INTERIM FINANCIAL STATEMENTS AS ON 30th POUSH 2082 (14th JANUARY 2026) (2ND QUARTER FY 2082-83)

Global IME Bank Ltd
Condensed Consolidated Statement of Financial Position
As on 30th Poush 2082 (14/01/2026)

Amount in NPR

	Group		Bank	
Assets	**This Quarter Ending**	**Immediate Previous Year Ending**	**This Quarter Ending**	**Immediate Previous Year Ending**
Cash and Cash Equivalents	54,846,562,816	53,053,088,913	54,554,049,611	52,688,974,287
Due from Nepal Rastra Bank	51,869,550,711	22,189,468,521	51,819,550,711	22,144,468,521
Placements with BFIs	-	-	-	-
Derivative Financial Instruments	13,343,076,798	11,071,926,976	13,343,076,798	11,071,926,976
Other Trading Assets	1,647,646,180	1,544,461,768	-	-
Loans and Advances to BFIs	12,466,121,342	12,314,273,736	16,169,007,340	15,787,163,343
Loans and Advances to Customers	443,267,091,122	419,852,566,927	432,967,256,179	410,113,933,500
Investment Securities	153,409,614,342	148,846,164,171	153,407,414,342	148,805,835,221
Current Tax Assets	1,420,783,254	2,647,578,735	1,353,859,534	2,441,471,189
Investment in Subsidiaries	-	-	728,395,250	728,395,250
Investment in Associates	2,074,421,996	2,016,153,875	1,395,771,273	1,395,771,273
Investment Property	6,010,231,877	6,067,606,415	5,998,786,233	6,056,160,771
Property and Equipment	8,094,460,780	8,392,718,704	7,975,923,083	8,264,147,405
Goodwill and Intangible Assets	854,831,053	868,203,425	853,157,896	865,927,941
Deferred Tax Assets	1,215,629,677	815,558,312	1,167,329,051	778,987,033
Other Assets	6,794,574,593	8,038,756,779	6,563,015,398	7,716,222,322
Total Assets	**757,314,596,542**	**697,718,527,257**	**748,296,592,699**	**688,859,385,032**
Liabilities				
Due to BFIs	31,053,855,349	24,383,936,432	29,679,515,146	24,423,550,333
Due to Nepal Rastra Bank	311,103,421	331,843,649	311,103,421	331,843,649
Derivative Financial Instruments	13,400,251,413	11,072,389,917	13,400,251,413	11,072,389,917
Deposit from Customers	608,971,847,132	553,746,057,659	605,880,278,372	550,628,587,849
Borrowings	10,331,990,792	13,905,641,037	10,331,990,792	12,416,419,704
Current Tax Liabilities	1,771,852,329	2,786,419,163	1,769,981,620	2,628,672,188
Provisions	-	-	-	-
Deferred tax Liabilities	839,856,794	916,871,137	839,856,794	904,118,600
Other Liabilities	10,826,226,006	11,007,180,657	8,581,491,516	9,139,078,797
Debt Securities Issued	10,688,747,716	10,687,316,510	10,688,747,716	10,687,316,510
Subordinated Liabilities	-	-	-	-
Total Liabilities	**688,195,730,952**	**628,837,656,162**	**681,483,216,790**	**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	3,354,911,338	5,181,270,867	2,426,675,175	4,054,879,099
Reserves	26,950,357,613	24,897,436,013	26,270,848,118	24,456,675,770
Total Equity attributable to equity holders	**68,421,121,566**	**68,194,559,497**	**66,813,375,909**	**66,627,407,485**
Non Controlling Interest	697,744,022	686,311,598		
Total Equity	69,118,865,589	68,880,871,095	66,813,375,909	66,627,407,485
Total Liabilities and Equity	**757,314,596,542**	**697,718,527,257**	**748,296,592,699**	**688,859,385,032**
Net Assets Value Per Share			**175.29**	**174.80**

Global IME Bank Ltd
Condensed Consolidated Statement of Profit or Loss
For the period ended 30th Poush 2082 (17/07/2025 to 14/01/2026)

