposit of the Bank has reached NPR 191 Billion 674 Million in FY 2023-24 from NPR 143 Billion 3 Million & 413 Thousand in FY 2020-21, with an increment of 34.04 percent.

LOAN AND ADVANCES: Loan and advances of the Bank has reached NPR 157 Billion 587 Million in FY 2023-24 from NPR 123 Billion 642 Million in FY 2020-21, with an increment of 27.45 percent.

**NET INTEREST INCOME:** Net Interest Income of the Bank has reached NPR 5 Billion 723 Million in FY 2023-24 from NPR 3 Billion 650 Million in FY 2020-21, with an increment of 56.80 percent.

NON-INTEREST INCOME: Non Interest Income of the Bank has reached NPR 1 Billion 516 Million in FY 2023-24 from NPR 1 Billion 527 Million in FY 2020-21, with a decrement of 0.72 percent.

TOTAL OPERATING EXPENSES: Total Operating Expenses of the Bank has reached NPR 3 Billion 437 Million in FY 2023-24 from NPR 2 Billion 198 Million in FY 2020-21, with an increment of 56.40 percent.

**NET PROFIT:** Net Profit of the Bank has reached NPR 1 Billion 321. Million in FY 2023-24 from NPR 1 Billion 804 Million in FY 2020-21, with a decrement of 26.80 percent.

TOTAL DISTRIBUTABLE PROFIT: Total Distributable Profit of the Bank has reached NPR 1 Billion 53 Million at an average in last 4 years.

NO. OF DEPOSITOR: No. of Depositor of the Bank has reached 1 Million 768 Thousand & 756 in FY 2023-24 from 1 Million 191 Thousand & 988 in FY 2020-21, with an increment of 48.39 percent.

NO. OF BORROWER: No. of Borrower of the Bank has reached 49 Thousand 3 hundred & 87 in FY 2023-24 from 58 Thousand 9 hundred & 21 in FY 2020-21, with an increment of 16.18 percent.

NO. OF BRANCHES: No. of Branches of the Bank has reached 197 in FY 2023-24 from 189 in FY 2020-21, with an increment of 8 Branches.

**DIVIDEND:** The Bank has distributed an average of 8.75% dividend in last 4 years.

#### 3. SYNOPSIS OF FINANCIAL PERFORMANCE OF THE BANK

The financial statements for the Fiscal Year 2023/24 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 2022/23, the comparative financial position of this Bank is as under:

NPR IN THOUSANDS

RATIOS	FY 2023/24	FY 2022/23	INCREASE OR (DECREASE)
Capital Adequacy Ratio	13.06%	12.12%	0.94%
STATEMENT OF FINANCIAL POSITION	FY 2023/24	FY 2022/23	INCREASE OR (DECREASE)
Total Assets	222,682,231	198,932,611	11.94%
Deposits	191,674,671	171,956,851	11.47%
Loans & Advances	157,587,269	143,573,735	9.76%
Investment	37,300,467	29,651,657	25.80%
General Reserves	7,373,392	6,732,545	9.03%
STATEMENT OF PROFIT OR LOSS	FY 2023/24	FY 2022/23	INCREASE OR (DECREASE)
Net Interest Income	5,723,819	5,828,496	-1.80%
Non- Operating Interest Income	1,516,354	1,240,457	22.24%
Operating Expenses	3,437,660	3,256,449	5.56%
Operating Profit	2,048,581	2,575,342	-20.45%
Net Profit	1,320,731	1,863,756	-29.14%

CAPITAL STRUCTURE: At the end of FY 2023/24, the paid up capital of the bank was NPR 14,200,974,006. The bank has not issued any bonus shares from the dividend of FY 2022/23 in current Fiscal Year.

CAPITAL ADEQUACY: The capital adequacy ratio stood at 13.06 percent at the end of FY 2023/24 in comparison to 12.12 percent at the end of FY 2022/23.

**TOTAL ASSETS:** At the end of the Fiscal Year 2023/24, the total assets stood at NPR 222.68 Billion which is an increment of 11.94 percent, in comparison to NPR 198.93 Billion at the end of FY 2022/23.

**DEPOSIT COLLECTION:** The total deposit collection of the Bank for the FY 2023/24 stood at NPR 191.67 Billion which has increased by 11.47 percent, in comparison to the previous year, where the total deposit collection was NPR 171.95 Billion.

Out of the total deposits, deposits from the customers have reached to NPR 189.23 Billion while the deposits from banks and financial institutions stood at NPR 2.43 Billion. The Bank's total deposits accounted for 4.22 percent of current deposits, 28.60 percent of savings deposits, 59.71 percent of term deposits, 6.92 percent of call deposits and remaining as other deposits.

LOANS AND ADVANCES: In the FY 2022/23, the Bank had disbursed NPR 143.57 Billion which has increased by 9.76 percent to NPR 157.58 Billion in FY 2023/24 out of which NPR 155.47 billion has been disbursed to customers while NPR 1.84 Billion has been disbursed to banks and financial institutions. Out of the total loan disbursement in FY 2023/24, 2.98 percent was in real estate sector, 6.25 percent in

housing sector, 3.05 percent in margin lending, 4.04 percent in overdraft loan, 42.78 percent in term loans, 8.46 percent in demand and working capital loans, 2.85 percent in hire purchase loans, 9.13 percent in deprived sector lending and 20.46 percent in other loans. Out of the total credit investment made in the FY 2023/24, the Bank has invested 33.59 percent in the priority sector, of which 11.09 percent has been invested in the agriculture sector. By mid-July of FY 2023/24, the Bank has approved a total limit of NPR 30.25 Billion from which it has contributed to the development of hydropower sector by disbursing NPR 15.79 Billion. The Bank has invested in various hydropower projects with a capacity of about 641.42 MW. Similarly, the Bank has disbursed a total of 5,223 numbers of small and medium enterprises loans in FY 2023/24 totaling of NPR 10.62 Billion while 10,109 numbers of loans worth NPR. 7.19 Billion has been disbursed under fast track title targeting agro and small enterprises. The bank has disbursed a total of NPR. 16.87 Billion in the agriculture sector including NPR. 16.20 Billion agro & enterprise loan and NPR. 669 Million Agriculture bond.

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 2.58 Billion in 1,927 projects of agricultural sector. Similarly, in FY 2023/24, a total of NPR 2.61 Billion Loan has been disbursed to 3,264 customers from different sectors under the "Procedure on Interest Subsidy for concessional Loan, 2076" issued by Nepal Rastra Bank,

TOTAL INVESTMENT: By mid-July of FY 2023/24, the Bank has invested total of NPR 37.30 Billion in various sectors. Out of the total investment, NPR 35.54 Billion which amounts to 95.31 percent of the total investment has been invested in Treasury bill and Development

bond issued by Nepal government while NPR 1.07 Billion which is 2.88 percent of the total investment has been invested in equity shares of various organized institution. Similarly, NPR 317.24 Million and NPR 364.71 Million has been invested in subsidiary and associates companies respectively.

**NET INTEREST INCOME:** In FY 2022/23, the net interest income of the Bank was NPR 5.82 Billion; whereas in FY 2023/24, it is decreased by 1.80 percent to NPR 5.72 Billion.

**NON- INTEREST INCOME:** In FY 2022/23, the non-interest income of the Bank was NPR 1.24 Billion whereas; it increased by 22.24 percent to NPR 1.51 Billion in 2023/24.

**OPERATING EXPENSES:** In FY 2022/23, the total operating expenses of the Bank was NPR 3.25 Billion which in FY 2023/24 increased by 5.56 percent to NPR 3.43 Billion due to expenses such branch network expansion, house rent, security expenses, insurance expenses, connectivity expenses, & hike in the price of petroleum products among others.

**OPERATING PROFIT:** In FY 2022/23, the operating profit of the Bank was NPR 2.57 Billion which in FY 2023/24 decreased by 20.47 percent to NPR 2.04 Billion.

**NET PROFIT:** In FY 2022/23, the net profit of the Bank was NPR 1.86 Billion. Whereas, in FY 2023/24, the net profit of the Bank decreased by 29.14 percent to NPR 1.32 in comparison to previous year. Slowdown in the economic activities and consequent shrink in the credit repayment capacity of the customers has posed challenges in the management of non-performing loan resulting decline in the net profit of the bank in FY 2023/24.

# 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 2023/24, CBIL Capital Limited's net profit stood at NPR 33.99 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. In FY 2023/24, the Last Net Asset Vaule (NAV) of Citizens Mutual Fund 1 has stood NPR. 10.94 per unit, the Last NAV of Citizens Mutual Fund 2 has stood 10.68 per unit and the same of Citizens Super 30 has remained NPR. 11.04 per unit.

Citizens Capital Limited has distributed 15.5 percent dividend in FY 2023/24.

# 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. The main objective of the company is to provide services for buying and selling securities, and services to depository members, etc. In FY 2023/24, the net profit of CBIL Securities Limited was NPR 3.12 Million. CBIL securities has distributed 5.26 percent dividend from the net profit & retained earnings of FY 2023/24.

#### 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 8 new branches during the FY 2023/24. The Bank has established Teku branch in Kathmandu Metropolitan( Kathmandu district-Bagmati Province), Imadol branch in Mahalaxmi Municipality (Lalitpur district-Bagmati Province), Dharke branch in Dhunibesi Municipality (Dhading District-Bagmati Province), Gajuri branch in Gajuri Rural Municipality (Dhading district-Bagmati Province), Birauta branch in Pokhara Metro( Kaski district-Gandaki Province), Walling branch in Walling Municipality( Syangja district-Gandaki Province), Dullu branch in Dullu Municipality( Dailekh district-Karnali Province), Amargadhi branch in Amargadhi municipality( Dadeldhura district-Far western Province), Mahakali branch in Mahakali Municipality( Darchula district-Far western Province). The number of branches has reached to

# 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 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 and continuously updated Management Information System (MIS) to generate required reports. Bank has timely updated its information technology infrastructure for 24 \* 7\* 365 customer centric Digital transaction system and internal Digitization/Automation.

# 8. DIGITAL BANKING

To enhance customer experience and reduce the necessity of branch visits, the Bank has upgraded its Citizens Smart Mobile Banking application with a dual-language feature, offering Nepali and English options. Additionally, the app now enables customers to conveniently deactivate mobile banking services directly through the platform.

Bank, in the quest of adopting digitization and paperless banking system, has been digitizing its internal work processes through BPM software under which internal systems such as Branch Meeting Minute, Incident Reporting, Insta Buy, Insurance Contract Management System, Letter Management System, PAN Update Request, Real Time Gross Settlement & Self-Audit Workflow have already been implemented.

To make the customer experience further enhanced and meaningful, bank has been continuously providing 24 hour services such as Balance Check, Mini Statement, Full statement, KYC Detail, Account Lien, Debit Card Block, Mobile Banking Block through call center. Additionally, bank has introduced Nepal's first Virtual Credit Card "Citizens Fonepay Virtual Credit Card" in collaboration with Fonepay allowing customers to make payments directly through Fonepay Merchant QR.

Bank has introduced Credit DMS web application in the process of digitizing overall process of Credit department. Similarly, bank has introduced the facility to obtain balance certificate digitally through QR scan. Additionally, bank has developed DPSI Management System Application for monitoring working capital loans, Audit Tracking Application System for overseeing, monitoring, and management of Audit related matters, Risk Assessment Application and Risk Register Application System for recording and reporting operational risk, Post Disbursement Monitoring Function (PDMF) Application for regulation of disbursed loans.

#### 9. CARD BUSINESS

The Bank has been providing ATM and POS services for the convenience of its customers. The Bank has added 17 new ATMs during the year 2023/24. With this, the total number of ATMs of the Bank has reached to 162 and the total number of POS has reached 521. The total number of debit cards, credit cards and prepaid cards of the Bank has reached to 363,161 units, 5,426 units and 3,526 units respectively as on the end of FY 2023/24.

# 10. REMITTANCE TRANSACTION

The Bank has been providing international remittance services through its own Remittance service "Citizens Remit". During the FY 2023/24, the Bank has catered to total inward remittance of USD 23.49 Million, earning an income of NPR 25.3 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 a new remittance agreement in Australia. 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, Turkey, & Kuwait.

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 18 thousand subsidiary representatives located all across the country.

In the coming days, to make remittance transaction further effective, 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 2023/24, the Bank has expanded 1 branchless banking service at Amiliya, Dang. So far, the Bank has been providing branchless banking services from 74 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 assisting the Government of Nepal to distribute social security allowances by providing services to 11,868 customers till date.

# 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 amongst others. Continuing with the same zeal, during the FY 2023/24, the Bank has provided NPR 1.38 million for health, NPR 0.67 million for culture preservation, NPR 2.67 million for financial awareness, NPR 5.28 million for social sector, NPR 0.69 million for environment protection and NPR 2.86 million for education sector, with total of NPR 10.38 million to various organizations.

# 13. HUMAN RESOURCE

The Bank has formed a Recruitment Committee under the lead of Senior Deputy Chief Executive Officer, with Deputy Chief Executive

Officer. Chief Administrative Officer as members and Head Human Resource Department as the member secretary.

By the end of FY 2023/24, the Bank has a total workforce of 1,784. A total of 227 new staffs were hired/appointed, whereas a total of 159 employees resigned from the Bank's service during the review period. Out of the total staffs, 760 are female i.e. 42.60 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 37.48 million for capacity development 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 2023/24, the Bank has contributed NPR 2.04 billion to the government treasury through tax payments that comprises of NPR 1.20 billion and NPR 16.5 Million as Tax Deducted at Source against various payments made by the Bank with large taxpayer Office and other inland revenue offices respectively, and NPR 820 million as Advance Income

#### 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.

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 weaknesses 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.

The Bank has consistently upheld transparency and accountability, demonstrating responsibility and responsiveness in every actions taken to achieve its objectives. It remains answerable to the Government of Nepal, regulators, social groups, shareholders, depositors, borrowers, customers, lenders, and all other stakeholders.

Similarly, the Board and Management have continuously promoted fairness & transparency in its actions all around the bank such as Budget preparation, Decision making process, & Source mobilization. Similarly, the board and management of the bank have always promoted and remained committed towards financial discipline, moral leadership, environment of trust, empowerment of minorities without any discrimination, & equal employment opportunities.

For maintaining and monitoring the status of discipline & compliance with code of conduct, a separate Compliance Department has been operating & empowered with necessary authorities and responsibilities. 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

In the review year, the tenure of Chairman, Mr. Rajan Singh Bhandari,

has been completed and Mr. Prabal Jung Pandey, elected as director by the 17th Annual General meeting, has been elected as the new Chairman of BOD, with effect from 13th October, 2023.

Mr. Digvijay Bista and Mrs. Seeta Karki K.C. have been elected as Directors by the shareholders in 17th AGM dated 13th October, 2023. Mrs. Seeta Karki K.C. has resigned from the post of director with effect from 8th May 2024 and Mrs. Ila Sharma has been appointed as the director with effect from 8th May, 2024 as decided by the 450th BOD meeting.

Tenure of Professional Director, Mr. Anil Kumar Gyawali has been completed on 21st November, 2023. Mr. Ramesh Raj Aryal was appointed as Professional Director with effect from 30th November 2023 who resigned from his post with effect from 28th December, 2023.

Dr. Binod Atreya has been appointed as the professional director with effect from 28th December, 2023 by the 438h BOD meeting. Mr. Sajan Sharma has resigned from director with effect from 30th June 2024 and Mr. Anil Kumar Gyawali has been appointed as the director with effect from 8th July, 2024.

# 18. CHANGES IN MANAGEMENT AND ITS REASONS

On June 02, 2024, the bank had to face unexpected demise of Deputy CEO Mr. Paras Kumar Kafle. Currently, the bank is being operated by CEO, Deputy CEO, Assistant CEO and the Executive Committee.

# 19. OTHER COMMITTEES

As per the provision of Unified Directives 06/080(7)(1)(b) 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 Laundering Committee.

Likewise, the Bank has formed Budget sub-Committee and Land and Building Purchase sub-committee as per Section 26 of Bank and Financial Institutions Act, 2017 and Unified Directive No 06/080(7)(1)(b) issued by Nepal Rastra Bank.

# **AUDIT COMMITTEE:**

The Internal Audit 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. The Composition of committee throughout the year has been presented below:

FROM IULY 17 2023 TO AUGUST 21 2023

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Anil Gyawali	Director	Coordinator
2	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

# FROM AUGUST 22, 2023 TO OCTOBER 17, 2023

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Anil Gyawali	Director	Coordinator
2	Mr. Bijaya Dhoj Karki	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

# FROM OCTOBER 18, 2023 TO NOVEMBER 21,2023

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Anil Gyawali	Director	Coordinator
2	Mr. Prakash Chandra Mainali	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

#### FROM NOVEMBER 22, 2023 TO NOVEMBER 29, 2023

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Prakash Chandra Mainali	Director	Member
2	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

#### FROM NOVEMBER 30, 2023 TO DECEMBER 27, 2023

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Ramesh Raj Aryal	Director	Coordinator
2	Mr. Prakash Chandra Mainali	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

# FROM DECEMBER 28, 2023 TO JULY 07, 2024

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Dr. Binod Atreya	Director	Coordinator
2	Mr. Prakash Chandra Mainali	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

#### AFTER JULY 8, 2024

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Dr. Anil Gyawali	Director	Coordinator
2	Mr. Prakash Chandra Mainali	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

During the FY 2023/24, meeting of the Audit Committee was held 8 times and total meeting allowance of NPR 176,000 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:**

To formulate policies and working plans related to bank's risk management, and oversee & regulate the implementation of such policies/plans, a board level Risk Management Committee has been formed. 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. The composition of the committee throughout the year has been presented below:

# FROM JULY 17, 2023 TO OCTOBER 17, 2023

,,,,,,		
S.NO.	NAME	POSITION HELD
1	Mr. Prabal Jung Pandey, Director	Coordinator
2	Mr. Prakash Chandra Mainali, Director	Member
3	Mr. Anil Gyawali, Director	Member
4	Chief Operating Officer	Member
5	Chief Risk Officer	Member Secretary

# FROM NOVEMBER 22, 2023 TO NOVEMBER 29, 2023

S.NO.	NAME	POSITION HELD	
1	Mr. Sajan Sharma, Director	Coordinator	
2	Mr. Digvijay Bista, Director	Member	
3	Chief Operating Officer	Member	
4	Chief Risk Officer	Member Secretary	

# FROM OCTOBER 18, 2023 TO NOVEMBER 21, 2023

S.	NO.	NAME	POSITION HELD
	1	Mr. Sajan Sharma, Director	Coordinator
	2	Mr. Digvijay Bista, Director	Member
	3	Mr. Anil Gyawali, Director	Member
	4	Chief Operating Officer	Member
	5	Chief Risk Officer	Member Secretary

#### FROM NOVEMBER 30, 2023 TO DECEMBER 27, 2023

S.NO.	NAME	POSITION HELD
1	Mr. Sajan Sharma, Director	Coordinator
2	Mr. Digvijay Bista, Director	Member
3	Mr. Ramesh Raj Aryal, Director	Member
4	Chief Operating Officer	Member
5	Chief Risk Officer	Member Secretary

# FROM DECEMBER 28, 2023 TO JUNE 30, 2024

S.NO.	NAME	POSITION HELD
1	Mr. Sajan Sharma, Director	Coordinator
2	Mr. Digvijay Bista, Director	Member
3	Dr. Binod Atreya, Director	Member
4	Chief Operating Officer	Member
5	Chief Risk Officer	Member Secretary

#### FROM JULY 01, 2024 TO JULY 07,2024

S.NO.	NAME	POSITION HELD
1	Mr. Digvijay Bista, Director	Member
2	Dr. Binod Atreya, Director	Member
3	Chief Operating Officer	Member
4	Chief Risk Officer	Member Secretary

#### AFTER JULY 08, 2024

S.NO.	NAME	POSITION HELD
1	Dr. Binod Atreya, Director	Coordinator
2	Mr. Digvijay Bista, Director	Member
3	Dr. Anil Gyawali, Director	Member
4	Chief Operating Officer	Member
5	Chief Risk Officer	Member Secretary

During the FY 2023/24, the meeting of Risk Management Committee was held for 4 times and total meeting allowance of NPR 121,000 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, Risk Register, Incident Reporting, Stress Testing, Capital Adequacy Ratio/Loss Database related report, Strategic Risk, Legal Risk, AML/CFT Risk and Reputational Risk related annual report and detailed analysis of the minutes of Asset Liability Committee (ALCO).

Sector-wise and Product-wise analysis of Credit, analysis of Non-Performing Loan, condition of bank's credit according to Assets Writing Strategy, Status of Credit Risk Profiling and review of loan loss provision, review and revaluation of authority of CAD, & discussion on the Exception Report were presented and discussed in Risk Management Committee.

Discussion about the remarks made by NRB, and analysis of overall credit portfolio, operational risk related issues of bank has been made in the

Similarly, contemporary issues in the Globel economy, Russia-Ukraine war, Conflict in Middle-east, continuous devaluation of Nepalese currency against dollar and Nepalese BOP balance, status of trade balance, interest rates, estimations made by IMF, World bank and ADB, NRB, Ministry of Finance, National statistics Office were reviewed.

Comparative analysis made by credit rating agencies on the credit strengths and credit challenges of commercial banks were reviewed and analyzed in detailed manner in Risk Management Committee.

Similarly, 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.

In the process of making timely updates in the policies and programs, during FY 2023/24, amendments in Loss Database Policy and Procedure, Stress Testing Policy and Procedure, Information Security (IS) Policy were made after detailed discussion in Risk Management Committee.

# **HUMAN RESOURCE COMPENSATION COMMITTEE:**

The function duties and power of the Committee have been defined as per NRB Directives. The Composition of committee throughout the year has been presented below:

FROM JULY 17, 2023 TO OCTOBER 17, 2023

S.NO.	NAME	POSITION HELD
1	Mr. Sajan Sharma, Director	Coordinator
2	Mr. Prakash Chandra Mainali, Director	Member
3	Chief Executive Officer	Member
4	Chief Finance Officer	Member
5	Head- Human Resource Department	Member Secretary

#### AFTER OCTOBER 18, 2023

S.NO.	NAME	POSITION HELD
1	Mr. Bijaya Dhoj Karki, Director	Coordinator
2	Mr. Prakash Chandra Mainali, Director	Member
3	Chief Executive Officer	Member
4	Chief Finance Officer	Member
5	Head- Human Resource Department	Member Secretary

During the FY 2023/24, 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 probation period, maternity leave, & notice period for resignation under Employee Bye-laws. Further, the committee has also reviewed Human Resource Management Policy 2022 and reviewed with amendments the Guidelines for Board of Directors 2023. In addition, the committee has reviewed and amended the bank's organizational structure and also formulated the Remuneration Policy 2024 and recommended the same to Board. Similarly, the committee has also completed the vacancy of the required employees and recommended the same to Board.

# **ANTI MONEY LAUNDERING COMMITTEE:**

The major function of the AML Committee is to review the policies, rules and guidelines formulated by the bank & arrangements and infrastructure set up by the bank to identify and manage the risk related to money laundering and financing of the terrorism. Additionally, the committee periodically reviews the decisions made by and action taken by the Committee to identify and manage the risk related to anti money laundering and financing of the terrorism and submits the report related to the same to the Board. The committee also provide necessary information and recommendations to the board on the national policies and laws related to AML/CFT, regulatory guidelines and bank's policies and guidelines related to AML/CFT. The function duties and power of the Committee have been defined as per NRB Directive. The composition of the Committee throughout the FY 2023/24 are presented below:

FROM JULY 17, 2023 TO OCTOBER 17,2023

S.NO.	NAME	POSITION HELD
1	Mr. Bijaya Dhoj Karki, Director	Coordinator
3	Chief Risk Officer	Member
4	Head- Compliance Department	Member
5	AML/CFT/Compliance Officer	Member Secretary

# FROM OCTOBER 18, 2023 TO MAY 07,2024

S.NO.	NAME	POSITION HELD
1	Mrs. Sita Karki (K.C.), Director	Coordinator
2	Mr. Digvijay Bista, Director	Member
3	Chief Risk Officer	Member
4	Head- Compliance Department	Member
5	AML/CFT/Compliance Officer	Member Secretary

# AFTER MAY 08 2024

S.NO.	NAME	POSITION HELD
1	Mrs. Ila Sharma Director	Coordinator
2	Mr. Digvijay Bista, Director	Member
3	Chief Risk Officer	Member
4	Head- Compliance Department	Member
5	AML/CFT/Compliance Officer	Member Secretary

A total of 4 meetings were held of the Anti-Money Laundering Committee during the FY 2023/24 and total meeting allowance of NPR 77,000 has been paid. In the review period, the Committee monitored AML/CFT related laws, directives of NRB, bank's policies and guidelines on AML/CFT and whether the activities are being conducted as per such policies and procedures. Similarly, the Committee also discussed about the potential risks related to money laundering/terrorist financing and solutions to manage those risks.

The committee reviewed the status of compliance to the prevailing AML/CFT laws and policies in overall, customer risk assessment & management report, & quarterly presented the report to Board incorporating the compliance status of bank's AML/CFT policies and laws, NRB directives and guidelines, FATF recommendations, and suggestions to minimize the weaknesses encountered during the implementation of such policies and guidelines.

The Committee also discussed on various matters such as amendments made in the Money Laundering Prevention Act (MLPA) 2008, 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 Enforcement report of NRB after onsite inspection, Bank Supervision Report FY 2022/23, institutional and sectorial risk assessment of the Bank of FY 2022/23, internal audit report, NRB inspection and review of management response on preliminary findings from NRB Inspection, implementation status on NRB directives 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. Prakash Chandra Mainali, along with Director Mr. Digvijay Bista and Dr. Binod Atreya as members and Chief Executive Officer as member secretary.

The meeting of Budget Sub Committee was held for 2 times during FY 2023/24 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 2023/24. Due to completion of Term of Reference (TOR) of this committee, it has been dissolved now.

#### LAND AND BUILDING PURCHASE SUB COMMITTEE:

Bank has formed Budget Sub Committee with Director Mr. Prakash Chandra Mainali as a coordinator, along with Director Mr. Bijaya Dhoj Karki and Mr. Sajan Sharma as members and Chief Administrative Officer as member secretary. The committee recommends the Board for acquisition of suitable land and buildings as deemed necessary.

The meeting of the sub Committee was held for 1 time during FY 2023/24 and total meeting allowance of NPR 33,000 has been paid. The committee has submitted the recommendation to the Board of directors to purchase land and building for Sudur Paschim province office and branch office in Dhangadhi sub-metropolitan city, ward number 3, after the site visit. Similarly, the sub-committee has been informed about the acquisition of the land and building of Crystal Finance Limited on November 26, 2023. Due to completion of Term of Reference (TOR) of this committee, it has been dissolved now.

# 20. MAJOR FACTORS AFFECTING BANKING TRANSACTIONS

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

- Risks due to change in economic conditions of the country.
- Potential risks arising due to change in Economic, Monetary and Financial policy of the country.
- Potential risks arising due to change in policies by Nepal Government and NRB, relating to commercial banks.
- Risks due to change in exchange rate during foreign exchange transactions.
- 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.
- Risks due to the shrink in the scope of deposit collection, investment and loans and advances of the Bank.
- Risks due to untimely recovery of loans.
- Potential risks arising in providing non-funded services such as letter of credit and bank guarantee.
- Economical risks arising due to potential impacts in the Nepalese market caused due to recession in international market.
- Risks due to fluctuations in capital markets.
- Lack of alternative investment sector.
- Risks arising out of negative impacts created in our economic system caused due to fluctuations in remittance income.
- Effects due to political instability in the country.
- Effects due to vigorous competition in the banking industry.
- Risk due to unavailability of centralized data and sufficient technology in order to stop Money Laundering.
- The challenge of consistently providing high return on investment when the source of income has narrowed down maintaining capital related requirements.
- Development of Information technology and its operational risk and challenges.

# 21. APPOINTMENT OF AUDITOR

The 17th Annual General Meeting of the Bank had appointed M/s J.K. & S.S. Associates, Chartered Accountants, for auditing books of account for FY 2023/24 and the audit has been completed by the firm. The appointment of auditor for the FY 2024/25 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, 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.
- Pay special attention to increase the size of business of subsidiary companies of the Bank.
- Pay special attention to increase credit investment in productive sectors.
- Provide banking facilities using modern technology and software without physical presence of customers at 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
- 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 15, 2024, Consolidated Statement of Profit or Loss for FY 2023/24, 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 2023/24, the Bank has earned Net Profit of NPR 1,320.73 Million out of which, 20 percent of the Net Profit amounting to NPR 264.14 Million has been transferred to General Reserve Fund, in line with section 44 of the Bank and Financial Institutions Act (BAFIA), 2017. Similarly, as per section 45 of the same Act, NPR 5.74 Million has been transferred back to Distributable Profit from Foreign exchange revaluation reserve 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 13.20 Million in the Corporate Social Responsibility Fund and the amount spent under corporate social responsibility amounting NPR 13.80 Million during the last fiscal year has been returned to distributable profit from the same reserve.

In addition, as per the Unified Directive of Nepal Rastra Bank, the amount of NPR 0.525 million has been transferred to Employees' Training Fund and the amount of NPR 72.77 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 356 million has been transferred to Regulatory Reserve on account of Non-Banking Asset, NPR 5.95 million has been transferred to Regulatory Reserve on account of Actuary Loss, and NPR 9.61 million transferred to Regulatory Reserve on account of Deferred Tax Assets during the year. Similarly, 63 percent of current year's unrealized loss of trading assets amounting NPR 1.47 million has been transferred back to Retained earnings from Regulatory Reserve created on account of unrealized gain on trading assets up to previous year. Similarly, NPR 31.59 million corresponding to the amount of Interest Capitalized Term Loan after deducting the amount of staff bonus and income tax has been transferred to Regulatory Reserve. As per the Unified directives 16/080-5-(2), it is not required to transfer the amount to debenture redemption reserve if equivalent amount of bonus shares have been issued. Accordingly, bonus shares amounting to NPR. 277.78 Million, which covers the amount required to be transferred to debenture redemption reserve, have been issued and hence no amount has been transferred to debenture redemption reserve in FY 2023/24.

The Bank has proposed to distribute bonus shares and cash dividend for tax purpose from the total distributable amount of NPR 613.24 million. Such distributable amount comprises of retained earnings of NPR 25.27 million from previous years and current year distributable profit of NPR 587.97

24. OTHER DETAILS REQUIRED BY SECTION 109 (4) OF THE COMPANIES ACT, 2006 HAVE BEEN INCLUDED IN SCHEDULE "A" OF THIS ANNUAL REPORT

25. THE DETAILS REQUIRED BY RULE 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 upliftment 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. Prabal Jung Pandey 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,

# 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, 2081 (July 15, 2024), 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, 2081 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.

#### **Kev Audit Matters**

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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:

#### **KEY AUDIT MATTERS** S.N.

# Interest Recognition

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.

The Bank has decreased its interest income to Loans and advance to 11.07% in current year 2080/81 from 13.00% in previous year as the average interest rate of banking industry has been decreased during the year.

Given the lack of system capability to suspend recognition of income on the basis of overdue status of loan and fair value of collateral as well as review of fair valuation of collateral on regular basis, manual intervention will be required in interest recognition process and hence create risk of improper application of the guidelines and determination of the Fair Value of the collateral. This may, in turn, have effect on recognition of interest income of the bank. Therefore, we have considered interest income as key audit matter.

# **AUDITOR'S RESPONSE**

Our audit approach included, but were not limited to, the following:

- a. Understanding the design of internal controls and process of accrual of interest income on loans and advances in the Core Banking Software of the bank.
- b. Reviewing the files of borrowers containing credit appraisal and other substantiating documents selected on sample basis and assessing the assigned premium.
- c. 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.
- d. Test checking of interest application, recalculating of interest as per the bank statement of the sampled borrowers.
- e. Test-checked the premium charged on sampled borrowers from the report provided and basis taken by the management.





#### 2 Impairment of 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, 2081, 68.90% of total assets of the Group consisted of loans and advances amounting Rs. 153.280 billion (Note 4.7), impairment allowance for the year then ended of Rs.6.476 billion (Note 4.7.4) being higher of impairment as per NFRS is Rs. 5.379 billion and impairment loss as per norms of NRB Rs. 6.476 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 included, but were not limited to, the following:

- a. Review of the overdue status of loans and advances by obtaining data from the system and matched the same with the NRB 2.2 report.
- b. Sample credit files were reviewed, among other things, from the perspective of utilization of loans and advances for intended purpose by way of scrutiny of financial statements, account movement, account turnover etc.
- c. Expected future cash flows from the individually significant loans and advances with indication of impairment are assessed on the basis of realizable value of collateral securities based on management estimate.
- d. Performed inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as Non-Performing.
- e. Held specific discussions with the management of the Bank on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

#### Investment Valuation, Identification, and Impairment 3

Investment of the bank comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted equity instruments. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and NRB Directive no. 8. The investment in the government & NRB bonds and T-bills should be recognized on reporting date on amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income. Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter.

Our audit approach included, but were not limited to, the following:

- a. Review of the investment of the bank and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal and NRB Directive 8.
- b. We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidences/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment.
- c. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis.
- d. For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 15.07.2024 and for the unquoted investment the fair value has been taken as net worth per share as per latest audited financial statements available after adjustment for dividends.





#### 4 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.

Our audit approach regarding Information Technology of the bank is based upon the 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 general and applications controls and it included:

- a. Understanding the coding system adopted by the bank for various categories of customers.
- b. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the bank.
- c. Checking of the user requirements for any changes in the regulations/ policy of the bank
- d. Reviewed the reports generated by the system on sample basis. We verified the interest income and expense booking regarding loan and deposit on test basis with the CBS.
- e. 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. 396.817 million as at Ashad 31, 2081, and total revenue, total net profit after tax, and net cash outlows of Rs. 88.988 million, Rs. 33.990 million, and Rs. 176.737 million for the year ended on that date respectively, and financial statements of CBIL Securities Limited reflects total assets of Rs. 313.405 million as at Ashad 31, 2081, total net profit after tax and net cash inflows of Rs. 26.161 million, Rs. 3.116 million, and 26.209 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
- 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: October 03, 2024

Place: Maharajgunj, Kathmandu UDIN: 240923CA00848rpf9



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS ON JULY 15, 2024 (ASHAD 31, 2081)

AMOUNT IN NPR

PARTICULARS	NOTE	GROL	JP	В	ANK
TANTOSEANS		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
ASSETS					
Cash and Cash Equivalents	4.1	11,157,436,957	9,772,068,845	11,103,495,123	9,764,245,573
Due from Nepal Rastra Bank	4.2	6,678,168,437	6,703,008,872	6,678,168,437	6,703,008,872
Placement with Bank and Financial Institutions	4.3	1,832,857,356	2,236,412,161	1,752,857,356	2,236,412,161
Derivative Financial Instruments	4.4	4,096,799	17,045,476	4,096,799	17,045,476
Other Trading Assets	4.5	434,434,408	517,657,315	334,687,833	318,872,100
Loans and Advances to B/FIs	4.6	1,821,139,008	2,510,671,744	1,821,139,008	2,510,671,744
Loans and Advances to Customers	4.7	153,280,350,160	139,832,005,022	153,343,650,160	139,832,005,022
Investment Securities	4.8	36,390,418,321	28,699,734,464	36,283,861,266	28,685,569,583
Current Tax Assets	4.9	455,097,848	286,244,148	452,990,685	283,947,414
Investment in Subsidiaries	4.10	-	-	317,204,200	317,204,200
Investment in Associates	4.11	158,079,926	173,948,575	364,714,000	330,011,545
Investment Property	4.12	821,262,933	256,128,571	821,262,933	256,128,571
Property and Equipment	4.13	4,316,396,410	3,766,202,005	4,297,547,263	3,757,646,456
Goodwill and Intangible Assets	4.14	195,051,568	179,985,754	194,143,634	179,517,754
Deferred Tax Assets	4.15	102,281,266	123,021,311	24,486,861	62,803,729
Other Assets	4.16	4,827,005,506	3,523,909,817	4,887,925,332	3,677,520,668
Total Assets		222,474,076,903	198,598,044,081	222,682,230,891	198,932,610,867
LIABILITIES					
Due to Bank and Financial Institutions	4.17	2,438,002,332	3,714,711,816	2,438,002,332	3,714,711,816
Due to Nepal Rastra Bank	4.18	-	-	-	-
Derivative Financial Instruments	4.19	-	-	-	-
Deposits from Customers	4.20	188,954,070,122	168,432,895,149	189,236,668,435	168,842,139,608
Borrowing	4.21	-	-	-	-
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	-	-	-	-
Other Liabilities	4.23	3,996,028,557	2,946,359,975	3,960,093,816	2,927,086,615
Debt Securities Issued	4.24	5,467,793,773	2,479,847,548	5,467,793,773	2,479,847,548
Subordinated Liabilities	4.25	-		-	-
Total Liabilities	25	200,861,201,408	177,579,121,114	201,107,864,981	177,969,092,212
Total Elabitites		200,001,201,400	177,077,121,114	201,107,004,701	177,707,072,212
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		709,477,417	923,246,617	613,242,207	846,989,180
Reserves	4.27	6,600,566,915	5,796,746,690	6,760,149,698	5,915,555,469
Total Equity Attributable to Equity Holders		21,511,018,337	20,920,967,313	21,574,365,910	20,963,518,654
Non-Controlling Interest		101,857,158	97,955,654	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Total Equity		21,612,875,495	21,018,922,967	21,574,365,910	20,963,518,654
Total Liabilities and Equity				222,682,230,891	
Contingent liabilities and commitment	4.28	222,474,076,903	198,598,044,081		198,932,610,867
	4.20	93,028,935,153	82,548,258,497	92,294,171,484	82,004,270,497
Net assets value per share		152.19	148.01	151.92	147.62

PRAMESH RAJ KAYASTHA Chief Finance Officer

GANESH RAJ POKHAREL Chief Executive Officer

PRABAL JUNG PANDEY Chairman

PRAKASH CHANDRA MAINALI Director

BIJAYA DHOJ KARKI

DIGVIJAY BISTA Director

ILA SHARMA Director

BINOD ATREYA Director

ANIL GYAWALI Director

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

Date: September 23, 2024 Place: Narayanhiti Path, Kathmandu

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the year ended July 15, 2024 (Ashad 31, 2081)

AMOUNT IN NPR

PARTICULARS	NOTE	GRO	UP	BAI	NK
TARTIOCEARS	NOIL	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Interest Income	4.29	19,736,058,603	20,694,796,293	19,719,665,007	20,660,828,235
Interest Expenses	4.30	(13,968,832,763)	(14,818,505,235)	(13,995,845,998)	(14,832,332,039)
Net Interest Income		5,767,225,840	5,876,291,058	5,723,819,009	5,828,496,196
Fees and Commission Income	4.31	1,339,195,832	1,046,642,004	1,279,684,020	1,013,993,665
Fees and Commission Expenses	4.32	(159,328,916)	(138,955,799)	(154,714,534)	(137,210,558)
Net Fees and Commission Income		1,179,866,916	907,686,204	1,124,969,487	876,783,106
Net Interest, Fees and Commission Income		6,947,092,756	6,783,977,263	6,848,788,496	6,705,279,302
Net Trading Income	4.33	163,024,418	187,194,103	156,055,435	182,203,411
Other Operating Income	4.34	67,387,679	28,129,030	52,089,910	23,577,946
Total Operating Income		7,177,504,853	6,999,300,396	7,056,933,841	6,911,060,659
Impairment (Charge)/ Reversal for Loans and Other Losses	4.35	(1,725,407,494)	(1,216,480,218)	(1,725,407,494)	(1,216,480,218)
Net Operating Income		5,452,097,359	5,782,820,178	5,331,526,347	5,694,580,442
Operating Expenses					
Personnel Expenses	4.36	(2,014,730,017)	(1,906,119,158)	(1,987,316,489)	(1,889,896,983)
Other Operating Expenses	4.37	(961,938,591)	(905,782,047)	(949,096,989)	(901,913,517)
Depreciation & Amortisation	4.38	(350,110,225)	(330,015,094)	(346,532,327)	(327,427,689)
Operating Profit		2,125,318,525	2,640,903,879	2,048,580,542	2,575,342,253
Non Operating Income	4.39	20,232,110	13,221,997	28,524,541	20,681,607
Non Operating Expenses	4.40	(19,518,786)	(79,570,322)	(19,518,786)	(79,570,322)
Profit Before Income Tax		2,126,031,850	2,574,555,553	2,057,586,297	2,516,453,538
Income Tax Expenses	4.41				
Current Tax		(761,045,691)	(778,061,771)	(746,466,775)	(765,409,985)
Deferred Tax		8,002,241	108,030,319	9,611,479	112,712,458
Profit (Loss) for the Period		1,372,988,400	1,904,524,102	1,320,731,001	1,863,756,011
Due St. Assuibuse ble Te					
Profit Attributable To:		1 050 015 105	1.00/.0/0.000	1 200 501 001	1.0/0.757/011
Equity Holders of the Bank		1,358,917,127	1,894,060,983	1,320,731,001	1,863,756,011
Non-Controlling Interest		14,071,273	10,463,118	1 220 721 001	1 0/2 75/ 011
Profit for the Period		1,372,988,400	1,904,524,102	1,320,731,001	1,863,756,011
Earnings Per Share		2.17		0.00	
Basic Earnings Per Share		9.67	13.41	9.30	13.12
Diluted Earnings Per Share		9.67	13.41	9.30	13.12

