Global IME Bank
ग्लोबल आइएमई बैंक लि.

INTERIM FINANCIAL STATEMENTS AS ON 31st ASHWIN 2082 (17th OCTOBER 2025) (1st QUARTER FY 2082-83)

Global IME Bank Ltd
Condensed Consolidated Statement of Financial Position
As on 31st Ashwin 2082 (17/10/2025)

Amount in NPR

	Group		Bank	
Assets	**This Quarter Ending**	**Immediate Previous Year Ending**	**This Quarter Ending**	**Immediate Previous Year Ending**
Cash and Cash Equivalents	48,312,010,968	53,053,088,913	48,156,996,419	52,688,974,287
Due from Nepal Rastra Bank	36,837,159,814	22,189,468,521	36,787,159,814	22,144,468,521
Placements with BFIs	-	-	-	-
Derivative Financial Instruments	19,389,703,666	11,071,926,976	19,389,703,666	11,071,926,976
Other Trading Assets	1,490,686,718	1,544,461,768	-	-
Loans and Advances to BFIs	12,512,662,860	12,314,273,736	16,104,772,453	15,787,163,343
Loans and Advances to Customers	431,344,424,448	419,852,566,927	421,252,080,061	410,113,933,500
Investment Securities	162,231,412,101	148,846,164,171	162,229,212,101	148,805,835,221
Current Tax Assets	199,870,952	2,647,578,735	139,473,553	2,441,471,189
Investment in Subsidiaries	-	-	728,395,250	728,395,250
Investment in Associates	2,016,153,875	2,016,153,875	1,395,771,273	1,395,771,273
Investment Property	6,067,440,226	6,067,606,415	6,055,994,582	6,056,160,771
Property and Equipment	8,262,452,695	8,392,718,704	8,131,536,058	8,264,147,405
Goodwill and Intangible Assets	863,970,325	868,203,425	862,188,479	865,927,941
Deferred Tax Assets	965,041,098	815,558,312	882,461,944	778,987,033
Other Assets	7,776,840,511	8,038,756,779	7,512,805,384	7,716,222,322
Total Assets	**738,269,830,259**	**697,718,527,257**	**729,628,551,036**	**688,859,385,032**
Liabilities				
Due to BFIs	27,975,796,749	24,383,936,432	26,609,965,644	24,423,550,333
Due to Nepal Rastra Bank	331,843,649	331,843,649	331,843,649	331,843,649
Derivative Financial Instruments	19,282,741,188	11,072,389,917	19,282,741,188	11,072,389,917
Deposit from Customers	585,298,482,945	553,746,057,659	582,254,603,129	550,628,587,849
Borrowings	10,257,394,841	13,905,641,037	10,257,394,841	12,416,419,704
Current Tax Liabilities	915,714,070	2,786,419,163	913,836,423	2,628,672,188
Provisions	-	-	-	-
Deferred tax Liabilities	882,151,815	916,871,137	882,151,815	904,118,600
Other Liabilities	11,962,437,146	11,007,180,657	9,990,265,286	9,139,078,797
Debt Securities Issued	10,688,037,819	10,687,316,510	10,688,037,819	10,687,316,510
Subordinated Liabilities	-	-	-	-
Total Liabilities	**667,594,600,220**	**628,837,656,162**	**661,210,839,794**	**622,231,977,547**
Equity				
Share Capital	38,115,852,616	38,115,852,616	38,115,852,616	38,115,852,616
Share Premium	-	-	-	-
Retained Earnings	5,676,695,326	5,181,270,867	4,849,506,118	4,054,879,099
Reserves	26,162,866,645	24,897,436,013	25,452,352,509	24,456,675,770
Total Equity attributable to equity holders	**69,955,414,587**	**68,194,559,497**	**68,417,711,242**	**66,627,407,485**
Non-Controlling Interest	719,815,451	686,311,598		
Total Equity	70,675,230,038	68,880,871,095	68,417,711,242	66,627,407,485
Total Liabilities and Equity	**738,269,830,259**	**697,718,527,257**	**729,628,551,036**	**688,859,385,032**
Net Assets Value Per Share			**179.50**	**174.80**

Global IME Bank Ltd
Condensed Consolidated Statement of Profit or Loss
For the period ended 31st Ashwin 2082 (17/07/2025 to 17/10/2025)

