

Everest Bank Limited
Unaudited Financial Result
4th Quarter Ending F/Y 2082/83

Unaudited Condensed Statement of Financial Position
As on Quarter ended 32nd Ashadh 2083

	Fig. in NPR '000	
Assets	This Quarter Ending	Immediate Previous year Ending (Audited)
Cash and cash equivalent	9,103,983	6,720,639
Due from Nepal Rastra Bank	35,026,020	64,715,146
Placement with Bank and Financial Institutions	19,457,118	7,996,585
Derivative financial instruments	7,986,459	3,577,724
Other trading assets	-	-
Loan and advances to B/FIs	11,530,295	9,781,759
Loans and advances to customers	235,568,387	213,438,490
Investment securities	57,029,886	49,443,437
Current tax assets	286,182	374,635
Investment in subsidiaries	-	-
Investment in associates	763,349	762,144
Investment property	514,473	564,295
Property and equipment	3,939,362	4,177,562
Goodwill and Intangible assets	183,548	191,980
Deferred tax assets	-	-
Other assets	2,369,174	1,894,847
Total Assets	383,758,236	363,639,245
Liabilities		
Due to Bank and Financial Institutions	2,357,963	3,436,943
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	8,044,998	3,598,404
Deposits from customers	316,018,577	298,818,400
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	8,085	42,194
Other liabilities	15,533,117	19,200,191
Debt securities issued	6,603,613	6,603,613
Subordinated Liabilities	-	-
Total liabilities	348,566,353	331,699,745
Equity		
Share capital	13,721,376	12,944,694
Share premium	238,470	238,470
Retained earnings	5,504,212	4,893,096
Reserves	15,727,825	13,863,240
Total equity attributable to equity holders	35,191,883	31,939,500
Non-controlling interest	-	-
Total equity	35,191,883	31,939,500
Total liabilities and equity	383,758,236	363,639,245

Everest Bank Limited
Unaudited Condensed Statement of Profit or Loss
For the Quarter Ended 32nd Ashadh 2083

Particulars	Current Year		Fig. in NPR '000 Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	5,086,025	20,102,585	5,355,949	20,814,261
Interest expense	2,729,036	10,912,126	2,997,582	11,711,937
Net interest income	2,356,989	9,190,459	2,358,366	9,102,324
Fee and commission income	601,086	2,207,864	520,942	1,877,809
Fee and commission expense	106,462	260,600	86,851	347,312
Net fee and commission income	494,624	1,947,263	434,091	1,530,497
Net interest, fee and commission income	2,851,614	11,137,723	2,792,458	10,632,821
Net trading income	82,322	680,101	79,055	468,682
Other operating income	(346)	46,801	122,199	69,114
Total operating income	2,933,590	11,864,625	2,993,713	11,170,617
Impairment charge/(reversal) for loans and other losses	(504,523)	272,873	(428,275)	(155,327)
Net operating income	3,438,112	11,591,752	3,421,987	11,325,943
Operating expense				
Personnel expenses	704,774	2,847,322	713,458	2,640,457
Other operating expenses	80,300	954,564	272,109	1,010,647
Depreciation & Amortisation	172,273	405,414	171,356	326,421
Operating Profit	2,480,766	7,384,452	2,265,065	7,348,417
Non operating income	5,496	5,496	-	10,688
Non operating expense	(337)	2,897	-	2,152
Profit before income tax	2,486,600	7,387,051	2,265,065	7,356,954
Income tax expense				
Current Tax	745,980	2,317,115	952,640	2,577,341
Deferred Tax	-	-	(60,291)	(60,291)
Profit for the period	1,740,620	5,069,936	1,372,716	4,839,903

Everest Bank Limited
Unaudited Statement of Comprehensive Income
For the Quarter Ended 32nd Ashadh 2083

Fig. in NPR '000

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Profit for the year	1,740,620	5,069,936	1,382,267	4,839,903
Other comprehensive income, net of income tax				
Items that will not be reclassified to profit or loss				
Gains/(losses) from investments in equity instruments measured at fair value	13,626	74,290	(12,931)	(63,963)
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(loss) on defined benefit plans	94,913	94,913	(13,774)	(13,774)
Income tax relating to above items	(32,562)	(50,761)	8,011	23,321
Net other comprehensive income that will not be reclassified to profit or loss	75,977	118,442	(18,693)	(54,415)
Items that are or may be reclassified to profit or loss				
Gains/(losses) on cash flow hedge	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-
Income tax relating to above items	-	-	-	-
Reclassify to profit or loss	-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-	-	-
Share of other comprehensive income of associate accounted as per equited method	-	-	(7)	(7)
Other comprehensive income for the year, net of income tax	75,977	118,442	(18,700)	(54,422)
Total comprehensive income for the period	1,816,597	5,188,378	1,363,568	4,785,481
Total comprehensive income attributable to:				
Equity holders of the Bank	1,816,597	5,188,378	1,363,568	4,785,481
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	1,816,597	5,188,378	1,363,568	4,785,481
Earnings per share				
Basic earnings per share		36.95		37.39
Annualized basic earnings per share		36.95		37.39
Diluted earnings per share		36.95		37.39