PRAMESH RAJ KAYASTHA Chief Finance Officer

> DIGVIJAY BISTA Director

Date: September 23, 2024 Place: Narayanhiti Path, Kathmandu

GANESH RAJ POKHAREL Chief Executive Officer

BINOD ATREYA

Director

PRABAL JUNG PANDEY

Chairman

ILA SHARMA Director

PRAKASH CHANDRA MAINALI

Director

ANIL GYAWALI Director

BIJAYA DHOJ KARKI

Director

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 15, 2024 (Ashad 31, 2081)

AMOUNT IN NPR

DARTICHI ARC	GR	OUP	BA	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Profit or Loss for the Period	1,372,988,400	1,904,524,102	1,320,731,001	1,863,756,011
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	104,570,836	4,015,431	168,265,436	(45,623,169)
Gains/ (Losses) on Revaluation				
Actuarial Gains/ (Losses) on Defined Benefit Plans	(8,763,211)	967,742	(8,504,280)	955,819
Income Tax relating to above items	(28,742,287)	(1,494,952)	(47,928,347)	13,400,205
Net Other Comprehensive Income that will not be reclassified to Profit or Loss	67,065,337	3,488,221	111,832,809	(31,267,145)
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	67,065,337	3,488,221	111,832,809	(31,267,145)
Total Comprehensive Income for the Period	1,440,053,737	1,908,012,323	1,432,563,810	1,832,488,866
Profit Attributable to:				
Equity Holders of the Bank	1,425,982,464	1,897,549,204	1,432,563,810	1,832,488,866
Non-Controlling Interest	14,071,273	10,463,118	-	-
Total Comprehensive Income for the Period	1,440,053,737	1,908,012,323	1,432,563,810	1,832,488,866

PRAMESH RAJ KAYASTHA Chief Finance Officer

DIGVIJAY BISTA

Date: September 23, 2024 Place: Narayanhiti Path, Kathmandu

GANESH RAJ POKHAREL Chief Executive Officer

BINOD ATREYA

PRABAL JUNG PANDEY

ILA SHARMA Director

PRAKASH CHANDRA MAINALI

ANIL GYAWALI Director

BIJAYA DHOJ KARKI Director

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 15, 2024 (Ashad 31, 2081)

AMOUNT IN NPR

	GRO	OUP	BAI	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest Received	18,243,507,643	18,478,205,094	18,214,175,823	18,440,387,849
Fees And Other Income Received	1,378,227,843	1,041,803,982	1,328,659,737	1,009,913,284
Dividend Received	19,784,567	21,053,234	16,891,455	20,595,447
Receipts From Other Operating Activities	206,190,880	169,712,181	193,275,897	166,498,689
Interest Paid	(13,385,040,336)	(14,598,332,171)	(13,385,040,336)	(14,598,332,171)
Commission And Fees Paid	(154,714,534)	(137,210,558)	(154,714,534)	(137,210,558)
Cash Payment To Employees	(1,792,419,893)	(1,808,933,559)	(1,764,492,182)	(1,792,723,307)
Other Expense Paid	(1,006,848,112)	(1,004,737,460)	(983,113,633)	(991,924,856)
Operating Cash Flows Before Changes In Operating Assets And Liabilities	3,508,688,059	2,161,560,743	3,465,642,227	2,117,204,376
(Increase)/Decrease In Operating Assets	-,,	_,,,,,,,,,,,	2,323,232,22	
Due From Nepal Rastra Bank	24,840,436	(2,436,500,819)	24,840,436	(2,436,500,819)
Placement With Bank And Financial Institutions	483,554,804	(1,002,780,704)	483,554,804	(1,002,780,704)
Other Trading Assets	(18,155,469)	114,496,670	(18,155,469)	17,720,670
Loan And Advances To Bank And Financial Institutions	689,532,736	789,247,857	689,532,736	789,247,857
Loans And Advances To Customers	(16,241,911,172)	(9,119,836,865)	(16,305,211,172)	(9,119,836,865)
Other Assets	(1,201,511,144)	(804,578,340)	(1,140,924,282)	(800,563,982)
Increase/(Decrease) In Operating Liabilities	(1,201,011,144)	(004,070,040)	(1,140,724,202)	(000,000,702)
Due To Bank And Financial Institutions	(1,276,709,484)	(348,342,969)	(1,276,709,484)	(348,342,969)
Due To Nepal Rastra Bank	(1,270,707,404)	(11,070,250,868)	(1,270,707,404)	(11,070,250,868)
Deposit From Customers	20,591,174,957	15,831,969,220	20,394,528,828	16,040,649,237
Borrowings	20,371,174,737	(113,000,000)	20,374,320,020	10,040,047,237
Other Liabilities	727,181,002	(449,412,185)	746,105,676	(485,168,154)
Net Cash Flow From Operating Activities Before Tax Paid	7,286,684,725	(6,447,428,260)	7,063,204,300	(6,298,622,221)
Income Taxes Paid	(952,172,065)	(780,042,791)	(939,996,907)	(764,020,424)
Net Cash Flow From Operating Activities	6,334,512,660	(7,227,471,051)	6,123,207,393	(7,062,642,644)
CASH FLOWS FROM INVESTING ACTIVITIES	0,334,312,000	(7,227,471,001)	0,120,207,070	(7,002,042,044)
Purchase Of Investment Securities	(7,600,047,077)	(553,017,424)	(7,375,847,058)	(690,297,086)
Receipts From Sale Of Investment Securities	82,080,293	28,654,598	(7,373,047,030)	(070,277,000)
Purchase Of Property And Equipment	(901,104,871)	(378,923,820)	(887,955,563)	(375,323,257)
Receipt From The Sale Of Property And Equipment	20,234,627	42,798,709	20,186,627	42,796,359
Purchase Of Intangible Assets	(28,078,552)	(8,844,678)	(28,037,872)	(8,814,597)
Receipt From The Sale Of Intangible Assets	(20,070,332)	(0,044,070)	(20,037,072)	(0,014,377)
Purchase Of Investment Properties				
Receipt From The Sale Of Investment Properties	39,923,000	19,821,211	39,923,000	19,821,211
Interest Received		1,459,535,943	1,721,038,317	1,441,750,427
Dividend Received	1,739,253,208	9,512,582		
Net Cash Used In Investing Activities	(6,621,480,419)	619,537,121	26,258,953 (6,484,433,595)	9,512,582 <b>439,445,638</b>
CASH FLOWS FROM FINANCING ACTIVITIES	(0,021,400,417)	017,337,121	(0,404,433,373)	437,443,030
	3,000,000,000		2 000 000 000	
Receipt From Issue Of Debt Securities  Repayment Of Debt Securities			3,000,000,000	
• • • • • • • • • • • • • • • • • • • •	-		-	
Receipt From Issue Of Subordinated Liabilities	-		-	
Repayment Of Subordinated Liabilities	-	-	-	
Receipt From Issue Of Shares	- (0/2,000,/07)	- (1.0/0.0/2./2-)	(010.000.105)	
Dividends Paid	(842,890,687)	(1,249,048,692)	(818,890,687)	(1,249,048,692)
Interest Paid	(482,629,947)	(256,250,000)	(480,633,562)	(256,250,000)
Other Receipt/Payment	(2,143,495)	(7,807,899)	-	-
Net Cash From Financing Activities	1,672,335,871	(1,513,106,591)	1,700,475,752	(1,505,298,692)

Net Increase (Decrease) In Cash And Cash Equivalents	1,385,368,112	(8,121,040,521)	1,339,249,550	(8,128,495,698)
Cash And Cash Equivalents At Mid July 2022	9,772,068,845	17,893,109,366	9,764,245,573	17,892,741,270
Effect Of Exchange Rate Fluctuations On Cash And Cash Equivalents Held	-	-		-
Cash And Cash Equivalents At Mid July 2023	11,157,436,957	9,772,068,845	11,103,495,123	9,764,245,573

PRAMESH RAJ KAYASTHA

Chief Finance Officer

DIGVIJAY BISTA Director

Date: September 23, 2024 Place: Narayanhiti Path, Kathmandu

GANESH RAJ POKHAREL Chief Executive Officer

> BINOD ATREYA Director

PRABAL JUNG PANDEY Chairman

> ILA SHARMA Director

PRAKASH CHANDRA MAINALI Director

> ANIL GYAWALI Director

BIJAYA DHOJ KARKI Director

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 15, 2024 (Ashadh 31, 2081)

AMOUNT IN NPR

					5000	5						
				ATTRIBU	TABLE TO EQUITY	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	GROUP				Š	
PARTICULARS	SHARE	SHARE	GENERAL RESERVE	EXCHANGE EQUALISATION RESERVE	REGULATORY RESERVE	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	OTHER RESERVES	TOTAL	CONTROLLING INTEREST	TOTAL EQUITY
Balance at Shrawan 1, 2079	14,200,974,006		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	œ											
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										I		'
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) (arrising from translating Financial Assets of Foreign Operation)												
Total Comprehensive Income for the Year	•	,	r	•	-	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	I		•
Transfer from Reserve during the Year	ı	1	ſ	1	1	-	1	1	-	•		1
Transactions with Owners, directly recognised in Equity										1		1
Share Issued	-	-	-	-	-	•	-	1	-	ı		1
Share Based Payments										1		1
Dividends to Equity Holders	ı	1	1	1	-	•	1	ı	•	I		'
Bonus Shares Issued	-	-	-	-	-	•	-	1	-	1	1	1
Cash Dividend Paid	•	'	1	•	1	•	•	(1,278,087,660)	•	(1,278,087,660)	1	(1,278,087,660)
Other	1	'	1	1	1	'	1	66,621	(381,000)	(314,379)	(222,085)	(536,464)
Total Contributions by and Distributions	•	•	r	•	1	'	•	(1,278,021,039)	(381,000)	(1,278,402,039)	(222,085)	(1,278,624,124)
Balance at Ashad end 2080	14,200,974,006	•	3,413,142,806	23,180,770	831,803,766	114,759,709	407,893,594	923,246,617	1,005,966,047	20,920,967,314	97,955,654	21,018,922,967

					GROUP	dD.						
				ATTRIBU	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	HOLDERS OF THE	GROUP				Q.	
PARTICULARS	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVE	EXCHANGE EQUALISATION RESERVE	REGULATORY RESERVE	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	OTHER RESERVES	TOTAL	CONTROLLING INTEREST	TOTAL
Balance at Shrawan 1, 2080	14,200,974,006	•	3,413,142,806	23,180,770	831,803,766	114,759,709	407,893,594	923,246,617	1,005,966,047	20,920,967,314	97,955,653	21,018,922,967
Adjustment of previous year								359,374		359,374	(60,557)	298,817
Comprehensive income for the year												
Profit for the year								1,358,917,127		1,358,917,127	14,071,273	1,372,988,400
Other Comprehensive income, net of tax						73,199,585		(106,217)	(5,952,996)	67,140,372	(75,034)	67,065,337
Gains/(losses) from investments in equity instruments measured at fair value						73,199,585				73,199,585		73,199,585
Gains/(losses) on revaluation												
Actuarial gains/(losses) on defined benefit plans								(106,217)		(106,217)	(75,034)	(181,252)
Gains/(Losses) on cash flow hedge												
Exchange gains/(losses) (arising from translating financial assets of foreign operation)												
Total Comprehensive income for the year	•	-	1	•	1	73,199,585	1	1,358,810,909	(5,952,996)	1,426,057,499	13,996,239	1,440,053,737
Transfer to reserve during the year	1	•	267,856,885	(5,741,006)	474,496,296	ı	1	(736,812,008)	199,832	(0)		(0)
Transfer from reserve during the year	1	•	1	1	-	•	-	-	-	ı		•
Transactions with owners, directly recognised in equity										•		1
Share issued	1	ı	1	1	1	1	1	1	r	1		ı
Share based payments										1		,
Dividends to equity holders	1	1	1	1	1	1	•	1	1	ı		1
Bonus shares issued	1	_	1	-	1	1	1	-	_	-	_	1
Cash dividend paid	1	1	1	1	1	•	1	(836,226,157)	1	(836,226,157)	(9,935,496)	(846,161,653)
Other	1	-	1	•	1	•	1	98,681	(238,373)	(139,692)	(98,681)	(238,373)
Total contributions by and distributions	1	1	1	1	1	1	1	(836,127,476)	(238,373)	(836,365,848)	(10,034,177)	(846,400,026)
Balance at Ashad end 2081	14,200,974,006	•	3,680,999,691	17,439,764	1,306,300,062	187,959,295	407,893,594	709,477,417	999,974,511	21,511,018,337	101,857,158	21,612,875,495

					B/B	BANK						
				ATTRI	ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	<b>LY HOLDERS OF TH</b>	HE BANK				i Ci	
PARTICULARS	SHARE CAPITAL	SHARE	GENERAL RESERVE	EXCHANGE EQUALISATION RESERVE	REGULATORY RESERVE	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	OTHER RESERVES	TOTAL	CONTROLLING INTEREST	TOTAL
Balance at Shrawan 1, 2079	14,200,974,006	•	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)		
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	1	1	1	1	ı	(31,936,218)	1	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										1		
Share issued										-		
Share based payments										-		
Dividends to equity holders										•		
Bonus shares issued										•		
Cash dividend paid								(1,278,087,660)		(1,278,087,660)		
Other										1		
Total contributions by and distributions	T	•	•	•	1	•	•	(1,278,087,660)	•	(1,278,087,660)		
Balance at Ashad end 2080	14,200,974,006	•	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		

					BAI	BANK						
				ATTRI	ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	Y HOLDERS OF TH	HE BANK				i c	
PARTICULARS	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVE	EXCHANGE EQUALISATION RESERVE	REGULATORY RESERVE	FAIR VALUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	OTHER RESERVES	TOTAL	NON- CONTROLLING INTEREST	TOTAL
Balance at Shrawan 1, 2080	14,200,974,006	•	3,402,681,478	23,180,770	831,803,766	247,396,570	407,893,594	846,989,180	1,002,599,293	20,963,518,655		
Adjustment of previous year								445,097		445,097		
Adjusted Balance on Shrawan 1, 2080	14,200,974,006	•	3,402,681,478	23,180,770	831,803,766	247,396,570	407,893,594	847,434,278	1,002,599,293	20,963,963,753		
Comprehensive income for the year												
Profit for the year								1,320,731,001		1,320,731,001		
Other Comprehensive income, net of tax						117,785,805			(5,952,996)	111,832,809		
Gains/(losses) from investments in equity instruments measured at fair value						117,785,805				117,785,805		
Gains/(losses) on revalution												
Atuarial gains/(losses) on defined benefit plans									(5,952,996)	(5,952,996)		
Gains/(losses) on cash flow hedge												
Exchange gains/(losses) (arising from translating financial assets of foreign operation)												
Total Comprehensive income for the year	r	1	1	•	1	117,785,805	1	1,320,731,001	(5,952,996)	1,432,563,810		
Transfer to reserve during the year			264,146,200	(5,741,006)	474,496,296			(732,761,420)	(140,071)	-		
Transfer from reserve during the year								1	1	1		
Transactions with owners, directly recognised in equity										1		
Share issued										1		
Share based payments										1		
Dividends to equity holders										ı		
Bonus shares issued										1		
Cash dividend paid								(822,161,653)		(822,161,653)		
Other										1		
Total contributions by and distributions	•	•	1	•	1	•	1	(822,161,653)	•	(822,161,653)		
Balance at Ashad end 2081	14,200,974,006	•	3,666,827,678	17,439,764	1,306,300,062	365,182,375	407,893,594	613,242,207	996,506,227	21,574,365,910		

PRAMESH RAJ KAYASTHA Chief Finance Officer **DIGVIJAY BISTA**Director

GANESH RAJ POKHAREL Chief Executive Officer BINOD ATREYA Director

PRABAL JUNG PANDEY Chairman ILA SHARMA Director

PRAKASH CHANDRA MAINALI
Director ANIL GYAWALI Director

BIJAYA DHOJ KARKI Director

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

Date: September 23, 2024 Place: Narayanhiti Path, Kathmandu

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended 31st Ashadh, 2081(July 15, 2024)

### 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 CBIL Capital Limited on March 13, 2016 (Falgun 30, 2072). The principal activities of the Subsidiary (CBIL 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 CBIL Capital Limited.

CBIL Securities Limited was incorporated on June 11, 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**

Mero Microfinance Laghubitta Bittiya Sanstha Limited is the associates of the Bank. 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. 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 2081/06/07 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	2080/81	2023/24
Previous Year	2079/80	2022/23
Comment Vern Deviced	Shrawan 01, 2080 to	July 17, 2023 to
Current Year Period	Ashadh 31, 2081	July 15, 2024
Daniero Vera Danie I	Shrawan 01, 2079 to	July 17, 2022 to
Previous Year Period	Ashadh 31, 2080	July 16, 2023

### 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

- 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

### 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

- 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

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	RATEOFDEPRECIATION
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.

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.

4.1

# **ANNEXURES TO THE FINANCIAL STATEMENTS**

As at July 15, 2024 (Ashad 31, 2081)

**CASH AND CASH EQUIVALENTS** 

				AMOUNT IN NPR
PARTICULARS	GR	OUP	BA	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Cash in Hand	5,351,920,928	5,421,133,739	5,351,920,928	5,421,133,739
Balances with B/FIs	1,941,259,514	1,103,120,554	1,887,317,681	1,100,304,538
Money at Call and Short Notice	2,600,572,367	1,646,946,943	2,600,572,367	1,646,946,943
Other*	1,263,684,148	1,600,867,610	1,263,684,148	1,595,860,353
Total	11,157,436,957	9,772,068,845	11,103,495,123	9,764,245,573

<sup>\*</sup> 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	GR	OUP	BA	INK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Statutory Balances with NRB	6,678,168,437	6,102,761,475	6,678,168,437	6,102,761,475
Securities purchased under Resale Agreement	-	-	-	-
Other deposit and receivable from NRB	-	600,247,397	-	600,247,397
Total	6,678,168,437	6,703,008,872	6,678,168,437	6,703,008,872

### PLACEMENT WITH BANK AND FINANCIAL INSTITUTIONS

4.3

AMOUNT IN NPR

PARTICULARS	GR	OUP	BA	INK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Placement with Domestic B/FIs	80,000,000	-	-	-
Placement with Foreign B/Fls	1,752,857,356	2,236,412,161	1,752,857,356	2,236,412,161
Less: Allowances for Impairment	-	-	-	-
Total	1,832,857,356	2,236,412,161	1,752,857,356	2,236,412,161

### **DERIVATIVE FINANCIAL INSTRUMENTS**

4.4

AMOUNT IN NPR

PARTICULARS	GR	OUP	BA	INK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Held for Trading				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	4,096,799	17,045,476	4,096,799	17,045,476
Others	-	-	-	-
Held for Risk Management				
Interest Rate Swap	-	-	-	-
Currency Swap	-	-	-	-
Forward Exchange Contract	-	-	-	-
Others	-	-	-	-
Total	4,096,799	17,045,476	4,096,799	17,045,476

OTHER TRADING ASSETS

AMOUNT IN NPR

4.5

DARTICIII ARC	GR	OUP	BA	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Treasury Bills	-	-	-	
Government Bonds	-	-	-	-
NRB Bonds	-	-	-	-
Domestic Corporate Bonds	-	-	-	-
Equities	434,226,553	517,449,460	334,479,978	318,664,245
Other*	207,855	207,855	207,855	207,855
Total	434,434,408	517,657,315	334,687,833	318,872,100
Pledged	-	-	-	-
Non-Pledged	434,434,408	517,657,315	334,687,833	318,872,100

Amount in NPR

								Allogicalian
Savillitana		GROUP				BAI	BANK	
	CURRENT YEAR	4R	PREVIOUS YEAR	JS YEAR	CURRENT YEAR	IT YEAR	PREVIOUS YEAR	JS YEAR
Other Trading Assets in Equities of the Bank	COST FA	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
1. Investment in quoted equity of the Bank								
1.1 Soaltee Hotel Ltd	Š	i I	;	ì		Ē	:	ì
0.16 equity shares (including 0.17 bonus shares) of Rs 10 each.	4	/3	4	9/	14	/3	4	9/
1.2 Nepal Life Insurance Co. Ltd.		r C		L		L C		L
9268.90 equity share (including 1775.402 bonus shares) of Rs 100 each	7,318,600	5,736,751	4,247,74	3,175,463	7,318,600	1,736,75	4,249,741	3,175,463
1.3 Asian Life Insurance Co. Limited		L L		C		L		000
5001.20 equity (including 1.20 bonus shares of Rs 100 each	7,764,762	3,115,751	794	833	7,764,762	3,115,751	794	833
1,4 National Life Insurance Co. Ltd.	200	100	Ľ	1	1000	10000	E L	1
2000.119 equity shares of Rs 100 each	/9/,5/1	1,0,0,1,1	2/		/9,2,40,1	1,190,071	/6	
1.5 Shikhar Insurance Co. Ltd.	700 /	100	000 00 0	100 000	700 / 60 /	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	000 007 0	200 000
7133 equity shares(including 922.58 bonus shares) of Rs 100 each	6,426,575	9,137,139	7,633,888	1,802,385	6,226,373	6,167,6	2,633,888	1,802,385
1,6 Neco Insurance Co. Ltd.	2 105 2/0	00 / 021 0	000	707 303	0,000	00,0110	000	707 303
2600.96 equity shares (including 525.3 bonus shares) of Rs 100 each	2,175,368	2,1/3,680	570,171	535,636	2,175,368	2,173,680	171,0%6	535,636
1.7 Siddhartha Premier Insurance Ltd.	000			ŗ	000			, c
1002.02 equity share (including 2.02 bonus share of Rs 100 each	/80,281	860,108	916	1,5/4	780,281	861,638	916	1,5/4
1.8 IGI Prudential Insurance Co. Ltd.		200				, c	r.	
1026.35 equity share (including 26.35 bonus shares of Rs 100 each	243,62/	107,276	12,47	14,/34	243,62/	107,276	12,421	14,734
1.9 Life Insurance Co. Nepal	Ç				Ç		ç	000
0.82 bonus shares of Rs 100 each	2	781,1	2	1,278	2	1,182	2	1,278
1.10 Sanima Reliance Life Insurance Ltd	200 / 1/	097.767	100	700	100 / 1/	03/ /6/	1000	700 171
1,009 equity shares of Rs 100 each	616,007	769'9/4	616,007	561,004	/00,007	769'9/4	700,616	561,004
1.11 Surya Jyoti Life Insurance Co Ltd	2 202 E20	0 150	050 500	7000	0 200 620	0 1 1 1 1 1 1 1	250	2000
5007 equity share (including 357.11bonus shares of Rs 100 each	2,202,530	7,132,338	738,330	780,334	2,202,330	2,132,338	056,557	780,334
1.12 NLG Insurance Company Ltd.	0000	0.00	, ,	C	0000		Č	C
1000.45 equity share (including 0.45 bonus shares of Rs 100 each	407,467	/67'64/	971	328	402,467	/67'64/	971	338
1.13 Sagarmatha Lumbini Insurance Co. Ltd.	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	711			0 0 0	, , , , , , , , , , , , , , , , , , ,		
5000.1599 equity share (including 0.1599 bonus shares of Rs 100 each	3,5/0,8/6	3,633,110	5 -	120	3,3/0,8/6	3,635,116	- 13	120
1.14 Nepal Reinsurance Co. Ltd.	100 100	0,0	1 200	0	100 100	0,0	1000	0,000
1245.63 equity shares (including 716.63 bonus share) of Rs 100 each	1,233,737	064,430	1,67,662,1	017,780	167,667,1	067,430	167,667,1	0/1/100
1.15 Chilime Hydropower Company Limited	000	000		,	0000	0000		Š
6001.23 equity shares (including 1.23 bonus shares of Rs 100 each	7,63/,000	2,770,573	1	100	7,637,000	2,770,573	ı	100
1.16 Ridi Hydropower Development Company Ltd.	107.0	2 757	101	0000	107.0	7 4 6	0101	0000
14.46 equity shares(including 8.02 bonus shares) of Rs 100 each	7,001	2,734	7,101	7,270	7,001	7,734	7,101	2,270

I. I7 Chhimek Laghubitta Bikas Bank Limited	- 20	12	20	13	20	12	20	13
0.013 equity shares (including 0.0006 bonus shares)of Rs 100 each								
1.18 First Micro Finance Development Bank Ltd.	· `	0	,	27	Ç	CEC	,	222
0.55 bonus shares of Rs 100 each	79	3/3	79	3/5	79	3/3	79	3/5
1.19 Deprosc Laghubitta Bittya SansthaLimited	ò	,	Š		Š		ò	
2.17 equity shares (including 0.87 bonus shares) of Rs 100 each	474	1,826	474	1,630	474	978,1	474	0,630
1.20 Mahuli Samudayik Laghubitta Bittya SansthaLimited			ò	C			ò	0
0.00 equity shares of Rs 100 each	•	1	304	0/8	1	ı	304	8/0
1.21 NIC Asia Laghubitta Bittya SansthaLimited								•
0.22 equity shares of Rs 100 each	120	155	120	160	021	661	120	160
1.22 Swabalamban Laghubitta Bittya SansthaLimited		,00	E / /	č	E	,00	u//	, 60
1.15 bonus shares of Rs 100 each	699	1,084	699	474	699	1,084	699	47,6
1.23 RSDC Laghubitta Bittya SansthaLimited	Č	Č	Č	C	Č	Č	C	C
1.29 equity shares (including 0.29 bonus shares of Rs 100 each	/26	891	126	87/	126	841	97/	128
1.24 Nerude Laghubita Bikas Bank Limited	c		c		c		c	
2.00 equity shares(including 0.38 bonus shares) of Rs 100 each	n	1,440	m	0.70,1	n	044,1	n	020,1
1.25 Sana Kisan Laghubitta Bittiya Sanstha Ltd	E .	0,0	1,6	c	E 7 F		176	C
4.76 equity shares (including 2.12 bonus shares) of Rs 100 each	145	4,068	145	3,749	145	4,068	145	3,749
1.26 Nirdhan Utthan Bank Limited	i.	Č	i.	C	L	Č	i c	i i
0.74 bous share of Rs 100 each	GNI	106	c01	539	601	106	105	939
1.27 NIBL Samridhi Fund II	i c	L	C	L		L	C C C C C C C C C C C C C C C C C C C	L
511,860 units of Rs 10 each	75,097,032 -	4,222,845	ດທຸກທຸດ	4,555,000	5,047,032	4,222,845	2,000,000	4,555,000
1.28 NMB Hybrid Fund L-1				L C C				, C
774,069 units of Rs 10 each	•	ı	7,740,690	8,352,205	1	ı	7,740,690	8,352,205
1.29 Nabil Equity Fund			000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			00	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
857,549 units of Rs 10 each	ı	ı	8,5/5,470	8,241,046	1	1	8,5/5,470	6,241,046
1.30 NIBL Pragati Fund			12 222 220	11 01 / 50 /			000000	700 710
1,233,222 units of Rs 10 each	1	ı	12,332,220	11,4/4,380	1	1	12,332,220	11,774,386
1.31 Kumari equity fund	E 011 202	7 873 668	000 000	000 800	E 011 383	099 670 7	מטט טטט צ	986
501,300 units of Rs 10 each	2,110,6	4,042,330	000,000,0	0,000,000,0	3,011,272	4,642,336	000,000,0	0,000,000
1.32 Laxmi equity fund	001 / 0/ 1	2,00,00	000,707	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	005 /0/ 1	1,000	005 707 1	170 170 1
142,478 units of Rs 10 each	1,424,780	1,347,26/	1,424,780	1,300,304	1,424,780	1,347,207	1,424,780	1,300,304
1.33 Siddhartha Equity Fund	700 012	17, 217, 503	00/1/00	7 200 001	700 012 71	1,701,600	15 071 700	7, 200 017
1,706,148 units of Rs 10 each	10,713,203	14,314,362	13,001,400	14,202,770	16,713,263	14,314,302	0,001,400	14,202,770
1.34 Sanima Equity Fund	000 000 66	000 000 /6	000 000	000 0/0 40	000 000 66	000 000 / 0	000 000 00	000 070 36
2,200,000 units of Rs 10 each	22,000,000	24,002,000	22,000,000	000,000,000	22,000,000	24,002,000	72,000,000	23,700,000
1.35 Sanima Large Cap Fund	E 222 707	, BOE 120	טטט טטט צ	000 077 7	T 222 707	7 OOF 130	טטט טטט צ	000 077 7
528,000 units of Rs 10 each	5,233,787	4,705,120	იიი,იიი,с	4,400,000	5,233,787	4,705,120	000,000,0	4,460,000

1 2/ National Control of the Control								
ויסס ואפטון סמופווכים דינווים וו	1,000,000	000'006	1,000,000	880,000	1,000,000	900,000	1,000,000	880,000
100,000 units of Rs 10 each								
1.37 Siddhartha Investment Growth Scheme 2	700 00	000	7000	7,100	700 00	770000	700	710
7,989,459 units of Rs 10 each	74,874,570	75,817,766	77,874,570	72,144,815	79,874,590	75,817,766	74,874,570	72,144,815
1.38 NMB 50			000	, c	000	000	000	000
100,000 units of Rs 10 each	000,000,1	1,004,000	000,000,1	000,000,1	000,000,1	1,004,000	000,000,1	000,000,1
1.39 Sunrise First Mutual Fund	000 0	000	00000	7,100	0000	0000	000	221,000
200,000 units of Rs 10 each	2,000,000	7,0/0,000	7,000,000	2,216,000	2,000,000	2,070,000	2,000,000	2,216,000
1.40 Sunrise Bluechip Fund	000	1000	0000	000	0000	1000	0000	000
500,000 units of Rs 10 each	nnn'nnn'c	4,135,000	000,000,0	3,725,000	000,000,0	4,135,000	000,000,0	3,725,000
1.41 Laxmi Unnati Kosh	000 / 00 /	000 000 /	0000	000	000 / 00 /	000 000 /	0000	000 200
500,000 units of Rs 10 each	0,00,000	0,000,000	000,000,0	4,673,000	0,000,000	9,300,000	000,000,6	4,673,000
1.42 Hydroelectricity Investment and Development Co Ltd	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	, , , , , , , , , , , , , , , , , , , ,	000	7000	0000	70000	0,1
36760 (including 8539 bonus share) equity shares Rs 100 each.	3,074,264	1/6,7/6,0	3,074,264	6,763,769	3,074,264	1/,4,4/0,9	3,074,264	6,763,769
1.43 Ngadi Group Power Ltd	CCC		C	2	COC		C	0,7
1.00 equity shares(including 2.20 bonus share )Rs 100 each.	783	1,60,1	283	/48	783	1,60,1	783	/48
1.44 Global IME Samunnat Scheme I				r c			000	i i
3,797,268 units of Rs 10 each	1	1	31,972,680	169'/96'98	ı	ı	37,972,680	36,367,691
1.45 Forward Community Microfinance Bittiya Sanstha Ltd	Ē		Č	0	1		č	0
(including 0.44 bonus share Rs 100 each.	_	618	36	3,220		919	36	3,220
1.46 NIC Asia Growth Fund		000		0000	000	0000		0000
2,000,100 units of Rs 10 each	ZU,UU I,UU3	17,800,990	20,000,000	000,086,02	ZU,UU I,UU3	0,800,990	20,000,000	70,380,000
1.47 Prabhu Insurance LtdPromoter	1,0001	0000	1,000	7 1 2 000		0,0000	1,0000	712
44073.22 equity shares of Rs 100 each	1,702,76/	18,202,240	1,702,767	13,7 14,870	1,702,76/	18,202,240	1,702,767	13,714,890
148 RBB Mutual Fund 1	090 007 /	127,010	0000	000	0000	707	0000	000 070
702950.00 units of Rs 10 each	0,083,730	2,736,072	000,000,0	4,040,000	0,083,730	3,736,072	000,000,6	4,040,000
1.49 NMB Saral Bachat Fund -E	000	00000	000	900	000	200	900	000
9500 units of Rs 10 each	000,67	73,363	000,62	73,000	000,67	73,363	000,67	000,67
1.50 Mega Mutual Fund -1	007 000 F	07/ 000 F	007 676 7	2 7 0 7 2 5 7	007 660 4	0// 000 L	00/6/6/	2 707 254
911715 units of Rs 10 each	0,722,070	7,030,440	4,363,400	3,400,337	1,722,670	7,030,440	4,363,400	0,400,007
1.51 Kumari Dhanapati yojana		007	0000	000	0000	007	000	000
1001300 units of Rs 10 each	10,012,102	1,6,786,7	000,000,01	10,040,000	10,012,102	7,082,371	000,000,0	10,040,000
1.52 NIC Asia Flexi Cap Fund	000 01	777 050 0	000	000	00000	777 000	000	000
1003075 units of Rs 10 each	10,020,373	7,270,444	0,00,00	,,,,	10,026,373	7,270,444	000,000	000,00
1.53 Nabil Balanced Fund-3	000 //1	701.001	17,000	0/0/01	7 7 000	701.061	771	0/0/01
16680 units of Rs 10 each	100,000	130,104	00,000	120,200	100,000	130,104	008,001	120,200
1.54 Global IME Balance Fund	E 017 E40	000 079 /	ם מיט ש	000 027 /	E 017 E20	000 879 /	טטט טטט ב	000 027 /
502,000 equity shares	5,017,560	4,568,200	000,000,6	4,670,000	5,017,560	4,568,200	000,000,6	4,670,000

1.55 Himalayan Life Insurance Limited	7 577 070	010 6	0 7 3 00 5 70	0 2 2 5 6 6	7 677 070	2 010 500	2 7.00 570	0 2 2 2 6 6
10001.30 equity shares	0 77,450.4	0,7,0	2,460,270	2,000,000	0,7,400,4	3,7,0	2,460,570	7,00,00,
1.56 RBB Mutual Fund II	20 00	1000	000		001 010	000000000000000000000000000000000000000	000	000
2,001,350 equity shares	20,012,189	17,012,625	70,000,000	70,000,000	20,012,189	17,012,823	20,000,000	70,000,000
1.57 Siddhartha Investment Growth Scheme 3	000	0.77	0000	0000	000	0 0 0	00000	0000
375,000 equity shares	3,622,300	3,343,730	7,500,000	2,300,000	3,622,500	3,343,730	2,300,000	7,300,000
1.58 Mero Micro Finance Bittiya Santha Ltd.		C				1		, ,
1 equity shares	1	00/	1	000	1	00/	ı	100
1.59 NMB Sulav Investment Fund II	L	0000	C	000	0000	0000	000	000 100
500,000 equity shares	nnn'nnn'c	ດດດ,ບຣບ,ຕ	000,000,0	4,773,000	000,000,0	3,030,000	000,000,0	4,775,000
1.60 United Ajod Insurance Limited	767 070 6	000 0			727 070 0	00000		
5,000 equity shares	3,007,07,0	2,772,500			0,007,00,0	2,772,300		
1.61 Reliable Nepal Life Insurance Limited	7000	0000			0000	000		
5,000 equity shares	8/4,478	7,270,000			8/4,477,7	2,29 0,000		
1.62 Sanima GIC Insurance Limited	007 000 0	00000			007 000 0	000000		
5,100 equity shares	2,837,800	2,742,700			2,637,600	2,742,700		
1.63 Sun Nepal Life Insurance Company Limited	2 205 7/0	2 55 / 500			2 205 770	2 55 / 500		
5,000 equity shares	2,375,747	7,336,300			7,373,747	7,556,500		
1.64 Citizen Life Insurance Company Limited					1			
5,000 equity shares	2,415,500	2,723,000			2,415,500	2,723,000		
1.65 United Modi Hydropower Ltd		0 0 0			6	6		
120000 equity shares	2,873,910	3,072,000			2,873,910	3,072,000		
1.66 Laxmi Value Fund-II								
3017870 equity shares	30,155,724	27,885,119			30,155,724	27,885,119		
1.67 Himalayan 80-20	3,934,385	4,000,995			3,934,385	4,000,995		
400500 equity shares								
2. Investment in quoted equity of the Subsidiary								
2.1 Laxmi Bank Ltd	1	ı	366,160	318,320				
2.2 Nepal Bank Ltd	1	-	749,780	938,934				
2.3 NIC ASIA Bank Ltd	008 674 7	876 067 6	010 011	008 676 7				
7740 equity shares of Rs. 100 each	4,7 02,000	3,430,360	4,179,217	4,702,000				
2.4 Prime Commercial Bank Ltd	1	ı	1,364,659	1,044,420				
2.5 Global IME Bank Ltd	1	1	1,963,434	1,496,184				
2.6 Everest Bank Ltd	000 /03	070	117.201	/E/ 00/				
1031 equity shares of Rs 100 each.	224,300	0/7,360	107,414	404,704				
2.7 Sanima Bank Ltd	1	1	828,276	860,171				
2.8 Kumari Bank Ltd	-	-	844,602	729,795				
2.9 Excel Develpoment Bank Ltd	1	1	159,576	158,795				

2.10 Deprosc Laghubitta Sanstha Ltd	1	'	3,091,660	2,988,468		
2.11 Swabalamban Lagubitta Bittiya Sanstha Ltd			1 257, 071	200 500		
1333 equity shares of Rs 100 each.	r	ı	1,934,671	006,002,1		
2.12 Citizens Mutual Fund-II	L C C C	1		0000		
3252450 Units of Rs 10 each	33,/72,736	33,365,284	32,714,774	33,772,736		
2.13 Garima Debenture, 2085			000			
90365 debentures of Rs 1000 each.		ı	140,362,000	140,362,000		
2.14 Himalayan Life Insurance Limited		000	0.00	200		
5429 equity shares of Rs 100 each	7,348,381	2,122,739	68/'61/	7.24,503		
2.15 Himalayan Hydropower Limited			300,014	261,201		
2.16 Green Ventures Limited			399,520	338,800		
2.17 Sagarmatha Lumbini Insurance Company Limited	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	0 0	000	000 / 111 0		
4,209 units of shares	3,124,332	3,037,743	7,871,000	2,774,332		
2.18 Siddhartha Premier Insurance Limited	010 /	7 / 12 / 250	000	272 202 7		
5,415 units of shares	4,213,378	4,656,357	7,719,880	4,223,303		
2.19 Nepal Investment Mega Bank Limited			768,371	554,770		
2.20 Shivam Cements Ltd	0,, 0,0	, ,				
9,780 units of shares	4,718,440	4,7   2,474				
2.21 First Micro Finance Development Bank Ltd.	000	000 000				
3,000 units of shares	2,017,000	2,043,000				
2.22 Gurans Laghubitta Bittiya Sanstha Limited	001 007 6	0 / 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				
1,870 units of shares	3,470,180	3,403,270				
2.23 Pokhara Finance Ltd.	000	000 076 6				
4000 units of shares	7,503,000	2,366,000				
2.24 Chilime Hydro power Company Limited	676 777 6	2 676 206				
7689 Units of shares	3,440,202	3,57,5,505				
2.25 Ghalemdi Hydro Limited	- C	000 177 1				
10000 units of Shares	002,200,1	000,700,1				
2.26 Mountain Energy Nepal Limited	1 000 700	1 781 000				
3000 units of Shares	70,'700,'1	000,177,1				
2.27 Sahas Urja Limited	0,0	1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2				
4145 units of Shares	2,277,240	2,131,233				
2.28 Upper Lohore Hydropower Company Limited	1 410 255	1 527. 780				
3870 units of Shares	0.02,010,1	1,324,700				
2.29 10% Laxmi Bank Debenture 2086	R 052 100	E 04.1 11E				
5590 debentures of Rs 1000 each.	9,632,108	3,001,113				

2 3 1 1 0 % NMB DEBENTIBE 2085								
	2.120.000	2.090.200						
2000 debentures of Rs 1000 each.								
2.31 10% Prime Debenture 2088	000	, c						
1745 debentures of Rs 1000 each.	056,528,1	1,728,225						
2.32 10% Sanima Bank Debenture 2085	0000	000						
1050 debentures of Rs 1000 each.	6/8,170,1	1,317,430						
2.33 10.25% KBL Debenture 2086	070	1 1 000						
1000 debentures of Rs 1000 each.	001,070,1	000,161,1						
2.34 10.25% Prabhu Bank Debenture 2086	0 251 250	0 251 250						
7805 debentures of Rs 1000 each.	8,331,330	0,35,1						
2.35 10.25% Sunrise Bank Debenture 2083	0 0 0 0	п С						
5000 debentures of Rs 1000 each.	000,008,6	000,606,6						
2.36 Century Debenture 2088	200	000 //0						
308 units of shares of Rs 100 each	321,125	344,727						
2.37 Civil Bank Debenture 2088	000	1 2/5						
1050 Units of shares of Rs 100 each	000,240,1	1,243,070						
3. Investment in unquoted equity								
3.1 Banking Finance & Insurance Institute of Nepal- Pro	000	1 000	100 000	100 000				
11000 equity shares of Rs 100 each.	000,00	,,,	,,,	,,,				
Total	431,707,265	434,226,553	510,477,756	517,449,456	331,167,448	334,479,978	313,011,955	318,664,245

LOANS AND ADVANCES TO B/FIS 4.6

				Amount in NPR
DARTICH ARC	GRO	OUP	BA	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Loans to Microfinance Institutions	1,843,258,1085	2,543,740,369	1,843,258,105	2,543,740,369
Other	-	-	-	-
Less: Allowances for Impairment	22,119,097	33,068,625	22,119,097	33,068,625
Total	1,821,139,008	2,510,671,744	1,821,139,008	2,510,671,744

### 4.6.1: ALLOWANCES FOR IMPAIRMENT

Amount in NPR

PARTICULARS	GRO	OUP	BAN	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Balance at July 17, 2023	33,068,625	43,463,987	33,068,625	43,463,987
Impairment Loss for the Year:				
Charge for the Year				
Recoveries/ Reversal	(10,949,528)	(10,395,361.85)	(10,949,528)	(10,395,361.85)
Amount written off				
Other Movement*	-	-		
Balance at July 15, 2024	22,119,097	33,068,625	22,119,097	33,068,625

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

### LOANS AND ADVANCES TO CUSTOMERS

4.7

				Amount in NPR
DADTICHI ADC	GRO	UP	BAI	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Loan and Advances Measured at Amortized Cost	159,757,002,430	144,572,300,270	159,820,302,430	144,572,300,270
Less: Impairment Allowances				
Collective Impairment	2,478,304,871	2,042,247,959	2,478,304,871	2,042,247,959
Individual Impairment	3,998,347,398	2,698,047,289	3,998,347,398	2,698,047,289
Net amount	153,280,350,160	139,832,005,022	153,343,650,160	139,832,005,022
Loan and Advances Measured at FVTPL				
Total	153,280,350,160	139,832,005,022	153,343,650,160	139,832,005,022

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 2081 as per norms prescribed by NRB is NRs. 6,498,771,367 whereas impairment for Loan and Advances as per paragraph 5 of carve out on para 5.5 of NFRS 9 is NRs. 5,379,586,961.