Amount in NPR

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	10,640,697,782	10,640,697,782	11,873,385,902	11,873,385,902	10,321,005,130	10,321,005,130	11,659,268,526	11,659,268,526
Interest Expenses	6,280,083,472	6,280,083,472	7,617,218,481	7,617,218,481	6,187,942,171	6,187,942,171	7,540,297,293	7,540,297,293
Net interest income	**4,360,614,310**	**4,360,614,310**	**4,256,167,420**	**4,256,167,420**	**4,133,062,959**	**4,133,062,959**	**4,118,971,233**	**4,118,971,233**
Fee and commission income	1,213,490,243	1,213,490,243	1,122,706,783	1,122,706,783	1,111,574,558	1,111,574,558	1,075,758,621	1,075,758,621
Fees and commission expenses	209,628,675	209,628,675	193,868,052	193,868,052	203,941,033	203,941,033	191,298,572	191,298,572
Net fee and commission income	**1,003,861,568**	**1,003,861,568**	**928,838,732**	**928,838,732**	**907,633,525**	**907,633,525**	**884,460,049**	**884,460,049**
Net interest, fee and commission income	**5,364,475,879**	**5,364,475,879**	**5,185,006,152**	**5,185,006,152**	**5,040,696,484**	**5,040,696,484**	**5,003,431,282**	**5,003,431,282**
Net Trading Income	171,055,462	171,055,462	341,372,442	341,372,442	284,265,899	284,265,899	169,824,520	169,824,520
Other Operating Income	208,069,835	208,069,835	115,478,975	115,478,975	191,247,944	191,247,944	62,565,595	62,565,595
Total operating income	**5,743,601,176**	**5,743,601,176**	**5,641,857,569**	**5,641,857,569**	**5,516,210,328**	**5,516,210,328**	**5,235,821,398**	**5,235,821,398**
Impairment charge/(reversal) for loans and other losses	1,050,131,773	1,050,131,773	1,081,726,207	1,081,726,207	1,010,987,743	1,010,987,743	1,071,776,393	1,071,776,393
Net Operating Income	**4,693,469,403**	**4,693,469,403**	**4,560,131,361**	**4,560,131,361**	**4,505,222,585**	**4,505,222,585**	**4,164,045,005**	**4,164,045,005**
Operating Expenses								
Personnel Expenses	1,430,627,450	1,430,627,450	1,285,983,488	1,285,983,488	1,318,228,806	1,318,228,806	1,172,255,055	1,172,255,055
Other Operating Expenses	642,240,968	642,240,968	665,621,870	665,621,870	602,919,461	602,919,461	634,023,054	634,023,054
Depreciation and Amortization	217,127,535	217,127,535	217,256,419	217,256,419	212,438,047	212,438,047	210,272,353	210,272,353
Operating profit	**2,403,473,449**	**2,403,473,449**	**2,391,269,584**	**2,391,269,584**	**2,371,636,271**	**2,371,636,271**	**2,147,494,543**	**2,147,494,543**
Non-operating income	118,741,343	118,741,343	13,820,995	13,820,995	118,741,343	118,741,343	1,500,000	1,500,000
Non-operating expense	1,384,644	1,384,644	1,142,296	1,142,296	1,243,050	1,243,050	1,142,296	1,142,296
Profit before income tax	**2,520,830,148**	**2,520,830,148**	**2,403,948,283**	**2,403,948,283**	**2,489,134,564**	**2,489,134,564**	**2,147,852,247**	**2,147,852,247**
Income Tax Expense								
Current tax	779,435,296	779,435,296	675,358,566	675,358,566	726,635,424	726,635,424	653,811,742	653,811,742
Deferred tax	(147,628,297)	(147,628,297)	40,527,743	40,527,743	(96,150,571)	(96,150,571)	(18,099,199)	(18,099,199)
Profit/(Loss) for the period	**1,889,023,149**	**1,889,023,149**	**1,688,061,974**	**1,688,061,974**	**1,858,649,712**	**1,858,649,712**	**1,512,139,704**	**1,512,139,704**

Consolidated Statement of Other Comprehensive Income

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit or loss for the period	1,889,023,149	1,889,023,149	1,688,061,974	1,688,061,974	1,858,649,712	1,858,649,712	1,512,139,704	1,512,139,704
Other comprehensive income, net of income tax								
a) Items that will not be reclassified to profit or loss								
Gains/(losses) from investments in equity instruments measured at fair value	(100,972,029)	(100,972,029)	26,754,938	26,754,938	(97,637,079)	(97,637,079)	26,478,188	26,478,188
Gains/(losses) on revaluation					-	-	-	-
Actuarial gain/(losses) on defined benefit plans		-	-	-	-	-	-	-
Income Tax relating to above items	30,291,609	30,291,609	(8,026,481)	(8,026,481)	29,291,124	29,291,124	(7,943,456)	(7,943,456)
Net other comprehensive income that will not be reclassified to profit or loss	**(70,680,421)**	**(70,680,421)**	**18,728,457**	**18,728,457**	**(68,345,956)**	**(68,345,956)**	**18,534,732**	**18,534,732**
b) Items that will 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	**(70,680,421)**	**(70,680,421)**	**18,728,457**	**18,728,457**	**(68,345,956)**	**(68,345,956)**	**18,534,732**	**18,534,732**
Total comprehensive income for the period	**1,818,342,728**	**1,818,342,728**	**1,706,790,431**	**1,706,790,431**	**1,790,303,756**	**1,790,303,756**	**1,530,674,435**	**1,530,674,435**
Profit attributable to:								
Equity holders of the Bank	1,798,586,087	1,798,586,087	1,664,612,620	1,664,612,620	1,790,303,756	1,790,303,756	1,530,674,435	1,530,674,435
Non-controlling interest	19,756,641	19,756,641	42,177,811	42,177,811				
Total	**1,818,342,728**	**1,818,342,728**	**1,706,790,431**	**1,706,790,431**	**1,790,303,756**	**1,790,303,756**	**1,530,674,435**	**1,530,674,435**
Earnings per share								
Basic earnings per share		19.82		18.69		19.51		16.74
Annualized Basic earnings per share		19.82		18.69		19.51		16.74
Diluted earnings per share		19.82		18.69		19.51		16.74