Everest Bank Limited
Unaudited Condensed Statement of changes in equity
For the Quarter Ended 32nd Ashadh 2083

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalization Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-Controlling Interest	Total equity
Balance at 1 Shrawan 2081	11,767,904	238,470	6,748,987	69,622	2,010,690	821,228	971,431	3,302,369	1,874,083	27,804,784		27,804,784
Comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	4,839,903	-	4,839,903		4,839,903
Other comprehensive income (net of tax)	-	-	-	-	-	(44,774)	-	-	(9,648)	(54,422)		(54,422)
Total comprehensive income for the year	-	-	-	-	-	(44,774)	-	4,839,903	(9,648)	4,785,481		4,785,481
Transfer to reserve during the year	-	-	967,981	210	-	-	-	-	611,073	1,579,264		1,579,264
Transfer from reserve during the year	-	-	-	-	(157,644)	-	-	(1,421,621)	-	(1,579,264)		(1,579,264)
Contributions from and distributions to owners												
Share issued										-		-
Share based payments										-		-
Dividends to equity holders												
Bonus shares issued	1,176,790	-	-	-	-	-	-	(1,176,790)	-	-		-
Cash dividend paid	-	-	-	-	-	-	-	(650,765)	-	(650,765)		(650,765)
Total contributions by and distributions	1,176,790	-	-	-	-	-	-	(1,827,555)	-	(650,765)		(650,765)
Balance at Ashad end 2082	12,944,694	238,470	7,716,968	69,832	1,853,046	776,454	971,431	4,893,096	2,475,509	31,939,500		31,939,500
Balance at 1 Shrawan 2082	12,944,694	238,470	7,716,968	69,832	1,853,046	776,454	971,431	4,893,096	2,475,509	31,939,500	-	31,939,500
Comprehensive income for the year												
Profit for the year								5,069,936		5,069,936		5,069,936
Other comprehensive income (net of tax)	-	-	-	-	-	74,290	-	-	(79,586)	(5,296)		(5,296)
Total comprehensive income for the year	-	-	-	-	-	74,290	-	5,069,936	(79,586)	5,064,640		5,064,640
Transfer to reserve during the year	-	-	1,013,987	4,309	123,199	-	-	(2,116,278)	974,784	-		-
Transfer from reserve during the year	-	-	-	-	-	-	-	-	-	-		-
Contributions from and distributions to owners												
Share issued	-	-	-	-	-	-	-	-	-	-		-
Share based payments	-	-	-	-	-	-	-	-	-	-		-
Dividends to equity holders												
Bonus shares issued	776,682	-	-	-	-	-	-	(776,682)	-	-		-
Cash dividend paid	-	-	-	-	-	-	-	(1,812,257)	-	(1,812,257)		(1,812,257)
Other												-
Total contributions by and distributions	776,682	-	-	-	-	-	-	(2,588,939)	-	(1,812,257)	-	(1,812,257)
Balance at Ashadh 32, 2083	13,721,376	238,470	8,730,955	74,141	1,976,245	850,744	971,431	5,257,815	3,370,706	35,191,883	-	35,191,883

Ratios as per NRB Directive

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital Fund to RWA		12.23%		13.17%
Tier 1 Capital to RWA		9.98%		10.44%
CET 1 Capital to RWA		9.98%		10.44%
Non-Performing Loan (NPL) to Total Loan		0.49%		0.38%
Total Loan Loss Provision to Total NPL		295.25%		383.42%
Cost of Funds		3.15%		3.87%
Credit to Deposit Ratio		77.57%		77.48%
Base Rate		4.25%		5.36%
Base Rate Average (Applicable)		4.31%		5.27%
Interest Rate Spread		3.05%		3.48%
Market Share Price (in Rs.)		695.00		701.56
Return on Total Assets (Annualized in %)		1.36%		1.47%
Return on Equity(Annualized in %)		15.10%		16.20%
Net Worth Per share (in Rs.)		256.47		246.74
Total Assets Per Share		2,796.79		2,809.18

Notes:

1. The bank has adopted NFRS 9 for Expected Credit Loss Model and presented it in the financial statement as per the Expected Credit Loss Related Guidelines, 2024 issued by NRB. Provision for the quarter as per NRB Norms comes to the Higher side as compared to ECL Model hence, the bank has booked loan loss provisions as per NRB Norms.
2. Interest income recognition on loans and advances is recognized as per the Guidance Note on Interest Income Recognition, 2025 issued by NRB.
3. The loans and advances include accrued interest receivable, and staff loans are presented with net of impairment charges.
4. Regulatory adjustment on Accrued Interest Receivable, possible losses on Investment Property (NBA) and Interest Capitalized on Term Loan has been made as per NRB Directive.
5. Previous year figures have been reclassified and regrouped wherever necessary to make the same comparable with the current year's figure.
6. The above figures are subject to change upon otherwise as per the direction of the Regulators and/or Auditor.