### 4.7.1 : ANALYSIS OF LOANS AND ADVANCES - BY PRODUCT

Amount in NPR

DADTICHI ADC	GRO	DUP	BAI	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Product				
Term loans	65,577,227,087	50,317,389,226	65,577,227,087	50,317,389,226
Overdraft	12,249,142,901	15,670,863,440	12,249,142,901	15,670,863,440
Trust Receipt/ Import Loans	837,632,571	903,293,102	837,632,571	903,293,102
Demand and Other Working Capital Loans	13,327,795,651	13,363,897,850	13,327,795,651	13,363,897,850
Personal Residential Loans	9,851,662,796	8,908,989,686	9,851,662,796	8,908,989,686
Real Estate Loans	4,688,459,580	4,536,512,084	4,688,459,580	4,536,512,084
Margin Lending Loans	4,807,022,608	3,522,557,466	4,807,022,608	3,522,557,466
Hire Purchase Loans	4,497,115,355	4,540,182,619	4,497,115,355	4,540,182,619
Deprived Sector Loans	14,381,140,985	13,225,731,556	14,381,140,985	13,225,731,556
Bills Purchased	-	-	-	-
Staff Loans	2,432,925,329	2,197,500,483	2,432,925,329	2,197,500,483
Other	25,463,511,197	26,040,577,633	25,526,811,197	26,040,577,633
Sub total	158,113,636,061	143,227,495,146	158,176,936,061	143,227,495,146
Interest Receivable	1,643,366,369	1,344,805,125	1,643,366,369	1,344,805,125
Grand total	159,757,002,430	144,572,300,270	159,820,302,430	144,572,300,270

### 4.7.2: ANALYSIS OF LOANS AND ADVANCES - BY CURRENCY

				Amount in NPR
DADTICIU ADC	GRO	OUP	BA	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Nepalese Rupee	159,756,226,467	144,571,573,395	159,819,526,467	144,571,573,395
Indian Rupee	-	-	-	-
United State Dollar	775,963	726,875	775,963	726,875
Great Britain Pound	-	-	-	-
Euro	-	-	-	-
Japanese Yen	-	-	-	-
Chinese Yuan	-	-	-	-
Other	-	-	-	-
Total	159,757,002,430	144,572,300,270	159,820,302,430	144,572,300,270

### 4.7.3 : ANALYSIS OF LOANS AND ADVANCES - BY COLLATERAL

				Amount in NPR
PARTICULARS	GRO	OUP	BAI	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Secured				
Movable/ Immovable Assets	138,267,811,831	121,262,461,569	138,267,811,830.95	121,262,461,569
Gold and Silver	691,679,466	2,920,102,571	691,679,466	2,920,102,571
Guarantee of Domestic B/Fls	-	-	-	-
Government Guarantee	9,406,891	3,885,838	9,406,891	3,885,838
Guarantee of International Rated Bank	-	-	-	-
Collateral of Export Document	-	-	-	-
Collateral of Fixed Deposit Receipt	1,385,285,447	1,939,943,178	1,448,585,447	1,939,943,178
Collateral of Governement Securities	3,716,711	3,128,572	3,716,711	3,128,572
Counter Guarantee	493,187,208	621,661,602	493,187,208	621,661,602
Personal Guarantee	1,279,413,544	7,802,261,857	1,279,413,544	7,802,261,857
Other Collateral	17,521,885,083	9,922,368,495	17,521,885,083	9,922,368,495
Sub total	159,652,386,182	144,475,813,682	159,715,686,182	144,475,813,682
Unsecured	104,616,248	96,486,588	104,616,248	96,486,588
Grand total	159,757,002,430	144,572,300,270	159,820,302,430	144,572,300,270

## 4.7.4 : ALLOWANCES FOR IMPAIRMENT

				Amount in NPR
PARTICULARS	GRO	UP	BAN	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Specific Allowances for Impairment				
Balance at July 17, 2023	2,698,047,289	1,515,526,808	2,698,047,289	1,515,526,808
Impairment Loss for the Year:	-	-		
Charge for the Year	1,300,300,109	1,182,520,481	1,300,300,109	1,182,520,481
Recoveries/ Reversal during the Year	-	-		
Write-offs	-	-		
Exchange Rate variance on Foreign Currency Impairment	-	-		
Other Movement	-	-		
Balance at July 15, 2023	3,998,347,398	2,698,047,289	3,998,347,398	2,698,047,289
Collective Allowances for Impairment				
Balance at July 17, 2023	2,042,247,959	1,997,892,861	2,042,247,959	1,997,892,861
Impairment Loss for the Year:	-			
Charge/(Reversal) for the Year	436,056,912	44,355,098	436,056,912	44,355,098
Recoveries/(Reversal) during the year	-	-		
Exchange Rate variance on Foreign Currency Impairment	-	-		
Other Movement				
Balance at July 15, 2024	2,478,304,871	2,042,247,959	2,478,304,871	2,042,247,959
Total Allowances for Impairment	6,476,652,269	4,740,295,248	6,476,652,269	4,740,295,248

INVESTMENT SECURITIES 4.8

				Amount in NPR
PARTICULARS	GRO	OUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Investment Securities Measured at Amortized Cost	35,635,116,695	28,134,022,868	35,544,751,570	28,134,022,868
Investment in Equity Measured at FVTOCI	755,301,627	565,711,596	739,109,696	551,546,715
Total	36,390,418,321	28,699,734,464	36,283,861,266	28,685,569,583

### 4.8.1: INVESTMENT SECURITIES MEASURED AT AMORTIZED COST

				Amount in NPR
PARTICULARS	GRO	OUP	BAI	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Debt Securities	-	-	-	-
Government Bonds	24,406,247,342	19,854,981,400	24,406,247,342	19,854,981,400
Government Treasury Bills	3,949,861,299	6,791,143,745	3,949,861,299	6,791,143,745
Nepal Rastra Bank Bonds	-	-	-	-
Nepal Rastra Bank Deposits Instruments	6,501,068,493	800,323,288	6,501,068,493	800,323,288
Other	777,939,560	687,574,436	687,574,436	687,574,436
Less: Specific Allowances for Impairment	-	-	-	-
Total	35,635,116,695	28,134,022,868	35,544,751,570	28,134,022,868

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

				Amount in NPR
PARTICULARS	GRO	OUP	ва	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Equity Instruments				
Quoted Equity Securities	588,009,983	394,455,066	588,009,983	394,455,066
Unquoted Equity Securities	167,291,644	171,256,530	151,099,713	157,091,649
Total	755,301,627	565,711,596	739,109,696	551,546,715

4.8.3: INFORMATION RELATING TO INVESTMENT IN EQUITIES

								Amount in NPR
		GROUP	Ь			BANK	¥	
PARTICULARS	CURRENT YEAR	IT YEAR	PREVIOUS YEAR	S YEAR	CURREN	CURRENT YEAR	PREVIOUS YEAR	S 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	2000	000 000	0000	000	000	000 007 771	000	000
15,000,000 untis of Rs 10 each	000,000,001	144,600,000	ດດດ,ບບບ,ບຕາ	140,700,000	000,000,001	144,600,000	ດດກ,ບບບ,ບຣາ	140,700,000
1.2 Citizens Mutual Fund- II	2000	717	0000	000000000000000000000000000000000000000	000	711	000000	100000
15,000,000 units of Rs 10 each	000,000,001	134,800,000	000,000,001	000,008,001	000,000,001	154,800,000	ດດກ'ດດດ'ດຣາ	000,008,001
1.3 Aarambha Chautari Laghubitta Bittiya Sanstha Ltd.	6	0000	C		0000	30000	0000	
48,762.54 Equity Shares of Rs 100 each	3,300,000	7,786,764	3,500,000	13,774,663	3,500,000	27,768,764	3,000,000	13,774,083
1.4 Mahuli Laghubitta Bittiya Sanstha Limited	0000	107 000	0000	/6/ 660 /6	0000	107 000 13	0000	/6/ 660 /6
84,682 Equity Shares of Rs 100 each	7,803,500	1,40,202,76	7,803,500	36,832,436	2,803,500	57,202,691	2,803,500	36,832,436
1.5 Nerude Mirmire Laghubita Bittiya Sanstha Ltd	FCC //O C1	000 017 27	7000	0,0 100	100 //0 01	000 01/ 1/	7007	070 000
131,680.08 Equity Shares of Rs 100 each	13,866,327	4/,418,328	13,866,32/	45,747,748	13,866,327	47,418,328	13,866,32/	45,277,748
1.6 Citizens Super 30 Mutual Fund	2000 000	150 000 000	150,000,000	000	150 000 000	150 000	150 000 000	150 000 000
15,000,000 units of Rs 10 each	000,000,001	000,000,001	000,000,001	000,000,000	000,000,001	000,000,001	ດດກ'ດດກ'ດເ	000,000,001
1.7 NIBL Stable Fund	000	00000			000	0000		
200,000 units of Rs 10 each	7,000,000	7,000,000			2,000,000	2,000,000		
1.8 Kumari Sabal Yojana						0000		
200,000 units of Rs 10 each	2,000,000	2,000,000			2,000,000	2,000,000		
2. Investment in unquoted equity of the Bank								
2.1 National Banking Institute Limited (NBI)	200	711 700 1	2,00	2000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	711 /00 1	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	0,0,00
72,476.97 equity Shares of Rs 100 each	1,834,860	0   1 , 2 7 6 , 1 1 6	1,834,860	1,834,800	1,834,860	7,276,110	1,834,860	1,834,860
2.2 Credit Information Bureau	200 020	77 72 70	00000	1 1 2000	200	21 / 1 2 2 2 2	00000	1 75 1
47,246 Equity Shares (including bonus shares) of Rs 100 each	3/8,001	31,431,243	3/8,001	, 75,157,1	3/8,001	31,431,243	3/8,001	1,731,287
2.3 Nepal Clearing House Limited	000	300 // 306	000	100 007 21	000	/ 2 25 25 75 /	0000	2010
272,392 Equity Shares (including bonus shares) of Rs 100 each	000,762,71	76,344,263	3,237,600	100,070,301	008,762,71	62,332,334	3,237,600	3,500,500
2.4 Reliable private Equity Fund	000	00000			000	000		
50,000 units of Rs 1000 each	ດດກ'ກດກ'ກດ	000,000,000			000,000,00	000,000,00		
Total	545,640,488	755,301,627	475,640,488	565,711,596	545,640,488	739,109,696	475,640,488	551,546,715

CURRENT TAX ASSETS 4.9

				Amount in NPR
DADTIALII ADG	GR	OUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Tax Assets				
Current Year Income Tax Assets	1,133,370,371	1,051,717,332	1,116,684,291	1,036,761,226
Tax Assets of Prior Periods	-	-	-	-
Current Tax Liabilities				
Current Year Income Tax Liabilities	678,272,523	765,473,184	663,693,606	752,813,812
Tax Liabilities of Prior Periods	-	-	-	-
Total	455,097,848	286,244,148	452,990,685	283,947,414

INVESTMENT IN SUBSIDIARIES 4.10

Amount in NPR

		Amountmin
PARTICULARS	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	317,204,200	317,204,200
Total Investment	317,204,200	317,204,200
Less: Impairment Allowances	-	-
Net Carrying Amount	317,204,200	317,204,200

### 4.10.1: INVESTMENT IN QUOTED SUBSIDIARIES

Amount in NPR

				Amountmin
		ВА	NK	
PARTICULARS	CURREN	IT YEAR	PREVIO	JS YEAR
	COST	FAIR VALUE	COST	FAIR VALUE
"Ltd. shares of Rseach"	-	-	-	-
"Ltdshares of Rseach"	-	-	-	-
Total	-	-	-	-

### 4.10.2 : INVESTMENT IN UNQUOTED SUBSIDIARIES

		Amountmen					
		BANK					
PARTICULARS	CURREN	T YEAR	PREVIOU	IS 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 of Rs 100 each"	200,000,000	200,000,000	-				
"Previous Year Citizens Capital Ltd. 1,172,042 shares of Rs. 100 each"			117,204,200	117,204,200			
CBIL securities Ltd 2,000,000 of Rs 100 each			200,000,000	200,000,000			
Total	317,204,200	317,204,200	317,204,200	317,204,200			

### 4.10.3: INFORMATION RELATING TO SUBSIDIARIES OF THE BANK

				Amount in NPR
			BAN	IK .
	PARTICULARS	PERCENTAGE	OF OWNERS	HIP 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

Δ	m	111	nt	in	N	PR	

DADTICIII ADC	GROUP	
PARTICULARS	CURRENT YEAR	
	Citizens Capital Ltd	
Equity interest held by NCI (%)	41.40%	
Profit/(loss) allocated during the year	14,071,273	
Accumulated balances of NCI as on Ashadh end 2080	101,857,158	
Dividend paid to NCI	9,935,496	
	PREVIOUS 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 Ashadh end 2079	97,955,654	
Dividend paid to NCI	-	

### **INVESTMENT IN ASSOCIATES** 4.11

				Amountmin
DARTICIU ARC	GR	OUP	BANK	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Investment in Quoted Associates	158,079,926	142,929,380	364,714,000	301,019,400
Investment in Unquoted Associates	-	31,019,195	-	28,992,145
Total Investment	158,079,926	173,948,575	364,714,000	330,011,545
Less: Impairment Allowances				
Net Carrying Amount	158,079,926	173,948,575	364,714,000	330,011,545

## 4.11.1: INVESTMENT IN QUOTED ASSOCIATES

								Amount in NPR
		GROUP	JP.			BANK	K	
PARTICULARS	CURRENT YEAR	T YEAR	PREVIOUS YEAR	S YEAR	CURRENT YEAR	T YEAR	PREVIOUS YEAR	YEAR
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
1.1 Mero Microfinance Laghubitta Bittiya Sanstha Limited 779,560 Equity Shares (Promoter) of Rs 100 each 131,240 Equity Shares (Public) of Rs 100 each	36,494,100	158,079,926	36,494,100.00	142,929,380	36,494,100	364,714,000	36,494,100	301,019,400
Total	36,494,100	158,079,926	36,494,100	142,929,380	36,494,100	364,714,000	36,494,100	301,019,400

## 4.11.2: INVESTMENT IN UNQUOTED ASSOCIATES

		GROUP	UP			BANK	1K	
PARTICULARS	CUR	CURRENT YEAR	PREVIOUS YEAR	S YEAR	CURRENT YEAR	IT YEAR	PREVIOUS YEAR	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	I	1	16,000,000	28,992,145
160,000 Equity Shares of Rs. 100 each								
Total			16,000,000	31,019,195	1	•	16,000,000	28,992,145
**************************************	1001147	10,00,100	7	0		10000	0 1	1

\*Nepal Clearing House Limited(NCHL) has acquired Nepal Electronic Payment System Limited(NEPS) on 2081/02/21 and started joint operation in the name of Nepal Clearing House Limited(NCHL). After acquisition of NEPS by NCHL, the Bank doesnot have any control on the NCHL (former NEPS), So, Investment on NCHL (former NCHL) former NCHL) as been classified as Investment Security.

### 4.11.3: INFORMATION RELATING TO ASSOCIATES OF THE BANK

		Amount in NPR
	BA	NK
PARTICULARS	PERCENTAGE OF OWNERS	SHIP HELD BY THE BANK
	CURRENT YEAR	PREVIOUS YEAR
1. Nepal Electronic Payment Systems Limited		9.09%
2. Mero Microfinance Laghubitta Bittiya Sanstha Limited	6.90%	6.90%

### 4.11.4 : EQUITY VALUE OF ASSOCIATES

		Amount in NPR
DARTICIH ADC	GRO	UP
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1. Nepal Electronic Payment Systems Limited	-	31,019,195
2. Mero Microfinance Laghubitta Bittiya Sanstha Limited	158,079,926	142,929,380
Total	158,079,926	173,948,575

**INVESTMENT PROPERTY** 4.12

INVESTMENT PROPERTY				4.12
				Amount in NPR
DADTICIH ADC	GRO	UP	BAN	IK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Investment Properties Measured At Fair Value				
Balance As On July 17,2023				
Addition/Disposal During The Year				
Net Changes In Fair Value During The Year				
Adjustment/Transfer				
Investment Properties Measured At Cost				
Balance As On July 17,2023	256,509,750	208,645,871	256,509,750	208,645,871
Addition/Disposal During The Year	565,790,569	47,863,879	565,790,569	47,863,879
Adjustment/Transfer	-	-	-	-
Accumulated Depreciation	(1,037,386)	(381,180)	(1,037,386)	(381,180)
Accumulated Impairment Loss	-	-	-	-
Net Amount	821,262,933	256,128,571	821,262,933	256,128,571
Total	821,262,933	256,128,571	821,262,933	256,128,571

Amount in NPR

PROPERTY AND EQUIPMENT

				GR	GROUP					
PARTICULARS	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	FURNITURE & FIXTURE	MACHINERY	EQUIPMENT & OTHERS	TOTAL ASHADH END 2081	TOTAL ASHADH END 2080
Cost										
As on July 17, 2022	1,677,312,289	620,063,850	380,284,770	298,135,803	432,704,830	318,624,040	1	1,458,608,615		5,185,734,197
Addition during the Year										
Acquisition	I	3,836,092	50,545,600	23,845,510	108,283,441	25,201,208	1	189,381,676		401,093,527
Acquired from acquisition	ı	1	1	1	ī	1	1	1		1
Capitalization	1	1	1	1	1	1	1	1		1
Disposal during the year	ı	(1,251,165)	(7,867,763)	(1,193,564)	(71,253,849)	(2,340,029)	ı	(10,962,076)		(94,868,444)
Adjustment/Revaluation	1	(429,774)	323,132	85,500	1	532,041	1	(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	1,633,643,830	5,489,085,792	5,489,085,792
Addition during the Year										
Acquisition	294,350,948	88,539,113	48,765,640	52,453,131	43,071,790	25,235,365	1	317,727,563	870,143,550	1
Acquired from acquisition	1	ı	1	ı	r	1	ı	ı	1	
Capitalization	1	1	1	ı	Г	1	1	1	1	1
Disposal during the year	1	ı	(19,905,194)	(13,411,350)	(32,263,775)	(2,692,347)	1	(12,506,638)	(80,779,305)	1
Adjustment/Revaluation	1	ı	(170,858)	(360,800)	г	(723,169)	ı	(2,055,881)	(3,310,708)	1
Balance as on July 15, 2024	1,971,663,237	710,758,115	451,975,327	359,554,230	480,542,437	363,837,109	-	1,936,808,873	6,275,139,329	5,489,085,792
Depreciation and Impairment										
As on July 17, 2022	1	156,913,122	188,904,862	236,511,356	193,330,652	210,783,535	1	505,098,159		1,491,541,686
Impairment for the year										
Depreciation charge for the Year	I	10,275,234	36,547,525	15,725,433	61,219,620	19,129,838	I	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	1	166,863,809	219,377,485	251,119,483	200,439,872	227,781,237	1	667,302,419	1,732,884,305	1,732,884,305
Impairment for the year										
Depreciation charge for the Year	I	10,670,785	38,741,472	20,010,711	65,382,229	18,580,758	I	182,234,533	335,620,488	
Disposals	1	1	(17,322,902)	(13,233,330)	(21,854,351)	(2,072,315)	1	(9,634,299)	(64,117,197)	
Adjustment	-	1	(1,157)	(29,969)	-	(4,386)	-	(61,648)	(127,160)	
Balance as on July 15, 2024	1	177,534,594	240,794,898	257,836,896	243,967,750	244,285,293	1	839,841,004	2,004,260,436	1,732,884,305
Capital Work in Progress		36,010,706	9,182,837	•	-	-	-	323,995	45,517,538	10,000,539
Net Book Value										
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	1	967,652,211	1	3,766,202,005
Balance as on July 15, 2024	1,971,663,237	569,234,228	220,363,266	101,717,334	236,574,687	119,551,816	1	1,097,291,863	4,316,396,410	

**GOODWILL AND INTANGIBLE ASSETS** 

4.14

						Amount in NPR
		GROUP				
PARTICULARS	GOODWILL -	SOFTWA	RE	OTHER	TOTAL ASADH	TOTAL ASADH
TARTIOUZARO	000511122	PURCHASED	DEVELOPED	OTHER.	END 2081	END 2080
Cost						
As on July 17, 2022	115,994,228	203,713,351	-	-		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	326,705,189
Addition during the Year						
Acquisition		12,923,122			12,923,122	
Capitalization					-	
Disposal during the year	-	-			-	
Adjustment/Revaluation	-	(1,863,242)			(1,863,242)	
Balance as on July 15, 2024	115,994,228	221,770,840	-	-	337,765,069	326,705,189
Amortization and Impairment						
As on July 17, 2022	-	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	150,221,882
Amortization charge for the Year		13,803,738			13,803,738	
Impairment for the year					-	
Disposals		-			-	
Adjustment		(96,930)			(96,930)	
Balance as on July 15, 2024	-	163,928,690			163,928,690	150,221,882
Capital Work in Progress		21,215,189			21,215,189	3,502,447
Net Book Value						
Balance as on July 16, 2023	115,994,228	63,991,526				179,985,754
Balance as on July 15, 2024	115,994,228	79,057,339			195,051,568	

				B,	BANK					
PARTICULARS	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	FURNITURE & FIXTURE	MACHINERY	EQUIPMENT & OTHERS	TOTAL ASHADH END 2081	TOTAL ASHADH END 2080
Cost										
As on July 17, 2022	1,677,312,289	620,063,850	377,883,549	295,954,087	428,299,562	317,113,644	1	1,451,568,501		5,168,195,482
Addition during the Year										ı
Acquisition		3,836,092	50,276,866	23,664,555	108,283,441	24,931,114		189,290,696		400,282,764
Capitalization	1	1	1	1	1	ı		1		1
Disposal during the year	1	(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	1,626,512,736	5,470,736,315	5,470,736,315
Addition during the Year										
Acquisition	294,350,948	88,539,113	44,711,311	50,552,711	42,865,290	23,910,512	ı	308,944,116	853,874,002	
Capitalization	1	-	1	1	1	-		ı	1	
Disposal during the year	1	1	(19,905,194)	(13,411,350)	(32,263,775)	(2,692,347)	Г	(12,506,638)	(80,779,305)	
Adjustment/Revaluation	I	ı	(170,858)	(360,800)	I	(723,169)	I	(2,055,881)	(3,310,708)	
Balance as on July 15, 2024	1,971,663,237	710,758,115	445,251,043	355,291,139	475,930,669	360,731,767	1	1,920,894,333	6,240,520,304	5,470,736,315
Depreciation and Impairment										
As on July 17, 2022		156,913,124	188,053,339	234,515,887	190,004,380	209,694,991		502,086,257		1,481,267,977
Impairment for the year										1
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	1,720,300,599
Capital Work in Progress		36,010,706	9,182,837	1	1	1	•	323,995	45,517,538	7,210,739
Net Book Value										
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	1	964,734,676		3,757,646,456
Balance as on July 15, 2024	1,971,663,237	569,234,226	215,311,129	99,840,451	236,357,228	117,852,768	•	1,087,288,224	4,297,547,263	

		BANK				
		SOFTWA	RE		TOTAL	TOTAL
PARTICULARS	GOODWILL	PURCHASED	DEVELOPED	OTHER	ASHADH END 2081	ASHADH END 2080
Cost						
As on July 17, 2022	115,994,228	201,534,011				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	324,495,768
Addition during the Year						
Acquisition		12,091,442			12,091,442	
Capitalization						
Disposal during the year					-	
Adjustment/Revaluation		(1,863,242)			(1,863,242)	
Balance as on July 15, 2024	115,994,228	218,729,739			334,723,968	
Amortization and Impairment						
As on July 17, 2022	-	134,360,368				134,360,368
Amortization charge for the Year	-	14,112,161				14,112,161
Amortization charge of acquired institute	-					-
Impairment for the year	-					-
Disposals	-					-
Adjustment	-	7,932				7,932
Balance as on July 16, 20223	-	148,480,461			148,480,461	148,480,461
Amortization charge for the Year	-	13,411,991			13,411,991	-
Impairment for the year	-					-
Disposals	-				-	-
Adjustment	-	(96,930)			(96,930)	-
Balance as on July 16, 2024	-	161,795,522			161,795,522	-
Capital Work in Progress	_	21,215,189			21,215,189	3,502,447
Net Book Value					-	-
Balance as on July 16, 2023	115,994,228	63,523,525				179,517,754
Balance as on July 15, 2024	115,994,228	78,149,406			194,143,634	

**DEFERRED TAX** 4.15

Amount in NPR **GROUP BANK CURRENT YEAR CURRENT YEAR PARTICULARS NET DEFERRED NET DEFERRED** DEFERRED **DEFERRED TAX DEFERRED DEFERRED TAX** TAX ASSETS/ TAX ASSETS/ TAX ASSETS LIABILITIES TAX ASSETS LIABILITIES (LIABILITIES) (LIABILITIES) Deferred Tax on Temporory Differences on following items Loan and Advance to B/Fls Loans and advances to customers Investment properties (157,500,499) Investment securities 664,639 (81,547,750) (80,883,111) (157,500,499)Property & equipment (201,021) (276,702,685) (276,702,685) (274,636,207) (274,636,207) Employees' defined benefit plan 172,473,251 172.473.251 171.990.926 171,990,926 Lease Liabilities 279,230,120 279,230,120 276,468,951 276,468,951 Provisions Other temporary differences 8,163,690 8,163,690 8,163,690 8,163,690 Deferred tax on 460,330,679 (358,049,413) 102,281,266 456,623,567 (432,136,705) 24,486,861 temporary differences Deferred tax on carry forward of unused tax losses Deferred tax due to changes in tax rate Net Deferred tax asset/ 102,281,266 24,486,861 (liabilities) as on year end of July 15, 2024 \_ 178,380,995 176,613,443 Recognised in profit or loss Recognised in other (76,099,729) (152,126,581) comprehensive income Recognised directly in equity Deferred tax (asset)/liabilities (123,021,311) (62,803,729) as on July 17, 2023 Origination/(Reversal) -20,740,046 38,316,868 during the year Deferred tax expense/(income) (8,002,242) (9,611,479) recognised in profit or loss Deferred tax expense/ (income) recognised in other 28,742,287 47,928,347 comprehensive income Deferred tax expense/(income)

recognised in directly in equity

		GROUP			BANK	
		PREVIOUS YEAR			PREVIOUS YEAR	
PARTICULARS	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, 2024	-	-	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 16, 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	-	-	-	-	-	

OTHER ASSETS 4.16

				Amount in NPR
DADTICIU ADC	GR	OUP	BA	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Assets Held For Sale	-	-	-	-
Other Non Banking Assets	-	-	-	-
Bills Receivable	-	-	-	-
Accounts Receivable	2,868,814,248	1,761,479,074	2,979,391,609	1,916,835,589
Accrued Income	1,407,979	1,938,998	1,407,979	1,938,998
Prepayments And Deposit	130,137,408	122,193,938	128,698,778	121,448,088
Income Tax Deposit	138,033,341	57,133,341	138,033,341	57,133,341
Deferred Employee Expenditure	1,586,678,557	1,505,853,488	1,591,373,274	1,505,853,488
Other	101,933,972	75,310,978	49,020,349	74,311,164
Total	4,827,005,506	3,523,909,817	4,887,925,332	3,677,520,668

4.17

				Amount in NPR
PARTICULARS	GRO	DUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Money Market Deposits	-	-	-	-
Interbank Borrowing	-	600,000,000	-	600,000,000
Other Deposits from B/FIs	2,438,002,332	3,114,711,816	2,438,002,332	3,114,711,816
Settlement and Clearing Accounts	-	-	-	-
Other Deposits from B/FIs	-	-	-	-
Total	2,438,002,332	3,714,711,816	2,438,002,332	3,714,711,816

### DUE TO NEPAL RASTRA BANK

4.18

Amount in NPR

PARTICULARS	GRO	DUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Refinance from NRB	-	-	-	
Standing Liquidity Facility	-	-	-	
Lender of Last Resort Facility from NRB	-	-	-	
Securities Sold under Repurchase Agreements	-	-	-	
Other Payable to NRB	-	-	-	
Total	-	-	-	

### DERIVATIVE FINANCIAL INSTRUMENTS

4.19

Amount in NPR

	GR	OUP	RΔ	NK
PARTICULARS				
	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**

Amount in NPR

4.20

	GRO	DUP	BAI	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Institutional Customers:				
Term Deposits	40,323,884,787	47,425,276,937	40,593,884,787	47,818,261,138
Call Deposits	10,947,025,440	8,208,900,522	10,947,025,440	8,208,900,522
Current Deposits	6,668,143,438	7,348,089,861	6,680,741,752	7,364,350,118
Other	1,207,755,013	1,037,391,935	1,207,755,013	1,037,391,935
Individual Customers:				
Term Deposits	73,809,135,504	60,934,199,490	73,809,135,503	60,934,199,490
Saving Deposits	54,661,395,158	42,329,284,713	54,661,395,158	42,329,284,713
Current Deposits	1,268,507,606	1,127,508,245	1,268,507,606	1,127,508,245
Other	68,223,176	22,243,447	68,223,176	22,243,447
Total	188,954,070,122	168,432,895,149	189,236,668,435	168,842,139,608

### 4.20.1: CURRENCY WISE ANALYSIS OF DEPOSIT FROM CUSTOMERS

				Amount in NPR
DARTICIII ADC	GRO	DUP	BAN	IK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Nepalese Rupee	184,394,061,134	164,445,330,620	184,676,659,448	164,854,575,079
Indian Rupee	-	-	-	-
United State Dollar	4,522,714,662	3,959,153,906	4,522,714,662	3,959,153,906
Great Britain Pound	14,458,328	12,907,760	14,458,328	12,907,760
Euro	22,294,336	14,812,913	22,294,336	14,812,913
Japenese Yen	166,493	186,459	166,493	186,459
Chinese Yuan	-	-	-	-
Other	375,169	503,490	375,169	503,490
Total	188,954,070,122	168,432,895,149	189,236,668,436	168,842,139,608

BORROWING 4.21

Amount in NPR

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

**PROVISIONS** 4.22

Amount in NPR

				AITIOUITETITIVI	
DADTICIII ADC	GRO	GROUP		BANK	
PARTICULARS	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

				AIIIUUIILIIINFN	
PARTICULARS	GR	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Balance at July 17, 2023	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 15, 2024	5,306,626	5,306,626	5,306,626	5,306,626	

4.23

OTHER LIABILITIES

	Amount in NPR				
PARTICULARS	GRO	GROUP		BANK	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Liability for Employees Defined Benefit Obligations	120,033,284	69,941,022	119,902,853	69,937,563	
Liability for Long-Service Leave	64,447,650	2,531,234	62,970,331	1,806,798	
Short-Term Employee Benefits	538,618	581,851	527,991	565,888	
Bills Payable	107,323,339	154,236,665	107,323,339	154,236,665	
Creditors and Accruals	13,797,529	15,568,830	13,797,529	15,568,830	
Interest Payable on Deposit	27,460,979	28,643,769	27,460,979	28,643,769	
Interest Payable on Borrowing	129,719,978	59,323,204	129,719,978	59,323,204	
Liabilities on Deferred Grant Income	821,509	1,423,809	821,509	1,423,809	
Unpaid Dividend	52,440,504	10,156,484	187,764,239	184,493,273	
Lease Liabilities	929,520,815	807,504,968	921,563,169	804,178,553	
Employee Bonus Payable	234,542,367	283,817,151	228,620,700	279,605,949	
Other					
Card Payables	68,174,028	81,438,737	68,174,028	81,438,737	
Unearned Commissions	182,419,351	133,443,634	182,419,351	133,443,634	
Tax Payable	175,645,398	161,988,914	174,966,398	161,702,152	
Retention Money	10,785,879	9,378,875	10,785,879	9,378,875	
Provision for Expenses	33,112,981	29,999,060	35,618,245	29,603,120	
Account Payable Others	1,845,244,347	1,096,381,768	1,687,657,298	911,735,797	
Total	3,996,028,557	2,946,359,975	3,960,093,816	2,927,086,615	

### 4.23.1 : DEFINED BENEFIT OBLIGATIONS

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

				Amount in NPR	
PARTICULARS	GROUP		BAI	BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Present Value of Unfunded Obligations	120,033,285	69,941,022	119,902,853	69,937,563	
Present Value of Funded Obligations	144,232,354	145,597,435	144,232,354	145,597,435	
Total Present Value of Obligations*	264,265,639	215,534,998	264,135,207	215,534,998	
Fair Value of Plan Assets	144,232,354	145,597,435	144,232,354	145,597,435	
Present Value of Net Obligations	119,902,853	69,937,563	119,902,853	69,937,563	
Recognised Liability for Defined Benefit Obligations	264,135,207	215,534,998	264,135,207	215,534,998	

Total Present Value Of Obligations of NPR 264,135,207 includes amount of NPR 120,286,017 on 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	GR	GROUP		NK
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Equity Securities	-	-	-	-
Government Bonds	-	-	-	-
Bank Deposit	-	-	-	-
Other	144,232,354	145,597,435	144,232,354	145,597,435
Total	144,232,354	145,597,435	144,232,354	145,597,435

### 4.23.3 : MOVEMENT IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

				Amount in NPR
PARTICULARS	GRO	)UP	ВА	NK
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Defined Benefit Obligations At July 17, 2023	215,534,998	185,634,821	215,534,998	185,634,821
Actuarial Losses(Gain)	6,992,202	(2,041,225)	6,992,202	(2,041,225)
Benefits Paid By The Plan	(12,398,825)	(20,365,878)	(12,398,825)	(20,365,878)
Benefits Paid By The bank	(8,476,107)	(8,638,997)	(8,476,107)	(8,638,997)
Current Service Costs And Interest	62,482,939	60,946,277	62,482,939	60,946,277
Defined Benefit Obligations At July 15, 2024	264,135,207	215,534,998	264,135,207	215,534,998

### 4.23.4 : MOVEMENT IN THE FAIR VALUE OF PLAN ASSETS

				Amount in NPR
PARTICULARS	GROUP		ВА	NK
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Fair Value Of Plan Assets At July 17, 2023	145,597,435	119,632,735	145,597,435	119,632,735
Contributions Paid Into The Plan	-	35,947,849	-	35,947,849
Benefits Paid During The Year	(12,398,825)	(20,365,878)	(12,398,825)	(20,365,878)
Actuarial (Losses) Gains	(1,512,078)	(1,085,406)	(1,512,078)	(1,085,406)
Expected Return On Plan Assets	12,545,822	11,468,135	12,545,822	11,468,135
Fair Value Of Plan Assets At July 15, 2024	144,232,354	145,597,435	144,232,354	145,597,435

### 4.23.5 : AMOUNT RECOGNIZED IN PROFIT OR LOSS

Amount		

PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Service Costs*	52,092,259	51,405,595	52,092,259	51,405,595
Interest on Obligation	10,390,680	9,540,707	10,390,680	9,540,707
Expected Return on Plan Assets	(12,545,822)	(11,468,135)	(12,545,822)	(11,468,135)
Total	49,937,117	49,478,167	49,937,117	49,478,167

<sup>\*</sup>Currrent service cost includes the amount of NPR 34,878,565 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

### 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	8,763,211	(955,819)	8,504,280	(955,819)
Total	8,763,211	(955,819)	8,504,280	(955,819)

### 4.23.7 : ACTUARIAL ASSUMPTIONS

Amount in NPR

Amountment				
PARTICULARS	GROUP		BANK	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Discount Rate	8.00%	9.00%	8.00%	9.00%
Expected Return on Plan Asset	8.00%	9.00%	8.00%	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

				AMOUNTAIN	
DADTICIH ADC	GRO	DUP	BANK		
PARTICULARS	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	5,467,793,773	2,479,847,548	5,467,793,773	2,479,847,548	
Total	5,467,793,773	2,479,847,548	5,467,793,773	2,479,847,548	

### SUBORDINATED LIABILITIES 4.25

DARTICHI ARC	GR	DUP	BANK		
PARTICULARS	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					
DARTICHI ARC	GRO	)UP	BANK		
PARTICULARS	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
DADTICIH ADC	BANK	
PARTICULARS	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		
		BANK				
PARTICULARS	CURRE	NT YEAR	PREVIOL	JS YEAR		
	PERCENT	AMOUNT	PERCENT	AMOUNT		
Domestic ownership						
Nepal Government	-	-	-	-		
"A" Class Licensed Institutions	-	-	-	-		
Other Licensed Intitutions	-	-	-	-		
Other Institutions	4.36%	619,876,089	4.32%	614,218,011		
Public	48.93%	6,948,145,861	48.93%	6,948,145,861		
Other	46.71%	6,632,952,055	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					
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	1,763,237.72	490,418.06	2,253,655.78	225,365,578	1.59
4. Bijendra Joshi	1,419,411.95	527,365.21	1,946,777.16	194,677,716	1.37
5. Manohar Das Mool	1,846,863.38	1,100.00	1,847,963.38	184,796,338	1.30
6. Digvijay Bista	1,843,510.49	0.00	1,843,510.49	184,351,049	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	393,071.19	1,451,016.49	145,101,649	1.02
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	182,573.33	718,270.95	71,827,095	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	30,306,192.60	7,864,710.58	38,170,903.18	3,817,090,318	26.88

RESERVES 4.27

Amount in NPR **GROUP BANK PARTICULARS CURRENT YEAR PREVIOUS YEAR CURRENT YEAR PREVIOUS YEAR** 3,666,827,678 Statutory General Reserve 3,680,999,692 3,413,142,806 3,402,681,478 Exchange Equilisation Reserve 17,439,764 23,180,770 17,439,764 23,180,770 Corporate Social Responsibility Reserve 38,344,058 38,907,489 37,678,395 38,343,356 Capital Redemption Reserve 833,333,333 833,333,333 833,333,333 833,333,333 1,306,300,061 Regulatory Reserve 1,306,300,061 831,803,765 831,803,765 Investment Adjustment Reserve Capital Reserve Assets Revaluation Reserve 407,893,594 407,893,594 407,893,594 407,893,594 Fair Value Reserve 187,959,295 114,759,709 365,182,375 247,396,570 Dividend Equalisation Reserve Actuarial Gain (10,220,352) (4,267,356) (10,220,352) (4,267,356) Special Reserve Other Reserve 138,517,471 137,992,581 135,714,850 135,189,959 6,600,566,915 6,760,149,698 5,915,555,469 Total 5,796,746,690

### **CONTINGENT LIABILITIES AND COMMITMENTS**

4.28

Amount in NPR

				AITIOUITETITIVI
PARTICULARS	GRO	DUP	BANK	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Contingent Liabilities	33,398,837,221	30,091,864,004	32,664,073,551	29,547,876,004
Undrawn and Undisbursed Facilities	58,106,420,496	51,123,544,723	58,106,420,496	51,123,544,723
Capital Commitment	39,779,039	15,334,257	39,779,039	15,334,257
Lease Commitment	1,196,690,372	1,037,542,571	1,196,690,372	1,037,542,571
Litigation	287,208,027	279,972,942	287,208,027	279,972,942
Total	93,028,935,153	82,548,258,497	92,294,171,484	82,004,270,497