Ratios as per NRB Directive

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital fund to RWA		12.88%		12.37%		12.98%		12.46%
Tier 1 Capital to RWA		10.34%		9.92%		10.41%		10.00%
CET 1 Capital to RWA		10.34%		9.92%		10.41%		10.00%
Non-performing Loan (NPL) to Total Loan		5.00%		4.69%		4.98%		4.67%
Net Non-performing Loan to Total Loan		0.93%		1.73%		0.95%		1.74%
Total Loan Loss Provision to Total NPL		110.23%		96.61%		109.63%		96.23%
Cost of Funds		3.92%		5.50%		3.92%		5.50%
Credit to Deposit Ratio (As per NRB Directives)		73.34%		76.80%		73.34%		76.80%
Base Rate		5.40%		7.29%		5.40%		7.29%
Interest Rate Spread		3.48%		3.96%		3.48%		3.96%
Return on Equity		10.82%		10.43%		11.01%		9.76%
Return on Assets		1.04%		1.06%		1.05%		0.98%

Statement of Distributable Profit or Loss

For the quarter end of 31st Ashwin 2082 (17/10/2025)
(As per NRB Regulation)

Amount in NPR

	Current Year	Previous Year
	Upto this Quarter YTD	**Corresponding Quarter YTD**
Net Profit or (Loss) as per statement of Profit & Loss	**1,858,649,712**	**1,512,139,704**
Appropriations:		
a. General Reserve	(371,729,942)	(302,427,941)
b. Foreign Exchange Fluctuation Fund	(2,233,485)	(1,583,443)
c. Capital Redemption Reserve	(156,944,444)	(156,944,444)
d. Corporate Social Responsibility Fund	(16,694,676)	-
e. Employees Training Fund	(11,537,175)	(3,081,579)
f. Others	-	-
Profit or (Loss) before regulatory adjustment	**1,299,509,989**	**1,069,547,684**
Regulatory Adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(380,590,664)	(66,320,310)
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 (-)/reversal (+)	82,712	497,676,401
e. Deferred tax assets recognised (-)/ reversal (+)	(96,150,572)	(91,520,709)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other	(28,224,448)	21,445,389
Net Profit for the Qtr end Ashwin 2082 available for distribution	**794,627,017**	**1,409,383,066**
Opening Retained Earning as on Shrawan 1	**4,054,879,099**	**506,718,018**
Adjustment (+/-)	-	-
Distribution:		
Bonus shares issued	-	-
Cash Dividend Paid	-	-
Total Distributable profit or (loss) as on Qtr end date	**4,849,506,116**	**1,916,101,084**
Annualised Distributable Profit/Loss per share	**22.95**	**14.24**

Global IME Bank Ltd
Condensed Consolidated Statement of Changes in Equity
For the period ended 31st Ashwin 2082 (17/07/2025 to 17/10/2025)
Group
Attributable to Equity Holders of Bank

Amount in NPR

	Share Capital	General Reserve Fund	Exchange Equalization Fund	Regulatory Reserve	Fair Value Reserve	Accumulated Profit/Loss	Other Reserve	Non-Controlling Interest	Total Equity
Balance as at Shrawan 1, 2082	**38,115,852,616**	**13,775,567,306**	**335,018,238**	**6,522,369,075**	**994,056,494**	**5,181,270,867**	**3,270,424,900**	**686,311,598**	**68,880,871,095**
Opening restatement		-	-	-	-	(278,608,191)	244,417,530	(5,772,891)	**(39,963,552)**
Profit for the period	-	-	-	-	-	1,867,630,389	-	20,188,517	1,887,818,906
Other Comprehensive income	-	-	-	-	(70,248,545)	-	-	(431,876)	(70,680,421)
Total comprehensive income	**-**	**-**	**-**	**-**	**(70,248,545)**	**1,867,630,389**	**-**	**19,756,641**	**1,817,138,486**
Transfer to reserve during the period									-
General Reserve Fund	-	378,878,078	-	-	-	(378,878,078)	-	5,287,730	5,287,730
Exchange Fluctuation Fund	-	-	2,233,485	-	-	(2,233,485)	-	-	-
Corporate Social Responsibility Fund	-	-	-	-	-	(17,052,083)	15,902,206	(164,535)	(1,314,412)
Customer Protection Fund	-	-	-	-	-	(536,110)	(650,105)	(480,906)	(1,667,121)
Deferred Tax Reserve	-	-	-	-	-	(42,769,741)	42,769,741	9,708,469	9,708,469
Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-
Regulatory reserve	-	-	-	483,646,622	-	(483,646,622)	-	5,169,345	5,169,345
Training Reserve	-	-	-	-	-	(11,537,175)	11,537,175	-	-
Debenture Redemption Reserve	-	-	-	-	-	(156,944,444)	156,944,444	-	-
Capital Reserve	-	-	-	-	-	-	-	-	-
Fair Value Reserve	-	-	-	-	-	-	-	-	-
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-		-
Dividend to equity holders									
Transfer from acquired entity			-	-	-				-
Bonus shares Issued	-	-	-	-	-	-	-		-
Cash Dividend Paid	-	-	-	-	-	-	-		-
Balance as at Ashwin 31, 2082	**38,115,852,616**	**14,154,445,384**	**337,251,723**	**7,006,015,697**	**923,807,950**	**5,676,695,326**	**3,741,345,891**	**719,815,451**	**70,675,230,038**