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	10,118,167,785	20,758,865,567	11,071,356,601	22,944,742,502	9,766,049,993	20,087,055,123	11,023,330,882	22,682,599,408
Interest Expenses	5,968,565,943	12,248,649,414	6,678,070,982	14,295,289,463	5,876,796,152	12,064,738,323	6,843,777,147	14,384,074,440
Net interest income	4,149,601,843	8,510,216,153	4,393,285,618	8,649,453,039	3,889,253,841	8,022,316,801	4,179,553,736	8,298,524,968
Fee and commission income	1,187,788,878	2,401,279,121	1,003,604,721	2,126,311,504	1,125,686,453	2,237,261,011	968,515,386	2,044,274,008
Fees and commission expenses	283,953,458	493,582,133	254,197,775	448,065,826	277,064,762	481,005,795	252,530,553	443,829,125
Net fee and commission income	**903,835,420**	**1,907,696,988**	**749,406,946**	**1,678,245,678**	**848,621,691**	**1,756,255,216**	**715,984,834**	1,600,444,883
Net interest, fee and commission income	**5,053,437,263**	**10,417,913,141**	**5,142,692,565**	**10,327,698,717**	**4,737,875,532**	**9,778,572,016**	**4,895,538,569**	9,898,969,852
Net Trading Income	344,775,268	515,830,730	209,906,788	551,279,229	268,222,248	552,488,147	206,797,343	376,621,863
Other Operating Income	360,992,203	569,062,039	66,479,691	181,958,666	348,623,803	539,871,747	45,785,214	108,350,810
Total operating income	**5,759,204,734**	**11,502,805,910**	**5,419,079,043**	**11,060,936,612**	**5,354,721,583**	**10,870,931,910**	**5,148,121,127**	10,383,942,524
Impairment charge/(reversal) for loans and other losses	1,540,083,367	2,590,215,140	1,152,150,916	2,233,877,124	1,419,182,309	2,430,170,052	1,131,971,809	2,203,748,202
Net Operating Income	**4,219,121,367**	**8,912,590,770**	**4,266,928,127**	**8,827,059,488**	**3,935,539,273**	**8,440,761,858**	**4,016,149,318**	8,180,194,323
Operating Expenses								
Personnel Expenses	1,315,109,422	2,745,736,872	1,230,207,656	2,516,191,145	1,222,793,003	2,541,021,809	1,139,542,599	2,311,797,654
Other Operating Expenses	620,965,493	1,263,206,461	647,881,421	1,313,503,291	591,676,868	1,194,596,328	615,386,384	1,249,409,438
Depreciation and Amortization	220,775,334	437,902,869	207,628,946	424,885,365	216,378,717	428,816,764	204,495,972	414,768,325
Operating profit	**2,062,271,119**	**4,465,744,568**	**2,181,210,104**	**4,572,479,688**	**1,904,690,685**	**4,276,326,957**	**2,056,724,363**	4,204,218,905
Non-operating income	-	118,741,343	8,697,299	22,518,294	-	118,741,343	2,480,549	3,980,549
Non-operating expense	5,080,597	6,465,241	1,306,493	2,448,789	4,297,211	5,540,261	1,296,493	2,438,789
Profit before income tax	**2,057,190,522**	**4,578,020,670**	**2,188,600,910**	**4,592,549,193**	**1,900,393,475**	**4,389,528,039**	**2,057,908,419**	4,205,760,666
Income Tax Expense								
Current tax	875,582,856	1,655,018,152	625,632,905	1,300,991,471	855,304,195	1,581,939,619	583,753,885	1,237,565,627
Deferred tax	(325,565,883)	(473,194,179)	(74,166,840)	(33,639,097)	(348,377,868)	(444,528,439)	(67,194,664)	(85,293,863)
Profit/(Loss) for the period	**1,507,173,548**	**3,396,196,697**	**1,637,134,845**	**3,325,196,819**	**1,393,467,147**	**3,252,116,859**	**1,541,349,198**	3,053,488,901