### 4.28.1: CONTINGENT LIABILITIES

Amount in NPR

	GRO	DUP	BANK		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Acceptance and Documentary Credit	11,380,197,317	10,171,612,750	11,380,197,317	10,171,612,750	
Bills for Collection	782,089,725	870,110,765	782,089,725	870,110,765	
Forward Exchange Contracts	-	-	-	-	
Guarantees	20,212,517,195	18,206,024,350	20,212,517,195	18,206,024,350	
Underwriting Commitment	709,763,670	518,988,000	-	-	
Other Commitments	314,269,314	325,128,138	289,269,314	300,128,138	
Total	33,398,837,221	30,091,864,004	32,664,073,551	29,547,876,004	

### 4.28.2: UNDRAWN AND UNDISBURSED FACILITIES

PARTICULARS	GRO	DUP	BANK		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Undisbursed Amount of Loans	3,792,059,968	4,232,873,290	3,792,059,968	4,232,873,290	
Undrawn Limits of Overdrafts	6,489,027,254	6,026,954,126	6,489,027,254	6,026,954,126	
Undrawn Limits of Credit Cards	286,397,132	317,921,711	286,397,132	317,921,711	
Undrawn Limits of Letter of Credit	29,139,923,232	26,636,802,135	29,139,923,232	26,636,802,135	
Undrawn Limits of Guarantee	18,399,012,909	13,908,993,462	18,399,012,909	13,908,993,462	
Total	58,106,420,496	51,123,544,723	58,106,420,496	51,123,544,723	

### **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 **GROUP BANK PARTICULARS CURRENT YEAR** PREVIOUS YEAR **CURRENT YEAR** PREVIOUS YEAR Capital Commitments in relation to Property and Equipment Approved and Contracted for 12,021,326 7,153,840 12,021,326 7,153,840 Approved but not Contracted for 12,021,326 Sub total 7,153,840 12,021,326 7,153,840 Capital Commitments in relation to Intangible Assets Approved and Contracted for 27,757,713 8,180,417 27,757,713 8,180,417 Approved but not Contracted for Sub total 27,757,713 8,180,417 27,757,713 8,180,417 Total 39,779,039 15,334,257 39,779,039 15,334,257

### 4.28.4: LEASE COMMITMENTS

				Amount in NPR	
DARTICUL ARC	GR	OUP	ВА	BANK	
PARTICULARS	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	175,448,464	140,332,761	175,448,464	157,395,840	
Later than 1 year but not later than 5 years	739,789,814	524,587,199	739,789,814	649,804,990	
Later than 5 years	281,452,094	363,828,770	281,452,094	230,341,740	
Sub total	1,196,690,372	1,028,748,730	1,196,690,372	1,037,542,571	
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	1,196,690,372	1,028,748,730	1,196,690,372	1,037,542,571	

### 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 Liabilties for Tax Litigation cases pending as on 31 Ashadh, 2081

TAX ASSESSMENT ORDER LITIGATION OF	FY	PENDING AT	AMOUNT
Citizens Bank International Limited	2063/64 (2006-07)	Supreme Court	E E20 77/
Citizens Bank International Limited	2064/65 (2007-08)	Supreme Court	5,528,776
Citizens Bank International Limited	2067/68 (2010-11)	Revenue Tribunal	2,885,729
Citizens Bank International Limited	2068/69 (2011-12)	Revenue Tribunal	8,346,517
Citizens Bank International Limited	2069/70 (2012-13)	Revenue Tribunal	12,396,901
Citizens Bank International Limited	2070/71 (2013-14)	Revenue Tribunal	10,118,138
Citizens Bank International Limited	2071/72 (2014-15)	Revenue Tribunal	11,186,382
Citizens Bank International Limited	2072/73(2015-16)	Revenue Tribunal	27,780,376
Citizens Bank International Limited	2073/74(2016-17)	Tax Administrative Review	42,066,361
Citizens Bank International Limited	2074/75(2017-18)	Tax Administrative Review	44,038,781
Citizens Bank International Limited	2075/76(2018-19)	Tax Administrative Review	59,136,088
Citizens Bank International Limited	2076/77(2019-20)	Tax Administrative Review	7,235,085
People's Finance Limited	2067/68 (2010-11)	Tax Administrative Review	21,002,255
Nepal Housing and Merchant Finance Limited	2068/69 (2011-12)	Tax Administrative Review	3,446,694
Nepal Housing and Merchant Finance Limited	2070/71 (2013-14)	Tax Administrative Review	917,391
Nepal Housing and Merchant Finance Limited	2071/72 (2014-15)	Revenue Tribunal	24,330,360
Nepal Housing and Merchant Finance Limited	2071/72 (2014-15)	Revenue Tribunal	944,223

Sahayogi Bikash Bank Limited	2073/74(2016-17)	Tax Administrative Review	258,251
Srijana Finance Limited	2072/73(2015-16)	Tax Administrative Review	1,009,180
Sahayogi Bikash Bank Limited	2074/75(2017-18)	Tax Administrative Review	268,422
Tinau Mission Development Bank Limited	2074/75(2017-18)	Tax Administrative Review	2,586,651
Mission Development Bank Limited	2074/75(2017-18)	Tax Administrative Review	1,362,616
Srijana Finance Limited	2074/75(2017-18)	Tax Administrative Review	362,850
Total			287,208,027

### Financial Year 2020-21 to 2022-23

The self assessment returns filed by the Bank for financial year 2020-21 (2077-78 BS) to 2022-23 (2079-80 BS) has not yet been opened for reassessment by the Large Taxpayers Office.

b. Status of Contingent Liabilities 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	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Cash and Cash Equivalents	145,453,645	308,816,121	139,887,406	265,495,011
Due from Nepal Rastra Bank	362,466	247,397	362,466	247,397
Placement with Bank and Financial Institutions	138,292,983	3,308,865	138,292,983	3,308,865
Loan and Advances to Bank and Financial Institutions	249,502,412	375,762,394	249,502,412	375,762,394
Loan and Advances to Customers	17,045,840,093	18,212,533,366	17,047,554,844	18,216,412,489
Investment Securities	1,733,580,425	1,436,276,499	1,721,038,317	1,441,750,427
Loan and Advances to Staff	423,026,579	357,851,651	423,026,579	357,851,651
Other	-	-	-	-
Total Interest Income	19,736,058,603	20,694,796,293	19,719,665,007	20,660,828,235

INTEREST EXPENSES 4.30 Amount in NPR

DADTIGULADO	GRO	DUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Due to Bank and Financial Institutions	153,490,993	333,626,720	153,490,993	330,126,649
Due to Nepal Rastra Bank	1,376,712	450,043,251	1,376,712	450,043,251
Deposits from Customers	13,251,757,350	13,721,930,209	13,281,195,715	13,739,685,789
Borrowing	-	-	-	-
Debt Securities Issued	483,464,481	258,222,068	483,464,481	258,222,068
Subordinated Liabilities	-	-	-	-
Other	78,743,226	54,682,985	76,318,095	54,254,281
Total Interest Expense	13,968,832,763	14,818,505,235	13,995,845,998	14,832,332,039

### FEES AND COMMISSION INCOME 4.31

				Amount in NPR
DARTICIII ARC	GROUP		ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Loan administration fees	270,919,945	231,289,933	270,919,945	231,289,933
Service fees	253,486,017	197,953,386	253,486,017	197,953,386
Consortium fees	125,519,658	41,024,351	125,519,658	41,024,351
Commitment fees	1,861,596	1,997,896	1,861,596	1,997,896
DD/ TT/ Swift fees	27,983,693	24,140,127	27,983,693	24,140,127
Credit card/ATM issuance and renewal fees	190,400,048	153,426,332	190,400,048	153,426,332
Prepayment and swap fees	9,912,122	3,885,822	9,912,122	3,885,822
Investment banking fees	-	-	-	-
Asset management fees	38,012,692	26,075,655	-	-
Brokerage fees	7,926,776	-	-	-
Remittance fees	47,932,982	48,698,966	47,932,982	48,698,966
Commission on letter of credit	94,683,586	73,629,013	94,683,586	73,629,013
Commission on guarantee contracts issued	169,230,954	162,027,320	169,230,954	162,027,320

Total Fees and Commission Income	1,339,195,832	1,046,642,004	1,279,684,020	1,013,993,665
Others	42,014,125	33,408,530	35,579,878	30,301,105
Bills Collection Commission	2,891,948	2,550,428	2,891,948	2,550,428
Credit Line Issuance Commission	2,115,300	300,894	2,115,300	300,894
Demat commission	28,347,181	28,989,379	27,832,020	28,608,269
Bancassurance Commission	1,613,448	4,265,569	1,613,448	4,265,569
Other fees and commission income				
Locker rental	17,720,825	9,894,254	17,720,825	9,894,254
Commission on share underwriting/ issue	6,622,937	3,084,150	-	-

### FEES AND COMMISSION EXPENSES

4.32

Amount in NPR

				Amountiment	
PARTICULARS	GRO	GROUP		BANK	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
ATM Management Fees	10,198,295	9,092,748	10,198,295	9,092,748	
VISA/ Master Card Fees	70,676,263	72,357,166	70,676,263	72,357,166	
Guarantee Commission	-	-	-	-	
Brokerage	153,911	203,853	153,911	203,853	
DD/ TT/ Swift Fees	6,719,719	6,565,950	6,719,719	6,565,950	
Remittance Fees and Commission	9,025,163	7,326,900	9,025,163	7,326,900	
Other Fees and Commission Expenses	62,555,566	43,409,181	57,941,183	41,663,940	
Total Fees and Commission Expenses	159,328,916	138,955,799	154,714,534	137,210,558	

### NET TRADING INCOME

4.33

				Amount in NPR
DADTICIII ADC	GROUP		ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Changes in Fair Value of Trading Assets	(3,132,978)	10,571,804	(2,339,736)	9,252,391
Gain/ Loss on Disposal of Trading Assets	5,942,930	(4,400,015)	1,073,818	(7,613,507)
Interest Income on Trading Assets	-	-	-	-
Dividend Income on Trading Assets	19,784,567	21,053,234	16,891,455	20,595,447
Gain/ Loss Foreign Exchange Transaction	140,429,899	159,969,080	140,429,899	159,969,080
Other	-	-	-	-
Net Trading Income	163,024,418	187,194,103	156,055,435	182,203,411

### OTHER OPERATING INCOME

Amount in NPR

4.34

				Amount in NPR
PARTICULARS	GRO	DUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Foreign Exchange Revaluation Gain	(5,741,006)	(51,777,267)	(5,741,006)	(51,777,267)
Gain/ Loss on Sale of Investment Securities	-	13,141,972	-	13,141,972
Fair Value Gain/ Loss on Investment Properties	-	-	-	-
Dividend on Equity Instruments	26,258,953	9,512,582	26,258,953	9,512,582
Gain/ Loss on Sale of Property and Equipment	4,121,108	22,089,045	4,121,108	22,089,045
Gain/ Loss on Sale of Investment Property	4,734,233	(1,414,427)	4,734,233	(1,414,427)
Operating Lease Income	-	-	-	-
Gain/ Loss on Sale of Gold and Silver	4,832,625	8,270,240	4,832,625	8,270,240
Locker Rent	-	-	-	-
Other	33,181,766	28,306,884	17,883,997	23,755,800
Total	67,387,679	28,129,030	52,089,910	23,577,946

4.35

				Amount in NPR
DARTICULA DO	GRO	DUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Impairment Charge/ (Reversal) on Loan and Advances to B/FIs	(10,949,528)	(10,395,362)	(10,949,528)	(10,395,362)
Impairment Charge/ (Reversal) on Loan and Advances to Customer	1,736,357,021	1,226,875,580	1,736,357,021	1,226,875,580
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	1,725,407,494	1,216,480,218	1,725,407,494	1,216,480,218

PERSONNEL EXPENSES 4.36

EKSUNNEL EXPENSES 4.36				
				Amount in NPR
PARTICULARS	GRO	GROUP		NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Salary	559,238,391	533,703,015	548,875,025	527,971,743
Allowances	713,512,709	690,837,920	705,464,408	686,291,330
Gratuity Expenses	50,676,972	49,904,744	49,937,117	49,478,167
Provident Fund	55,775,839	53,307,429	54,886,905	52,795,378
Uniform	883,615	13,130,845	883,615	13,130,845
Training & Development expenses	38,041,943	26,415,021	37,486,863	26,114,824
Leave encashment	129,730,861	63,058,035	129,133,749	62,764,998
Medical	12,095,375	8,223,537	12,095,375	8,223,537
Insurance	132,962	-	-	-
Employees incentive	-	-	-	-
Cash-Settled Share-Based Payments	-	-	-	-
Pension Expense	-	-	-	-
Finance Expense under NFRS	162,718,630	133,529,523	162,718,630	133,529,523
Other Expenses Related to Staff	57,380,354	50,191,939	57,214,104	49,990,689
Sub total	1,780,187,650	1,622,302,007	1,758,695,789	1,610,291,034
Employees Bonus	234,542,367	283,817,151	228,620,700	279,605,949
Grand total	2,014,730,017	1,906,119,158	1,987,316,489	1,889,896,983

OTHER OPERATING EXPENSES 4.37

DADTICIU ADC	GRO	DUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Directors' fee	3,891,000	2,901,650	2,461,000	2,044,000
Directors' expense	1,827,120	1,447,110	1,718,789	1,364,887
Auditors' remuneration	3,220,500	3,079,250	2,825,000	2,825,000
Other audit related expense	2,525,780	2,007,100	2,514,990	2,000,000
Professional and legal expense	12,413,941	8,381,306	11,156,029	7,478,966
Office administration expense	820,598,754	767,287,011	816,821,778	765,146,999
Operating lease expense	6,705,865	5,693,431	6,705,865	5,693,431
Operating expense of investment properties	-	-	-	-
Corporate social responsibility expense	14,003,668	9,267,377	13,872,272	9,267,377
Onerous lease provisions	-	-	-	-
Other	96,751,963	105,717,812	91,021,265	106,092,857
Total	961,938,591	905,782,047	949,096,989	901,913,517

OFFICE ADMINISTRATION EXPENSE 4.37.1

				Amount in NPR	
PARTICULARS	GRO	OUP	ВА	BANK	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Water & electricity	53,540,195	48,472,221	53,262,292	48,290,892	
Repair & maintenance					
(a) Building	9,239,151	3,292,251	9,239,151	3,292,251	
(b) Vehicle	5,442,031	5,268,826	5,442,031	5,268,826	
(c) Computer & accessories	4,057,859	5,384,300	3,748,550	5,236,331	
(d) Office equipment and furniture	16,663,000	19,758,764	16,663,000	19,758,764	
(e) Other	5,112,131	4,872,208	5,112,131	4,872,208	
Insurance	32,656,085	26,369,231	32,267,445	26,148,227	
Postage,telex,telephone and fax	13,949,754	13,303,033	13,418,629	13,185,340	
Printing and stationery	63,630,858	64,208,832	63,233,819	63,925,865	
Newspaper,books and journals	101,063	161,369	98,155	153,537	
Advertisement	42,953,997	47,101,080	42,495,671	46,491,441	
Donation	-	-	-	-	
Security expense	166,391,679	150,654,177	166,391,679	150,654,177	
Deposit and loan guarantee premium	131,634,841	113,575,249	131,634,841	113,575,249	
Travel allowances and expense	10,668,450	15,009,813	10,668,450	15,009,813	
Entertainment	955,855	1,483,216	868,995	1,459,376	
Annual /special general meeting expense	2,194,063	1,753,418	1,949,377	1,705,833	
Other					
(a) Contract staff expense	103,204,136	98,079,779	102,896,056	98,079,779	
(b) Fuel expense	59,454,713	59,884,391	58,873,256	59,384,236	
(c) Communication expense	33,117,192	26,930,908	33,117,192	26,930,908	
(d) Connectivity expense	36,013,567	36,130,489	36,013,567	36,130,489	
(e) Fund transfer expense	1,080,229	1,174,271	1,080,229	1,174,271	
(f) Bank charge	15,281,547	11,314,001	15,171,635	11,314,001	
(g) Cleaning expense	8,941,734	8,124,730	8,921,959	8,124,730	
(h) Consumable goods	4,314,624	4,980,455	4,253,668	4,980,455	
Total	820,598,754	767,287,011	816,821,778	765,146,999	

### **DEPRECIATION & AMORTIZATION**

4.38 Amount in NPR

				Amount in NPR
PARTICULARS	GRO	DUP	ВА	NK
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Depreciation on Property and Equipment	335,620,485	315,340,473	332,434,334	313,030,476
Depreciation on Investment Property	686,002	285,052	686,002	285,052
Amortisation of Intangible Assets	13,803,738	14,389,569	13,411,991	14,112,161
Total	350,110,225	330,015,094	346,532,327	327,427,689

### NON OPERATING INCOME

4.39 Amount in NPR

				AITIOUITEITINEN
PARTICULARS	GRO	DUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Recovery of Loan Written Off	6,128,000	-	6,128,000	-
Other income	14,104,110	13,221,997	22,396,541	20,681,607
Total	20,232,110	13,221,997	28,524,541	20,681,607

NON OPERATING EXPENSES 4.40 Amount in NPR

				Amountminek
DADTICIII ADC	GRO	DUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Loan Written Off	19,518,786	79,570,322	19,518,786	79,570,322
Redundancy Provision	-	-	-	-
Expense of Restructuring	-	-	-	-
Other Expenses	-	-	-	-
Total	19,518,786	79,570,322	19,518,786	79,570,322

**INCOME TAX EXPENSES** 4.41

DARTICHI ARC	GR	OUP	ВА	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Tax Expenses	761,045,691	778,061,771	746,466,775	765,409,985
Current Year	678,272,523	765,473,184	663,693,606	752,813,812
Adjustments for Prior Years	82,773,169	12,588,587	82,773,169	12,596,173
Deferred Tax Expenses	(8,002,241)	(108,030,319)	(9,611,479)	(112,712,458)
Origination and Reversal of Temporary Differences	(8,002,241)	(108,030,319)	(9,611,479)	(112,712,458)
Changes in Tax Rate	-	-	-	-
Recognition of Previously Unrecognised Tax Losses	-	-	-	-
Total Income Tax Expenses	753,043,450	670,031,452	736,855,296	652,697,527

### 4.41.1: RECONCILIATION OF TAX EXPENSES AND ACCOUNTING PROFIT

	GRO	DUP	BA	NK
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Profit before tax	2,110,881,304	2,570,046,420	2,057,586,297	2,516,453,538
Tax amount at tax rate of 30%	633,264,391	771,013,926	617,275,889	754,936,061
Add: Tax effect of expenses that are not deductible for tax purpose				
Capital Items Cost Upto Rs 5,000 Written Off	1,276,100	1,494,137	1,276,100	1,494,137
Unabsorbed Repairs and Maintenance	47,732	5,359	-	-
Disallowed expense	1,002,973	1,901,918	680,858	1,781,089
Depreciation & Amortization	27,752,287	17,531,499	27,453,396	17,048,509
Prior period expense	413,892	3,794,152	413,892	3,794,152
CSR expense	3,381,681	2,750,213	3,381,681	2,750,213
Gratuity & Leave Expense Provision	35,321,720	10,989,956	35,135,442	11,025,217
Bond Amortization	998,008	677,329	998,008	677,329
NFRS Lease expense	17,607,501	16,356,570	17,438,159	16,276,284
Staff Bonus Relating to Final Withholding Income	447,920	297,148	439,185	297,148
Interest income reduced by Bonus accrued payable to staff of Home Loan as per Actuary Report	1,251,855	1,027,018	1,251,855	1,027,018
Interest Income on Plan Assets	7,735,988	7,854,194	7,735,988	7,854,194
Loan Written Off	5,855,636	23,871,097	5,855,636	23,871,097
Interest Expense not allowable	5,457,270	-	5,457,270	-
Less: Tax effect on exempt income				
Dividend Income	(4,479,198)	(3,108,814)	(4,391,852)	(2,971,478)
Add/less: Tax effect on other items				
Loss/(profit) on Sale of Fixed Asset	(1,236,333)	(6,626,714)	(1,236,333)	(6,626,714)
Recovery of Loan w/off	(1,838,400)	-	(1,838,400)	-
Carried forward of unabsorbed business loss	-	(9,031,923)	-	(9,031,923)
Deferred grant income reversal	(180,690)	(288,788)	(180,690)	(288,788)
Excesss LLP claimed over GAAP LLP	(4,017,236)	(23,871,097)	(4,017,236)	(23,871,097)
Rent Expense Claimed on Actual Expense	(50,676,512)	(44,704,827)	(50,141,123)	(44,309,520)
Excess provision reversal of previous year	-	(137,475)	-	(137,475)
NFRS Lease income	3,958	(5,925)	3,958	(5,925)
Change in fair value of trading assets	(1,118,022)	(6,315,771)	701,921	(2,775,717)

Prior Period Error effect	82,773,169	12,588,587	82,773,169	12,596,173
Total income tax expense	761,045,691	778,061,771	746,466,775	765,409,985
Effective tax rate	36.05%	30.27%	36.28%	30.42%

### **CITIZENS BANK INTERNATIONAL LIMITED**

Statement of Distributable Profit or Loss For the year ended July 15, 2024 (Ashad 31, 2081)

		Amount in NPR
DADTICIII ADC	BANI	(
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
NET PROFIT OR (LOSS) AS PER STATEMENT OF PROFIT OR LOSS	1,320,731,001	1,863,756,011
APPROPRIATIONS:		
a. General reserve	(264,146,200)	(372,751,202)
b. Foreign exchange fluctuation fund	5,741,006	51,777,267
c. Capital redemption reserve	-	(277,777,778)
d. Corporate social responsibility fund	664,962	(9,370,183)
e. Employees' training fund	(524,891)	(7,920,466)
f. Other	-	-
PROFIT OR (LOSS) BEFORE REGULATORY ADJUSTMENT	1,062,465,877	1,247,713,649
REGULATORY ADJUSTMENT:		
a. Interest receivable (-)/previous accrued interest received (+)	(72,772,416)	(252,119,669)
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 (+)	(356,034,648)	(29,914,101)
e. Deferred tax assets recognised (-)/ reversal (+)	(9,611,479)	(167,001,964)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(5,952,996)	669,073
i. Other (+/-)		
- Unrealised Gain on trading assets measured at Fair Value Through Profit or Loss	1,474,034	(3,560,943)
- Interest Capitalized Reserve	(31,598,790)	
Net profit for the year end July 15, 2024 available for distribution	587,969,582	795,786,046
Opening Retained Earnings as on July 17, 2023	846,989,180	1,329,462,004
Adjustment:	445,097	(171,209)
Distribution:		
Bonus share issued	-	-
Cash Dividend Paid	(822,161,653)	(1,278,087,661)
Total Distributable Profit or (Loss) as on July 15, 2023	613,242,207	846,989,180
Annualised Distributable Profit/Loss per sahre	4.32	5.96

# CITIZENS BANK INTERNATIONAL LIMITED Comparison of Unaudited and Audited Financial Statements as of FY 2023/24 (2080/81)

					Amount in NPR
STATEMENT OF FINANCIAL POSITION	AS PER UNAUDITED FINANCIAL STATEMENT	AS PER AUDITED FINANCIAL STATEMENT	VARIANGE IN AMOUNT	ICE IN %	REASONS FOR VARIANCE
ASSETS					
Cash And Cash Equivalent	11,103,495,123	11,103,495,123	1	0.00%	
Due From Nepal Rastra Bank	6,678,168,437	6,678,168,437	1	0.00%	
Placement With Bank And Financial Institutions	1,752,857,356	1,752,857,356	1	0.00%	
Derivative Financial Instruments	4,096,799	4,096,799	1	0.00%	
Other Trading Assets	334,687,833	334,687,833	1	1	
Loans And Advances To B/FIs	1,821,139,008	1,821,139,008	1	0.00%	
Loans And Advances To Customers	153,329,163,715	153,343,650,160	14,486,445	0.01%	Due to change in Loan Loss Provision
Investment Securities	36,218,845,348	36,283,861,266	65,015,919	0.18%	Due to valuation of unquoted shares at fair value.
Current Tax Assets	464,643,909	452,990,685	(11,653,224)	-2.51%	Recomputation and readjustment of tax liability.
Investment In Susidiaries	317,204,200	317,204,200	1	0.00%	
Investment In Associates	364,714,000	364,714,000	1	0.00%	
Investment Property	821,262,933	821,262,933	1	0.00%	
Property And Equipment	4,299,008,703	4,297,547,263	(1,461,440)	-0.03%	Due to change in depreciation calculation.
Goodwill And Intangible Assets	193,191,702	194,143,634	951,932	0.49%	Due to change in depreciation calculation.
Deferred Tax Assets	21,651,521	24,486,861	2,835,341	13.10%	Due to Audit adjustments.
Other Assets	4,867,921,179	4,887,925,332	20,004,152	0.41%	Due to Audit adjustments.
Total Assets	222,592,051,766	222,682,230,891	90,179,124		
CAPITAL AND LIABILITIES					
Due to Bank and Financial Institutions	2,457,940,702	2,438,002,332	(19,938,371)	(0.01)	Due to reclassification to deposit from customer
Due to Nepal Rastra Bank	1	ı	1	0.00%	
Derivative Financial Instruments	•	•	1	0.00%	
Deposits from Customers	189,216,730,065	189,236,668,435	19,938,371	0.01%	Due to reclassification from due to BFIs
Borrowing	1	ı	1	0.00%	
Current Tax Liabilities	1	ı	1	0.00%	
Provisions	5,306,626	5,306,626	1	0.00%	
Deferred Tax Liabilities		1	-	0.00%	
Other Liabilities	3,886,304,863	3,960,093,816	73,788,953	1.90%	Due to Audit adjustments.
Debt Securities Issued	5,467,793,773	5,467,793,773	1	%00:0	
Subordinated Liabilities	1	•	1	0.00%	
Total Liabilities	201,034,076,028	201,107,864,981	73,788,953		

Share Capital	14,200,974,006	14,200,974,006	I	0.00%	
Share Premium	1	1	ı	0.00%	
Retained Earnings	616,163,480	613,242,207	(2,921,273)	-0.47%	Due to change in net profit and equity movement from reserves to retained earnings
Reserves	6,740,838,253	6,760,149,698	19,311,445	0.29%	Due to change in regulatory reserves and other reserves after change in net profit.
Total Equity	21,557,975,738	21,574,365,910	16,390,172		
Total Liabilities and Equity	222,592,051,766	222,682,230,891	90,179,124		
STATEMENT OF PROFIT OR LOSS					
Interest Income	19,682,006,587	19,719,665,007	37,658,420	0.19%	Change in recognition of interest income on accrual basis and NFRS Interest income of Staff Loan.
Interest Expenses	(13,995,845,998)	(13,995,845,998)	1	0.00%	
Net Interest Income	5,686,160,589	5,723,819,009	37,658,420	0.66%	Due to above adjustments.
Fees and Commission Income	1,279,691,670	1,279,684,020	(7,650)	0.00%	Due to Audit adjustments.
Fees and Commission Expenses	(154,714,534)	(154,714,534)	ı	1	
Net Fees and Commission Income	1,124,977,137	1,124,969,487	(2,650)	0.00%	
Net Interest, Fee and Commission Income	6,811,137,726	6,848,788,496	37,650,770	0.55%	Due to above adjustments.
Net Trading Income	156,055,435	156,055,435	ı	0.00%	
Other Operating Income	52,686,499	52,089,910	(596,589)	-1.13%	Due to Audit adjustments.
Total Operating Income	7,019,879,660	7,056,933,841	37,054,181	0.53%	
Impairment Charge/ (Reversal) for Loans and Other Losses	(1,765,221,693)	(1,725,407,494)	39,814,199	-2.26%	Due to change in loan loss provision.
Net Operating Income	5,254,657,967	5,331,526,347	76,868,380	1.46%	Due to above adjustments.
Operating Expenses					
Personnel Expenses	(1,881,475,995)	(1,987,316,489)	(105,840,494)	5.63%	Due to change in actuary calculation, NFRS Finance Cost and staff bonus amount.
Other Operating Expenses	(948,751,127)	(646,096,989)	(345,862)	0.04%	Due to Audit adjustments.
Depreciation & Amortization	(346,619,406)	(346,532,327)	87,079	-0.03%	Due to change in depreciation workings.
Operating Profit	2,077,811,439	2,048,580,542	(29,230,896)	-1.41%	
Non Operating Income	28,550,925	28,524,541	(26,385)	-0.09%	Due to audit adjustment.
Non Operating Expenses	(19,518,786)	(19,518,786)	1		
Profit Before Income Tax	2,086,843,578	2,057,586,297	(29,257,281)	-1.40%	Due to above adjustments.
Income Tax Expenses					
Current Tax	(734,813,550)	(746,466,775)	(11,653,224)	1.59%	Due to change in various income and expense as stated above
Deferred Tax	(9,563,463)	9,611,479	19,174,942	-200.50%	Due to change in calculation of deferred tax liability.
Profit/ (Loss) for the Period	1,342,466,565	1,320,731,001	(21,735,564)	-1.62%	Due to above adjustments.
Other Comprehensive Income	73,707,074	111,832,809	38,125,736	51.73%	Due to change in fair value of investment securities and actuary calculation
Total Comprehensive Income	1,416,173,639	1,432,563,810	16,390,172	1.16%	Due to above adjustments.
Distributable Profit					
Net Profit/ (Loss) as per Profit or Loss	1,342,466,565	1,320,731,001	(21,735,564)	-1.62%	Due to change in profit and changes in appropration to regualtory reserves.
Add/ Less: Regulatory Adjustment as per NRB Directive	(751,575,711)	(732,761,420)	18,814,291	-2.50%	Due to adjustment of interest recovered till Shrawan end 2081.
Free Profit/ (Loss) after Regulatory Adjustments	590,890,854	587,969,581	(2,921,273)	<b>~67.0-</b>	Due to above adjustments.

EQUITY

### 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

A. TIER 1 CAPITAL (CORE CAPITAL) (CET1 +AT1)	AMOUNT IN NPR
Common Equity Tier 1 (CET 1)	18,748,944,631
Paid up Equity Share Capital	14,200,974,006
Equity Share Premium	-
Proposed Bonus Equity Shares	-
Statutory General Reserves	3,666,827,678
Retained Earnings	613,242,207
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	(78,149,406)
Less: Deferred tax Asset	(24,486,861)
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	(50,000,000)
Less Investments arising out of underwriting commitments	-
Less: Reciprocal crossholdings	-
Less: Purchase of land & building in excess of limit and unutilized	(85,371,773)
Less: Cash Flow Hedge	-
Less: Defined Benefit Pension Assets	-
Less: Un recognized Defined Benefit Pension Liabilities	_
Less: Negative Balance of Reserve Account	(10,220,352)
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)	18,748,944,631

### **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	5,500,000,000
Hybrid Capital Instruments	-
Stock Premium	-
General Loan Loss Provision	2,324,008,326
Exchange Equalization Reserve	17,439,764
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	-
Supplementary Capital (Tier 2)	7,841,448,090

## 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

10% CITIZENS BANK DEBENTURE, 2090	AMOUNT IN NPR
Outstanding Amount	3,000,000,000
Maturity Date	Ashwin 2090
Amount raised during the year	3,000,000,000
Amount eligible for Tier 2 Capital Fund	3,000,000,000

### D. DEDUCTION FROM CAPITAL

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

- NPR 78.15 Million Intangible Assets.
- NPR 24.49 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 85.37 Million for unutilized portion of land and building for more than 3 years from the date of acquisition/purchase.
- NPR 50 Million for investment made on Reliable Private Equity Fund.
- NPR 10.2 Million Negative Balance of Reserve account.

### E. TOTAL QUALIFYING CAPITAL

DESCRIPTION	AMOUNT IN NPR	
Common Equity Tier 1 Capital (CET 1)	18,748,944,631	
Tier 1 Capital	18,748,944,631	
Tier 2 Capital	7,841,448,090	
Total Capital Fund (Tier 1 and Tier 2)	26,590,392,721	
Risk Weighted Exposures	203,612,148,718	

### F. CAPITAL ADEQUACY RATIO

DESCRIPTION	AMOUNT IN NPR	
Leverage Ratio	6.97%	
Common Equity Tier 1 Capital to Total Risk Weighted Exposures Ratio	9.21%	
Tier 1 Capital to Total Risk Weighted Exposures Ratio	9.21%	
Total Capital to Total Risk Weighted Exposures Ratio	13.06%	

### **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	185,920,666,086
Risk Weighted Exposure for Operational Risk	8,388,974,405
Risk Weighted Exposure for Market Risk	1,348,231,295
Add: 2% of RWE as Supervisory Haircut	5,869,736,154
Add: 4% of Operational Risk as Supervisory Haircut	2,084,540,779
Total Risk Weighted Exposures (after Bank's adjustments of Pillar II)	203,612,148,718

### 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 Public Sector Entities	-
Claims On Banks	2,026,457,588
Claims on Corporate And Securities Firms	80,667,255,978
Claims On Regulatory Retail Portfolio	27,775,272,020
Claims Secured By Residential Properties	6,154,481,565
Claims Secured By Commercial Real Estate	2,420,401,778
Past Due Claims	6,656,456,676
High Risk Claims	15,204,708,667
Lending against securities up to 2.5 million	475,205,704
Lending against Shares(above Rs.5 Million)	5,381,103,652
Claims on trading Loans	770,955,427
Personal Auto Loans	629,281,253
Real Estate loans for land acquisition and development	2,562,614,217
Other Assets	12,687,449,332
Off Balance Sheet Items	22,509,022,229
Total Credit Risk Weighted Exposures	185,920,666,086

### I. TOTAL RISK WEIGHTED EXPOSURE CALCULATION TABLE

RISK WEIGHTED EXPOSURES	AMOUNT IN NPR
Credit Risk Exposure	185,920,666,086
Operational Risk Exposure	8,388,974,405
Market Risk Exposure	1,348,231,295
Adjustments under Pillar II	
Add: 2% of RWE as Supervisory Haircut	5,869,736,154
Add: 4% of Operational Risk as Supervisory Haircut	2,084,540,779
Total Risk Weighted Exposures	203,612,148,718
Total Core Capital (CET1 + AT1)	18,748,944,631
Total Capital Fund (Tier 1 and Tier 2)	26,590,392,721
Common Equity Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	9.21%
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	9.21%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	13.06%

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

AMOUNT IN NPR

PARTICULARS	GROSS AMOUNT	PROVISION	NET AMOUNT
Rescheduled / Restructured	-	-	-
Sub Standard	2,051,768,731	368,747,635	1,683,021,096
Doubtful	758,279,970	261,331,582	496,948,387
Loss	3,648,789,036	3,368,268,180	280,520,855
Total	6,458,837,736	3,998,347,398	2,460,490,338

### K. RATIO OF NON PERFORMING ASSETS AS PER REGULATORY CLASSIFICATION

PARTICULARS	PERCENTAGE	
Total NPL to Total Loans & Advances	4.10%	
Net NPL to Net Loans & Advances	1.63%	

### L. MOVEMENT OF NON PERFORMING ASSETS AS PER REGULATORY CLASSIFICATION

AMOUNT IN NPR

			711-100111 111111 11
PARTICULARS	PREVIOUS YEAR	<b>CURRENT YEAR</b>	CHANGE
Rescheduled / Restructured	-	-	-
Sub Standard	1,998,189,818	2,051,768,731	2.68%
Doubtful	979,798,562	758,279,970	-22.61%
Loss	1,887,308,761	3,648,789,036	93.33%
Total	4,865,297,141	6,458,837,736	32.75%

### M. WRITE OFF OF LOANS AND INTEREST SUSPENSE

AMOUNT IN NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	CHANGE
Loan written off	79,570,322	19,518,786	-75.47%
Interest Suspense written off	189,287,043	91,729,380	-51.54%

### N. MOVEMENTS IN LOAN LOSS PROVISION AND INTEREST SUSPENSE

AMOUNT IN NPR

PARTICULARS	PREVIOUS YEAR	CURRENT YEAR	СНА	NGE
PARTICULARS	PREVIOUS TEAR	CORRENT TEAR	AMOUNT	%
Loan Loss Provision	4,773,363,873	6,498,771,367	1,725,407,494	36.15%
Interest Suspense	2,195,545,922	2,868,262,021	672,716,099	30.64%

### 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	1,480,531,154	1,345,231,949	(135,299,205)	-9.14%
Watchlist	594,785,430	1,155,192,020	560,406,590	94.22%
Rescheduled / Restructured	-	-	-	-
Sub Standard	450,200,485	368,747,635	(81,452,850)	-18.09%
Doubtful	413,242,210	261,331,582	(151,910,628)	-36.76%
Loss	1,834,604,594	3,368,268,180	1,533,663,586	83.60%
Additional	-	-	-	-
Total	4,773,363,873	6,498,771,367	1,725,407,494	36.15%

### P. SEGREGATION OF INVESTMENTS PORTFOLIO

PARTICULARS	AMOUNT IN NPR
Investment securities measured at amortized cost	35,544,751,570
Investment in equity measured at FVTOCI	739,109,696
Trading Assets	334,687,833
Total	36,618,549,099

### 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, and 3,000,000,000 10% Citizen Bank Deventure, 2090 the main features of which are as under:

NAME	10.25% CITIZENS BANK BOND, 2086	10% CITIZENS BANK DEBENTURE, 2090	
Amount	NPR 2,500,000,000	NPR 3,000,000,000	
Interest Rate	10.25% per annum (before tax) payable quarterly	10% per annum (before tax) payable quarterly	
Туре	Unsecured and Redeemable at Maturity No call / convertible feature	Unsecured and Redeemable at Maturity No call / convertible feature	
Numbers of Debentures	2,500,000 (Two Million Five Hundred Thousand Only)	3,000,000 (Three Million Only)	
Face Value	NPR 1,000	NPR 1,000	
Maturity Period	10 Years	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.	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	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

		Ва	ınk		Group			
Financial Assets	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative Financial Instru	ments							
Forward Exchange Contract		4,096,799		4,096,799		4,096,799		4,096,799
Other Trading Assets								
Quoted Equities	334,479,978			334,479,978	434,226,553			434,226,553
Unquoted Equities	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Investment Securities	-	-	-	-	-	-	-	-
Investment securities measured at amortized cost	-	-	-	-	-	-	-	-
Treasury Bills			3,949,861,299	3,949,861,299			3,949,861,299	3,949,861,299
Government Securities			24,406,247,342	24,406,247,342			24,406,247,342	24,406,247,342
NRB deposits instruments			6,501,068,493	6,501,068,493			6,501,068,493	6,501,068,493
Others			687,574,436	687,574,436			777,939,560	777,939,560
Investment in equity measured at FVTOCI								
Quoted Equities	453,400,000	134,609,983		588,009,983	453,400,000	134,609,983		588,009,983
Unquoted Equities			151,099,713	151,099,713			151,099,713	151,099,713
Total	787,879,978	138,706,783	35,695,851,283	36,622,438,044	887,626,553	138,706,783	35,786,216,407	36,812,549,743
Financial Liabilities	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

<sup>\*\*</sup>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

BANK	GROUP
11,103,495,123	11,157,436,957
6,678,168,437	6,678,168,437
1,752,857,356	1,832,857,356
1,821,139,008	1,821,139,008
153,343,650,160	153,280,350,160
4,887,925,332	4,827,005,506
179,587,235,416	179,596,957,423
	11,103,495,123 6,678,168,437 1,752,857,356 1,821,139,008 153,343,650,160 4,887,925,332

FINANCIAL LIABILITIES	BANK	GROUP
Due To Bank And Financial Institutions	2,438,002,332	2,438,002,332
Due To Nepal Rastra Bank	-	-
Deposits From Customers	189,236,668,435	188,954,070,122
Other Liabilities	3,960,093,816	3,996,028,557
Debt Securities Issued	5,467,793,773	5,467,793,773
Total	201,102,558,355	200,855,894,783

### 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

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	1,118,429	1,348	104,647	15,095	1,239,519
(b)	Expenses to External Customers	(47,403)	(6,839)	(87,159)	(8,465)	(149,865)
(c)	Intersegment Revenues	-	-	-	-	-
(d)	Net Revenue (a)	1,071,027	(5,491)	17,488	6,630	1,089,655
(e)	Interest Revenue	17,699,586	1,995,414	24,664	-	19,719,664
(f)	Interest Expense	(13,326,160)	(593,368)	-	-	(13,919,528)
(g)	Net Interest Revenue (b)	4,373,427	1,402,046	24,664	-	5,800,136
(h)	Other Income	45,130	152,890	295	6,537	204,853
(i)	Depreciation and Amortization	(133,330)	(756)	(742)	(382)	(135,210)

(j)	Other Expenses	(1,887,719)	(9,098)	(21,674)	(4,309)	(1,922,800)
(k)	Segment Profit	3,468,535	1,539,592	20,031	8,477	5,036,635
(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	(1,725,407)	-	-	-	(1,725,407)
(o)	Segment Assets	166,390,643	48,853,548	462,795	(55)	215,706,931
(p)	Segment Liabilities	192,229,287	6,619,206	78,444	26,187	198,953,124

### 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.
- 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	6,889,791
	Other revenues	204,853
	Elimination of intersegment revenues	-
	Entity's Revenue	7,094,644

(B)	PROFIT OR LOSS	AMOUNT IN NPR '000
	Total profit or loss for reportable segments	5,036,635
	Other profit or loss	(1,725,407)
	Elimination of intersegment profits	-
	Unallocated amounts	(1,253,641)
	Profit Before Income Tax	2,057,586

(C)	ASSETS	AMOUNT IN NPR '000
	Total assets for reportable segments	215,706,931
	Other assets	-
	Unallocated amounts	6,975,300
	Entity's Assets	222,682,231

(D)	LIABILITIES	AMOUNT IN NPR '000
	Total liabilities for reportable segments	198,953,124
	Other liabilities	-
	Unallocated liabilities	2,154,741
	Entity's Liabilities	201,107,865

### 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	5,444,453
(b)	Treasury	1,396,555
(c)	Card	42,152
(d)	Remittance	6,630
	Total	6,889,791

### **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. Prabal Jung Pandey*	BOD Chairman
Mr. Rajan Singh Bhandari*	BOD Chairman
Mr. Prakash Chandra Mainali	Director
Mr. Bijaya Dhoj Karki	Director
Mrs. Seeta Karki K.C.**	Director
Mr. Sajan Sharma****	Director
Mr. Digvijay Bista**	Director
Dr. Binod Atreya***	Professional Director
Mr. Ramesh Raj Aryal***	Professional Director
Mr. Anil Kumar Gyawali****	Director
Mrs. Ila Sharma**	Director
Mr. Ganesh Raj Pokharel	Chief Executive Officer
Mr. Sumit Babu Khatri	Senior Deputy Chief Executive Officer
Mr. Rajendra Lal Shrestha	Deputy Chief Executive Officer
Mr. Sanjeeb Kumar Shrestha	Assistant Chief Executive Officer
Mr. Suman Mulepati	Chief Credit Officer
Mr. Ravi Kumar Rauniyar	Chief Operating Officer
Mr. Narayan Raj Adhikari	Chief Administrative Officer
Mr. Amit Khanal	Chief Risk Officer
Mr. Pramesh Raj Kayastha	Chief Finance Officer
Mr. Roshan Manandhar	Chief Mass Banking Officer

<sup>\*</sup>Tenure of Chairman, Mr. Rajan Singh Bhandari, has been completed and Mr. Prabal Jung Pandey has been elected as the new Chairman of BOD, with effect from 13th October, 2023.