Bank
Attributable to Equity Holders of Bank

Amount in NPR

	Share Capital	General Reserve Fund	Exchange Equalization Fund	Regulatory Reserve	Fair Value Reserve	Accumulated Profit/Loss	Other Reserve	Total Shareholders' Funds
Balance as at Shrawan 1, 2081	**38,115,852,616**	**13,574,906,923**	**335,018,237**	**6,485,833,877**	**993,337,738**	**4,054,879,099**	**3,067,578,995**	**66,627,407,486**
Adjustments	-	-	-	-	-	-	-	-
Profit for the period						1,858,649,712		1,858,649,712
Other Comprehensive income					(68,345,956)		-	(68,345,956)
Total comprehensive income	**-**	**-**	**-**	**-**	**(68,345,956)**	**1,858,649,712**	**-**	**1,790,303,757**
Transfer to reserve during the period								
General Reserve Fund		371,729,942.50				(371,729,942)		-
Exchange Fluctuation Fund			2,233,485			(2,233,485)		-
Corporate Social Responsibility Fund						(16,694,676)	16,694,676	-
Investment Adjustment Reserve						-		-
Regulatory reserve				476,658,524		(476,658,524)		-
Training Reserve						(11,537,175)	11,537,175	-
Fair Value Reserve		-			-	-		-
Interest Capitalised Reserve				28,224,448		(28,224,448)		-
Debenture Redemption Reserve						(156,944,444)	156,944,444	-
Capital Reserve						-	-	
Transactions with owners, directly recognised in equity								
Transfer from Merger	-	-	-	-	-	-	-	-
Dividend to equity holders								-
Bonus shares Issued	-					-	-	-
Cash Dividend Paid						-		-
Balance as at Ashwin 31, 2082	**38,115,852,616**	**13,946,636,865**	**337,251,722**	**6,990,716,849**	**924,991,782**	**4,849,506,117**	**3,252,755,290**	**68,417,711,242**

Global IME Bank Ltd
Condensed Consolidated Statement of Cash Flows
For the period ended 31st Ashwin 2082 (17/07/2025 to 17/10/2025)

Amount in NPR

	Group		Bank	
	Upto This Quarter	**Corresponding Previous Year Upto This Quarter**	**Upto This Quarter**	**Corresponding Previous Year Upto This Quarter**
	Rs	**Rs**	**Rs**	**Rs**
CASH FLOW FROM OPERATING ACTIVITIES				
Interest Received	7,720,267,771	9,078,377,129	7,414,119,479	8,763,278,234
Fees and Other Income Received	1,213,519,692	1,175,620,141	1,111,574,558	1,075,758,621
Dividend received	11,039,274	-	-	-
Receipts from other operating activities	541,422,697	227,553,244	508,837,717	227,556,342
Interest Paid	(5,699,166,297)	(7,058,715,549)	(5,681,307,153)	(6,996,994,916)
Commission and Fees Paid	(209,628,675)	(193,868,052)	(203,941,033)	(191,298,572)
Cash Payment to Employees	(1,420,741,982)	(1,267,863,317)	(1,318,228,806)	(1,172,255,055)
Other Expenses Paid	(643,852,292)	(666,764,163)	(604,162,510)	(635,165,350)
Operating cash flows before changes in operating assets and liabilities	**1,512,860,189**	**1,294,339,433**	**1,226,892,252**	**1,070,879,304**
(Increase) / Decrease in operating assets				
Due from Nepal Rastra Bank	(14,647,691,293)	2,072,026,597	(14,642,691,293)	2,072,026,597
Placements with Bank and financial institutions	-	456,561,172	-	-
Other trading assets	(53,891,418)	(11,097,416)	-	-
Loans and advances to bank and financial institutions	(929,521,433)	(7,199,958)	(479,559,483)	4,053,261
Loans and advances to customers	(11,247,496,335)	(28,222,375,363)	(10,991,482,302)	(27,725,748,322)
Other assets	(7,520,758,620)	48,540,628	(8,114,352,750)	27,385,735
	(34,399,359,099)	**(25,663,544,340)**	**(34,228,085,828)**	**(25,622,282,729)**
Increase / (Decrease) in operating liabilities				
Due to Nepal Rastra Bank	-	-	-	-
Due to bank and financial institutions	2,657,562,347	(523,047,830)	2,186,415,311	(760,453,247)
Deposit from customers	31,035,155,398	25,084,135,491	31,626,015,280	25,484,728,853
Borrowings	(2,159,024,863)	(1,260,413,498)	(2,159,024,863)	(1,260,413,498)
Other liabilities	9,068,245,663	(528,529,501)	9,061,537,759	(541,569,636)
	40,601,938,545	**22,772,144,662**	**40,714,943,487**	**22,922,292,472**
Net cash flow from operating activities before tax paid	**7,715,439,634**	**(1,597,060,245)**	**7,713,749,911**	**(1,629,110,953)**
Income taxes paid	(184,790,188)	(35,046,406)	(139,473,553)	(10,876,227)
Net cash flow from operating activities	**7,530,649,446**	**(1,632,106,651)**	**7,574,276,358**	**(1,639,987,180)**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investment securities	(13,513,687,233)	-	(13,521,013,960)	-
Receipt from sale of investment securities	-	7,115,247,316	-	7,115,247,316
Purchase of property and equipment	(70,998,840)	(86,552,625)	(69,495,486)	(85,012,004)
Receipt from sale of property and equipment	-	-	-	-
Purchase of intangible assets	(6,591,752)	(7,050,217)	(6,591,752)	(7,050,217)