Consolidated Statement of Other Comprehensive Income

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)
Profit or loss for the period	1,507,173,548	3,396,196,697	1,637,134,845	3,325,196,819	1,393,467,147	3,252,116,859	1,541,349,198	3,053,488,901
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	75,909,272	(25,062,758)	228,789,428	255,544,366	73,522,472	(24,114,608)	227,774,678	254,252,866
Gains/(losses) on revaluation					-	-	-	-
Actuarial gain/(losses) on defined benefit plans		-	-	-	-	-	-	-
Income Tax relating to above items	(21,931,779)	8,359,829	(68,636,828)	(76,663,310)	(21,215,739)	8,075,384	(68,332,403)	(76,275,860)
Net other comprehensive income that will not be reclassified to profit or loss	**53,977,492**	**(16,702,928)**	**160,152,599**	**178,881,056**	**52,306,732**	**(16,039,223)**	**159,442,274**	**177,977,006**
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	**53,977,492**	**(16,702,928)**	**160,152,599**	**178,881,056**	**52,306,732**	**(16,039,223)**	**159,442,274**	**177,977,006**
Total comprehensive income for the period	**1,561,151,041**	**3,379,493,769**	**1,797,287,444**	**3,504,077,875**	**1,445,773,879**	**3,236,077,635**	**1,700,791,472**	**3,231,465,907**
Profit attributable to:								
Equity holders of the Bank	1,529,262,806	3,327,848,893	1,760,000,831	3,424,613,450	1,445,773,879	3,236,077,635	1,700,791,472	3,231,465,907
Non-controlling interest	31,888,235	51,644,876	37,286,614	79,464,425				
Total	**1,561,151,041**	**3,379,493,769**	**1,797,287,444**	**3,504,077,875**	**1,445,773,879**	**3,236,077,635**	**1,700,791,472**	**3,231,465,907**
Earnings per share								
Annualized Basic earnings per share		17.82		17.45		17.06		16.02
Diluted earnings per share		17.82		17.45		17.06		16.02

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		12.08%		12.49%		12.17%		12.59%
Tier 1 Capital to RWA		9.64%		10.08%		9.71%		10.16%
CET 1 Capital to RWA		9.64%		10.08%		9.71%		10.16%
Non-performing Loan (NPL) to Total Loan		5.05%		4.88%		4.91%		4.86%
Net Non-performing Loan to Total Loan		0.91%		1.79%		0.88%		1.80%
Total Loan Loss Provision to Total NPL		113.07%		95.85%		114.12%		95.27%
Cost of Funds		3.73%		5.10%		3.73%		5.10%
Credit to Deposit Ratio (As per NRB Directives)		71.55%		78.53%		71.55%		78.53%
Base Rate		5.16%		6.95%		5.16%		6.95%
Interest Rate Spread		3.43%		3.98%		3.43%		3.98%
Return on Equity		9.79%		10.11%		9.75%		9.69%
Return on Assets		0.92%		1.03%		0.91%		0.98%

Statement of Distributable Profit or Loss

For the quarter end of 30th Poush 2082 (14/01/2026)
(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	**3,252,116,859**	**3,053,488,901**
Appropriations:		
a. General Reserve	(650,423,372)	(610,697,780)
b. Foreign Exchange Fluctuation Fund	(3,605,656)	(4,226,398)
c. Capital Redemption Reserve	(313,888,889)	(313,888,889)
d. Corporate Social Responsibility Fund	(28,937,768)	-
e. Employees Training Fund	(18,350,282)	(13,414,877)
f. Others	1,569,871	-
Profit or (Loss) before regulatory adjustment	**2,238,480,763**	**2,111,260,958**
Regulatory Adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(340,163,456)	586,389,705
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 (+)	28,555,308	278,116,782
e. Deferred tax assets recognised (-)/ reversal (+)	(444,528,440)	(352,227,250)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other	(61,279,890)	2,165,739
Net Profit for the Qtr end Poush 2082 available for distribution	**1,421,064,285**	**2,625,705,934**
Opening Retained Earning as on Shrawan 1	**4,054,879,099**	**506,718,018**
Adjustment (+/-)		
Distribution:		
Bonus shares issued	-	(487,082,364)
Cash Dividend Paid	(3,049,268,209)	-
Total Distributable profit or (loss) as on Qtr end date	**2,426,675,175**	**2,645,341,588**
Annualised Distributable Profit/Loss per share	**12.24**	**12.48**