### **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.	Mero Microfinance Laghubitta Bittiya Sanstha Limited	6.90%

### **Fund Sponsor**

S.N.	PARTICULARS
a.	Citizens Mutual Fund- I
b.	Citizens Mutual Fund- II
C.	Citizens Super 30

<sup>\*\*</sup> Mrs. Seeta Karki K.C. and Mr. Digvijay Bista have been elected as Directors by the shareholders in 17th AGM dated 13th October, 2023. Mrs. Seeta Karki K.C. has resigned from director with effect from 8th May 2024 and Mrs. Ila Sharma has been appointed as the director with effect from 8th May, 2024.

<sup>\*\*\*</sup>Tenure of Professional Director, Mr. Anil Kumar Gyawali has been completed on 21st November, 2023. Mr. Ramesh Raj Aryal was appointed as Professional Director with effect from 30th November 2023 who resigned from his post with effect from 28th December, 2023. Dr. Binod Atreya has been appointed as the professional director with effect from 28th December, 2023.

<sup>\*\*\*\*</sup> Mr. Sajan Sharma has resigned from director with effect from 30th June 2024 and Mr. Anil Kumar Gyawali has been appointed as the director with effect from 8th July, 2024.

### 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	2,461,000
Other Board Facility	815,416
Other Expenses	903,373
Total	4,179,789

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

PARTICULARS	CURRENT YEAR (NPR)
Short term employee benefits	19,265,591
Post employment benefits*	840,000
Other long term benefits**	-
Total	20,105,591

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	42,557,475
Post employment benefits*	1,522,242
Other long term benefits**	-
Total	44,079,717

<sup>\*</sup> 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.

### 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:
  - 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.

<sup>\*\*</sup> 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.

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

- 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 109,808, which will be increased by 10% in every 2 years.
- 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 81,261,301 as on July 15, 2024 (Ashadh 31, 2081).
- 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	1,350,632
Management Fee income	3,600,000
Server & Database Rental Income	2,652,547
Dividend Income	13,361,279
Total Income	20,964,458
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	81,261,301
Dividend payable to Shareholders of the Bank held on behalf of the Bank by the Subsidiary	135,323,735

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

PARTICULARS	NPR
Non Current Assets	102,147,896
Current Assets	294,669,696
Non Current Liabilities	3,538,800
Current Liabilities	147,234,529
Net Assets Attributable to Share Holders	246,044,263
Revenue	88,988,190
Profit from Continuing Operations	33,990,306
Other Comprehensive Income	(181,252)
Total Comprehensive Income	33,809,054

### **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 201,337,013 as on July 15, 2024 (Ashadh 31, 2081).
- 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	-
Rental Income	434,000
Other Income	255,251
Interest on Loan against FDR	1,714,750
Total Income	2,404,001
Interest Paid to Subsidiary	16,500,141
Total Expenses	16,500,141
Statement of Financial Position	-
Deposit of Subsidiary	201,337,013
Advance to Subsidiary	63,300,000

The following table summarizes the financial information of CBIL Securities Ltd. in its own financial statements:

PARTICULARS	NPR
Non Current Assets	13,894,596
Current Assets	299,511,207
Non Current Liabilities	5,789,131
Current Liabilities	83,457,754
Net Assets Attributable to Share Holders	224,158,918
Revenue	26,161,539
Profit from Continuing Operations	3,116,546
Other Comprehensive Income	-
Total Comprehensive Income	3,116,546

### 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.

### 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 Board member in Mero Microfinance. The Bank holds investment of Rs. 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	159,782
Payments received towards Interest Income	103,336,478
Loan & Advances	777,085,728
Deposit	12,379,593

The investment in Mero Microfinance Laghubitta Bittiya Sanstha Limited 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 20<sup>th</sup> Falgun 2074 with the maturity period of 7 years (i.e. up to 19<sup>th</sup> Falgun 2081). It was listed in Nepal Stock Exchange on 3<sup>rd</sup> Baisakh 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 19,755,898 as on Balance Sheet date with the Bank.

### v. Transaction with Citizens Mutual Fund- II

The 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 22<sup>nd</sup>Ashadh 2076 with the maturity period of 7 years (i.e. up to 21<sup>st</sup> Ashadh 2083).

The Bank has invested NPR 150,000,000 in Citizens Mutual Fund- II.

The Scheme has Bank Balance of NPR 43,303,051 as on Balance Sheet date with the Bank.

### vi. Transaction with Citizens Super 30

The Bank is the shareholder holding substantial interest and the sponsor of the Citizens Super 30 Mutual Fund 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 31st Baisakh 2080 with the maturity period of 10 years (i.e. up to 30th Baisakh 2090).

The Bank has invested NPR 150,000,000 in Citizens Super 30 Mutual Fund.

The Scheme has Bank Balance of NPR 58,069,230 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. Rajendra Lal Shrestha	Chairman
Mr. Narayan Raj Adhikari	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	820,000
Total	820,000

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

PARTICULARS	CURRENT YEAR (NPR)
Short term employee benefits	4,258,299
Post- employment benefits	343,401
Other long term benefits	-
Total	4,601,700

### b) C.B.I.L Securities Limited

NAME OF THE KEY MANAGEMENT PERSONNEL	POST
Mr. Saptaman Bajracharya	Chairman
Mrs. Siju Shakya	Board Member
Mr. Srijesh Gyawali	Board Member
Mrs. Pramita Shrestha Pradhan	Board Member

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

PARTICULARS	CURRENT YEAR (NPR)
Meeting Fees	585,000
Total	585,000

The details relating to compensation paid to key management personnel (Managing Director and Acting CEO) were as follows:

PARTICULARS	CURRENT YEAR (NPR)
Short term employee benefits	2,304,827
Post- employment benefits	-
Other long term benefits	
Total	2,304,827

### 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	1,350,632
Technical Fee Paid	3,600,000
Server & Database Rental Expenses	2,652,547
Total Expenses	7,603,179
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	135,323,735
Total	135,323,735

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	434,000
Other Income	255,251
Interest on Loan against FDR	1,714,750
Total Expenses	2,404,001
Interest Received on Deposits	16,500,141
Total Income	16,500,141

### **5.8 MERGER AND ACQUISITION**

No any Merger and acquisitions have taken place during current fiscal year 2023/24.

### **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	2023/24 (NPR)	2022/23 (NPR)
Cost		
As on July 17, 2023	979,581,007	866,279,062
Addition during the year	226,394,497	113,301,945
As on July 15, 2024	1,205,975,503	979,581,007
Depreciation		
As on July 17, 2023	249,402,975	121,533,663
Depreciation charge for the year	136,895,785	127,869,312
As on July 15, 2024	386,298,760	249,402,975
Net Book Value	819,676,743	730,178,032

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	2023/24 (NPR)	2022/23 (NPR)
As on July 17, 2023	804,178,552	784,320,725
Addition during the year	226,394,497	113,301,945
Interest on Liability	58,127,195	54,254,281
Actual payments during the year	(167,137,076)	(147,698,399)
Total	921,563,168	804,178,552

Depreciation on Right of Use Assets amounting NPR 136,895,785 and interest on lease liability amounting NPR 58,127,195 has been recognized on Profit or Loss account.

The details of future Actual Lease Payments of the Bank are tabulated below:

ACTUAL LEASE LIABILITY	2023/24 (NPR)	2022/23 (NPR)
Less than one year	175,448,464	157,395,840
Between one to five years	739,789,814	649,804,990
More than five years	281,452,094	230,341,740
Total	1,196,690,372	1,037,542,571

### **5.11 DETAIL OF LOANS AND ADVANCES**

AMOUNT IN NPR

PARTICULARS	TO CUSTOMERS	TO BFIS
Loans and Advances	155,744,010,731	1,843,258,105
Interest Receivables on Loans and Advances	1,643,366,369	-
Staff Loans and Advances	2,432,925,329	-
Interest Receivables on Staff Loans and Advances	-	-
Total Loans and Advances [a]	159,820,302,430	1,843,258,105
Impairment Provision charge		
i. Total Impairment as per NFRS 9- Para 5 of Carve Out	5,379,586,961	-
Individual Impairment (Specific Provision)	2,741,555,892	-
Collective Impairment (General Loan Loss Provision)	2,638,031,069	-
ii. Impairment as per norms of NRB in loan loss provision	6,476,652,269	22,119,097

Collective Impairment	2,478,304,871	22,119,097
Individual Impairment	3,998,347,398	-
Impairment charge for the year, higher of i. and ii. [b]	6,476,652,269	22,119,097
Net Loans and Advances [a-b]	153,343,650,160	1,821,139,008

### 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	2023/24	2022/23
Staff Vehicle Loan	60,356,199	66,976,104
Staff Home Loan	1,852,665,378	1,632,689,938
Employee Advances	509,574,814	487,566,834
Credit Card Receivable	10,328,938	10,267,608
Total	2,432,925,329	2,197,500,483

### **5.13 INVESTMENT PROPERTY**

The details of Investment property of the Bank are as follows:

AMOUNT IN NPR

PARTICULARS	2023/24	2022/23
Cost		
Balance as on July 17, 2023	256,509,750	209,361,154
Addition during the year	601,009,132	69,003,390
Disposal during the year	(35,218,563)	(21,854,794)
As on July 15, 2024	822,300,319	256,509,750
Accumulated Depreciation		
Balance as on July 17, 2023	381,179	715,283
Depreciation charge for the year	686,002	285,052
Disposal during the year	(29,796)	(619,154)
As on July 15, 2024	1,037,386	381,179
Net Amount	821,262,933	256,128,571

### **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

	GRO	)UP	BANK		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Present Value of Unfunded Obligations	64,447,649	2,531,234	62,970,330	1,806,798	
Present Value of Funded Obligations	246,197,549	213,860,958	246,197,549	213,860,958	
Total Present Value of Obligations	310,645,198	216,392,192	309,167,879	215,667,756	
Fair Value of Plan Assets	246,197,549	213,860,958	246,197,549	213,860,958	
Present Value of Net Obligations	64,447,649	2,531,234	62,970,330	1,806,798	
Recognized Liability for Defined Benefit Obligations	310,645,198	216,392,192	309,167,879	215,667,756	

### **Plan Assets**

AMOUNT IN NPR

	GRO	)UP	BANK		
PLAN ASSETS COMPRISE	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Equity Securities	-	-	-	-	
Government Bonds	-	-	-	-	
Bank Deposit	-	-	-	-	
Other	246,197,549	213,860,958	246,197,549	213,860,958	
Total	246,197,549	213,860,958	246,197,549	213,860,958	

### Movement in the Present Value of Defined Benefit Obligations

AMOUNT IN NPR

	GRO	)UP	BANK		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Defined Benefit Obligations At July 17, 2023	216,392,192	188,590,435	215,667,756	187,687,303	
Actuarial Losses	86,714,704	23,276,415	86,455,773	23,288,338	
Benefits Paid By The Plan	(50,489,668)	(51,042,272)	(50,386,508)	(50,582,462)	
Current Service Costs And Interest	58,027,970	55,567,614	57,430,858	55,274,577	
Defined Benefit Obligations At July 15, 2024	310,645,198	216,392,192	309,167,879	215,667,756	

### Movement in the Fair Value of Plan Assets

AMOUNT IN NPR

	GRO	UP	BANK		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Fair Value Of Plan Assets At July 17, 2023	213,860,958	185,188,907	213,860,958	185,188,907	
Contributions Paid Into The Plan	67,970,217	63,456,596	67,970,217	63,456,596	
Benefits Paid During The Year	(50,386,508)	(50,582,462)	(50,386,508)	(50,582,462)	
Actuarial (Losses) Gains	(5,285,871)	(1,448,420)	(5,285,871)	(1,448,420)	
Expected Return On Plan Assets	20,038,753	17,246,337	20,038,753	17,246,337	
Fair Value Of Plan Assets At July 15, 2024	246,197,549	213,860,958	246,197,549	213,860,958	

### **Amount Recognized in Profit or Loss**

AMOUNT IN NPR

	GRO	OUP	BANK		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
Current Service Costs	40,824,708	40,891,377	40,288,153	40,658,930	
Interest On Obligation	17,203,262	14,676,237	17,142,705	14,615,647	
Actuarial (Gain)/ Losses	91,741,644	24,736,758	91,741,644	24,736,758	
Expected Return On Plan Assets	(20,038,753)	(17,246,337)	(20,038,753)	(17,246,337)	
Total	129,730,861	63,058,035	129,133,749	62,764,998	

### **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 FY 2010/11 (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 Sahayogi Vikas Bank is under Administrative Review of FY 2016/17 (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 FY 2020/21(2077/78) to 2022/23 (2079/80), 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.

### **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 Banks 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 Banks 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 264,146,200/- to General Reserve from Retained

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 Banks 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 5,741,006 and same amount has been transferred from Exchange Fluctuation Reserve to Retained Earnings during the FY 2023/24.

The balance of exchange fluctuation reserve fund at the end of current year is NPR 17,439,764/-. 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 Subordinated Debt of 10.25% Citizens Bank Bond, 2086 of NPR 2,500,000,000 during FY 2019/20 as per NRB approval dated 2019/10/17. As per NRB Directive 2080(16) (5), Capital Redemption Reserve is to be created on proportionate basis over the year except for the issuance year and payment year. The Bank has been appropriating NPR 277,777,778/- in Bond Redemption Reserve each year till FY 2022/23. Bond Redemption Reserve for "10.25% Citizens Bank Debenture 2086" has not been created for current FY 2023/24 as per NRB Directive 2080(16)(5)(2)(Ka). The Bank will appropriate NPR 333,333,333 in Bond Redemption Reserve from FY 2024/25 for 10.25% Citizens Bank Bond 2086.

The Bank has issued another Subordinated Debt of 10% Citizens Bank Debenture, 2090 of NPR 3,000,000,000 during current FY 2023/24 as per NRB approval dated 2023/05/31. 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 not set aside any amount to Capital Redemption Reserve during FY 2023/24 for 10% Citizens Bank Debenture 2090. The Bank will appropriate NPR 333,333,333 in Bond Redemption Reserve each year starting from FY 2024/25.

### v. Employees Training Cost and Employees Capacity Development Fund

Employees training cost of NPR 37,486,863/- has been incurred during the current year. As per NRB Directive 06/2080, 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 524,891/- to Employees' Capacity Development Fund during FY 2023/24.

### vi. Corporate Social Responsibility (CSR) Fund

During the year, the Bank has expensed NPR 13,872,272/- on CSR activities. Such amount of NPR 13,872,272/- has been transferred from CSR fund to retained earnings in the current year. Province wise and sector wise details of expenditure made by the Bank from CSR fund during FY 2023/24 is summarized as below:

PROVINCE/SECTOR	CULTURAL PROMOTION	EDUCATION	ENVIRONMENT	FINANCIAL LITERACY	HEALTH	SOCIETY	TOTAL
KOSHI	60,000	150,871	-	851,770	150,226	195,803	1,408,670
Madhesh	82,160	264,479	-	432,990	138,978	486,658	1,405,265
Bagmati	-	985,254	93,470	414,187	839,843	552,661	2,885,416
Gandaki	501,000	181,940	24,895	39,330	118,565	617,215	1,482,945
Lumbini	31,075	538,166	572,119	181,550	171,095	596,126	2,090,131
KARNALI	-	125,000	-	104,195	70,050	2,665,000	2,964,245
SUDURPASCHIM	-	618,080	-	649,450	198,153	169,917	1,635,600
TOTAL	674,235	2,863,791	690,484	2,673,473	1,686,910	5,283,380	13,872,272

Similarly, additional CSR Fund of NPR 13,207,310/-has been created as per NRB Directive No. 06/2080. 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 arised 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, 2023	38,343,356	833,333,333	115,994,228	(4,267,356)	19,195,731	1,002,599,293
Other comprehensive income, net of tax						
Actuarial gains/(losses) on defined benefit plans	-	-	-	(5,952,996)	-	(5,952,996)
Transfer to Reserve	13,207,310	-	-	-	524,891	13,732,201
TRANSFER FROM RESERVE	(13,872,272)	-	-	-	-	(13,872,272)
BALANCE AS ON ASHADH 31, 2081	37,678,395	833,333,333	115,994,228	(10,220,352)	19,720,622	996,506,226

### vii. Regulatory Reserve

The regulatory reserve has been created of NPR 1,306,300,061 /- upto 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 Notice BFIRD/Policy/Notice/1/2081/82, BFIs are not required to transfer to the regulatory reserve for the interest income recognized on accrual basis and recovered within August 16, 2024. Accordingly, the Bank has recovered interest income of NPR 741,168,084/- after July 15, 2024 till August 16, 2024 for which no regulatory reserve has been created.

Out of total interest accrued as on Ashad End 2081, amount of NPR 1,643,366,369/- has been recognized as income on Accrual Basis upto July 15, 2024 as per "Guideline on Recognition of Interest Income, 2019" issued by Nepal Rastra Bank and NPR 74,303,533/- has been transferred to Retained Earnings from Regulatory Reserve during FY 2023/24.

The detail of movement of Regulatory Reserves of the Bank during FY 2023/24 is summarized as below:

AMOUNT IN NPR

PARTICULARS	OPENING BALANCE	CHANGE DURING THE YEAR	CLOSING BALANCE
Interest Receivable	495,612,505	72,772,416	568,384,921
Short Provision on NBA	161,360,999	356,034,648	517,395,647
Deferred Tax Asset	167,001,964	9,611,479	176,613,443
Actuarial Loss Recognized	4,267,356	5,952,996	10,220,352
Unrealized gain on trading assets	3,560,943	(1,474,034)	2,086,909
Interest Capitalized Term Loan	-	31,598,790	31,598,790
TOTAL	831,803,767	474,496,296	1,306,300,063

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	3,402,681,478	264,146,200	-	-	3,666,827,678
Exchange Equalization Reserve	23,180,770	-	(5,741,006)	-	17,439,764
Corporate Social Responsibility Reserve	38,343,356	-	(664,962)	-	37,678,395
Capital Redemption Reserve	833,333,333	-	-	-	833,333,333
Regulatory Reserve	831,803,765	474,496,296	-	-	1,306,300,061
Investment Adjustment Reserve	-	-	-	-	-
Assets Revaluation Reserve	407,893,594	-	-	-	407,893,594
Fair Value Reserve	247,396,570	-	-	117,785,805	365,182,375
Dividend Equalization Reserve	-	-	-	-	-
Actuarial Gain	(4,267,356)	-	-	(5,952,996)	(10,220,352)
Capital Reserve	-	-	-	-	-
Special Reserve	-	-	-	-	-
Other Reserve	135,189,959	524,891	-	-	135,714,850
TOTAL	5,915,555,469	739,167,387	(6,405,967)	111,832,809	6,760,149,698

### **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 bonus share of 4.00 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.

### **5.19 PROPOSED DIVIDEND**

The Board of Directors of the Bank has proposed Cash Dividend of 0.21 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 2023/24, the Bank has made provision of NPR. 228,620,700/- 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 19.00 million has been marked to market at exchange rate of INR/USD = 83.5658 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	2023/24	2022/23
Profit attributable to ordinary shareholders NPR	1,320,731,001	1,863,756,011
Weighted average number of ordinary shares	142,009,740	142,009,740
Basic Earnings Per Share NPR	9.30	13.12
Restated Basic Earnings Per Share NPR	9.30	13.12

### Weighted average number of ordinary shares calculation

AMOUNT IN NPR

FY 23/24	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 2022/23	NOS. OF SHARES	SHARES OUTSTANDING	PORTION OF THE YEAR	WEIGHTED AVERAGE SHARES
FY 2022/23 Opening Balance	NOS. OF SHARES			

### **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 2023/24.

### ii. Nepal Rastra Bank

NPR IN '000

TIME DURATION	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
1 month and below	-	-	-	5,101.34
1 - 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
1 - 2 years	-	39.63	-	-
Total	-	39.63	-	5,101.34

### iii. Local Financial Institutions

NPR IN '000

TIME DURATION	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
1 month and below	4,666.81	3,918.70	75,981.13	59,693.90
1 - 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	8.50	-
1 - 2 years	5.00	-	0.03	-
Total	4,671.81	3,918.70	75,989.66	59,693.90

### iv. Foreign Bank

NPR IN '000

TIME DURATION	LEDGER DEBIT	LEDGER CREDIT	STATEMENT DEBIT	STATEMENT CREDIT
1 month and below	-	34,824.20	329,906.64	821,497.29
1 - 3 months	-	670.68	31.81	-
3 - 6 months	-	402,545.14	-	-
6 - 12 months	-	299.30	0.08	87.55
1 - 2 years	-	442.73	2.26	3,341.25
Total	-	438,782.05	329,940.78	824,926.09

### **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 BFls)	157,587,268,835
Impairment Loss as per NFRS	5,379,586,961
Impairment Loss as per norms of NRB	6,498,771,367

The higher of two above i.e.; NPR 6,498,771,367/- 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 FY 2024/25 financial statements or later.

**5.26 LOAN WRITTEN OFF**Bank has written off loan amounting NPR 19,518,786 during current fiscal year 2023/24. Details of Ioan written off are as follows:

S. N.	CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF PRINCIPAL AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
_	Ramesh Mandal	New Comm. Vehicle Emi	555,918	Tipper	Quotation Price	Pradeep Sedai/RM-SME/CBU	Followup letter, callback notice,
		Other Loans	130,450				auction notice, bracktisted
2	Ramesh Regmi	New Comm. Vehicle Emi	983,430	Vehicle	Quotation Price	Pramila Guni Sadaula/RM-CBU	Followup letter, call back notice,
		Other Loans	49,508				auction notice, blacktisted
က	Ram Bahadur Thapa/	Auto New Tractor Emi	715,162	Tractor	Quotation Price	Sanjay Pun/PM-Sudurpashim	Followup letter, call back notice,
	Dhana Devi Inapa	Other Loans	2,000				auction notice, blacklisted
٧	Let 1 to do on the letter of t	New Private Vehicle Emi	782,219	Land &	Market Rate &	Dhiraj Raj Joshi/Cluster	Followup letter, call back notice, auction
4	riesna Trade Concern FVI. Eta.	Overdraft Account	1,536,470	Pulluling, Vehicle	and Quotation Price	Head-Lumbini Province	notice, blacklisted & NBA Booked
വ	Touch Business Pvt Ltd	Overdraft Account	1,000,349	Land & Building	Market Rate & Government Rate	Suman Mulepati/CCO	Followup letter, call back notice, auction notice, blacklisted & NBA Booked
9	Shankar B Nath	Auto New Tractor Emi	936,623	Tractor	Quotation Price	Sanjay Pun/PM-Sudurpashim	Followup letter, call back notice, auction notice, blacklisted
7	New Jay Maa Bhagwati	Overdraft Account	1,744,678	Land	Market Rate δ	Tulasi Raj Rijal/Head-SME	Followup letter, call back notice, auction
	FIX III danyog	Other Loans	3,000		oovernment Kate		notice, blacktisted & NBA Booked
80	New Kankai Suppliers	Overdraft Account Monthly	402,594	Land	Market Rate & Government Rate	Bhawani Shankar Chapagain/CE0	Followup letter, call back notice, auction notice, blacklisted & NBA Booked
S. N.	CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF PRINCIPAL AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
6	New Shree Laxmi Gahana Udyog	Overdraft Account	1,397,137	Land & Building	Market Rate & Government Rate	Prabhakar Kumar Devkota/DCE0	Followup letter, call back notice, auction notice, blacklisted & NBA Booked
10	Shristika Furniture Show Room	Overdraft Account Monthly	550,000	Land & Building	Market Rate & Government Rate	Bhawani Shankar Chapagain/ CE0	Followup letter, call back notice, auction notice, blacklisted & NBA Booked
1	Tika Kirana	Overdraft Account	615,121	Land &	Market Rate &	Bhawani Shankar Chapagain/	Followup letter, call back notice, auction notice, blacklisted,
		Other Loans	3,871	ה ה		כומסובו וופמחבו, ווסאוווכבבו	NBA Booked & DRT File

12	Anil Prasad Yadav	Cozopl Term Emi	125,321 La	Land	Market Rate & Government Rate	Diwash Singh Thakuri/ PM Province-2	Followup letter, call back notice, auction notice, blacklisted & NBA Booked
		Credit Card	124,287 -				
13	Anup Poudel	Other Loans	1,353 -			Bodh Raj Devkota/Asst. CEO	Followup letter, call back
		Other Loans	2,000 -		-		Dollee, Blacklibled
		Credit Card	548,307 -		-		
7.		Other Loans	1,193 -		-	100 boot/:*cacl.Macmi.0	Followup letter, call back
<del>-</del>	Arun Parajuli	Other Loans	2,000 -		-	Suman Mutepati/Head-CBO	notice, blacklisted
		Other Loans	2,541 -		ı		
		Credit Card	221,488 -		-		:
15	Bhim Raj Waiba	Other Loans	1,369 -		ı	Amit Khanal/Head-CBU/SME	Followup letter, call back notice, blacklisted
		Other Loans	2,000 -		1		בסווכה, מופראווטופם
		Credit Card	95,427 -		1		:
16	Damodar Shrestha	Other Loans	1,338 -		-	Niraj Raj Shrestha/Head-CCU	Followup letter, call back notice blacklisted
		Other Loans	2,000 -		-		
s. K.	CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF PRINCIPAL AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
		Credit Card	134,558 -				:
17	Deepak Nepal	Other Loans	1,168 -		ı	Amit Khanal/Head-CBU/SME	Followup letter, call back notice, blacklisted
		Other Loans	2,000 -		-		
		Credit Card	74,894 -		ı		
18	Devendra Humagain	Other Loans	1,257 -		1	Rinku Ghimire/Head-CCU	Followup letter, call back potice, blacklisted
		Other Loans	2,000 -		-		
		Credit Card	18,734 -		-		:
19	Kanchhi Maya Lama	Other Loans	1,193 -		-	Suman Mulepati/Head-CBU	Followup letter, call back notice blacklisted
		Other Loans	2,000 -		_		
		Credit Card	475,723 -		_		
00	M: 1/2 / 4/20/1	Other Loans	2,338 -		-	100 boot/:*cacl.Macmi.0	Followup letter, call back
70	Mukesii Kuiliai Silailiia	Other Loans	- 668		ı	Sulliali Matepati/ neau-CBO	notice, blacklisted
		Other Loans	2,000 -		ı		
		Credit Card	162,159 -		-		:
21	Nabin Kumar Yadav	Other Loans	1,369 -		-	Amit Khanal/Head-CBU/SME	Followup letter, call back notice, blacklisted
		Other Loans	2,000 -		-		
		Credit Card	231,156 -		_	-	: : : : : : : : : : : : : : : : : : : :
22	Nabin Thapa	Other Loans	1,992 -		-	Suman Mulepati/ Head-CBU/SMF	Followup letter, call back notice, blacklisted
		Other Loans	2,000 -				

S. N.	CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF PRINCIPAL AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
		Credit Card	74,256	,	1		:
23	Naushaba Noor	Other Loans	1,978	-	-	Suman Mulepati/Head-CBU	Followup letter, call back notice blacklisted
		Other Loans	2,000	ı	1		ממניני ממנינים
		Credit Card	91,993	ı	ı		:
24	Rajen Prasad Upadhayay	Other Loans	1,193	ı	1	Amit Khanal/Head-CBU/SME	Followup letter, call back notice blacklisted
		Other Loans	2,000	ı	1		וסוכל, מתנאומנים
		Credit Card	51,786	ı	1		:
25	Rakesh Roshan Lal	Other Loans	1,169	ı	1	Niraj Raj Shrestha/Head-CCU	Followup letter, call back notice blacklisted
		Other Loans	2,000	ı	1		וסוכל, מתנאומנים
		Credit Card	144,050	ı	1		
26	Sanjay Acharya	Other Loans	1,268	ı	1	Suman Mulepati/ Head-CRII/SMF	Followup letter, call back notice blacklisted
		Other Loans	2,000	ı	-		
		Credit Card	340,788		1		:
27	Sanuja Rimal	Other Loans	1,268	-	-	Sumit Babu Khatri/CCO	Followup letter, call back notice blacklisted
		Other Loans	2,000	ı	1		
		Credit Card	166,820	-	-		- - - -
28	Sarfaraj Ansari	Other Loans	1,990	,	1	Suman Mulepati/Head-CBU	Followup letter, call back notice, blacklisted
		Other Loans	2,000		-		
S. N.	CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF PRINCIPAL AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
		Credit Card	17,335	-	-		- - - -
29	Saroj Acharya	Other Loans	1,268	ı	1	Niraj Raj Shrestha/Head-CCU	Followup letter, call back notice. blacklisted
		Other Loans	2,000	1	1		
		Credit Card	92,139		-		
CC	/cd+c0 //cd 42021.0	Other Loans	1,729	-	-	100 booth advantaging incident	Followup letter, call back
20	Jules I Dev Tatilak	Other Loans	1,383	ı	-	Milaj Kaj Jillesula/ Neau-CCO	notice, blacklisted
		Other Loans	2,000		-		
		Credit Card	477,449	1	1		:
31	Sushil Neupane	Other Loans	2,007	ı	-	Sumit Babu Khatri/CCO	Followup letter, call back notice, blacklisted
		Other Loans	2,000	1	1		
33	Swotantra Tamot	Credit Card	147,062	1	1	- Sumit Bahu Khatri/CCO	Followup letter, call back
70	שטעטנפוונים ופווטי	Other Loans	2,000	ı	1	סמוווו המטע היומיוו כככ	notice, blacklisted

	5 5 5 5 5	- 70/'/	1			Followup letter, call back
	Other Loans	4,305	1		<ul> <li>Niraj Kaj Shrestha/Head-CCU</li> </ul>	notice, blacklisted
	Credit Card	- 429,487	1			:
Sandeep Satyal	Other Loans	1,146 -	ı		Suman Mulepati/Head-CBU	Followup letter, call back
	Other Loans	- 668	1			ווסנורב, טומראוואנפע
	Credit Card	- 586,985	1			:
Binup Kapali	Other Loans	3,803 -	ı		Niraj Raj Shrestha/Head-CCU	Followup letter, call back notice blacklisted
	Other Loans	2,000 -	1			וסנוכב, טומראוושוכת
CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF TY PRINCIPAL AMOUNT SE	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
	Credit Card	147,951	1			
Devendra Chhetri	Other Loans	1,173 -	1		Sumit Babu Khatri/CC0	Followup letter, call back
	Other Loans	2,000 -	ı			וסווכב, מופכאווטובם
	Credit Card	- 50,744 -	ı			
Madan Bahadur Hamal	Other Loans	2,017 -	1		Amit Khanal/Head-CBU/SME	Followup letter, call back
	Other Loans	2,000 -	1			בסניכי, סימיראינטינים
	Credit Card	- 116,141	1			
	Other Loans	- 668	1			Followup letter, call back
Rupa N.C Nepal	Other Loans	1,153 -	-		Airiit Kriailat/ neau-CDO	notice, blacklisted
	Other Loans	2,000 -	1			
	Credit Card	- 064'49	1			:
Rajiv Yadav	Other Loans	2,737 -	1		Amit Khanal/Head-CBU/SME	Followup letter, call back notice, blacklisted
	Other Loans	2,000 -	1			
	Credit Card	137,493 -	1			
	Other Loans	1,383 -	1		TM2/1197 bee11/1525471 4:000	Followup letter, call back
allauul Kilauka	Other Loans	1,729 -	1		Alliit Nijaljat/ neau-CDO/SME	notice, blacklisted
	Other Loans	2,000 -	1			
\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Credit Card	- 444,097	1		C.man Milanti/Hand Coll	Followup letter, call back
Kalilesiiwal radav	Other Loans	2,060 -	1		Suman Mutepat/ nead-CDO	notice, blacklisted
CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF T	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY

		اميدن بالمرين	707 771				
		cledit cald					Following letter real harb
42	Niraj Rai	Other Loans	2,000		1	Amit Khanal/Head-CBU/SME	rouowap lettel, calt back notice: blacklisted
		Other Loans	2,017		1		
		Credit Card	328,724	ı			
ς.		Other Loans	2,300	ı	1	000)::41/1::-1-0	Followup letter, call back
43	rawan Neupane	Other Loans	4,638		1	Sumiit Babu Anatri/CCO	notice, blacklisted
		Other Loans	2,000		ı		
		Credit Card	100,854	,	ı		:
77	Seshil K Budhathoki Chettri	Other Loans	4,022	-	-	Amit Khanal/Head-CBU/SME	Followup letter, call back notice blacklisted
		Other Loans	2,000	_	-		
45	Aadeep Agrawal	Credit Card	160,819	ı	ı	Suman Mulepati/Head-CBU	Followup letter, call back notice, blacklisted
	Ambebar Rai	Credit Card	5,100		1	Ganesh Raj Pokharel/CEO	Client Expired
97	Ankit Mishra	Credit Card	44,298	ı	-	Amit Khanal/Head-CBU/SME	Followup letter, call back notice, blacklisted
47	Anuj Bista	Credit Card	140,147	ı	-	Bhupendra Bista/Head-CCU	Followup letter, call back notice, blacklisted
48	Bishawoti Khadka	Credit Card	137,407		-	Sumit Babu Khatri/CCO	Followup letter, call back notice, blacklisted
67	Deependra Tater Jain	Credit Card	48,582	-	-	Bhupendra Bista/Head-CCU	Followup letter, call back notice, blacklisted
50	Dinesh Basnet	Credit Card	112,559	ı	ı	Bhupendra Bista/Head-CCU	Followup letter, call back notice, blacklisted
S. N.	CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF PRINCIPAL AMOUNT	TYPE OF SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
51	Ganesh Lal Karna	Credit Card	140,356		-	Sumit Babu Khatri/CCO	Followup letter, call back notice, blacklisted
52	Gopal Bhattarai	Credit Card	15,825	ı	-	Suman Mulepati/Head-CBU	Followup letter, call back notice, blacklisted
53	Janaki Sharan Yadav	Credit Card	57,220	ı	1	Suman Mulepati/Head-CBU	Followup letter, call back notice, blacklisted
54	Mukesh Kumar Lal Karna	Credit Card	47,854	-	-	Sadiksha Gyawali/Head-CCU	Followup letter, call back notice, blacklisted
22	Neha Rana Magar	Credit Card	115,055		1	Amit Khanal/Head-CBU/SME	Followup letter, call back notice, blacklisted
26	Prakash Magar	Credit Card	37,250	ı	1	Pramila Guni Sadaula/RM-CBU	Followup letter, call back notice, blacklisted

57	Prashant Singh Thakuri	Credit Card	- 11,021	1	Suman Mulepati/Head-CBU	Followup letter, call back notice, blacklisted
28	Ran Bir Singh Dhami	Credit Card	92,734 -	1	Rinku Ghimire/Head-CCU	Followup letter, call back notice, blacklisted
59	Sandip Dahal	Credit Card	186,973 -	1	Amit Khanal/Head-CBU/SME	Followup letter, call back notice, blacklisted
09	Sangip Giri	Credit Card	6,833 -	I	Sumit Babu Khatri/CC0	Client Expired
19	Santosh Kumar Mahato	Credit Card	12,600 -	1	Rinku Ghimire/Head-CCU	Followup letter, call back notice, blacklisted
62	Saroj Thapa	Credit Card	182,456 -	-	Amit Khanal/Head-CBU/SME	Client Expired
63	Shiva Sutah Gauri Bhakta	Credit Card	20,260 -	-	Suman Mulepati/Head-CBU	Followup letter, call back notice, blacklisted
99	Sudarshan Shrestha	Credit Card	13,744 -	I	Niraj Raj Shrestha/Head-CCU	Client Expired
S. N.	CUSTOMER'S NAME	LOAN TYPE	WRITE-OFF TYPE OF PRINCIPAL AMOUNT SECURITY	BASIS OF VALUATION	LOAN APPROVED BY NAME/ DESIGNATION AUTHORITY	INITIATIONS MADE FOR RECOVERY
92	Sudha Tandukar	Credit Card	41,367 -	-	Sadiksha Gyawali/Head-CCU	Followup letter, call back notice, blacklisted
99	Sudip Bhandari	Credit Card	125,971 -	_	Amit Khanal/Head-CBU/SME	Followup letter, call back notice, blacklisted
29	Sujan Rayamajhi	Credit Card	30,922 -	-	Suman Mulepati/Head-CBU	Followup letter, call back notice, blacklisted
89	Sujana Dahal	Credit Card	17,734 -	-	Sumit Babu Khatri/CCO	Followup letter, call back notice, blacklisted
69	Sunil Pandey Chhetri	Credit Card	22,833 -	1	Suman Mulepati/Head-CBU	Followup letter, call back notice, blacklisted
70	Sweta Chettri	Credit Card	114,128 -	ı	Suman Mulepati/ Head-CBU/SME	Followup letter, call back notice, blacklisted
71	Trecia Thapa	Credit Card	- 61,997	ı	Sadiksha Gyawali/Head-CCU	Followup letter, call back notice, blacklisted
	TOTAL		19,518,786			

### 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 15, 2024 is as follows:

PARTICULARS	NO. OF CUSTOMERS	AMOUNT (NPR)
Refinance Loan	-	-
Business Continuity Loan	-	-

### **5.28 DETAILS OF SUBSIDIZED LOAN**

The Bank has provided the Subsidized Loan. Details of such loan as on July 15, 2024 is as follows:

PARTICULARS	NO. OF CUSTOMERS	AMOUNT (NPR)
Subsidized Loan	3264	2,612,940,088

### **5.29 REGULATORY RELAXATION**

The details of relaxation provided to the customer and Accrued Interest received after July 15, 2024 till August 16, 2024 along with additional provision of 0.2% on pass loan portfolio is as follows:

C NO	DADTICIII ADC	AS OF JUL	Y 15, 2024
S.NO.	PARTICULARS	NO OF CUSTOMERS	AMOUNT (NPR)
1	Accrued Interest Received after July 15, 2024 till August 16, 2024	27,305	741,168,084
2	Additional 0.2% Loan Loss Provision created on Pass Loan Portfolio	40,476	224,205,325
3	Extension of Moratorium Period of Loan provided to industry or project under construction	8	1,625,389,333.34
4	Restructured/Rescheduled Loan with 5% Loan Loss Provision	522	675,906,206.11
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	2	6,378,833.29
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.	1	43,164,142.79
10	Time Extension provided for repayment of Principal and interest for up to 2 years as per clause 44(1) of NRB Directive 2.	-	-

As per NRB Directive 02/2080, total interest receivable amount of NPR 886,570,066 has been restructured/rescheduled after recovering 10% of total interest accrued amount. Outstanding interest receivable of such restructured/rescheduled accounts as on July 15, 2024 is NPR 495,559,721.