Receipt from sale of intangible assets	-	-	-	-
Purchase of investment properties	166,189	(281,194,121)	166,189	(281,194,121)
Receipt from sale of investment properties	-	-	-	-
Interest received	1,911,177,023	1,696,640,941	1,911,177,023	1,766,249,701
Dividend received	76,483,531	-	76,483,531	-
Net cash used in investing activities	**(11,603,451,082)**	**8,437,091,294**	**(11,609,274,455)**	**8,508,240,675**
CASH FLOW FROM FINANCING ACTIVITIES				
Receipt from issue of debt securities	-	-	-	-
Repayment of debt securities	-	-	-	-
Receipt from issue of subordinated liabilities	-	-	-	-
Repayment of subordinated liabilities	-	-	-	-
Receipt from isssue of shares	-	-	-	-
Dividend paid	(98,783,000)	(48,176)	-	(48,176)
Interest paid	(578,427,248)	(622,286,644)	(505,913,710)	(542,650,736)
Other receipt/payment	-	-	-	-
Net cash from financing activities	**(677,210,248)**	**(622,334,820)**	**(505,913,710)**	**(542,698,912)**
Net increase/(decrease) in cash and cash equivalents	(4,750,011,884)	6,182,649,823	(4,540,911,807)	6,325,554,583
Cash and Cash Equivalents as at 1st Shrawan	**53,053,088,913**	**50,221,064,720**	**52,688,974,287**	**49,795,644,082**
Effect of exchange rate fluctuation on cash & cash equivalents	8,933,939	6,333,773	8,933,939	6,333,773
Cash and Cash Equivalents as at Ashadh End	**48,312,010,968**	**56,410,048,315**	**48,156,996,419**	**56,127,532,438**

Notes to the Interim Financial Statements

1. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated.

2. Statement of Compliance with NFRSs

The Interim Financial Statement of Group which comprises of Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Profit or Loss and Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows, Notes to the Consolidated Interim Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards as issued by the Nepal Accounting Standard Board and carve out issued by The Institute of Chartered Accountants of Nepal and in compliance with the requirements of the Companies Act ,2006 and directives issued by Nepal Rastra Bank.

The format used in the preparation and presentation of the interim Financial Statements and disclosures made therein also complies with the specified formats prescribed in the directives of Nepal Rastra Bank. Bank and its subsidiaries have adopted the uniform accounting policies for all like transactions.

3. Use of estimates, assumptions and judgments

In preparing the Interim Financial Statements of the Group in conformity with NFRSs and NASs, the management has made judgments, estimates and assumptions which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

4. Change in accounting policies

The Interim Financial Statements have been prepared on the basis of accounting policies set out on NFRSs that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. An entity shall select and apply its accounting policies consistently for similar transactions, other events and conditions, unless a NFRS specifically requires or permits categorization of items for which different policies may be appropriate. An entity shall change an accounting policy only if the change

a. is required by NFRSs or;

a. results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

5. Significant accounting Policies

a. Basis of Measurement

The financial statements have been prepared under the historical cost convention, except for following material items stated in the Consolidated Statement of Financial Position:

- Fair value and impairment of financial instruments.