Global IME Bank Ltd
Condensed Consolidated Statement of Changes in Equity
For the period ended 30th Poush 2082 (17/07/2025 to 14/01/2026)
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		-	-	-	-	(191,747,396)	189,416,980	(33,010,810)	**(35,341,225)**
Profit for the period	-	-	-	-	-	3,394,336,900	-	51,767,661	3,446,104,561
Other Comprehensive income	-	-	-	-	(17,421,145)	-	-	(122,785)	(17,543,930)
Total comprehensive income	**-**	**-**	**-**	**-**	**(17,421,145)**	**3,394,336,900**	**-**	**51,644,876**	**3,428,560,631**
Transfer to reserve during the period									-
General Reserve Fund	-	665,566,025	-	-	-	(665,566,025)	-	9,679,873	9,679,873
Exchange Fluctuation Fund	-	-	3,605,656	-	-	(3,605,656)	-	-	-
CSR Fund	-	-	-	-	-	(29,843,287)	28,905,556	275,857	(661,874)
Customer Protection Fund	-	-	-	-	-	(913,118)	501,762	371,171	(40,185)
Deferred Tax Reserve	-	-	-	-	-	(23,594,401)	23,594,401	5,355,784	5,355,784
Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-
Regulatory reserve	-	-	-	828,083,063	-	(828,083,063)	-	7,890,452	7,890,452
Training Reserve	-	-	-	-	-	(18,350,282)	18,350,282	-	-
Debenture Redemption Reserve	-	-	-	-	-	(313,888,889)	313,888,889	-	-
Capital Reserve	-	-	-	-	-	-	-	-	-
Fair Value Reserve	-	392,468	-	-	(1,962,338)	1,569,871	-	-	-
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-		-
Dividend to equity holders									
Transfer from acquired entity			-	-	-				-
Bonus shares Issued	-	-	-	-	-	(16,897,828)	-	(12,499,924)	(29,397,752)
Cash Dividend Paid	-	-	-	-	-	(3,129,776,354)	-	(18,274,855)	(3,148,051,209)
Balance as at Poush 30, 2082	**38,115,852,616**	**14,441,525,798**	**338,623,894**	**7,350,452,138**	**974,673,011**	**3,354,911,338**	**3,845,082,771**	**697,744,022**	**69,118,865,588**

Bank
Attributable to Equity Holders of Bank

Amount in NPR

	Share Capital	Share Premium	General Reserve Fund	Exchange Equalization Fund	Regulatory Reserve	Fair Value Reserve	Accumulated Profit/Loss	Other Reserve	Total Shareholders' Funds
Balance as at Shrawan 1, 2082	**38,115,852,616**	**0**	**13,574,906,923**	**335,018,237**	**6,207,930,276**	**993,337,738**	**4,054,879,099**	**3,345,482,595**	**66,627,407,485**
Adjustments	-		-	-	-	-	-	-	-
Profit for the period							3,252,116,859		3,252,116,859
Other Comprehensive income						(16,880,225)		-	(16,880,225)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(16,880,225)**	**3,252,116,859**	**-**	**3,235,236,633**
Transfer to reserve during the period									
General Reserve Fund			650,423,372				(650,423,372)		-
Exchange Fluctuation Fund				3,605,656			(3,605,656)		-
Corporate Social Responsibility Fund							(28,937,768)	28,937,768	-
Investment Adjustment Reserve							-		-
Regulatory reserve					756,136,587		(756,136,587)		-
Training Reserve							(18,350,282)	18,350,282	-
Fair Value Reserve			392,467.65			(1,962,338)	1,569,871		-
Interest Capitalised Reserve					61,279,890		(61,279,890)		-
Debenture Redemption Reserve							(313,888,889)	313,888,889	-
Transactions with owners, directly recognised in equity									
Dividend to equity holders									-
Bonus shares Issued	-						-	-	-
Cash Dividend Paid							(3,049,268,209)		(3,049,268,209)
Balance as at Poush 30, 2082	**38,115,852,616**	**-**	**14,225,722,762**	**338,623,893**	**7,025,346,754**	**974,495,174**	**2,426,675,175**	**3,706,659,533**	**66,813,375,909**

Global IME Bank Ltd
Condensed Consolidated Statement of Cash Flows
For the period ended 30th Poush 2082 (17/07/2025 to 14/01/2026)