# 5.30 TABLE OF ASSETS AND LIABILITIES ACCORDING TO THE LIQUIDITY POSITION

						274 4 170 110		14101
PARIICULARS	I-/ DAYS	8-30 DAYS	31-YU DAYS	71-180 DAYS	181-270 DAYS	Z71-365 DATS	MUKE IHAN I YEAK	IOIAL
ASSETS								
Cash Balance	5,351,920,928							5,351,920,928
Balance with Banks & Fls	8,909,626,585							8,909,626,585
Investment in Foreign Banks	935,550,000	1	1,717,402,500	1	r	1	1	2,652,952,500
Call Money	2,599,319,398							2,599,319,398
Government Securities	62,367,506	1	524,250,900	1,618,394,450	2,184,167,800	2,650,206,683	20,929,546,200	27,968,933,539
Nepal Rastra Bank Bonds	6,500,000,000		1	ı				6,500,000,000
Inter Bank & FI Lending	1	1	1	1	1	1	1	1
Loans & Advances	2,675,731,009	6,835,949,735	12,851,766,990	13,657,443,302	10,143,608,774	6,539,086,125	107,316,608,228	160,020,194,164
Interest Receivable	15,868,949	1,643,366,369	25,912,836	52,911,412	36,544,879	21,737,095	255,969,959	2,052,311,499
Reverse Repo								
Acceptance Receivable								1
Payments under S.No. 20,21 & 22	4,001,183,905	3,328,578,027	7,187,946,511	6,552,524,674	4,594,721,026	6,486,399,369	8,934,124,330	41,085,477,842
Others	4,887,925,332	4,096,799	452,990,685	821,262,933	1	1	6,959,467,923	13,125,743,672
Total (A)	35,939,493,612	11,811,990,931	22,760,270,421	22,702,536,770	16,959,042,479	15,697,429,272	144,395,716,641	270,266,480,125
LIABILITIES								
Current Deposits	2,258,216,672						6,883,087,800	9,141,304,472
Saving Deposits (including call)	9,900,809,148	4,418,245,566	4,418,254,845	1	r	1	49,343,036,445	68,080,346,004
Fixed Deposits	3,119,336,078	7,987,209,537	22,954,873,323	23,453,241,666	19,383,730,553	12,090,816,399	25,463,812,734	114,453,020,290
Debentures/Bonds			-				5,467,793,773	5,467,793,773
Borrowings	1	1	1	1	T	1	1	ı
Call/Short Notice								ı
Inter-bank/Financial Institutions	-	-	-	•	-	•	-	•
Refinance	ı	•	1	1	-	•	-	ı
Others								ı
Other Liabilities and Provisions	3,960,093,816	•	-	•	-	•	-	3,960,093,816
Sundry Creditors	13,797,529							13,797,529
Bills Payable	107,323,339							107,323,339
Interest Payable	157,180,957							157,180,957
Provisions	35,618,245							35,618,245
Others	3,646,173,745							3,646,173,745
Acceptance Liabilities	513,681,746	1,755,634,822	2,038,112,359	918,272,642	231,249,725	214,606,138	392,009,018	6,063,566,450
Irrevocable Loan Commitment	1,056,748,435	528,374,218	528,374,218	2,641,871,088	2,113,496,871	3,698,619,524	1	10,567,484,354
Letter of Credit/Guarantee	2,430,753,724	1,044,568,988	4,621,459,934	2,992,380,943	2,249,974,430	2,573,173,707	8,542,115,311	24,454,427,038
Repo	1							1

Payable under s.no.11	1	1	1	1	1	1	ı	ı
Others	80,040,973	141,562,468	149,943,627	170,594,918	98,333,629	62,223,338	27,375,744,977	28,078,443,930
Total (B)	23,319,680,591	15,875,595,599	34,711,018,305	30,176,361,258	24,076,785,207	18,639,439,107	123,467,600,058	270,266,480,125
Net Financial Assets (A-B)	12,619,813,020	(4,063,604,668)	(11,950,747,884)	(7,473,824,487)	(7,117,742,728)	(2,942,009,835)	20,928,116,582	•
Cumulative Net Financial Assets	12,619,813,020	8,556,208,352	(3,394,539,532)	(10,868,364,020)	(17,986,106,748)	(20,928,116,582)	1	•

### **5.31 KEY FINANCIAL INDICATORS**

	INDICATORS	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
1. Net Profit / Gross Income	Percent	11.28%	14.59%	11.47%	8.51%	6.22%
2. Earnings Per Share (Basic)	NPR	13.88	17.35	14.12	13.12	9.30
3. Market Value Per Share	NPR	188	386	202.5	173.1	193.5
4. Price Earnings Ratio	Times	13.55	22.24	14.34	13.19	20.81
5. Dividend (including bonus) on Share Capital	Percent	11	16	9	5.79	4.21
6. Cash Dividend on Share Capital	Percent	3	3.087	9	5.79	0.21
7. Interest Income / Loans and Advances	Percent	10.85%	8.00%	10.74%	13.00%	11.07%
8. Staff Expenses / Total Operating Expenses	Percent	56.63%	57.88%	59.47%	60.59%	60.53%
Interest Expenses / Total Deposits and Borrowings	Percent	6.90%	4.89%	6.44%	8.47%	7.10%
10. Foreign Exchange Gain / Total Income	Percent	3.51%	3.80%	1.59%	0.62%	0.63%
11. Staff Bonus / Total Staff Expenses	Percent	18.75%	23.36%	17.63%	14.79%	11.50%
12 Net Profit / Loans and Advances	Percent	1.45%	1.44%	1.46%	1.27%	0.82%
13. Return on Total Assets	Percent	1.08%	1.29%	1.11%	0.95%	0.63%
14. Total Credit / Deposits	Percent	89.56%	87.52%	89.08%	85.55%	84.34%
15. Total Operating Expenses / Total Assets	Percent	1.49%	1.26%	1.54%	1.57%	1.47%
16. Adequacy of Capital Fund on Risk Weighted Assets	Percent	15.14	13.7	12.69	12.12	13.06
Core Capital	Percent	11.85	11.02	10.45	10.01	9.21
Supplementary Capital	Percent	3.29	2.68	2.24	2.11	3.85
17. Non-Performing Loans / Total Loans (As per NRB Directive)	Percent	1.55	1.64	2.22	3.39	4.10
18. Weighted Average Interest Rate Spread (As per NRB Directive)	Percent	4.03	3.59	4.25	4	3.99
19. Book Net Worth Per Share	NPR	147.61	150.18	143.72	147.62	151.92
20. Number of Equity Shares (At Year End)	Nos.	90,898,173	125,769,231	142,009,740	142,009,740	142,009,740
21. Number of Permanent Staffs	Nos.	1091	1458	1758	1716	1786
22. Return on Equity	Percent	8.93%	11.17%	10.21%	9.01%	6.21%
23. Dividend Pay Out Ratio	Percent	0.79	0.92	0.637256074	0.44	0.45
24. Earnings Yield	Percent	7.38	5.76	6.974346151	7.58	4.81
25. Dividend Yield	Percent	5.85	4.15	4.44	3.34	2.18
26. Cost to Operating Income Ratio	Percent	45.69%	55.08%	47.93%	49.42%	46.90%
27. Total Assets to Shareholder' Fund	Times	8.24	8.91	9.53	9.49	10.32
28. Shareholders' Fund to Total Liability including Contingent Liability	Percent	7.97%	10.79%	10.14%	10.10%	9.23%
29. Base Rate	Percent	9.04	7.55	10.09	10.51	8.26
30. CCD Ratio as per NRB Directives	Percent	70.63	77.42	85.29	82.40	81.84%
31. Number of Branches	Nos.	109	189	178	188	197
32. Number of ATMs	Nos.	99	117	130	146	160
33. Net Profit per staff	NPR	1,098,538	1,237,545	1,140,848	1,086,105	739,491
34. Per employee staff cost	NPR	857,245	843,452	1,015,604	1,101,339	1,112,719
35. Diluted Earnings Per Share	NPR	13.88	17.35	14.12	13.12	9.30



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## INFORMATION ABOUT ANNUAL GENERAL MEETING

As decided by the 465th BOD meeting held on October 06, 2024; 18th Annual General Meeting (AGM) of the Bank will be held on following date, place and time:

Date : October 28, 2024 (Kartik 12, 2081), Monday

Place : Amritbhog, Kalikasthan, Dillibazar, Kathmandu

Time : 9:00A.M.

Following agendas will be discussed at the Annual General Meeting:

### A. ORDINARY RESOLUTION

- 1. To approve Director's Report of FY 2023/24 after deliberation.
- 2. To discuss and approve the Consolidated Statement of Financial Position as of July 16, 2024, Consolidated Statement of Profit or Loss for the period July 17, 2023 to July 16, 2024 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 29,896,787.38 (including tax on dividend) which is 0.21 percent of paid-up capital as proposed by the Board of Directors.
- 4. To appoint auditor for the FY 2024/25 (2081/82) and to fix the auditor's remuneration as per Section 111 of Companies Act, 2006.
- 5. To ratify the decisions to appoint Mrs. Ila Sharma as a director from the side of Ordinary shareholders through 450th Board meeting held on May 08, 2024 & to appoint Mr. Anil Kumar Gyawali as a director from the side of promotor shareholders through 456th Board meeting held on June 10, 2024.

### **B. SPECIAL RESOLUTION**

- 1. To provide approval to distribute 4 percent bonus share worth Rs. 56,80,38,960.23 as proposed by Board of Directors.
- 2. 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.
- 3. (A) To make following amendments in the Memorandum of Association of the bank:
  - (A-1) Provision relating to make increment in the paid up capital and issued capital of the bank.
  - (A-2) Provision relating to the types of shares of the bank
  - (A-3) Provision related to restriction on transfer or purchase of share.
- (B) To make following amendments in the Articles of Association of the bank:
  - (B-1) Provision relating to quorum
    - (B-2) Provision relating to minimum shares to be subscribed to become director
    - (B-3) Provision relating to right to vote
    - (B-4) Provision relating to rights and special facilities of shareholders
    - (B-5) Provision relating to preference share
    - (B-6) Provision relating to make amendments in the AOA to increase the meeting allowance and facilities of directors with the approval from NRB.
- 4. To provide authority to Board of directors to make amendments in the MOA and AOA of bank as per the directives from related instutions.

### C. OTHERS

### OTHER INFORMATION REGARDING AGM

- 1. Shareholders register book will be closed for one day on October 15, 2024 (Ashwin 29, 2081). If the name of the shareholders is registered in shareholders' register book located in the Bank's share registrar CBIL Capital Limited, Batuleghar, Dillibazar, Kathmandu because of the transactions conducted in Share Stock Exchange till October 9, 2024 (Ashwin 23, 2081), 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 7:00 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 09:00 A.M on October 26, 2024 (Kartik 10, 2081) 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 been titled 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** 



# PROPOSED AMENDMENTS IN MEMORANDUM OF ASSOCIATION (MOA)

Amendments in section 5(Kha), 5(Ga) and Section 6 and addition in Section 7 of Memorandum of Association

S.NO	RELATED TOPICS	PREVAILING ARRANGEMENT	PROPOSED AMENDMENT	REASONS
1	Capital Composition of the Bank	5. Capital Composition of the Bank 5(Kha). The total issued capital of the Bank shall be Rs. 14,200,974,006 (NPR Fourteen Billion Two Hundred Million Nine Hundred Seventy- Four Thousand and Six only). Such capital has been divided into 142,009,740.06 ordinary shares at the rate of Rs. 100 per share. The minimum issued share capital of the Bank shall be Rs. 14,200,974,006 (NPR Fourteen Billion Two Hundred Million Nine Hundred Seventy-Four Thousand and Six only).	5. Capital Composition of the Bank 5(Kha). The total issued capital of the Bank shall be Rs. 14,769,012,966 (NPR Fourteen Billion Seven Hundred Sixty-Nine Million Twelve Thousand Nine Hundred Sixty-Six only). Such capital has been divided into 147,690,129.66 ordinary shares at the rate of Rs. 100 per share. The minimum issued share capital of the Bank shall be Rs. 14,769,012,966 (NPR Fourteen Billion Seven Hundred Sixty-Nine Million Twelve Thousand Nine Hundred Sixty-Six only).	Due to distribution of 4 percent bonus shares of Rs. 56,80,38,960.23 as proposed by the Board of Directors, there has been increase in issued and paid of capital of the Bank.
		5(Ga) The minimum paid of capital of the Bank shall be Rs. 14,200,974,006 (NPR Fourteen Billion Two Hundred Million Nine Hundred Seventy-Four Thousand and Six only).	5(Ga) The minimum paid of capital of the Bank shall be Rs. 14,769,012,966 (NPR Fourteen Billion Seven Hundred Sixty- Nine Million Twelve Thousand Nine Hundred Sixty- Six only).	
2	Types of Shares of the Bank	6. Types of Shares of the Bank There is no arrangement for preference shares so, the Bank's capital is composed of ordinary shares only. The preference shares shall be issued only after necessary amendments in the Memorandum of Association and Articles of Association and with the approval of Nepal Rastra Bank and in accordance with the law of Nepal. The share capital of the Bank is composed of Ordinary Shares and Perpetual Non-Cumulative Preference Shares.	6. Types of Shares of the Bank	Due to addition of provision for the issue of Perpetual Non-Cumulative Preference Shares.
3	Restriction on the purchase or transfer of shares	7. Restriction on the purchase or transfer of shares	7. Restriction on the purchase or transfer of shares 7(na) Perpetual Non-Cumulative Preference Shares shall be issued in such a way as to ensure that only institutional investors hold them.  7(ta) Related parties of the Bank as defined under Nepal Financial Reporting Standards and persons, firms, companies and organizations having control over the Bank shall not be entitled to purchase Perpetual Non-Cumulative Preference Shares.	provision for the issue of Perpetual Non-

# **PROPOSED AMENDMENTS IN ARTICLES OF ASSOCIATION (A0A)**

Amendments in Rule 5, 13(2), 15(1) and (2), 23, 24, 25(1) (Kha) and (ńa) of Articles of Association

S.NO	RELATED TOPICS	PREVAILING ARRANGEMENT	PROPOSED AMENDMENT	REASONS
1	Quorum	meeting of the Bank shall be conducted unless at least three shareholders out of the total shareholders, representing more than 50 percent of the total number of allotted shares, are present either in person or by proxy.  However, where the general meeting is called next time as per Rule 4 (5), nothing shall prevent the holding of such meeting if at least three shareholders out of the total shareholders, representing 25 percent of the total number of allotted shares, are present either in person or by proxy.	at least three ordinary shareholders out of the total ordinary shareholders, representing more than 50 percent of the total number of allotted ordinary shares, are present either in person or by proxy.  However, where the general meeting is called next time as per Rule 4 (5), nothing shall prevent the holding of such meeting if at least three ordinary shareholders out of the total ordinary shareholders, representing 25 percent of the total number of allotted ordinary shares, are present either in person or by proxy.	
2	Minimum number of shares required to be a director	13. Minimum number of shares required to be a director 13(2) In order to be appointed as a director of the Bank, one must have subscribed at least 10(ten) shares in his name.	13. Minimum number of shares required to be a director 13(2) In order to be appointed as a director of the Bank, one must have subscribed at least 10(ten) ordinary shares in his name.	Due to addition of provision for the issue of Perpetual Non-
3	Right to vote	15. Right to vote 15(1) Except as otherwise provided in the prevailing Companies Act or this AOA, each shareholder shall be entitled to cast one vote for each share held by him. 15(2) Shares with different voting rights have not been issued.	15. Right to vote 15(1) Except as otherwise provided in the prevailing Companies Act or this AOA, each ordinary shareholder shall be entitled to cast one vote for each ordinary share held by him. 15(2) Perpetual Non-Cumulative Preference Shareholders shall not be entitled to cast vote.	Cumulative Preference Shares.
4	Right to vote		23.Details of different classes of shares, if issued and details of shareholder's rights and specific facilities.  The Bank's shares are divided into ordinary shares and Perpetual Non-Cumulative Preference Shares. The group structure of Perpetual Non-Cumulative Preference Shares and ordinary shares shall be as mentioned in Section 5 of the Memorandum of Association.	

5	Provision relating to Preference Shares	24. Provision relating to Preference Shares  There is no arrangement regarding preference shares as the shares of the Bank are made up of ordinary shares only. If there is a need to make provision related to such shares, necessary arrangements shall be made regarding the issue of preference shares with the approval of Nepal Rastra Bank under the prevailing laws.	24. Provision relating to Preference Shares  Subject to the prevailing laws with the approval of Nepal Rastra Bank and passing a resolution in the general meeting, the Bank may issue Perpetual Non-Cumulative Preference Shares according to its capital requirements. The dividend rate to be provided on the Perpetual Non-Cumulative Preference Shares shall be as specified in the issue of such shares and the right to decide whether or not to distribute the dividend shall be vested in the Bank. Dividend distribution of Perpetual Non-Cumulative Preference Shares shall be done only out of the profit of the current financial year through the profit and loss account and if no dividend is distributed in any financial year, the dividend shall not be carried forward to the next financial year.	Due to addition of provision for the issue of Perpetual Non-Cumulative Preference Shares.
6	Provision relating to Remuneration, Allowances and Facilities of Directors	29(1) Provision relating to Remuneration, Allowances and Facilities of Directors 29(1)(kha) The meeting allowance to be received by the Chairperson for attending the meeting of the board of directors and sub-committees shall be Rs. 13,000 (NPR Thirteen Thousand only) and the meeting allowance to be received by the directors shall be Rs. 11,000(NPR Eleven Thousand only).  29(1)(na) Other facilities shall be as determined by the general meeting from time to time.  29(1)(na) The Chairperson of the Board of Directors shall be provided Vehicle for office purpose as required and other members of Board of Directors shall be provided Rs.6,000 per month for transportation expenses.  29(1)(na) All the members of Board of Directors shall be provided Rs 3,000 per month for telephone/ mobile expenses.	29(1)Provision relating to Remuneration, Allowances and Facilities of Directors 29(1)(kha) The meeting allowance to be received by the Chairperson for attending the meeting of the board of directors and sub-committees shall be Rs. 25,000 (NPR Twenty-Five Thousand only) and the meeting allowance to be received by the directors shall be Rs. 20,000(NPR Twenty Thousand only). 29(1)(na) Other facilities shall be as determined by the general meeting from time to time.  29(1)(na) The Chairperson of the Board of Directors shall be provided Vehicle for office purpose as required and Rs.25,000 per month for other expenses.  29(1)(na) The other members of Board of Directors shall be provided Rs.25,000 per month for transportation expenses, telephone/mobile expenses and newspaper expenses.	The remuneration, allowances and facilities of the directors have not been increased since the past 10 years, due to the increase in the size of the Bank and the addition of responsibilities of the directors the allowances and facilities shall be increased correspondingly after the approval from Nepal Rastra Bank

# **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. Following table shows the details of uncollected dividend cash dividend transferred to investor's protection fund in FY 2023/24:

S.NO.	FISCAL YEAR	AMOUNT
1	2017/18	7,477,794.90

### **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) 4517723 / 4517457 / 4518526 / 4521235

EMail: 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 Citizens Bank International Limited

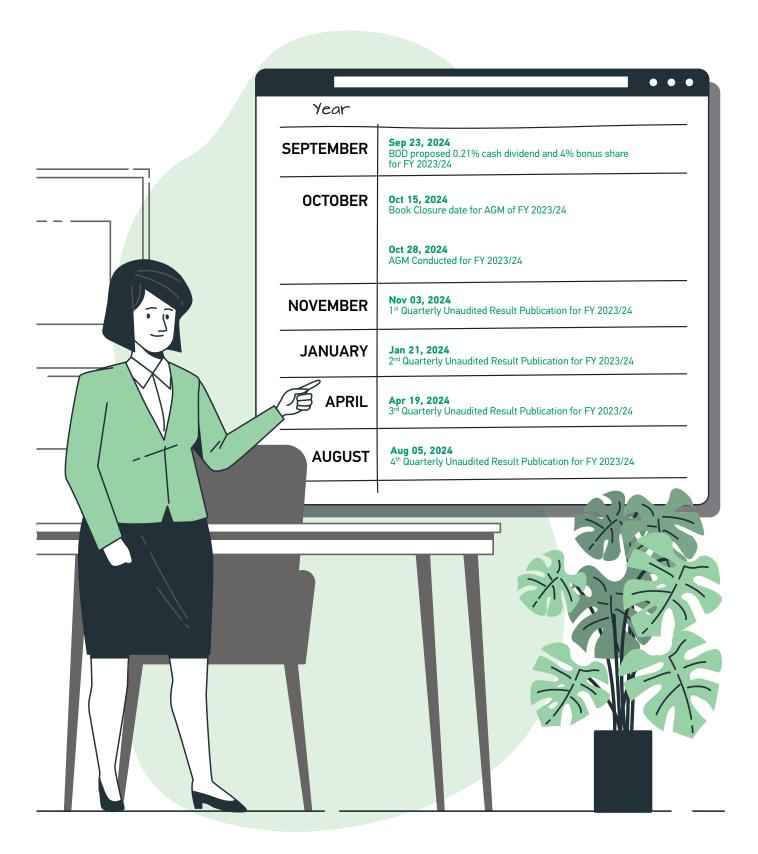
P.O.Box: 19681, Narayanhiti Path, Kathmandu, Nepal

Toll-Free Number: 977-1-6600166667 TEL: 977-1-4527842/4527843 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**



# **CAPITAL STRUCTURE OF THE BANK**

### **DETAILS OF OUR SHARE CAPITAL AND SHARE DISTRIBUTION**

NPR IN MILLION

PARTICULARS	2023/24	2022/23	2021/22
Paid-up Share Capital at the end of the year	14,200.97	14,200.97	12,576.92
Less: Share Issued	-	-	1,624.05
Less: Bonus Shares Issued	-	-	-
Paid-up Share Capital at the beginning of the year	14,200.97	14,200.97	12,576.92

NPR IN MILLION

HOLDER	FY 2023/24		FY 2022/23		FY 2021/22	
HOLDER	AMOUNT	% HOLDING	AMOUNT	% HOLDING	AMOUNT	% HOLDING
Institutional Promoter Shares	619.88	4.36%	614.22	4.33%	614.22	4.33%
Individual Promoter Shares	6,632.95	46.71%	6,638.61	46.75%	6,638.61	46.75%
Public Shareholder	6,948.15	48.93%	6,948.15	48.92%	6,948.15	48.92%
Total	14,200.97	100.00%	14,200.97	100.00%	12,576.92	100.00%

PARTICULARS	FY 2023/24	FY 2022/23	FY 2021/22
No. of Shareholder Holding 0.5 % or more shares	26	26	23
% of Holding	26.88%	27.23%	25.95%

### **DETAILS OF SHARES HELD BY DIRECTORS AND EXECUTIVE MEMBERS**

NAME	DESIGNATION	NO. OF SHARES HELD AS ON FY END OF 2023/24
Prabal Jung Pandey	Chairman	2,187.98 Promoter Shares
Prakash Chandra Mainali	Public Director	970.81 Ordinary Shares
Bijaya Dhoj Karki	Public Director	262.88 Ordinary Shares
D: " D: .	Director	1,846,863.38 Promoter Shares
Digvijay Bista	Director	1,100 Ordinary Shares
Dr. Binod Atreya	Director	-
Ila Sharma	Public Director	11,856.02 Ordinary Shares
Anil Gyawali	Director	-
0 10:011	CEO	264,490.08 Promoter Shares
Ganesh Raj Pokharel	CEU	148,524.28 Ordinary Shares
Sumit Babu Khatri	Senior DCEO	-
Rajendra Lal Shrestha	DCEO	-
Sanjeeb Kumar Shrestha	ACEO	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	C00	15,242.70 Ordinary Shares
Pramesh Raj Kayastha	CF0	-
Roshan Manandhar	СМВО	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 2023/24 CLOSING PRICE NPR
Ordinary Shares	CZBIL	193.50
Promoter Shares	CZBILP	102.00

PARTICULARS	FY 2023/24	FY 2022/23	FY 2021/22
CZBIL Index	193.50	173.10	202.5
Banking Index	1,221.73	1,234.80	1,344.85
NEPSE Index	2,240.41	2,097.09	2,001.53

### 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 August 16, 2024, there has been a decrease in total deposit by NPR 2.61 Billion and the total mobilized deposit is NPR 189.70 Billion. For loan & advances, there has been an increase in loan by NPR 1.15 Billion and the total mobilized Loan & Advances is NPR 158.74 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, the tenure of Chairman, Mr. Rajan Singh Bhandari, has been completed and Mr. Prabal Jung Pandey, elected as director by the 17th Annual General meeting, has been elected as the new Chairman of BOD, with effect from 13th October, 2023. Mr. Digvijay Bista and Mrs. Seeta Karki K.C. have been elected as Directors by the shareholders in 17th AGM dated 13th October, 2023. Mrs. Seeta Karki K.C. has resigned from the post of director with effect from 8th May 2024 and Mrs. Ila Sharma has been appointed as the director with effect from 8th May, 2024 as decided by the 450th BOD meeting. Tenure of Professional Director, Mr. Anil Kumar Gyawali has been completed on 21st November, 2023. Mr. Ramesh Raj Aryal was appointed as Professional Director with effect from 30th November 2023 who resigned from his post with effect from 28th December, 2023. Dr. Binod Atreya has been appointed as the professional director with effect from 28th December, 2023 by the 438h BOD meeting. Mr. Sajan Sharma has resigned from director with effect from 30th June 2024 and Mr. Anil Kumar Gyawali has been appointed as the director with effect from 8th July, 2024.

# 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 2023/24, bonus shares of 4 Percent (i.e. NPR 568,038,960.23) and cash dividend of 0.21 Percent (i.e. NPR 29,896,787.38) for tax purpose 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 2023/24 have been clarified in the Consolidated Financial Statements and Director's 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. Prabal Jung Pandey	Promoter	2,187.98 (Promoter)
2	Director	Mr. Prakash Chandra Mainali	Public	970.81
3	Director	Mr. Bijaya Dhoj Karki	Public	262.88
4	Director	Mr. Digvijay Bista	Promoter	1,846,833.38 (Promoter) 1,100.00 (Ordinary)
5	Director	Mrs. Ila Sharma	Public	11,856.02
6	Director	Mr. Anil Gyawali (Representative City Express Investment Fund Pvt. Ltd.)	Promoter	56,580.78
7	Independent Director	Dr. Binod Atreya	Independent Director	-

The Bank has not received information that the directors and officers of the Bank are involved in the share transaction of the Bank.

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.	PARTICULARS	AMOUNT (NPR)
1	Staff Expenses	1,987,316,489
2	Office operating expenses	1,295,629,316

# 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	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

The committee was reconstituted later on August 22, 2023 with following members:

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Anil Gyawali	Director	Coordinator
2	Mr. Bijaya Dhoj Karki	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

The committee was reconstituted later on October 18, 2023 with following members:

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Anil Gyawali	Director	Coordinator
2	Mr. Prakash Chandra Mainali	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

The committee was reconstituted later on November 22, 2023 with following members:

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Prakash Chandra Mainali	Director	Member
2	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

The committee was reconstituted later on November 30, 2023 with following members:

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Mr. Ramesh Raj Aryal	Director	Coordinator
2	Mr. Prakash Chandra Mainali	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

The committee was reconstituted later on December 28, 2023 with following members:

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Dr. Binod Atreya	Director	Coordinator
2	Mr. Prakash Chandra Mainali	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

The committee was reconstituted later on July 8, 2024 with following members:

S.NO.	NAME	OVERALL DESIGNATION	POSITION HELD
1	Dr. Anil Gyawali	Director	Coordinator
2	Mr. Prakash Chandra Mainali	Director	Member
3	Mr. Anit Sapkota	Head of Internal Audit Department	Member Secretary

- 2. Apart from sitting fees, no any remuneration or facilities are provided to Audit Committee members.
- 3. The committee meeting was held 8 times during the FY 2023/24.
- 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	2,461,000*	-	-
2	Remuneration and Allowances			
	a) Salary		8,400,000	15,286,320
	b) Allowances		5,400,000	13,182,000
	c) Dashain allowances		1,150,000	2,403,500
	d) Provident fund contribution		840,000	1,522,242
	e) Leave Fare Allowances		700,000	3,665,538
	f) Others		42,000	543,968
	Gross remuneration and allowances		16,532,000	36,603,538
	less: Income Tax		7,193,317	11,070,435
	Net remuneration and allowances		9,338,683	25,533,133
3	Bonus		As per prevailing E	Bonus Act
4	Telephone/Mobile	242,023		
5	Fuel	412,045	As per contract with the bank	As per Employee Bye- laws of the Bank
6	Newspaper	161,348		taws of the bank
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

<sup>\*</sup>Such amount also includes meeting allowance for various sub-committees.

# 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. 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.
- 3. There is the provision of payment of mobile expenses of CEO and other executive level officers by the Bank as per rules.
- 4. 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	258,455
2	FY 2009/10	505,808
3	FY 2010/11	699,843
4	FY 2011/12	1,642,148
5	FY 2012/13	2,297,835
6	FY 2013/14	2,765,767
7	FY 2014/15	1,239,697
8	FY 2018/19	35,071,290
9	FY 2019/20	11,104,980

10	FY 2020/21	17,901,592
11	FY 2021/22	63,068,055
12	FY 2022/23	48,745,559
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 Sahayogi Bikash Bank Ltd.	1,441,027

# 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 2023/24, 5 law-suits have been filed by the Bank and 107 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 2023 (NPR)	MID-JAN 2024 (NPR)	MID-APR 2024 (NPR)	MID-JUL 2024(NPR)
High Price	207.80	193.80	190.00	199.40
Low Price	167.00	158.90	155.30	152.50
Closing Price	177.50	172.10	159.00	193.50
Total volume of trading of shares	3,059,236	1,479,354	1,721,595	2,761,807
Total days Traded	61	49	58	61

# 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 3,000,000 units of 10% Citizens Bank Debenture, 2090 of NPR 1000 each amounting to NPR 3,000,000,000 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 than 15% than that of projected

### STATEMENT OF FINANCIAL POSITION

NPR IN THOUSAND

	FY 2023/24							
STATEMENT OF FINANCIAL POSITION	AUDITED FINANCIALS (NPR)	PROJECTED FINANCIALS (NPR)	DIFFERENCE (%)	REASON FOR DEVIATION ABOVE 15%				
Assets								
Cash and Cash Equivalent	17,104,948	11,103,495	-35.09%	Due to regular banking transactions				
Due from Nepal Rastra Bank	6,906,160	6,678,168	-3.30%					
Placement with Bank And Financial Institutions	3,924,160	1,752,857	-55.33%	Due to regular banking transactions				
Derivative Financial Instruments	12,600	4,097	-67.49%	Due to regular banking transactions				
Other Trading Assets	257,151	334,688	30.15%	Due to regular banking transactions				
oans and Advances to B/FIs	4,157,894	1,821,139	-56.20%	Due to regular banking transactions				
oans and Advances to Customers	155,164,984	153,343,650	-1.17%					
nvestment Securities	24,513,590	36,283,861	48.02%	Due to regular banking transactions				
Current Tax Assets	383,824	452,991	18.02%	Due to regular banking transactions				
nvestment in Subsidiaries	317,204	317,204	0.00%					
nvestment in Associates	298,788	364,714	22.06%	Due to reclassification from Investment Securities				
Investment Property	195,231	821,263	320.66%	Due to sale of Investment Property not as projected				
Property and Equipment	3,904,739	4,297,547	10.06%					
Goodwill and Intangible Assets	210,961	194,144	-7.97%					
Deferred Tax Assets	-	24,487	100.00%	Due to recognition of Deferred Tax Assets				
Other Assets	4,142,942	4,887,925	17.98%	Due to regular banking transactions				
TOTAL ASSETS	221,495,123	222,682,231	0.54%					
Liabilities								
Due to Bank And Financial nstitutions	4,831,439	2,438,002	-49.54%	Due to decrease in Inter Bank Borrowing and Deposit with BFIs				
Due to Nepal Rastra Bank	5,200,000	-	-100.00%	Due to Restructured loans and SLR not received from NRB				
Derivative Financial Instruments	-	-	0.00%					
Deposits From Customers	179,301,671	189,236,668	5.54%					
Borrowing	-	-	0.00%					
Current Tax Liabilities	_	_	0.00%					

Provisions	5,307	5,307	0.00%	
Deferred Tax Liabilities	159,002	-	100.00%	Due to recognition of Deferred Tax Assets
Other Liabilities	3,842,673	3,960,094	3.06%	Due to regular banking transactions
Debt Securities Issued	5,453,732	5,467,794	0.26%	
Subordinated Liabilities	-	-	0.00%	
Total Liabilities	198,793,822	201,107,865	1.16%	Due to above mentioned adjustments
Share Capital	14,200,974	14,200,974	0.00%	
Share Premium	-	-	0.00%	
Retained Earnings	1,521,445	613,242	-59.69%	Due to change in Net Profit and Distribution from Retained Earnings
Reserves	6,978,882	6,760,150	-3.13%	
Total Equity Attributable To Equity Holders	22,701,301	21,574,366	-4.96%	Due to above mentioned adjustments
Total Liabilities And Equity	221,495,123	222,682,231	0.54%	Due to above mentioned adjustments

# **STATEMENT OF PROFIT OR LOSS**

NPR IN THOUSAND

	FY 2023/24							
STATEMENT OF PROFIT OR LOSS	AUDITED FINANCIALS (NPR)	PROJECTED FINANCIALS (NPR)	DIFFERENCE (%)	REASON FOR DEVIATION ABOVE 15%				
Interest Income	20,839,783	19,719,665	-5.37%					
Interest Expense	(14,550,209)	(13,995,846)	-10.00%					
Net Interest Income	5,289,574	5,723,819	8.21%					
Fees and Commission Income	1,142,594	1,279,684	12.00%					
Fees and Commission Expense	(174,576)	(154,715)	-11.38%					
Net Fees and Commission Income	968,018	1,124,969	16.21%	Due to above mentioned adjustments				
Net Interest, Fees And Commission Income	6,257,592	6,848,788	9.45%					
Net Trading Income	230,000	156,055	-32.15%	Due to regular banking transactions				
Other Operating Income	183,500	52,090	-71.61%	Due to regular banking transactions				
Total Operating Income	6,671,092	7,056,934	5.78%					
Impairment (Charge)/Reversal For Loans And Other Losses	(107,024)	(1,725,407)	1,512.17%	Due to increment in NPA				
Net Operating Income	6,564,069	5,331,526	-18.78%	Due to above mentioned adjustments				
Operating Expense								
Personnel Expenses	(2,109,717)	(1,987,316)	-5.80%					
Other Operating Expenses	(894,533)	(949,097)	6.10%					
Depreciation & Amortization	(335,435)	(346,532)	3.31%					
Operating Profit	3,224,385	2,048,581	-36.47%	Due to above mentioned adjustments				
Non Operating Income	29,208	28,528	-2.34%					
Non Operating Expense	-	(19,519)	100.00%	Due to Loan Written Off				
Profit Before Income Tax	3,253,593	2,057,586	-36.76%	Due to above mentioned adjustments				
Income Tax Expense								
Current Tax	(976,078)	(746,467)	-23.52%	DUE TO CHANGE IN PROFIT BEFORE TAX				
Deferred Tax	-	9,611	100.00%	Due to deferred tax				
Profit( Loss) For The Period	2,277,515	1,320,731	-42.01%	Due to above mentioned adjustments				

# **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 1784 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 197 branches in 60 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:

Mr. Rajendra Lal Shrestha : Designation: Deputy Chief Executive Officer

# The detail regarding Chief Executive Officer of the Bank is provided below:

: 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:

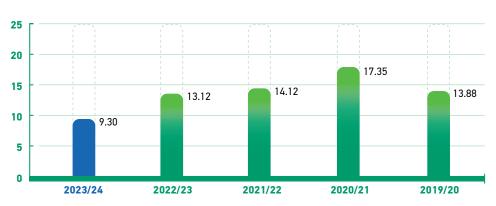
Annual Report of the Bank are published in the form of book and published in the website too. Similarly, financial statements of the Bank are published quarterly on different national daily newspaper along with the website of the Bank.



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5.3	Trend Analysis of Statement of Financial Position/ Profitability/Dividend/ Performance & Liquidity Ratios	205

# THE BANK'S PERFORMANCE IN NUMBERS

# **EARNINGS PER SHARE**

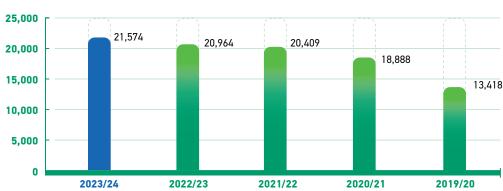


Earnings Per Share represents total earnings of a company that belong to common shareholders, dividend by the numbers of common shares outstanding.

EPS has decreased by 29.12 % in FY 2023/24 as compared to FY 2022/23 with average declination of 10.09% over the last 5 years.

# **NET ASSETS**

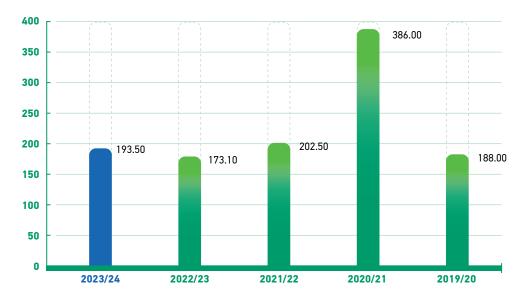
NPR IN MILLION



Net Assets represents the value of company's total assets minus total liabilities.

In FY 2023/24 Net Assets grew by 2.91% and reached NPR 21,574 Million compared to FY 2022/23 maintaining the average growth of 12.37% 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 2023/24 the market price of share has increased by 11.79% reaching NPR 193.50 as compared to FY 2022/23. It has increased from NPR 188.00 as of FY 2019/20 to NPR 193.50 during the year with the average growth of 7.80% over the last 5 years.

# SHAREHOLDER'S FUND



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 2023/24 has increased by 2.91% and reached NPR 21,574 Million in compared to FY 2022/23 keeping the average growth by 12.37% over the last 5 years.

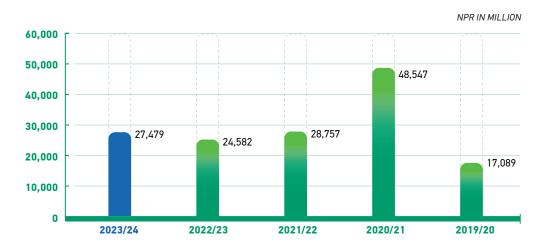
# **RETURN ON SHAREHOLDER'S FUND**



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 Fund has decreased by 31.08% and reached to 6.21% in FY 2023/24 as compared to FY 2022/23 with the average decline of 10.02% over the last 5 years.

# **MARKET CAPITALIZATION**

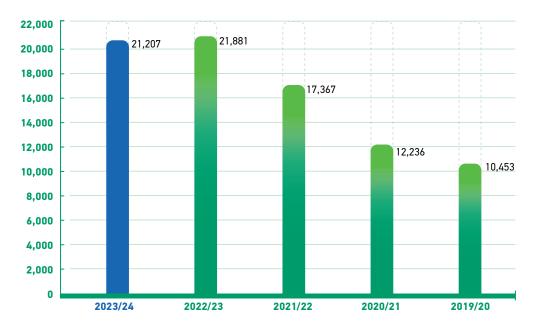


Market Capitalization represents the total market value of all the outstanding shares of the bank.

Market capitalization of the bank has increased by 11.79% and reached to NPR 27,479 million which was NPR 24,582 Million in FY 2022/23 with the average growth of 26.34% over the last 5

# **TOTAL OPERATING REVENUE**

NPR IN MILLION

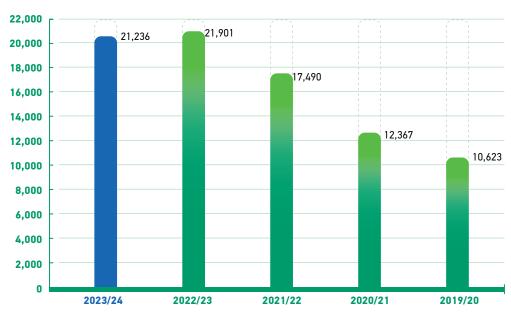


Total Operating Revenue represents the revenue generated from a company's primary business activities. In FY 2023/24, total operating revenue decreased by 3.08% reaching NPR 21,207 Million as compared to FY 2022/23. Total operating revenue has been continuously growing with the average growth of 18.60% over the last 5 years.

The revenue has tremendously increased by 102.88% in the time of 5 years from NPR 10,453 Million in FY 2019/20 to NPR 21,207 Million in FY 2023/24. 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 2023/24, the Bank's total revenue decreased to NPR 21,236 Million with the decrement of 3.04% as compared to FY 2022/23 with the average growth of 18.40% over the last 5 years.

The bank has seen a growth of 99.91% in the time of 5 years from NPR 10,623 Million in FY 2019/20 to NPR 21,236 Million in FY 2023/24 which indicates better operating performance of the bank.