- Defined Benefit Obligation where, net liability for defined benefit obligations are recognized as the present value of the defined benefit obligation, less total of the plan assets, plus recognized actuarial gains, less recognized past service cost and recognized actuarial losses.

b. Basis of Consolidation

i. Subsidiaries

Subsidiaries are entities that are controlled by the bank. The bank is presumed to control an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. At each reporting date the Bank reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more elements of control mentioned above. The Financial Statements of subsidiaries are fully consolidated from the date on which control is transferred to the bank and continue to be consolidated until the date when such control ceases. The Financial Statements of the bank's subsidiaries are prepared for the same reporting period as per the bank, using consistent accounting policies.

ii. Associates

An associate is an entity over which the Bank has significant influence but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over these policies. The Bank's investments in associates, are accounted at cost as per NAS 28 "Investment in Associates and Joint Ventures" and with the principles of NAS 27 "Separate Financial Statements" and carve out issued by Institute of Chartered Accountants of Nepal.

iii. Non-Controlling Interest

Nepal Accounting Standard defines non-controlling interest as "the equity in a subsidiary not attributable, directly or indirectly, to a parent". The similar term "minority interest" was previously used in standards. Non-Controlling Interest (NCI) refers to ownership of a company which does not give the shareholder the control of the company.

c. Cash and Cash Equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with Nepal Rastra Bank and amounts due from financial institutions.

d. Financial Instruments- Initial recognition and subsequent measurement

Financial Instruments are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

e. Loans and advances to customers and BFIs

Loans and advances to customers and BFIs comprises of non-derivative financial assets with fixed or determinable payments that are not quoted in an active market which includes short term lending, term based lending, hire purchase lending, mortgage lending, personal lending loans to employees and others. Loans and advances to customers, BFIs and loans to employees are measured at amortized cost and are presented net of impairment charges and includes accrued interest thereon. The Bank, following regulatory backstop as mentioned in Clause 16 of "NFRS 9- Expected Credit Loss Related Guidelines, 2024" has recognize impairment on credit exposures as the HIGHER of total ECL calculated as per NFRS 9 and existing regulatory provisions of Unified Directives issued by Nepal Rastra Bank. The impairment measured in this quarter is as per the existing regulatory provisions.

f. Investment Securities

Investment securities are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the Effective Interest Rate (EIR) less impairment. Investment in quoted equities, unquoted equities and quoted mutual fund units are initially recognized at cost plus directly attributable transaction costs and subsequently measured at fair value through other comprehensive income. All the listed ordinary equity shares are measured at fair value using Level 1 input as described in NAS 13 "Fair Value Measurement". Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

g. Property and Equipment

Property and equipment is stated at cost excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

The Bank has recognized a right of use of asset as per NFRS 16 Leases. The right to use of assets is the present value of the total lease payments up to the contract date from the start of contract inclusive of any increments on the payment of the rent. The right to use of assets is depreciated over the lease term on straight line basis. The net value after the depreciation is shown under property and equipment.

The present value has been derived using the discount rate equal to the Group's incremental borrowing rate. The Bank has applied cost model after initial recognition on commencement date and subsequent measurement. The Group has measured the right-of-use asset at cost:

a. Less accumulated depreciation and accumulated impairment and
b. Adjusted for any re-measurement of lease liabilities if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Banks' incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

h. Goodwill and Intangible Assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the bank. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.
The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquire, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When excess is negative, a bargain purchase gain is recognized immediately in profit or loss, if controlling power is acquired. The changes in parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions.

i. Investment Property

Non-Banking Assets which are acquired as part of recovery of loans are classified as investment property and are carried at cost. The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the repossessed value. Land and Building of repossessed collateral are classified as investment property.

j. Derivative assets and derivative liabilities

Derivatives are financial instruments that derive their value in response to changes in interest rates, financial instrument prices and foreign exchange rates. Derivatives are categorized as trading unless they are designated as hedging instruments. All derivatives are initially recognized and subsequently measured at fair value, with all revaluation gains recognized in income statement

k. Income Tax

Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are rates applicable as per Income Tax Act 2058. Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

l. Deposits from Customers

Deposits are the balance accepted by bank from the individuals, corporate entities, financial institution and other organized institutions. Deposits are measured at amortized cost. Amortized cost for deposits are the same values in which the Bank have accepted the deposits from the individuals, corporate entities, financial institution and other organized institutions. No any additional cost is incurred in accepting the deposit which would affect the effective interest rate.

m. Debt securities issued

Debt securities are financial liabilities accepted by Bank as long term liabilities. These debt securities are measured at amortized cost using the effective interest rate.

n. Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

o. Capital and Reserves

Ordinary share capital represents the par value of ordinary shares issued. Share premium represents the excess consideration received by the bank over the par value of ordinary shares issued, and is classified as equity. Statutory reserves represent the mandatory reserves maintained by the bank as per Nepal Rastra Bank directives. This includes general reserve, exchange equalization reserve, capital redemption reserve, investment adjustment reserve, interest capitalized reserves, corporate social responsibility reserve, training and development reserve and other reserves as notified by Nepal Rastra Bank. These reserves are not available for distribution of dividend to the shareholders.