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	15,992,522,099	19,035,298,583	15,733,607,041	18,876,278,525
Fees and Other Income Received	2,339,206,145	2,207,824,439	2,237,261,011	2,044,274,008
Dividend received	11,039,274	-	-	-
Receipts from other operating activities	913,096,521	465,832,684	880,511,541	465,832,660
Interest Paid	(11,053,703,407)	(13,078,260,523)	(11,083,077,497)	(13,341,689,317)
Commission and Fees Paid	(486,693,437)	(448,065,827)	(481,005,795)	(443,829,125)
Cash Payment to Employees	(2,643,534,985)	(2,483,856,262)	(2,541,021,809)	(2,311,797,654)
Other Expenses Paid	(1,239,826,371)	(1,315,952,077)	(1,200,136,589)	(1,251,848,227)
Operating cash flows before changes in operating assets and liabilities	**3,832,105,840**	**4,382,821,016**	**3,546,137,903**	**4,037,220,870**
(Increase) / Decrease in operating assets				
Due from Nepal Rastra Bank	(29,680,082,190)	(8,308,973,993)	(29,675,082,190)	(8,308,973,993)
Placements with Bank and financial institutions	-	-	-	-
Other trading assets	(53,891,418)	(60,636,107)	-	-
Loans and advances to bank and financial institutions	(1,106,364,479)	(400,144,441)	(544,507,170)	(337,620,305)
Loans and advances to customers	(24,826,589,974)	(40,215,844,247)	(24,570,575,941)	(39,293,596,274)
Other assets	(126,231,441)	(6,894,659,843)	(1,117,935,899)	(6,836,639,882)
	(55,793,159,502)	**(55,880,258,632)**	**(55,908,101,200)**	**(54,776,830,454)**
Increase / (Decrease) in operating liabilities				
Due to Nepal Rastra Bank	(20,740,228)	(20,740,228)	(20,740,228)	(20,740,228)
Due to bank and financial institutions	5,839,007,208	3,251,012,057	5,255,964,813	2,656,101,376
Deposit from customers	54,400,218,968	26,409,106,359	55,251,690,523	26,527,012,854
Borrowings	(2,084,428,912)	(1,837,999,948)	(2,084,428,912)	(1,837,999,948)
Other liabilities	1,776,982,119	6,361,839,596	1,770,274,215	6,308,673,966
	59,911,039,155	**34,163,217,836**	**60,172,760,411**	**33,633,048,020**
Net cash flow from operating activities before tax paid	**7,949,985,492**	**(17,334,219,779)**	**7,810,797,114**	**(17,106,561,564)**
Income taxes paid	(1,398,335,167)	(1,126,452,553)	(1,353,018,532)	(1,065,376,466)
Net cash flow from operating activities	**6,551,650,325**	**(18,460,672,332)**	**6,457,778,582**	**(18,171,938,030)**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investment securities	(4,621,170,342)	(1,200,000)	(4,628,497,069)	-
Receipt from sale of investment securities	-	4,057,300,149	-	4,057,300,149
Purchase of property and equipment	(121,574,823)	(172,603,811)	(120,071,469)	(169,417,464)
Receipt from sale of property and equipment	-	-	-	-

Purchase of intangible assets	(7,750,927)	(10,036,532)	(7,750,927)	(10,036,532)
Receipt from sale of intangible assets	-	-	-	-
Purchase of investment properties	57,374,538	(722,342,642)	57,374,538	(722,342,642)
Receipt from sale of investment properties	-	-	-	-
Interest received	3,803,187,464	3,386,901,926	3,803,187,464	3,386,901,926
Dividend received	316,167,071	6,214,971	316,167,071	6,214,971
Net cash used in investing activities	**(573,767,019)**	**6,544,234,061**	**(579,590,392)**	**6,548,620,408**
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 issue of shares	-	-	-	-
Dividend paid	(98,783,000)	(57,694)	-	(57,694)
Interest paid	(1,052,743,157)	(1,207,944,434)	(980,229,619)	(1,041,093,538)
Other receipt/payment	(3,047,305,871)	-	(3,047,305,871)	-
Net cash from financing activities	**(4,198,832,028)**	**(1,208,002,128)**	**(4,027,535,490)**	**(1,041,151,232)**
Net increase/(decrease) in cash and cash equivalents	1,779,051,278	(13,124,440,399)	1,850,652,699	(12,664,468,854)
Cash and Cash Equivalents as at 1st Shrawan	**53,053,088,913**	**50,705,101,616**	**52,688,974,287**	**49,795,644,082**
Effect of exchange rate fluctuation on cash & cash equivalents	14,422,625	16,905,590	14,422,625	16,905,590
Cash and Cash Equivalents as at Ashadh End	**54,846,562,816**	**37,597,566,807**	**54,554,049,612**	**37,148,080,818**