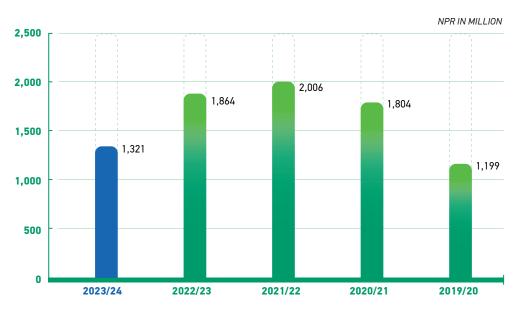
# PROFIT BEFORE TAX



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 2023/24 has been decreased by 18.23% and reached to NPR 2,058 Million as compared to FY 2022/23. However, the bank shows average growth of 2.34% over the last 5 years which reflects the sound operating performance of the bank.

There has been a growth of 23.28% in profit before tax in the time of 5 years from NPR 1,669 Million in FY 2019/20 to NPR 2,058 Million in FY 2023/24.

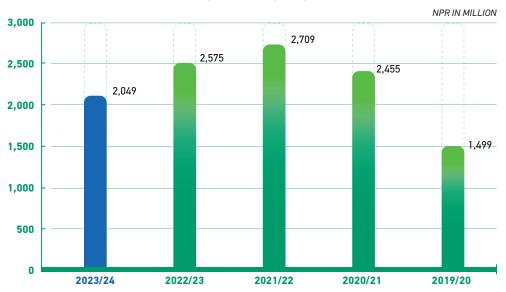
# **PROFIT AFTER TAX**



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 2023/24 is NPR 1,321 Million which has been decreased by 29.14 % as compared to FY 2022/23 with the average growth of 1.48 % over the last 5 years.

There is the growth of 10.15 % in profit after tax in the time of 5 years from NPR 1,199 Million in FY 2019/20 to NPR 1,321 Million in FY 2023/24.



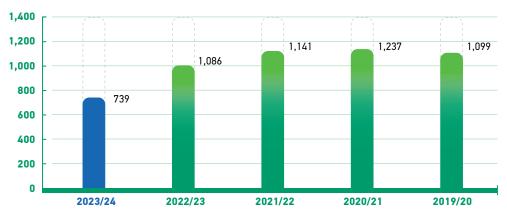


Operating Profit represents the profit earned from the Bank's normal core operations and doesn't include any profit earned from the Bank's investment. The Bank has an operating profit of NPR 2,049 Million in FY 2023/24 which has been decreased by 20.45% in comparison to operating profit of NPR 2,575 million in FY 2022/23. The Bank has the average growth of 4.02% in operating profit over the period of last 5 years.

Operating profit has shown a growth of 36.66% in the time of 5 years from NPR 1,499 Million in FY 2019/20 to NPR 2,049 Million in FY 2023/24.

# **NET PROFIT PER STAFF**

NPR IN THOUSANDS



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 2023/24 is NPR 739 thousand which has been decreased by 31.91% as compared to FY 2022/23. Over the last 5 years, the Bank has shown the average declination of 11.77 % in net profit per staff.

# **HORIZONTAL AND VERTICAL ANALYSIS**

# HORIZONTAL ANALYSIS

# STATEMENT OF FINANCIAL POSITION

DARTICH ARC		MID JULY (AMT IN NPR MILLION)						
PARTICULARS	20	2024			2022			
ASSETS		_						
Cash And Cash Equivalent	11,103	62.06%	9,764	54.57%	17,893	100%		
Due From Nepal Rastra Bank	6,678	156.53%	6,703	157.11%	4,267	100%		
Placement With Bank And Financial Institutions	1,753	142.09%	2,236	181.29%	1,234	100%		
Derivative Financial Instruments	4	154.07%	17	641.03%	3	100%		
Other Trading Assets	335	102.24%	319	97.41%	327	100%		
Loans And Advances To B/FIs	1,821	55.19%	2,511	76.08%	3,300	100%		
Loans And Advances To Customers	153,344	116.75%	139,832	106.46%	131,344	100%		
Investment Securities	36,284	128.88%	28,686	101.89%	28,153	100%		
Current Tax Assets	453	130.12%	284	81.56%	348	100%		
Investment In Subsidiaries	317	189.71%	317	189.71%	167	100%		
Investment In Associates	365	97.09%	330	87.85%	376	100%		
Investment Property	821	393.62%	256	122.76%	209	100%		
Property And Equipment	4,298	116.02%	3,758	101.44%	3,704	100%		
Goodwill And Intangible Assets	194	98.63%	180	91.20%	197	100%		
Deferred Tax Assets	24	100%	63	-	-	100%		
Other Assets	4,888	169.05%	3,678	127.19%	2,891	100%		
Total Assets	222,682	114.54%	198,933	102.32%	194,413	100.00%		
LIABILITIES								
Due To Bank And Financial Institutions	2,438	60.00%	3,715	91.43%	4,063	100%		
Due To Nepal Rastra Bank	-	0.00%	-	0.00%	11,070	100%		
Derivative Financial Instruments	-	-	-	-	-	100%		
Deposits From Customers	189,237	123.84%	168,842	110.50%	152,801	100%		
Borrowing	-	-	-	-	-	100%		
Current Tax Liabilities	-	-	-	-	-	100%		
Provisions	5	100.00%	5	100.00%	5	100%		
Deferred Tax Liabilities	-	0.00%	-	0.00%	63	100%		
Other Liabilities	3,960	112.44%	2,927	83.11%	3,522	100%		
Debt Securities Issued	5,468	220.66%	2,480	100.08%	2,478	100%		
Subordinated Liabilities	-	-	-	-	-	100%		
Total Liabilities	201,108	115.58%	177,969	102.28%	174,003	100.00%		
EQUITY								
Share Capital	14,201	100.00%	14,201	100.00%	14,201	100%		
Share Premium	14,201	100.00%	14,201	100.00%		100%		
Retained Earnings	613	46.13%	847	63.71%	1 320	100%		
•					1,329			
Reserves  Total Equity Attributable To Equity Holders	6,760 <b>21,574</b>	138.56%	5,916	121.25%	4,879	100%		
	21,574	105.71%	20,964	102.72%	20,409	100.00%		
Non-Controlling Interest	24 57 /	105 710/	20.044	102 7204	20,400	100.000/		
Total Equity	21,574	105.71%	20,964	102.72%	20,409	100.00%		
Total Liabilities And Equity	222,682	114.54%	198,933	102.32%	194,413	100.00%		

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 2022 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

DARTICHI ARC	MID JULY (AMT IN NPR MILLION)						
PARTICULARS	2	024	20	23	20	22	
Interest Income	19,720	123.50%	20,661	129.39%	15,968	100%	
Interest Expense	(13,996)	127.53%	(14,832)	135.16%	(10,974)	100%	
Net Interest Income	5,724	114.63%	5,828	116.72%	4,993	100%	
Fee And Commission Income	1,280	128.21%	1,014	101.59%	998	100%	
Fee And Commission Expense	(155)	119.90%	(137)	106.34%	(129)	100%	
Net Fee And Commission Income	1,125	129.45%	877	100.89%	869	100%	
Net Interest, Fee And Commission Income	6,849	116.82%	6,705	114.37%	5,863	100%	
Net Trading Income	156	69.58%	182	81.24%	224	100%	
Other Operating Income	52	29.39%	24	13.30%	177	100%	
Total Operating Income	7,057	112.66%	6,911	110.33%	6,264	100%	
Impairment (Charge)/Reversal For Loans And Other Losses	(1,725)	312.34%	(1,216)	220.21%	(552)	100%	
Net Operating Income	5,332	93.34%	5,695	99.70%	5,712	100%	
Operating Expense							
Personnel Expenses	(1,987)	111.31%	(1,890)	105.85%	(1,785)	100%	
Other Operating Expenses	(949)	118.07%	(902)	112.20%	(804)	100%	
Depreciation & Amortisation	(347)	83.89%	(327)	79.26%	(413)	100%	
Operating Profit	2,049	75.61%	2,575	95.06%	2,709	100%	
Non Operating Income	29	23.13%	21	16.77%	123	100%	
Non Operating Expense	(20)	0.00%	(80)	0.00%	-	100%	
Profit Before Income Tax	2,058	72.64%	2,516	88.84%	2,833	100%	
Income Tax Expense	-					100%	
Current Tax	(746)	83.85%	(765)	85.98%	(890)	100%	
Deferred Tax	10	15.20%	113	178.20%	63	100%	
Profit( Loss) For The Period	1,321	65.85%	1,864	92.93%	2,006	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 2022 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. However, loan loss provisions has 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)						
PARTICULARS	2	024	20	23	20	2022		
ASSETS								
Cash And Cash Equivalent	11,103	4.99%	9,764	4.91%	17,893	9.81%		
Due From Nepal Rastra Bank	6,678	3.00%	6,703	3.37%	4,267	2.20%		
Placement With Bank And Financial Institutions	1,753	0.79%	2,236	1.12%	1,234	0.27%		
Derivative Financial Instruments	4	0.00%	17	0.01%	3	0.00%		
Other Trading Assets	335	0.15%	319	0.16%	327	0.08%		
Loans And Advances To B/FIs	1,821	0.82%	2,511	1.26%	3,300	1.39%		
Loans And Advances To Customers	153,344	68.86%	139,832	70.29%	131,344	71.44%		
Investment Securities	36,284	16.29%	28,686	14.42%	28,153	10.70%		
Current Tax Assets	453	0.20%	284	0.14%	348	0.13%		
Investment In Subsidiaries	317	0.14%	317	0.16%	167	0.15%		
Investment In Associates	365	0.16%	330	0.17%	376	0.02%		
Investment Property	821	0.37%	256	0.13%	209	0.18%		
Property And Equipment	4,298	1.93%	3,758	1.89%	3,704	2.31%		
Goodwill And Intangible Assets	194	0.09%	180	0.09%	197	0.07%		
Deferred Tax Assets	24	0.00	63	0.00	-	0.00%		
Other Assets	4,888	2.20%	3,678	1.85%	2,891	1.26%		
Total Assets	222,682	100.00%	198,933	100.00%	194,413	100.00%		

LIABILITIES						
	2 (20	1.000/	2.715	1 //0/	/ 0/2	2.2/0
Due To Bank And Financial Institutions	2,438	1.09%	3,715	1.64%	4,063	3.349
Due To Nepal Rastra Bank	-	0.00%	-	0.72%	11,070	0.51%
Derivative Financial Instruments	-	0.00%	_	0.00%	-	0.00%
Deposits From Customers	189,237	84.98%	168,842	83.55%	152,801	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%	-	0.13%	63	0.01%
Other Liabilities	3,960	1.78%	2,927	1.27%	3,522	1.25%
Debt Securities Issued	5,468	2.46%	2,480	1.47%	2,478	2.69%
Subordinated Liabilities	-	0.00%	-	0.00%	-	0.00%
Total Liabilities	201,108	90.31%	177,969	88.78%	174,003	87.86%
EQUITY						
Share Capital	14,201	6.38%	14,201	7.47%	14,201	8.22%
Share Premium	-	0.00%	-	0.00%	-	0.00%
Retained Earnings	613	0.28%	847	0.85%	1,329	0.84%
Reserves	6,760	3.04%	5,916	2.90%	4,879	3.07%
Total Equity Attributable To Equity Holders	21,574	9.69%	20,964	11.22%	20,409	12.14%
Non-Controlling Interest	-		-		-	
Total Equity	21,574	9.69%	20,964	11.22%	20,409	12.14%
Total Liabilities And Equity	222,682	100.00%	198,933	100.00%	194,413	100.00%

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 2024, we can observe that the loans & advances to customer holds the major part. i.e 68.86 % which has been decreased as comapred to last year by 1.43%. The investment in securities has been increased 1.87% as compared to last year and holds the second highest portions i.e 16.29% of total assets in mid July 2024. Similarly, the deposit in mid July 2024 holds the major portion i.e. 84.98% out of total equity and liabilities and it has been in increasing trend as compared to last year.



# STATEMENT OF PROFIT OR LOSS

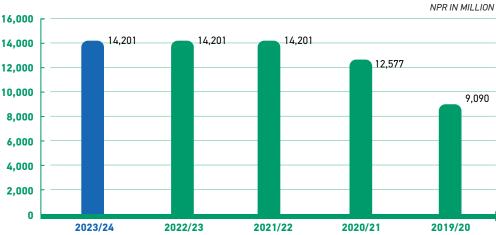
		MID JULY (AMT IN NPR MILLION)						
PARTICULARS	2	024	20	23	2022			
Interest Income	19,720	92.86%	20,661	94.34%	15,968	91.29%		
Interest Expense	(13,996)	-65.91%	(14,832)	-67.72%	(10,974)	-62.74%		
Net Interest Income	5,724	26.95%	5,828	26.61%	4,993	28.55%		
Fee And Commission Income	1,280	6.03%	1,014	4.63%	998	5.71%		
Fee And Commission Expense	(155)	-0.73%	(137)	-0.63%	(129)	-0.74%		
Net Fee And Commission Income	1,125	5.30%	877	4.00%	869	4.97%		
Net Interest, Fee And Commission Income	6,849	32.25%	6,705	30.62%	5,863	33.52%		
Net Trading Income	156	0.73%	182	0.83%	224	1.28%		
Other Operating Income	52	0.25%	24	0.11%	177	1.01%		
Total Operating Income	7,057	33.23%	6,911	31.56%	6,264	35.81%		
Impairment (Charge)/Reversal For Loans And Other Losses	(1,725)	-8.12%	(1,216)	-5.55%	(552)	-3.16%		
Net Operating Income	5,332	25.11%	5,695	26.00%	5,712	32.66%		
Operating Expense								
Personnel Expenses	(1,987)	-9.36%	(1,890)	-8.63%	(1,785)	-10.21%		
Other Operating Expenses	(949)	-4.47%	(902)	-4.12%	(804)	-4.60%		
Depreciation & Amortisation	(347)	-1.63%	(327)	-1.50%	(413)	-2.36%		
Operating Profit	2,049	9.65%	2,575	11.76%	2,709	15.49%		
Non Operating Income	29	0.13%	21	0.09%	123	0.71%		
Non Operating Expense	(20)	-0.09%	(80)	-0.36%	-	0.00%		
Profit Before Income Tax	2,058	9.69%	2,516	11.49%	2,833	16.19%		
Income Tax Expense								
Current Tax	(746)	-3.52%	(765)	-3.49%	(890)	-5.09%		
Deferred Tax	10	0.05%	113	0.51%	63	0.36%		
Profit( Loss) For The Period	1,321	6.22%	1,864	8.51%	2,006	11.47%		

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, as a percentage of total income, has been increased as compared to previous year. Similarly, Operating profit and Net profit, as a proportion of total income, 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

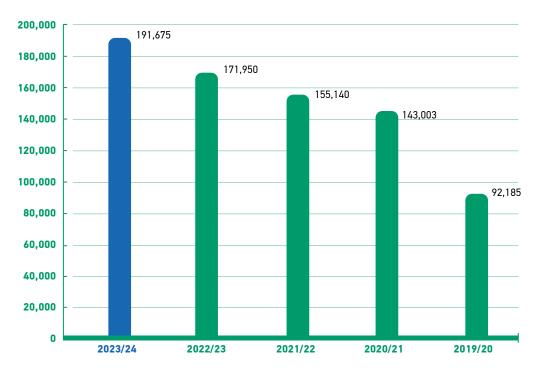


Paid-Up Capital represents the amount of money a company has received from shareholders in exchange for shares of stock. The paid up capital is in increasing trend over the past years. The bank has maintained paid up capital of NPR 14,201 Million in FY 2023/24 which was also same in the previous year. The Bank has achieved average growth of 11.97% in the paid up capital over the last 5 years.

The paid up capital of the Bank in FY 2019/20 was 9,090 Million increased by 56.23% to NPR 14,201 Million in FY 2023/24 in time of 5 years.

# **DEPOSITS**

NPR IN MILLION



The deposit of the Bank is in incremental trend over the last 5 years and has reached NPR 191,675 Million in FY 2023/24 with the growth of 11.47% as compared to previous year. The Bank has been able to maintain average growth rate of 22.05% 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 107.92% in deposits being NPR 92,185 Million in FY 2019/20 to NPR 191.675 Million in FY 2023/24.

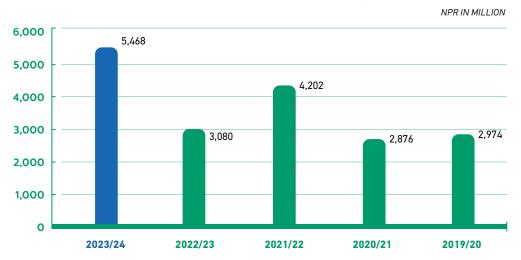
# **LOANS AND ADVANCES**

NPR IN MILLION 160,000 157,587 143,574 123,642 140,000 135.776 120,000 100,000 81.283 80,000 60,000 40,000 20,000 0 2023/24 2022/23 2021/22 2020/21 2019/20

The Bank has been able to expand its loans and advances portfolio to NPR 157,587 Million in FY 2023/24 from NPR 143,574 Million in FY 2022/23 with the increment of 9.76%. The trend of loans and advances has been increasing continuously with the average growth of 20.47% over the last 5 years.

In time of 5 years the bank has achieved growth of 93.87 % in loans and advances being NPR 81,283 Million in FY 2019/20 to NPR 157,587 Million in FY 2023/24.

# **BORROWINGS AND DEBENTURES**



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 5,468 Million in FY 2023/24 including the debentures of NPR 2,500 million and NPR 3,000 million issued in FY 2019/20 and FY 2023/24 respectively. 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 increased by 83.85 % from NPR 2,974 Million in FY 2019/20 to NPR 5,468 Million in FY 2023/24.



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 26.49% in FY 2023/24 as compared to FY 2022/23. Investment has faced the average growth of 30.34% over the last 5 years.

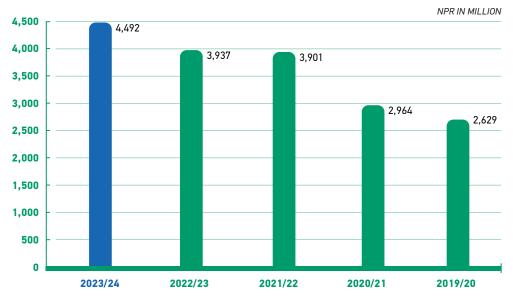
In time of 5 years the bank has achieved growth of 206.76% in investments being NPR 11,828 Million in FY 2019/20 to NPR 36,284 Million in FY 2023/24.

# **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 4.10% in FY 2023/24 from 3.39% in FY 2022/23. Non-performing loan to total loan has been Increased by 30.40% in average during the period of last 5 years.

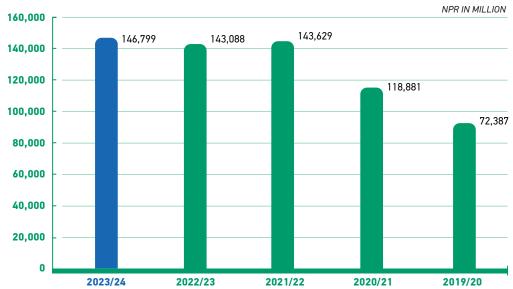
# **FIXED ASSETS**



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 by 14.08% in FY 2023/24 as compared to FY 2022/23 and reached NPR 4,492 Million with the average growth of 13.82% 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 70.85% in the time of 5 years from NPR 2,629 Million in FY 2019/20 to NPR 4,492 Million in FY 2023/24.

# **CURRENT LIABILITIES**

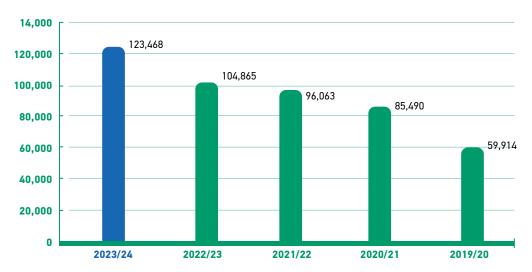


Current Liabilities represents the short term financial obligations of the bank that are due within one year. The current liabilities have increased by 2.59% in FY 2023/24 compared to FY 2022/23 with the average growth of 19.41% during last 5 years. The Bank has maintained better net current position which indicates liquidity strength and good relationship with its creditors.

The current liabilities have increased by 102.80% in time of 5 years from NPR 72,387 Million in FY 2019/20 to NPR 146,799 Million in FY 2023/24.

# **LONG TERM LIABILITIES**

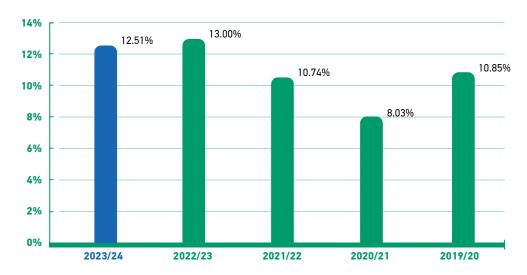
NPR IN MILLION



Long Term Liabilities represents the loans and financial obligations that are not due within one year. Long term liabilities increased by 17.74% reaching NPR 123,468 Million in FY 2023/24 compared to previous year which is mainly due to debenture of NPR 3 billion issued this year. 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 22.22% of long term liabilities over the last 5 years.

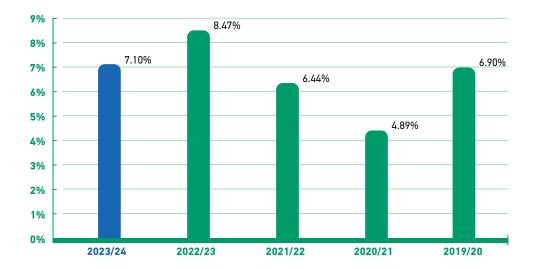
In time of 5 years the bank has seen a change of 106.07% in long term liabilities from NPR 59,914 Million in FY 2019/20 to NPR 123,468 Million in FY 2023/24.

# **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 decrease in interest income to loans and advances to 12.51% in FY 2023/24 as compared to previous year which was 13.00%. The average increment of Interest income to loans and advances is 2.77% over last 5 years.

# INTEREST EXPENSES / DEPOSITS AND BORROWINGS

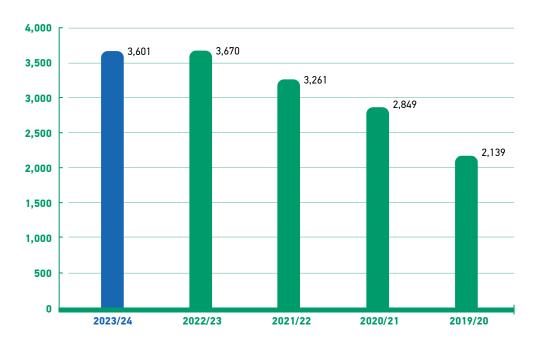


Interest expense to deposits and borrowings represents the average interest paid by the bank on its year end deposits and borrowings. The interest expense to deposits and borrowings has been decreased by 16.18% in FY 2023/24 as compared to previous year. There has been a fluctuating trend over the period of last 5 years with the average increase of 1.57%.

The Bank has faced a change of 2.89% in the time of 5 years being 6.9% in FY 2019/20 to 7.10% in FY 2023/24.

# **OPERATING PROFIT BEFORE LOAN LOSS PROVISION (LLP)**

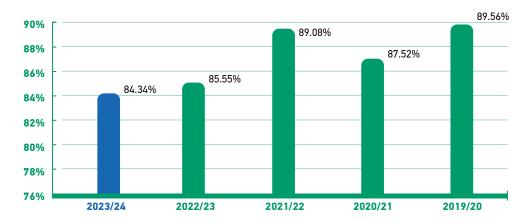
NPR IN MILLION



The operating profit before LLP has been maintained at NPR 3,601 Million in FY 2023/24 with the decrement of 1.87% as compared to previous year. The operating profit before LLP seems to be in incremental trend over last five years except this fiscal year. The average growth of operating profit before LLP is 13.47% 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 68.37% in operating profit before LLP being NPR 2,139 Million in FY 2019/20 to NPR 3,601 Million in FY 2023/24.

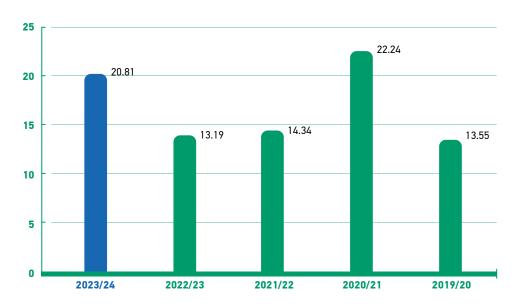
# **CREDIT TO DEPOSIT RATIO**



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 84.34% in the FY 2023/24 in comparison to previous year which was 85.55%. There is the average negative change of 0.99% in credit to deposit ratio over the period of last 5 years.

The credit to deposit ratio has been decreased by 5.83% in a time of 5 years being 89.56% in FY 2019/20 and 84.34% in FY 2023/24.

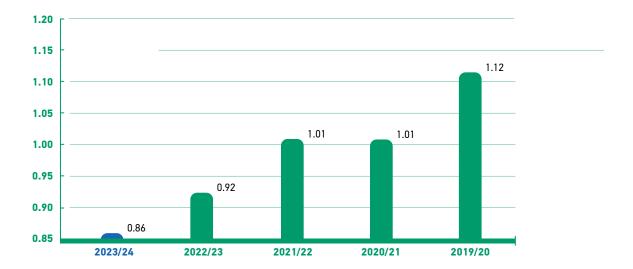
# **PRICE EARNINGS RATIO**



Price Earnings Ratio represents the ratio that measures its current share price relative to its pershare price earnings. PE ratio over the period of last 5 years has been fluctuated and reached to 20.81 times increased by 57.77% in FY 2023/24 as compared to previous year with the average growth of 16.83% over the last 5 years.

PE ratio has been increased by 53.58% in time of 5 years from 13.55 in FY 2019/20 to 20.81 in FY 2023/24.

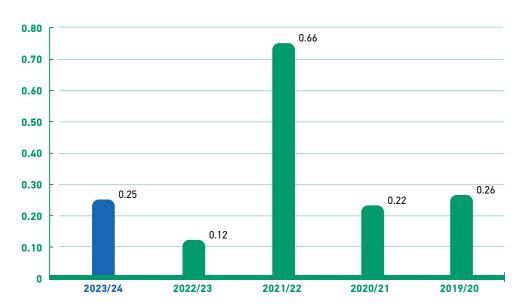
# **CURRENT RATIO**



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 0.86 in FY 2023/24 which was 0.92 in the previous year. The trend of current ratio is fluctuating with average decline of 4.56%. However, the Bank is in comfortable position to meet its short term obligation.

The current ratio has been decreased by 23.44% in time of 5 years from 1.12 in FY 2019/20 to 0.86 in FY 2023/24.

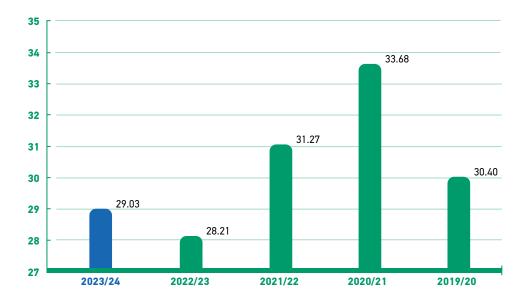
# **DEBT EQUITY RATIO**



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 2023/24 has been increased by 114.25% reaching to 0.25 times from 0.12 times than previous year.

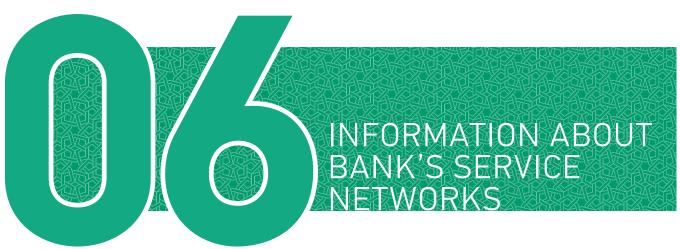
The ratio has been increased from 0.26 times in FY 2019/20 to 0.25 times in FY 2023/24 with total average turnaround of 63.02% in time of 5 years.

# **GROSS PROFIT RATIO**



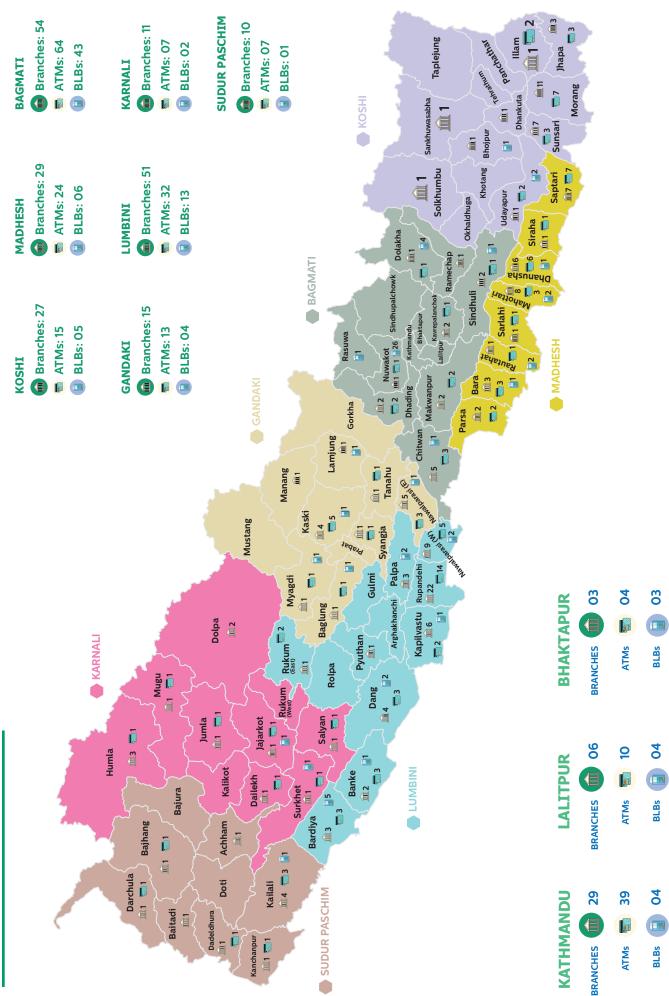
Gross Profit Ratio represents the proportion of profit generated by the sales of products or services, before selling and administrative expenses. The GP ratio has increased to 29.03% in FY 2023/24 from 28.21% in FY 2022/23 with the average decline of 1.36% over the period of last 5 years.

GP ratio has declined by 4.52% in time of 5 years being 30.40% in FY 2019/20 to 29.03% in FY 2023/24.



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# **BRANCH LOCATIONS**



# **Province Offices**

S.N.	PROVINCE OFFICE	DISTRICT	ADDRESS	PHONE NO
1	KOSHI	Morang	Dharan Road, Biratnagar-7, Morang	021-440501
2	MADHESH	Parsa	Adarsha Nagar Chowk, Birgunj-6, Parsa	051-552078
3	BAGMATI	Kathmandu	Kathmandu-31, Kathmandu	01-4430528
4	GANDAKI	Kaski	Pokhara-8, Kaski	061-527083
5	LUMBINI	Rupandehi	Butwal-6, Rupandehi	071-540681
6	KARNALI	Surkhet	Birendranagar-6, Surkhet	083-520850
7	SUDURPASHCHIM	Kailali	Dhangadhi-4, Kailali	9858488919

# **Koshi Province**

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	Biratnagar	Morang	Dharan Road, Biratnagar-7, Morang	021-440501
2	Birtamod	Jhapa	Kakadvitta Road, Birtamod-5, Jhapa	023-540255
3	Gaighat	Udayapur	Gaighat Bazar, Triyuga-11, Udayapur	035-421330
4	Itahari	Sunsari	Dharan Road Itahari, Itahari-6, Sunsari	025-580665
5	Bhojpur	Bhojpur	Bhojpur, Bhojpur-7, Bhojpur	029-420729
6	Dharan	Sunsari	Dharan-9, Sunsari	025-533779
7	Damak	Jhapa	Damak, Damak-6, Jhapa	01-4487872
8	Haldibari	Jhapa	Haldibari-4, Jhapa	9817393989
9	Mangseybung	Ilam	Mangsebung-2, Ilam	9841640146
10	Likhu Pikey	Solukhumbu	Likhu Pike-3, Solukhumbu	025-580665
11	Sahidbhumi	Dhankuta	Piple, Shahidbhumi-4, Dhankuta	9851357282
12	Kanchanbari	Morang	Biratnagar-3, Morang	021-420192
13	Salakpur	Morang	Salakpur, Sundarharaicha-8, Morang	021-545393
14	Mahendra Chowk	Morang	Hanumandas Road, Biratnagar-11, Morang	021-528058
15	Karsiya	Morang	Karsia Bazar, Shaurabhag,, Dhanapalthan-4, Morang	021-565240
16	Kanchanbari	Morang	Kanchanbari, Biratnagar-4, Morang	021-460633
17	Duhabi	Sunsari	Duhabi-1, Sunsari	021-541113
18	Dangihat	Morang	Laxminagar Marg, Belbari-11, Morang	021-411184
19	Laukahi	Sunsari	Koshi-1, Sunsari	025-401070
20	Inaruwa	Sunsari	Inaruwa-1, Sunsari	025-561440
21	Katahari	Morang	Katahari-2, Morang	021-404052
22	Rangeli	Morang	Rangeli-7, Morang	021-580204
23	Chakraghatti	Sunsari	Barahachhetra-6, Sunsari	021-551140
24	Pathari	Morang	Pathari Shanishchare-1, Morang	021-556114
25	Harinagara	Sunsari	Harinagar-4, Sunsari	9842333071
26	Banigama	Morang	Gramthan-7, Morang	021-402093
27	Khandbari	Sankhuwasabha	Khandabari-1, Sankhuwasabha	029-590458

# **Madhesh Province**

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	Birgunj	Parsa	Adarsha Nagar Chowk, Birgunj-6, Parsa	051-520782
2	Pathlaiya	Bara	Pipra, Jitpur Simara-1, Bara	053-521883
3	Bhanu Chowk (Janakpur)	Dhanusa	Bhanu Chowk, Janakpurdham-2, Dhanusa	041-528581
4	Kolhabi	Bara	Kolhabi, Kolhabi-1, Bara	053-410030
5	Nijgadh	Bara	Nijghad, Nijagadh-7, Bara	053-540480
6	Gaushala	Mahottari	Gaushala Bazar, Gaushala-1, Mahottari	044-556156
7	Bardibas	Mahottari	Bardibas, Bardibas-14, Mahottari	044-550441
8	Aurahi	Mahottari	Aurahi Bazar, Aurahi-1, Mahottari	044-411054/56
9	Vidyapati Chowk	Dhanusa	Vidhyapati Chowk, Janakpurdham-4, Dhanusa	041-590402
10	Jaleshwar	Mahottari	Jaleshwor-2, Mahottari	044-521058
11	Mahendranagar	Dhanusa	Chhireshwornath-1, Dhanusa	041-540473
12	Ramgopalpur	Mahottari	Ram Gopalpur-5, Mahottari	044-410072
13	Dhanusha Dham	Dhanusa	Dhanushadham-3, Dhanusa	041-414070
14	Sabaila	Dhanusa	Sabaila-3, Dhanusa	041-401082
15	Yadukuwa	Dhanusa	Shahidnagar-3, Dhanusa	9851317100
16	Loharpatti	Mahottari	Loharpatti-6, Mahottari	9849899612
17	Samsi	Mahottari	Samsi-6, Mahottari	9854021102
18	Pipara	Mahottari	Pipara-4, Mahottari	076-550421
19	Lahan	Siraha	Lahan-8, Siraha	033-590018
20	Garuda	Rautahat	Garuda-4, Rautahat	055-565061
21	Rajbiraj	Saptari	Tribhuwan Chowk, Rajbiraj-7, Saptari	031-520979
22	Bhardaha	Saptari	Hanumannagar Kankalini-1, Saptari	031-440280
23	Kanchanrup	Saptari	Kanchanrup-8, Saptari	021-560323
24	Kalyanpur	Saptari	Khadak-7, Saptari	021-540018
25	Fattepur	Saptari	aptakoshi-1, Saptari	031-550084
26	Bodebarshain	Saptari	Bode Barsain-5, Saptari	031-446061
27	Pato	Saptari	Dakneshwori-5, Saptari	9802752818
28	Barahathawa	Sarlahi	Barahathawa-7, Sarlahi	046-540523
29	Krishna Pranami Chowk	Parsa	Birgunj-12, Parsa	051-591827

# **Bagmati Province**

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	Durbarmarg (Head Office)	Kathmandu	Kamladi, Kathmandu-1, Kathmandu	01-4427842
2	Boudha	Kathmandu	Jorpati, Kathmandu-6, Kathmandu	01-4915020
3	New Road	Kathmandu	Sasa Complex Newroad, Kathmandu-22, Kathmandu	01-4223979
4	Kumaripati	Lalitpur	Kumaripati, Lalitpur-3, Lalitpur	01-5551020
5	Koteshwor	Kathmandu	Koteswor, Kathmandu-30, Kathmandu	01-4601510
6	Narayangadh	Chitawan	Lions Chowk, Bharatpur-3, Chitawan	056-571111
7	Kalanki	Kathmandu	Ganesh Man Singh Marg, Kathmandu-14, Kathmandu	01-4286534
8	Thahiti	Kathmandu	Thahiti Chowk, Kathmandu-17, Kathmandu	01-4216027
9	Nayabazar	Kathmandu	V.S. Complex Sohrakhutte, Kathmandu-16, Kathmandu	01-4388601
10	Maitidevi	Kathmandu	Seto Pul Maitidevi, Kathmandu-30, Kathmandu	01-4423537
11	Kirtipur	Kathmandu	Nayabazar Kirtipur, Kirtipur-9, Kathmandu	01-4335556
12	Narayangopal Chowk	Kathmandu	Narayangopal Chowk Maharajgunj, Kathmandu-3, Kathmandu	01-4017591
13	Kapan	Kathmandu	Saraswati Nagar Kapan Marg, Kathmandu-6, Kathmandu	01-4822811
14	Thimi	Bhaktapur	Patibihar, Madhyapur Thimi-6, Bhaktapur	01-6636534
15	Charikot	Dolakha	Beech Bazar Charikot, Bhimeshwor-6, Dolakha	049-421926
16	Bhaktapur	Bhaktapur	Durbar Square Area Khauma, Bhaktapur-2, Bhaktapur	01-6612061
17	Kupondole	Lalitpur	Kupondole, Lalitpur-10, Lalitpur	01-5010687
18	Hetauda	Makwanpur	Parijat Path, Hetauda-2, Makwanpur	057-527306
19	Samakhusi	Kathmandu	Samakhusi, Kathmandu-26, Kathmandu	01-4356557
20	Thapathali	Kathmandu	Tripureshwor, Kathmandu-11, Kathmandu	01-4100578
21	Dillibazzar	Kathmandu	Dillibazzar, Kathmandu-1, Kathmandu	01-4430528
22	Banepa	Kavrepalanchok	Banepa, Banepa-6, Kavrepalanchok	011-660967
23	Mahaboudha	Kathmandu	02 Tole, Kathmandu-24, Kathmandu	01-4158536
24	Kuleshwor	Kathmandu	Kuleshwor Agni Complex, Kathmandu-14, Kathmandu	01-4281743
25	Nayabaneshwor	Kathmandu	Naya Baneshwor, Kathmandu-10, Kathmandu	01-5109122
26	Chabahil	Kathmandu	Kumari Building Chabahil, Kathmandu-7, Kathmandu	01-4481683
27	Bhaisepati	Lalitpur	Bhaisepati, Lalitpur-25, Lalitpur	01-5592709
28	Gwarko	Lalitpur	Gwarko, Lalitpur-17, Lalitpur	044-550441
29	Manahari	Makwanpur	Manahari Bazar, Manahari-9, Makwanpur	057-414118
30	Sunapati	Ramechhap	Sunapati-3, Ramechhap	9801526568
31	Temaal	Kavrepalanchok	Temal-5, Kavrepalanchok	053-521813
32	Hariharpurgadi	Sindhuli	Hariharpurgaghi-2, Sindhuli	9851214241
33	Tokha	Kathmandu	Tokha-3, Kathmandu	9851339971
34	Thankot	Kathmandu	Police Checkpost, Chandragiri-7, Kathmandu	01-4313036
35	Lambagar	Kathmandu	Lambagar, Tarakeshwor-8, Kathmandu	01-4025830
36	Sinamangal	Kathmandu	Sinamangal, Kathmandu-9, Kathmandu	01-4496022
37	Kamaladi	Kathmandu	Kamaladi, Kathmandu-9, Kathmandu	01-4169071
38	Tandi	Chitawan	Ratnanagar-1, Chitawan	056-593286
39	Devighat	Nuwakot	Bidur-5, Nuwakot	010-410088
40	Sindhuli	Sindhuli	Main Bazar, Kamalamai-6, Sindhuli	047 520262
				056-591822
41	Mangalpur	Chitawan	Mangalpur, Bharatpur-15, Chitawan	056-591822
42	Jyamire	Chitawan	Khairahani-1, Chitawan	
43	Bharatpur	Chitawan	Buddhachowk, Bharatpur-7, Chitawan	056-527550
44	Thuli	Kathmandu	Nagarjun-15, Kathmandu	01-5313007
45	Thali	Kathmandu	Kageshwori Manahara-5, Kathmandu	01-5912025
46	Budhanilkantha	Kathmandu	Budhanilkhantha-2, Kathmandu	01-5911283
47	Suryabinayak	Bhaktapur	Suryabinayak-8, Bhaktapur	01-6620471
48	Dhumbarai	Kathmandu	Kathmandu-4, Kathmandu	01-5911258
49	Thasikhel	Lalitpur	Lalitpur-5, Lalitpur	01-5532007
50	Kadaghari	Kathmandu	Kageshwori Manahara-9, Kathmandu	01-4992424
51	Teku	Kathmandu	Kathmandu-12, Kathmandu	01-5901946
52	Imadol	Lalitpur	Mahalaxmi-4, Lalitpur	01-5201839
53	Gajuri	Dhading	Gajuri-1, Dhading	010-590400/01
54	Dharke	Dhading	Dhunibenshi-6, Dhading	010-414166/67