Retained earnings represents the cumulative net earnings or profit after accounting for dividends to shareholders and mandatory reserves required as per directives issued by Nepal Rastra Bank before distributing dividend.

p. Contingent Liabilities

Contingent liabilities are possible obligations that arise out of past events and whose existence will be confirmed only by the occurrence of or non-occurrence of one or more uncertain future events not wholly within the control of the Bank. These can also be present obligations that arise from past events but they are not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are measured with the provisions of as defined in Nepal Accounting Standard- NAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

q. Revenue Recognition

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Fees and commission income earned from services that are provided over a certain period of time which includes fees and commission collected from issuance of letter of credit, guarantees, and other related fees are recognized on time proportion basis. Dividend income from assets is recognized when the bank's right to receive the payment is established. Interest on fully impaired loans have not been recognized as interest income.

r. Interest Expenses

Interest expense is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability. Expenses for promotion and incentives provided to bring the deposits are not included in the calculation of EIR because of the immaterial nature and allocation of the cost to individual deposit is not feasible.

s. Personnel Expenses

The cost of all short-term employee benefits is recognized as an expense during the period in which the employee renders the related service. Annual staff bonus of 10% have been computed as per Bonus Act on the profit for the period before tax and bonus.

t. Other Operating Expenses

Other Operating expenses are incurred and accounted on an accrual basis and are charged to income statement unless those expenses form the capital nature.

u. Depreciation and Amortization

Property and equipment are depreciated from the subsequent month of assets being put to use, while no depreciation is charged in the month of disposal, at the determined rates on a straight line basis over the periods appropriate to the estimated useful lives of asset's future economic benefits are expected to be consumed by the bank. Leased assets are amortized over the period lease term. Freehold lands are not depreciated as they are non-depreciable assets.

v. Income Tax Expenses

Current tax comprises the expected tax payable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. Accordingly, provision for taxation is based on the profit for the period adjusted for taxation purpose in accordance with the provisions of the Income Tax Act.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.
-

w. Earnings Per Share

The bank presents basic and diluted Earnings per Share (EPS) for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the net profit for the period attributable to ordinary equity holders of Bank by the weighted average number of ordinary shares outstanding during the period. Diluted Earnings per Share is determined by adjusting both the profit attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares if any.

6. Segment Information

Chief operating decision maker uses the branch wise information to make the decision. This information is generated on a daily basis. The bank has already established the province office which will monitor their respective branches.

A. Information about reportable segments

An operating segment is a component that engages in business activities from which it earns revenue and incurs expense, including revenues and expenses that relating to transaction with any of groups other components, whose operating results are reviewed by management.

Amount in NPR

Particulars	Province 1		Madhesh Province		Bagmati Province		Gandaki Province	
	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter
Revenue from external customers	825,730,330	969,014,730	705,734,811	881,883,135	3,264,392,205	3,553,245,325	565,716,624	600,082,231
Intersegment revenues	72,177,430	68,636,941	50,058,768	40,192,675	1,812,722,670	1,802,856,017	205,200,187	194,156,060
Gross Revenues	**897,907,759**	**1,037,651,670**	**755,793,579**	**922,075,810**	**5,077,114,875**	**5,356,101,341**	**770,916,811**	**794,238,291**
Segment profit/(loss) before tax	**71,918,465**	**364,626,981**	**96,505,060**	**189,927,570**	**951,301,098**	**1,319,930,830**	**151,238,973**	**131,025,267**
Segment assets	41,174,163,519	38,851,129,215	33,826,069,617	33,747,489,749	139,491,728,883	130,217,703,006	26,685,703,047	23,474,484,581
Segment liabilities	32,635,807,095	28,386,172,500	25,673,618,045	22,693,999,952	313,049,602,038	267,645,774,930	42,576,567,874	34,743,681,716

Particulars	Lumbini Province		Karnali Province		Sudur Paschim Province		All Other		Total	
	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter
Revenue from external customers	1,051,075,650	1,273,102,154	121,577,640	130,347,943	359,812,832	388,527,143	5,132,119,661	5,171,820,961	12,026,159,752	12,968,023,621
Intersegment revenues	363,878,279	340,392,436	32,827,530	32,532,296	75,262,811	67,474,267	1,025,607,857	1,147,585,903	3,637,735,532	3,693,826,595
Gross Revenues	**1,414,953,929**	**1,613,494,590**	**154,405,170**	**162,880,239**	**435,075,643**	**456,001,410**	**6,157,727,518**	**6,319,406,863**	**15,663,895,284**	**16,661,850,215**
Segment profit/(loss) before tax	**(118,237,031)**	**170,768,642**	**18,581,094**	**27,035,911**	**(56,374,515)**	**124,265,538**	**1,374,201,420**	**(179,728,491)**	**2,489,134,565**	**2,147,852,247**
Segment assets	49,177,859,875	49,080,283,354	5,265,740,790	4,702,324,014	16,303,922,319	14,397,652,361	332,780,624,922	332,780,624,922	644,705,812,973	627,251,691,201
Segment liabilities	74,254,957,296	62,324,199,746	7,821,528,576	6,268,528,335	18,326,005,494	15,815,365,193	126,436,146,751	126,436,146,751	640,774,233,168	564,313,869,123