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	1,645,621,814	1,932,638,253	1,374,286,326	1,705,183,464	6,281,474,840	6,836,456,778	1,103,477,437	1,170,868,278
Intersegment revenues	140,242,514	131,647,034	94,561,692	74,858,908	3,473,740,812	3,445,496,042	391,707,315	368,528,501
Gross Revenues	**1,785,864,328**	**2,064,285,287**	**1,468,848,018**	**1,780,042,372**	**9,755,215,652**	**10,281,952,820**	**1,495,184,752**	**1,539,396,779**
Segment profit/(loss) before tax	**386,784,286**	**317,351,311**	**208,750,517**	**232,384,087**	**2,446,321,278**	**2,415,607,063**	**120,927,986**	**243,558,401**
Segment assets	41,174,163,519	40,950,806,165	33,826,069,617	34,033,494,812	139,491,728,883	135,575,486,325	26,685,703,047	24,020,236,055
Segment liabilities	32,635,807,095	29,609,825,743	25,673,618,045	23,227,673,764	313,049,602,038	266,424,767,583	42,576,567,874	35,967,156,473

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	2,034,794,167	2,459,454,584	239,234,606	250,233,617	708,923,335	774,446,292	10,143,325,667	10,084,939,113	23,531,138,192	25,214,220,379
Intersegment revenues	696,841,735	643,105,927	60,323,867	61,758,014	141,030,929	130,536,471	1,865,404,754	2,190,476,562	6,863,853,618	7,046,407,459
Gross Revenues	**2,731,635,902**	**3,102,560,511**	**299,558,474**	**311,991,631**	**849,954,265**	**904,982,763**	**12,008,730,420**	**12,275,415,675**	**30,394,991,810**	**32,260,627,838**
Segment profit/(loss) before tax	**(245,442,496)**	**497,538,718**	**35,537,954**	**47,733,719**	**33,759,096**	**216,807,784**	**1,402,889,418**	**234,779,582**	**4,389,528,039**	**4,205,760,665**
Segment assets	49,177,859,875	49,710,587,664	5,265,740,790	4,805,042,676	16,303,922,319	16,013,843,507	332,780,624,922	332,780,624,922	644,705,812,973	637,890,122,126
Segment liabilities	74,254,957,296	63,633,159,031	7,821,528,576	6,357,733,931	18,326,005,494	15,613,521,399	126,436,146,751	126,436,146,751	640,774,233,168	567,269,984,675

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	**4,389,528,039**	**4,205,760,665**
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	10,675,935,836	12,801,681,185
Borrowings from 10 largest lenders to total depositors	1.68%	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)	79,799,116,243	69,290,608,735
b. As per individual customer	47,096,737,121	41,978,055,772
% of Exposures to 20 largest borrowers to Total Loans and Advances		
a. As per Group (Related party)	17.13%	15.73%
b. As per individual customer	10.11%	9.53%

C. Concentration of Deposits

Particulars	Current Quarter	Previous Year ending
Total deposits from 20 largest depositors		
a. Group Wise	94,546,912,168	98,401,468,545
b. As per individual customer	94,546,912,168	98,401,468,545
% of Deposits from 20 largest depositors to Total Deposits		
a. Group Wise	14.88%	17.11%
b. As per individual customer	14.88%	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	**11,441,408**
-salaries and allowances	11,061,608
-post employment benefits	379,800
Director's fees and expenses	**5,775,908**

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	692,172,630
For the year ended	
-interest paid on deposit	4,905,469
-interest received on loans	
Global IME Laghubitta Bittiya Sanstha Ltd	-
-loans and receivables	3,740,288,887
-deposits	177,942,280
For the year ended	
-interest paid on deposit	-
-interest received on loans	96,521,801
-other expenses	-
Global IME Securities Limited	-
-loans and receivables	-
-deposits	70,249,424
For the year ended	-
-interest paid on deposit	208,239
-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	1,153,244,816
-deposits	13,173,479
For the year ended	-
-interest paid on deposit	30,580
-interest received on loans	38,994,881
First Micro Finance Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	882,429,211
-deposits	51,226,876
For the year ended	-
-interest paid on deposit	139,116
-interest received on loans	27,167,728
Chhimmek Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	321,007,497
-deposits	649,057,220
For the year ended	
-interest paid on deposit	3,930,149
-interest received on loans	10,864,099
RSDC Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	917,002,093
-deposits	372,995
For the year ended	
-interest paid on deposit	-
-interest received on loans	22,426,523

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

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

10. Issues, repurchases and repayments of debt and equity securities.

The Bank has not made any issue and repayment of debt securities during the interim period.

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.

12. Effect of changes in the composition of the entity during the interim period including merger and acquisition

The Bank has not made any merger or acquisition during the interim period effecting the change in composition of entity.