#### **Gandaki Province**

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	New Road Pokhara	Kaski	Naya Sadak, Pokhara-9, Kaski	061-527083
2	Beni	Myagdi	New Road Beni Bazar, Beni-8, Myagdi	069-521019
3	Baglung	Baglung	Bhimapokhara, Baglung-2, Baglung	068-522992
4	Chame	Manang	Chame-3, Manang	066-440189
5	Simalchaur	Kaski	Newroad, Pokhara-8, Kaski	061-572271
6	Bhotewodar	Lamjung	Sundarbazar-9, Lamjung	066-400151
7	Hospital Chowk (Pokhara)	Kaski	Pokhara-10, Kaski	061-533118
8	Amarapuri	Nawalparasi East	Amarapuri, Gaidakot-15, Nawalparasi East	078-545206
9	Kolhuwa	Nawalparasi East	Kolhuwa, Madhya Bindu-3, Nawalparasi East	078-401055
10	Arunkhola	Nawalparasi East	Arunkhola, Madhya Bindu-10, Nawalparasi East	078-555317
11	Kawasoti	Nawalparasi East	Kawasoti, Kawasoti-2, Nawalparasi East	078-540312
12	Dharapani	Nawalparasi East	Devchuli 11 Dharapani, Devchuli-11, Nawalparasi East	078-575198
13	Damauli	Tanahu	Byas-2, Tanahu	065-590480
14	Birauta	Kaski	Pokhara-17, Kaski	061-591758
15	Waling	Syangja	Walling-8, Syangja	063-590043

Lumb	umbini Province				
S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO	
1	Nepalgunj	Banke	Dhamboji Chowk, Nepalganj-2, Banke	081-527471	
2	Butwal	Rupandehi	Pushpalal Park, Butwal-6, Rupandehi	071-540681	
3	Ghorahi	Dang	New Road Ghorahi, Ghorahi-15, Dang	082-563307	
4	Siddharthanagar	Rupandehi	Siddharthanagar-5, Rupandehi	071-521163	
5	Sanoshree	Bardiya	Sanoshree, Madhuwan-8, Bardiya	084-440376	
6	Chhahara	Palpa	Rainadevi Chhahara-4, Palpa	9857062499	
7	Bhumahi	Nawalparasi West	Bhumahi Chowk, Sunawal-12, Nawalparasi West	078-415366	
8	Badhiyataal	Bardiya	Mainpokhar, Badhaiyatal-6, Bardiya	9848027339	
9	Banglachuli	Dang	Kamirechaur, Bangalachuli-3, Dang	9851400885	
10	Jhimruk	Pyuthan	Jhimaruk-5, Pyuthan	9851149485	
11	Bhume	Rukum East	Rukum, Khabang Bazar, Bhoome-8, Rukum East	9800549219	
12	Kohalpur	Banke	Kohalpur-11, Banke	081-542183	
13	Jitpur	Kapilbastu	Banganga-4, Kapilbastu	9847204511	
14	Tulsipur	Dang	Tulsipur-5, Dang	082-521380	
15	Kotihawa	Rupandehi	Kotihawa, Tilottama-15, Rupandehi	071-562782	
16	Bhaluhi	Rupandehi	Bhaluhi, Devdaha-10, Rupandehi	071-403008	
17	Ramapur	Rupandehi	Ramapur Colony, Sainamaina-6, Rupandehi	071-505277	
18	Chapiya	Rupandehi	Chhapiya, Siyari-4, Rupandehi	071-413105	
19	Bhairahawa	Rupandehi	Narayanpath, Siddharthanagar-8, Rupandehi	071-522004	
20	Jimirebhar	Nawalparasi West	Bardaghat-7, Nawalparasi West	078-411024	
21	Sitalnagar	Rupandehi	Devdaha-7, Rupandehi	071-577910	
22	Belbas	Rupandehi	Belbas, Butwal-13, Rupandehi	071-445063	
23	Drivertole	Rupandehi	Drivertole, Tilottama-4, Rupandehi	071-414490	
24	Gopigung	Nawalparasi West	Pratapapur-2, Nawalparasi West	9827241591	
25	Tamnagar	Rupandehi	Butwal-12, Rupandehi	071-450016	
26	Bansgadi	Rupandehi	Sainamaina-8, Rupandehi	071-505288	
27	Semara	Rupandehi	Semara, Tilottama-7, Rupandehi	071-510099	
28	Taulihawa	Kapilbastu	Taulihawa, Kapilbastu-1, Kapilbastu	076-560616	
29	Imiliya	Kapilbastu	Imiliya, Buddhabhumi-9, Kapilbastu	076-412087	
30	Kopawa	Kapilbastu	Banganga-5, Kapilbastu	076-693848	
31	Pipara	Kapilbastu	Pipara, Banganga-2, Kapilbastu	076-550421	
32	Murgiya	Rupandehi	Sainamaina-4, Rupandehi	071-440754	

33	Sunawal	Nawalparasi West	Sunawal-4, Nawalparasi West	078-570554
34	Odari	Kapilbastu	Odari, Banganga-11, Kapilbastu	076-410071
35	Maheshpur	Nawalparasi West	Maheshpur, Palhinandan-1, Nawalparasi West	9851360153
36	Parasi	Nawalparasi West	Ramgram-5, Nawalparasi West	078-520404
37	Hospitalline	Rupandehi	Hospitalline, Butwal-6, Rupandehi	071-545576
38	Tansen	Palpa	Silkhantol, Tansen-4, Palpa	075-522404
39	Sau.Pharsatikar	Rupandehi	Farsatikar, Suddhodhan-4, Rupandehi	071-400009
40	Ranibagiya	Rupandehi	Ranibagiya, Sainamaina-1, Rupandehi	071-405115
41	Bhutaha	Nawalparasi West	Bhutaha, Bardaghat-10, Nawalparasi West	078-412056
42	Manigram	Rupandehi	Manigram, Tilottama-5, Rupandehi	071-561417
43	Amuwa	Rupandehi	Amawa Bazar, Siyari-7, Rupandehi	071-501084
44	Manpakadi	Rupandehi	Manpakadi, Suddhodhan-5, Rupandehi	071-400008
45	Belatari	Nawalparasi West	Pratapapur-9, Nawalparasi West	078-419091
46	Kalikanagar	Rupandehi	Kalikanagar, Butwal-11, Rupandehi	071-415639
47	Sukkhanagar	Rupandehi	Butwal-8, Rupandehi	071-541242
48	Prabhas	Palpa	Tansen-7, Palpa	075-411020
49	Bardaghat	Nawalparasi West	Bardaghat-4, Nawalparasi West	078-590025
50	Lamahi	Dang	Lamahi-5, Dang	082-564012
51	Gulariya	Bardiya	Gulariya-6, Bardiya	084-590002

#### **Karnali Province**

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	Simikot	Humla	Mathillo Bazar, Simkot-6, Humla	087-680206
2	Surkhet	Surkhet	Sunny Hall Line, Birendranagar-6, Surkhet	083-520850
3	Jumla	Jumla	Chandannath, Chandannath-5, Jumla	087-520586
4	Jajarkot	Jajarkot	Thati, Bheri Malika-3, Jajarkot	089-430175
5	Dolpa	Dolpa	Tripurakot, Thulibheri-3, Dolpa	087-550189
6	Sarkegad	Humla	Sarkegad-4, Humla	9858391383
7	Namkha	Humla	Namkha-4, Humla	9841680633
8	Juphal	Dolpa	Thulibheri-7, Dolpa	087-551089
9	Gamgadi(Mugu)	Mugu	Mugumakarmarog-2, Mugu	087-460344
10	Shreenagar	Salyan	Sharada-1, Salyan	088-590329
11	Dullu	Dailekh	Dullu-7, Dailekh	089-420113

#### **Sudurpashchim Province**

S.N.	BRANCH NAME	DISTRICT	ADDRESS	PHONE NO
1	Dhangadhi	Kailali	Main Road, Dhangadhi-4, Kailali	091-527485
2	Mahendranagar	Kanchanpur	Near Buspark, Bhimdatta-4, Kanchanpur	099-520485
3	Bajhang	Bajhang	Chainpur, Jayaprithbi-10, Bajhang	092-521377
4	Mohanyal	Kailali	Mohanyal-6, Kailali	9848862524
5	Dhakari	Achham	Dhakari-1, Achham	9841649405
6	Sukhad	Kailali	Ghodaghodi-1, Kailali	091-403130
7	Attariya	Kailali	Godawari-2, Kailali	091-550097
8	Patan (Baitadi)	Baitadi	Patam-6, Baitadi	095-890300
9	Mahakali	Darchula	Mahakali-4, Darchula	093-590035
10	Amargadhi	Dadeldhura	Amargadhi-5, Dadeldhura	096-590021

## **ATM LOCATIONS**

#### **LOCATION INSIDE VALLEY**

BRANCH NAME	TERMINAL NAME	ADDRESS
DURBARMARG BRANCH	CTZN KAMALADI ATM-2	PRAGYA PRATISTHAN, KAMALADI, KATHMANDU
DURBARMARG BRANCH	CTZN BHATBHATENI ATM	BISHALNAGAR, BHATBHATENI SUPERMARKET, KATHMANDU
DURBARMARG BRANCH	CTZN NARAYANHITI ATM-1	NARAYANHITI PATH, KATHMANDU
DURBARMARG BRANCH	CTZN NARAYANHITI ATM-2	NARAYANHITI PATH, KATHMANDU
DURBARMARG BRANCH	CTZN HIMAL HOSPITAL ATM	THIRBOM SADAK, CHARDOBATO, NAXAL, KATHMANDU
BOUDHA BRANCH	CTZN BOUDHA ATM	JORPATI -3 BOUDHA, KATHMANDU
NEWROAD BRANCH	CTZN NEWROAD ATM	PARK PLAZA, KHICHAPOKHARI, KATHMANDU
KUMARIPATI BRANCH	CTZN KUMARIPATI ATM	KUMARIPAti, LALITPUR
KUMARIPATI BRANCH	CTZN GEMS ATM	GEMS SCHOOL, DHAPAKHEL, LALITPUR
KOTESHWOR BRANCH	CTZN KOTESHWOR ATM	KOTESHWOR, KATHMANDU
KALANKI BRANCH	CTZN KALANKI ATM	GANESHMAN SINGH MARGA, KALANKI
KALANKI BRANCH	CTZN BABA PETROL PUMP ATM	BABA OIL STORE, KALANKI, KATHMANDU
THAHITI BRANCH	CTZN THAHITI ATM	THAHITI CHOWK, KATHMANDU
NAYABAZAR BRANCH	CTZN NAYABAZAR ATM	V.S. COMPLEX, SOHRAKHUTTE , KATHMANDU
MAITIDEVI BRANCH	CTZN MAITIDEVI ATM	SETOPUL, MAITIDEVI, KATHMANDU
MAITIDEVI BRANCH	CTZN GLOBAL COLLEGE OF MANAGEMENT ATM	GLOBAL COLLEGE, MID-BANESHWOR, KATHMANDU
MAITIDEVI BRANCH	CTZN FRONTLINE HOSPITAL ATM	SETOPUL, MAITIDEVI, KATHMANDU
KIRTIPUR BRANCH	CTZN KIRTIPUR ATM	PANGA DOBATO, NAYABAZAAR, KIRTIPUR, KATHMANDU
NARAYANGOPAL CHOWK BRANCH	CTZN NARAYANGOPAL CHOWK ATM	NARAYANGOPAL CHOWK, KATHMANDU
KAPAN BRANCH	CTZN KAPAN ATM	SARASWATINAGAR, KAPAN MARG, KATHMANDU
THIMI BRANCH	CTZN THIMI ATM	MADHYAPUR, THIMI, BHAKTAPUR
BHAKTAPUR BRANCH	CTZN BHAKTAPUR ATM	DURBAR SQUARE AREA KHAUMA, BHAKTAPUR
BHAKTAPUR BRANCH	CTZN SALLAGHARI ATM	SALLAGHARI, ARMY SCHOOL, BHAKTAPUR
	CTZN PATAN ATM	
KUPONDOLE BRANCH		PATAN DHOKA, LALITPUR
KUPONDOLE BRANCH	CTZN KUPONDOLE ATM	KUPONDOLE, LALITPUR
SAMAKHUSI BRANCH	CTZN SAMAKHUSI ATM	SAMAKHUSI, KATHMANDU
THAPATHALI BRANCH	CTZN THAPATHALI ATM	THAPATHALI, KATHMANDU
THAPATHALI BRANCH	CTZN THAPATHALI ATM-2	THAPATHALI, KATHMANDU
DILLIBAZAR BRANCH	CTZN DILLIBAZAR ATM	BATULEGHAR, DILLIBAZAR, KATHMANDU
MAHABOUDHA BRANCH	CTZN MAHABOUDHA ATM	WOTU, MAHABOUDHA, KATHMANDU
KULESHWOR BRANCH	CTZN KULESHWOR ATM	KULESHWOR, KATHMANDU
KULESHWOR BRANCH	CTZN STAR HOSPITAL ATM	STAR HOPITAL, SANEPA, LALITPUR
NAYA BANESHWOR BRANCH	CTZN NEW BANESHWOR ATM	NAYA BANESHWOR, KATHMANDU
NAYA BANESHWOR BRANCH	CTZN V.S NIKETAN ATM	MINBHAWAN, NAYA BANESHWOR, KATHMANDU
CHABAHIL BRANCH	CTZN CHABAHIL ATM	KUMARI BUILDING, CHABAHIL, KATHMANDU
BHAISEPATI BRANCH	CTZN BHAISEPATI ATM	BHAISIPATI, KATHMANDU
GWARKO BRANCH	CTZN GWARKO ATM	GWARKO, LALITPUR
GWARKO BRANCH	CTZN KIST MEDICAL COLLEGE ATM	KIST MEDICAL COLLEGE, IMADOL MARG, GWARKO, LALITPUR
GWARKO BRANCH	CTZN KIST MEDICAL COLLEGE ATM-2	KIST MEDICAL COLLEGE, IMADOLE, LALITPUR
TOKHA BRANCH	CTZN TOKHA ATM	TOKHA GATE, TOKHA, KATHMANDU
THANKOT BRANCH	CTZN THANKOT ATM	THANKOT, KATHMANDU
LAMBAGAR BRANCH	CTZN LAMBAGAR ATM	TARKESHWOR-08, LAMBAGAR, KATHMANDU
SINAMANGAL BRANCH	CTZN SINAMANGAL ATM	SINAMANGAL, KATHMANDU
KAMALADI BRANCH	CTZN KAMALADI ATM-1	KAMALADI, KATHMANDU
THULO BHARYANG BRANCH	CTZN THULO BHARYANG ATM	THULOBHARYANG CHOWK, KATHMANDU
BUDHANILKANTHA BRANCH	CTZN BUDHANILKANTHA ATM	CHAPALI GHUMTI, BUDHANILKHANTHA, KATHMANDU
THALI BRANCH	CTZN THALI ATM	THALI, KATHMANDU
SURYABINAYAK BRANCH	CTZN SURYABINAYAK ATM	SURYABINAYAK, BHAKTAPUR
DHUMBARAHI	CTZN DHUMBARAHI ATM	DHUMBARAHI, KATHMANDU
THASIKHEL BRANCH	CTZN THASIKHEL ATM	THASIKHEL, LALITPUR
KADAGHARI BRANCH	CTZN KADAGHARI ATM	MEDICAL CHOWK, KADAGHARI
IMADOL BRANCH	CTZN IMADOL ATM	IMADOL, LALITPUR
TEKU BRANCH	CTZN TEKU ATM	AMBE COMPLEX, TEKU, KATHMANDU

#### **LOCATION OUTSIDE VALLEY**

BRANCH NAME	TERMINAL NAME	ADDRESS
BIRATNAGAR BRANCH	CTZN BIRATNAGAR ATM	RANGELI ROAD, BIRATNAGAR
BIRGUNJ BRANCH	CTZN BIRGUNJ ATM	ADARSHA NAGAR CHOWK, BIRGUNJ
POKHARA BRANCH	CTZN POKHARA ATM	NEW ROAD, POKHARA
POKHARA BRANCH	CTZN LAKESIDE ATM	LAKESIDE, POKHARA
NEPALGUNJ BRANCH	CTZN NEPALGUNJ ATM	DHAMBOUJI CHOWK, NEPALGUNJ
NEPALGUNJ BRANCH	CTZN NEPALGUNJ 2 ATM	DHAMBOUJI CHOWK, NEPALGUNJ
NARAYANGHAT BRANCH	CTZN NARAYANGADH ATM	NARAYANGHAT, CHITWAN
BUTWAL BRANCH	CTZN BUTWAL ATM	PALPAROAD, RUPANDEHI
DHANGADHI BRANCH	CTZN DHANGADHI ATM	CHATAKPUR, DHANGHADI, KAILALI
BIRTAMOD BRANCH	CTZN BIRTAMOD ATM	KAKADVITTA ROAD ANARMANI VDC-3, BIRTAMOD, JHAPA
BENI BRANCH	CTZN BENI ATM	NEW ROAD 1, BENI BAZAR, MYAGDI
GHORAHI BRANCH	CTZN GHORAHI ATM	NEW ROAD -11, GHORAHI, DANG
GAIGHAT BRANCH	CTZN GAIGHAT ATM	GAIGHAT, UDAYAPUR
GAIGHAT BRANCH	CTZN GAIGHAT ATM-2	SHREE 18 NO BAHINI ARMY ADDA, BHULKE, GAIGHAT, UDAYAPUR
MAHENDRA NAGAR BRANCH	CTZN MAHENDRANGAR ATM	BHEEMDATTA MUNICIPALITY 4, MAHENDRANAGAR, KANCHANPUR
PATHLAIYA BRANCH	CTZN PATHALAIYA ATM	PATHALAIYA, BARA
SIMIKOT BRANCH	CTZN SIMIKOT ATM	MATHILLO BAZAR, SIMKOT, HUMLA
CHARIKOT BRANCH	CTZN CHARIKOT ATM	BEECH BAZAR, CHARIKOT, DOLAKHA
TAHARI BRANCH	CTZN ITAHARI ATM	DHARAN ROAD, ITAHARI, SUNSARI
JANAKPUR BRANCH	CTZN JANAKPUR ATM	BHANUCHOWK, JANAKPUR
SURKHET BRANCH	CTZN SURKHET ATM	SUNNY HALL LINE, SURKHET
HETAUDA BRANCH	CTZN HETAUDA ATM	PARIJAT PATH, HETAUDA, MAKWANPUR
JUMLA BRANCH	CTZN JUMLA ATM	CHANDANNATH VDC-07, JUMLA
JAJARKOT BRANCH	CTZN JAJARKOT ATM	THATI BAZAAR, KHALANGAWA, JAJARKOT
SIDDHARTHANAGAR BRANCH	CTZN SIDDHARTHANAGAR ATM	BANK ROAD SIDDHARTHANAGAR, BHAIRAHAWA
KOLHABI BRANCH	CTZN KOLHABI ATM	KOLHABI, BARA
BAGLUNG BRANCH	CTZN BAGLUNG ATM	DHAULAGIRI ZONEL HOSPITAL BAGLUNG
NIJGADH BRANCH	CTZN NIJGADH ATM	NIJGADH, BARA
BAJHANG BRANCH	CTZN BAJHANG ATM	CHAINPUR, BAJHANG
SANOSHREE BRANCH	CTZN SANOSHREE ATM	SANOSHREE-03 KUSUMBA BAZAR, BARDIYA
DHARAN BRANCH	CTZN DHARAN ATM	PUTALI LINE, DHARAN
BANEPA BRANCH	CTZN BANEPA ATM	BANEPA, KAVRE
GAUSALA BRANCH	CTZN GAUSHALA 2 ATM	GAUSHALA, MAHOTTARI
DAMAK BRANCH	CTZN DAMAK ATM	THANA ROAD, DAMAK, JHAPA
BARDIBAS BRANCH	CTZN BARDIBAS ATM	BARDIBAS, MAHOTARI
CHHAHARA BRANCH	CTZN CHHAHARA ATM	CHHAHARA BAZAAR, CHHAHARA, PALPA
BHUMAHI BRANCH	CTZN BHUMAHI ATM	BHUMAHI CHOWK, SUNWAL, BHUMAHI, NAWALPARASI
MANAHARI BRANCH	CTZN MANAHARI ATM	MANAHARI RURAL MUNICIPALITY-7, MAKWANPUF
HALDIBARI BRANCH	CTZN HALDIBARI ATM	MANGALBARE CHOWK, HALDIBARI, JHAPA
BADHIYATAAL BRANCH	CTZN BADHIYATAAL ATM	BADHAIYATAAL-06, BARDIYA
AURAHI BRANCH	CTZN AAURAHI ATM	AURAHI BAZAR, MAHOTTARI
SIMALCHAUR BRANCH	CTZN SIMALCHAUR ATM	SIMALCHAUR, POKHARA
KOHALPUR BRANCH	CTZN KOHALPUR ATM	KOHALPUR-11, BANKE
TANDI BRANCH	CTZN TANDI ATM	JYOTI HALL ROAD, BAKULAR TANDI, CHITWAN
BHOTEWODAR BRANCH	CTZN BHOTEWODAR ATM	BHOTEWODAR, DHARAPANI, LAMJUNG
JITPUR BRANCH	CTZN JITPUR ATM	JEETPUT -4, KAPILVASTU

BRANCH NAME	TERMINAL NAME	ADDRESS
DEVIGHAT BRANCH	CTZN DEVIGHAT ATM	DEVIGHAT, NUWAKOT
SUKHAD BRANCH	CTZN SUKHAD ATM	BHAJANI ROAD, SUKHAD, KAILALI
ATTARIYA BRANCH	CTZN ATTARIYA ATM	ATTRIYA, MAHENDRANAGAR ROAD, KAILALI
HOSPITAL CHOWK POKHARA BRANCH	CTZN HOSPITAL CHOWK ATM	HOSPITAL CHOWK, POKHARA
KANCHANBARI BRANCH	CTZN KANCHANBARI ATM	KANCHANBARI, MORANG
SALAKPUR BRANCH	CTZN SALAKPUR ATM	SALAKPUR, MORANG
BIDYAPATI BRANCH	CTZN BIDYAPATI ATM	BIDYAPATI CHOWK, DHANUSHA
BIDYAPATI BRANCH	CTZN BIDYAPATI ATM-2	BIDYAPATI CHOWK, DHANUSHA
IALESHWOR BRANCH	CTZN JALESHWOR ATM	JALESHWOR CHOWK, DHANUSHA
MAHENDRANAGAR DHANUSHA BRANCH	CTZN MAHENDRANAGAR DHANUSHA ATM	MAHENDRANAGAR, DHANUSHA
AHAN BRANCH	CTZN LAHAN ATM	LAHAN, SIRAHA
SINDHULI BRANCH	CTZN SINDHULI ATM	BANK ROAD, KAMALAMAI, SINDHULI
HANUSHADHAM BRANCH	CTZN DHANUSHADHAM ATM	DHANUSHADHAM, DHANUSHA
GARUDA BRANCH	CTZN GARUDA ATM	GARUDA BAJAAR, RAUTAHAT
AMGADI BRANCH	CTZN GAMGADHI ATM	GAMGADHI, MUGU
ULSIPUR BRANCH	CTZN TULSIPUR ATM	TULSIPUR, DANG
(OTIHAWA BRANCH	CTZN KOTIHAWA ATM	KOTIHAWA, RUPANDEHI
BHALUHI BRANCH	CTZN BHALUHI ATM	BHALUHI CHOWK, RUPANDEHI
AMARAPURI BRANCH	CTZN AMARAPURI ATM	16 No. CHOWK, AMARAPURI, NAWALPARASI EAST
IMIREBHAR BRANCH	CTZN JIMIREBHAR ATM	JIMIREBHAR, NAWALPARASI WEST
RAMAPUR BRANCH	CTZN RAMAPUR ATM	RAMAPUR COLONY, RUPANDEHI
BHAIRAHAWA BRANCH	CTZN BHAIRAHAWA ATM	NARAYANSTHAN, RUPANDEHI
SHITALNAGAR BRANCH	CTZN SHITALNAGAR ATM	SHITALNAGAR, RUPANDEHI
BELBAS BRANCH	CTZN BELBAS ATM	BELBAS MAINROAD, RUPANDEHI
DRIVERTOLE BRANCH	CTZN DRIVERTOLE ATM	DRIVERTOLE
SEMARA BRANCH	CTZN SEMARA ATM	SEMARA BAZAR, RUPANDEHI
AULIHAWA BRANCH	CTZN TAULIHAWA ATM	GAUDI CHOWK, TAULIHAWA, KAPILBASTU
(OLHUWA ATM	CTZN KOLHUWA ATM	KOLHUWA, NAWALPARASI EAST
SUNAWAL BRANCH	CTZN SUNAWAL ATM	SUNWAL CHAURAHA, NAWALPARASI WEST
BARAHATHAWA BRANCH	CTZN BARAHATHAWA ATM	HAJARIYA ROAD, BARAHATHAWA, SARLAHI
ANSEN BRANCH	CTZN TANSEN ATM	SILKHAN TOLE, PALPA
ANIBAGIYA BRANCH	CTZN RANIBAGIYA ATM	RANIBAGIYA, RUPANDEHI
ARUNKHOLA BRANCH	CTZN ARUNKHOLA ATM	ARUNKHOLA BAZAR, NAWALPARASI EAST
BHARATPUR BRANCH		BUDDHACHOWK, CHITAWAN
MANIGRAM BRANCH	CTZN BHARATPUR ATM CTZN MANIGRAM ATM	MANIGRAM, RUPANDEHI
(RISHNA PRANAMI CHOWK BRANCH	CTZN MANIORAM ATM  CTZN KRISHNAPRANAMI  CHOWK BRJ ATM	KRISHNA PRANAMI CHOWK, BIRGUNJ
(ALIKANAGAR BRANCH	CTZN KALIKANAGAR ATM	KALIKANAGAR, RUPANDEHI
DAMAULI BRANCH	CTZN DAMAULI ATM	SHREE TOLE, DAMAULI
HOSPITALLINE BRANCH	CTZN HOSPITALLINE ATM	HOSPITAL LINE, RUPANDEHI
BARDAGHAT BRANCH	CTZN BARDAGHAT ATM	MAIN CHOWK, NAWALPARASI WEST
(AWASOTI BRANCH	CTZN KAWASOTI ATM	NAYABAZAR CHOWK, NAWALPARASI WEST
AMAHI BRANCH	CTZN LAMAHI ATM	PCO ROAD, LAMAHI, DANG
GULARIYA BRANCH	CTZN GULARIYA ATM	GULARIYA, BARDIYA
SHREENAGAR BRANCH	CTZN SHREENAGAR ATM	SHREENAGAR, SALYAN
MAHENDRA CHOWK BRANCH RAJBIRAJ BRANCH	CTZN MAHENDRA CHOWK ATM	MAHENDRA CHOWK, BIRATNAGAR
	CTZN RAJBIRAJ ATM	GAJENDRA NARAYAN CHOWK, SAPTARI

BRANCH NAME	TERMINAL NAME	ADDRESS
BHARDAHA BRANCH	CTZN BHARDAHA ATM	BHARDAH, SAPTARI
KANCHANRUP BRANCH	CTZN KANCHANRUP ATM	KANCHANRUP BARIYAR, SAPTARI
KALYANPUR BRANCH	CTZN KALYANPUR ATM	KALYANPUR, SAPTARI
PHATEPUR BRANCH	CTZN PHATEPUR ATM	FATTEPUR, SAPTARI
BODEBARSHAIN BRANCH	CTZN BODEBARSHAIN ATM	BODE BARSIAN, SAPTARI
PATO BRANCH	CTZN PATO ATM	PATO, SAPTARI
CHAKARGHATI BRANCH	CTZN CHAKARGHATI ATM	MUNAL CHOWK, CHAKARGHATI, SUNSARI
PATHARI BRANCH	CTZN PATHARI ATM	PATHARI, MORANG
BANIGAMA BRANCH	CTZN BANIGAMA ATM	BANIGAMA, NETA CHOWK, MORANG
GAJURI BRANCH	CTZN GAJURI ATM	GAJURI, DHADING
DHARKE BRANCH	CTZN DHARKE ATM	DHARKE, DHADING
BIRAUTA BRANCH	CTZN BIRAUTA ATM	BIRAUTA, POKHARA, KASKI
WALING BRANCH	CTZN WALING ATM	WALING, SYANJA
AMARGADHI DADELDHURA BRANCH	CTZN AMARGADHI DADELDHURA ATM	TUPHANDADA, AMARGADHI, DADELDHURA
MAHAKALI DARCHULA BRANCH	CTZN MAHAKALI DARCHULA ATM	RADHA KRISHNA CHOWK, MAHAKALI, DARCHULA
DULLU DAILEKH BRANCH	CTZN DULLU DAILEKH ATM	DULLU, DAILEKH

# REMITTANCE PARTNER NETWORKS

S.N	INTERNATIONAL BUSINESS PARTNERS	BUSINESS COUNTRY
1.	Aftab Currency Exchange	United Kingdom
2.	Al Ahalia Money Exchange Bureau	United Arab Emirates
3.	Al Ansari Exchange	United Arab Emirates
4.	Al Dahab Exchange	United Arab Emirates
5.	Alfa Exchange, UAE	United Arab Emirates
6.	Aussie Forex Pty Ltd.	Australia
7.	Axis Bank Ltd.	India
8.	Casco Financial Services Limited	United Kingdom
9.	D. Communications Inc.	Japan
10.	Doha Bank	Qatar
11.	Hamro Remit	Australia
12.	Lumbini Group Pty. Ltd	Australia
13.	MillenningsPte Ltd	Singapore
14.	National Exchange Company	Kuwait
15.	Omnex Group, Inc	United States of America
16.	Placid NK Corporations	United States of America
17.	Redha Al Ansari Exchange	United Arab Emirates
18.	Royal Nepal Investment Group Pty Ltd	Australia
19.	Small World Financial Services	United Kingdom
20.	Subhida UK Ltd	United Kingdom
21.	UPT Money Transfer	Turkey
22.	World Remit Ltd	United Kingdom
23.	Xpress Money Services	United Kingdom

S.N	LOCAL PARTNER
1.	C.G Finco Pvt. Ltd.
2.	C.G Money Remit Pvt. Ltd.
3.	CFS Remit Pvt. Ltd.
4.	City Express Money Transfer
5.	Easy Link Remittance Co. Pvt. Ltd
6.	Esewa Money Transfer Pvt. Ltd.
7.	Goodwill Remit Pvt. Ltd.
8.	IME Ltd.
9.	IPAY Reliable Remitttance PvtLtd
10.	JME Remit Co. Pvt. Ltd.
11.	Lalit Money Transfer Pvt. Ltd

S.N	LOCAL PARTNER
12.	Max Money Transfer Pvt. Ltd
13.	Muktinath Bikas Bank Ltd.
14.	NEO Money Transfer Pvt. Ltd.
15.	Nepal Investment Bank Ltd.
16.	Nepal Remit Int. Pvt. Ltd.
17.	Prabhu Money Transfer
18.	Remit to Nepal Pvt. Ltd.
19.	Samsara Money Transfer
20.	Sewa Remit Pvt. Ltd
21.	United Remit Pvt. Ltd.

# **BRANCHLESS BANKING LOCATIONS (BLB)**

S.N	BRANCH NAME	BLB LOCATED DISTRICT	BLB LOCATED VDC/MUNICIPALITY	LOCATION NAME
1	Baglung Branch	Baglung	Kathekhola Rural Municipality-41102-Baglung	Kanthekhola
2	Banepa Branch	Sindhuli	Sunkoshi Rural Municipality-31106-Sindhuli	Khalte
3	Banglachuli Branch	Dang	Bangalachuli Rural Municipality-51001-Dang	Murkuti
4	Beni Branch	Myagdi	Beni Municipality-40406-Myagdi	Singa
5	Bhaktapur Branch	Bhaktapur	Suryabinayak Municipality-30704-Bhaktapur	Sipadol
6	Bhaktapur Branch	Bhaktapur	Changunarayan Municipality-30701-Bhaktapur	Chhaling
7	Bhaktapur Branch	Bhaktapur	Changunarayan Municipality-30701-Bhaktapur	Nagarkot
8	Bhanu Chowk (Janakpur) Branch	Mahottari	Balawa Municipality-20407-Mahottari	Padual
9	Bhojpur Branch	Bhojpur	Bhojpur Municipality-10604-Bhojpur	Helaucha
10	Bhumahi Branch	Nawalparasi	Sunawal Municipality-50702-Nawalparasi West	Jargha
11	Bhume Branch	Rukum	Bhoome Rural Municipality-50103-Rukum East	Mahat
12	Bhume Branch	Rukum	Bhoome Rural Municipality-50103-Rukum East	Chungwang
13	Charikot Branch	Dolkha	Baitedhar Rural Municipality-30104-Dolakha	Namdu
14	Charikot Branch	Dolkha	Bhimeshwor Municipality-30109-Dolakha	Boche
15	Charikot Branch	Dolkha	Shailung Rural Municipality-30108-Dolakha	Sailung
16	Charikot Branch	Dolkha	Bhimeshwor Municipality-30109-Dolakha	SusmaChyamawoti
17	Devighat Branch	Nuwakot	Belkotgadhi Municipality-30508-Nuwakot	Madanpur
18	Devighat Branch	Nuwakot	Likhu Rural Municipality-30509-Nuwakot	Chaughada
19	Devighat Branch	Nuwakot	Bidur Municipality-30504-Nuwakot	Gerkhu
20	Devighat Branch	Nuwakot	Kispang Rural Municipality-30505-Nuwakot	Fikuri
21	Devighat Branch	Nuwakot	Bidur Municipality-30504-Nuwakot	Tupche
22	Devighat Branch	Nuwakot	Tarakeshwor Rural Municipality- 30507-Nuwakot	Gorshyang
23	Devighat Branch	Nuwakot	Myagang Rural Municipality-30506-Nuwakot	Deurali
24	Devighat Branch	Nuwakot	Kispang Rural Municipality-30505-Nuwakot	Mankamana
25	Devighat Branch	Nuwakot	Likhu Rural Municipality-30509-Nuwakot	Thanapati
26	Devighat Branch	Nuwakot	Suryagadhi Rural Municipality-30503-Nuwakot	Ganesthan
27	Devighat Branch	Nuwakot	Tadi Rural Municipality-30502-Nuwakot	Ralukadevi
28	Devighat Branch	Nuwakot	Suryagadhi Rural Municipality-30503-Nuwakot	Bageshwori
29	Devighat Branch	Nuwakot	Tarakeshwor Municipality-30606-Kathmandu	Budhasing
30	Devighat Branch	Nuwakot	Dupcheshwor Rural Municipality- 30501-Nuwakot	Rautbesi
31	Devighat Branch	Nuwakot	Panchakanya Rural Municipality- 30510-Nuwakot	Thaprek
32	Devighat Branch	Nuwakot	Belkotgadhi Municipality-30508-Nuwakot	Belkot
33	Devighat Branch	Nuwakot	Belkotgadhi Municipality-30508-Nuwakot	Jiling
34	Devighat Branch	Nuwakot	Tarakeshwor Municipality-30606-Kathmandu	Taruka
35	Devighat Branch	Nuwakot	Tadi Rural Municipality-30502-Nuwakot	Narjamandap
36	Dhangadhi Branch	Kailali	Godawari Municipality-70803-Kailali	Godavari
37	Gaighat Branch	Gaighat	Triyuga Municipality-11403-Udayapur	Lalpatta
38	Gaighat Branch	Udayapur	Triyuga Municipality-11403-Udayapur	Toribari
39	Imiliya Branch	Kapilvastu	Buddhabhumi Municipality-50902-Kapilbastu	Premnagar
40	Jajarkot Branch	Jajarkot	Nalagad Municipality-60707-Jajarkot	Kalimati Bazzar
41	Janakpur Branch	Mahottari	Laxminiya Rural Municipality-20306-Dhanusa	Laxminiya Bazar
42	Kirtipur Branch	Kathmandu	Kirtipur Municipality-30609-Kathmandu	Machhegaun
43	Kolhabi Branch	Rautahat	PhatuwaBijayapur Municipality-20603-Rautahat	Bijaypur
44	Kolhabi Branch	Rautahat	PhatuwaBijayapur Municipality-20603-Rautahat	

S.N	BRANCH NAME	BLB LOCATED DISTRICT	BLB LOCATED VDC/MUNICIPALITY	LOCATION NAME
45	Kolhuwa Branch	Nawalparasi	Kawasoti Municipality-40806-Nawalparasi East	Tribhuwantar
46	Kupondole Branch	Lalitpur	Godawari Municipality-30803-Lalitpur	Lele/TikaBhairab
47	Kupondole Branch	Lalitpur	Mahalaxmi Municipality-30801-Lalitpur	Tika Thali
48	Kupondole Branch	Lalitpur	LalitpurMetropolitian City-30802-Lalitpur	Dhapakhel
49	Lamahi Branch	Dang	Lamahi Municipality	Amiliya
50	Mahendranagar Dhanusha Branch	Dhanusa	Chhireshwornath Municipality-20305-Dhanusa	Ramdaiya Bhawadi
51	Mangseybung Branch	Illam	Mangsebung Rural Municipality-11006-Ilam	Panchami Bazzar
52	Mangseybung Branch	Illam	Mangsebung Rural Municipality-11006-Ilam	BhalutarBazzar
53	Narayanghat Branch	Chitwan	BharatpurMetropolitian City-31304-Chitawan	Meghauli
54	Nayabazar Branch	Kathmandu	Tarakeshwor Rural Municipality- 30507-Nuwakot	Tinpiple
55	Nayabazar Branch	Kathmandu	Tarakeshwor Rural Municipality- 30507-Nuwakot	Kavresthali
56	Nepalgunj Branch	Bardiya	Badhaiyatal Rural Municipality-51208-Bardiya	Bholagaudi
57	Nepalgunj Branch	Bardiya	Badhaiyatal Rural Municipality-51208-Bardiya	Sitlabazar
58	Nepalgunj Branch	Banke	Badhaiyatal Rural Municipality-51208-Bardiya	Mahadevpuri
59	Nepalgunj Branch	Bardiya	Badhaiyatal Rural Municipality-51208-Bardiya	Jamuni
60	Parasi Branch	Nawalparasi	Bardaghat Municipality-50701- Nawalparasi West	Bhatauliya Bazzar
61	Pathlaiya Branch	Bara	JitpurSimara Sub-Metropolitian City-20703-Bara	Piluwa
62	Pokhara Branch	Kaski	PokharaMetropolitian City-40504-Kaski	Armala
63	Samakhusi Branch	Nuwakot	Kakani Rural Municipality-30512-Nuwakot	Okharpauwa
64	Samakhusi Branch	Nuwakot	Kakani Rural Municipality-30512-Nuwakot	Kakani
65	Samakhusi Branch	Nuwakot	Tadi Rural Municipality-30502-Nuwakot	Sundaradevi
66	Samakhusi Branch	Nuwakot	Belkotgadhi Municipality-30508-Nuwakot	Duipipal
67	Samakhusi Branch	Nuwakot	Likhu Rural Municipality-30509-Nuwakot	Thansing
68	Samakhusi Branch	Nuwakot	Dupcheshwor Rural Municipality- 30501-Nuwakot	Balkumari
69	Samakhusi Branch	Nuwakot	Shivapuri Rural Municipality-30511-Nuwakot	Sunkhani
70	Sanoshree Branch	Bardiya	Barbardiya Municipality-51202-Bardiya	Jogigaun
71	Sanoshree Branch	Bardiya	Madhuwan Municipality-51206-Bardiya	Orali Bazzar
72	Surkhet Branch	Surkhet	Barahatal Rural Municipality-61007-Surkhet	Taranga
73	Thapathali Branch	Lalitpur	Bagmati Rural Municipality-30806-Lalitpur	Subhane
74	Tokha Branch	Kathmandu	Tokha Municipality-30605-Kathmandu	Zhor

# **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
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 III, 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
ICICI BANK	163, HT PAREKH MARG, BACKBAY RECLAMATION, CHURCHGATE, MUMBAI, 400028 / 20, INDIA	39305075018	ICICINBB
STANDARD CHARTERED BANK (CHINA) LIMITED SHANGHAI CN	22ND FLOOR,STANDARD CHARTERED TOWER, 201 CENTURY AVENUE,PUDONG,SHANGHAI,PRC, ZIP CODE;200120	000000501511722552	SCBLCNSXTMN

### **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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