B. Reconciliation or reportable segment profit or loss

Amount in NPR

Particulars	Current Quarter	Corresponding Previous Year Quarter
Total Profit before tax for reportable segments	2,489,134,565	2,147,852,247
Profit before tax for other segments	-	-
Elimination of inter-segment profit	-	-
Unallocated amounts	-	-
Profit before tax	**2,489,134,565**	**2,147,852,247**

7. Concentration of Borrowings, Credits and Deposits

A. Concentration of Borrowings

Particulars	Current Quarter	Previous Year ending
Borrowing from 10 largest lenders	10,631,965,955	12,801,681,185
Borrowings from 10 largest lenders to total depositors	1.75%	2.23%

B. Concentration of Credit exposures

Particulars	Current Quarter	Previous Year ending
Total Exposures to 20 largest Borrowers		
a. As per Group (Related party)	71,863,823,409	69,290,608,735
b. As per individual customer	43,174,087,009	41,978,055,772
% of Exposures to 20 largest borrowers to Total Loans and Advances		
a. As per Group (Related party)	15.89%	15.73%
b. As per individual customer	9.55%	9.53%

C. Concentration of Deposits

Particulars	Current Quarter	Previous Year ending
Total deposits from 20 largest depositors		
a. Group Wise	102,075,294,599	98,401,468,545
b. As per individual customer	102,075,294,599	98,401,468,545
% of Deposits from 20 largest depositors to Total Deposits		
a. Group Wise	16.76%	17.11%
b. As per individual customer	16.76%	17.11%

8. Related Parties Disclosures

The bank carries out transactions in the ordinary course of business with the parties who are defined as related parties in the Nepal Accounting Standard – NAS 24 (Related Party Disclosures), the details of which are reported below:

Key Management Personnel

All the Board of Directors and Chief Executive Officer are referred to as Key Management Personnel

Amount in NPR

Short term employment benefits	**4,401,900**
-salaries and allowances	4,212,000
-post employment benefits	189,900
Director's fees and expenses	**1,550,866**

Entities where control exists

Global IME Capital Ltd, Global IME Laghubitta Bittiya Sanstha Ltd. and Global IME Securities Ltd. are subsidiaries where the bank exercises its control.

Amount in NPR

Global IME Capital Ltd	
-loans and receivables	-
-deposits	631,609,137
For the year ended	
-interest paid on deposit	3,521,855
-interest received on loans	
Global IME Laghubitta Bittiya Sanstha Ltd	-
-loans and receivables	3,628,393,528
-deposits	24,151,086
For the year ended	
-interest paid on deposit	-
-interest received on loans	50,748,746
-other expenses	-
Global IME Securities Limited	-
-loans and receivables	-
-deposits	23,992,438
For the year ended	-
-interest paid on deposit	131,675
-dividend received	-

Entities where Significant Influence exists

Mero Microfinance Bittiya Sanstha Ltd, First Microfinance Development Bank, RSDC Laghubitta Bittiya Sanstha Ltd, Chhimmek Laghubitta Bittiya Sanstha Ltd, Nepal Infrastructure Bank Ltd, Banking, Finance and Insurance Institute of Nepal, National Banking Training Institute and SmartChoice Technologies Ltd are the associates' entities where significant influence are exercised by the Bank.

Amount in NPR

Mero Microfinance Bittiya Sanstha Ltd	
-loans and receivables	1,203,317,442
-deposits	15,334,469
For the year ended	-
-interest paid on deposit	9,926
-interest received on loans	20,572,392
First Micro Finance Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	919,944,548
-deposits	182,687,640
For the year ended	-
-interest paid on deposit	75,291
-interest received on loans	14,522,157
Chhimmek Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	357,295,569
-deposits	707,697,190
For the year ended	
-interest paid on deposit	3,011,092
-interest received on loans	5,816,071
RSDC Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	954,676,890
-deposits	17,296,827
For the year ended	
-interest paid on deposit	-
-interest received on loans	9,315,188

9. Dividends proposed (aggregate or per share) separately for ordinary shares and other shares

Cash dividend of 8% for FY 2081-82 has been proposed to shareholders for approval from the Annual General Meeting of the bank to be held on 12th November 2025.

10. Liquidity Ratios

Bank has maintained Average Cash Reserve ratio(CRR) of 5.28%, Average monthly Statutory Liquidity Ratio(SLR) of 33.78% and Net Liquid Assets ratio of 39.56% as of Ashwin end,2082.

11. Events after reporting Period

Apart from the damage of some physical assets during the Zen G demonstration in 23rd and 24th Bhadra 2082, there are no events or conditions that could have material impact on bank's cash flow, profit and balance sheet.