Everest Bank Limited
Unaudited Condensed Statement of Cash Flows
For the Quarter Ended 32nd Ashadh 2083

Particulars	Fig. in NPR '000	
	Up to This Quarter	Corresponding Previous Year Up to this Quarter
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	16,214,260	17,539,847
Fees and other income received	2,207,864	1,877,809
Dividend received	-	-
Receipts from other operating activities	723,456	533,734
Interest paid	(10,326,081)	(11,265,806)
Commission and fees paid	(260,600)	(347,312)
Cash payment to employees	(3,360,681)	(2,495,178)
Other expense paid	(994,118)	(908,893)
Operating Cash Flows before Changes in Operating Assets and Liabilities	4,204,099	4,934,200
(Increase)/Decrease in Operating Assets		
Due from Nepal Rastra Bank	29,689,127	(23,533,096)
Placement with bank and financial institutions	(11,465,482)	(1,369,582)
Other trading assets	-	-
Loan and advances to bank and financial institutions	(1,766,197)	(2,134,954)
Loans and advances to customers	(22,325,003)	(35,380,284)
Other assets	(506,284)	240,324
Increase/(Decrease) in Operating Liabilities		
Due to bank and financial institutions	(1,078,981)	15,942
Due to Nepal Rastra Bank	-	-
Deposit from customers	17,200,177	66,586,621
Borrowings	-	-
Other liabilities	(3,651,882)	(7,793,482)
Net Cash Flow from Operating Activities before Tax Paid	10,299,574	1,565,688
Income taxes paid	(2,228,663)	(2,434,229)
Net Cash Flow from Operating Activities	8,070,911	(868,541)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(7,561,099)	(5,419,189)
Receipts from sale of investment securities	-	-
Purchase of property and equipment	(130,340)	(600,177)
Receipt from the sale of property and equipment	3,515	608
Purchase of intangible assets	(31,338)	(181,083)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	(42,002)
Receipt from the sale of investment properties	50,997	60,668
Interest received	3,914,067	3,528,425
Dividend received	23,673	6,998
Net Cash used in Investing Activities	(3,730,525)	(2,645,751)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	3,000,000.00
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(1,375,527)	(694,909)
Interest paid	(598,750)	(483,011)
Other receipt/payment	-	-
Net Cash from Financing Activities	(1,974,276)	1,822,081
Net Increase (Decrease) in Cash and Cash Equivalents	2,366,109	(1,692,212)
Cash and cash equivalents at Shrawan 1	6,720,639	8,412,011
Effect of exchange rate fluctuations on cash and cash equivalents held	17,234	840
Cash and Cash Equivalents at Ashadh end	9,103,983	6,720,639

Everest Bank Limited
Statement of Distributable Profit or Loss
For the Quarter Ended 32nd Ashadh 2083
(As per NRB Regulation)

Particulars	Fig. in NPR '000	
	Current Year Up to this Quarter YTD	Previous Year Corresponding Quarter YTD
Net profit or (loss) as per statement of profit or loss	5,069,936	4,839,903
<u>Appropriations:</u>		
a. General reserve	1,013,987	967,981
b. Foreign exchange fluctuation fund	4,309	210
c. Capital redemption reserve	930,552	597,219
d. Corporate social responsibility fund	28,762	5,551
e. Employees' training fund	15,469	8,304
f. Other	-	-
Profit or (loss) before regulatory adjustment	3,076,856	3,260,639
<u>Regulatory Adjustment:</u>		
a. Interest receivable (-)/previous accrued interest received (+)	(11,434)	233,836
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 (+)	49,822	(38,652)
e. Deferred tax assets recognised (-)/ reversal (+)	-	(60,291)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(79,586)	(9,641)
i. Other- Interest Capitalization Reserve	(80,797)	(13,726)
j. Other- Share of Profit/Loss of Associate	(1,205)	46,118
Net profit for the Quarter ended Ashadh 32 Available for distribution	2,953,658	3,418,283
Opening Retained Earning as on Shrawan 1	4,893,096	3,302,369
<u>Adjustment (+/-)</u>	-	-
<u>Distribution:</u>		
Bonus Shares Issued	(776,682)	(1,176,790)
Cash Dividend Paid	(1,812,257)	(650,765)
Total Distributable profit or (loss) as on Ashadh 32	5,257,815	4,893,096
Annualised Distributable Profit/Loss per Share	38.32	37.80

Everest Bank Limited
Notes to the Interim Financial Statement
For the Quarter ended 32nd Ashadh 2083

Basis of preparation

The interim financial statements of the Bank have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) adopted by the Accounting Standard Board of Nepal.

Statement of Compliance with NFRSs

The interim financial statements of the Bank have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) to the extent applicable and as issued by Accounting Standard Board- Nepal

Use of Estimates, assumptions and judgments

The preparation of the interim financial statements in accordance with NFRS requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively.

Changes in Accounting policies

The bank has adopted NFRS 09 for classification of financial instruments, earlier classified as per NAS 39, as issued by ASB Nepal, which resulted in changes in accounting policies and adjustments to the amounts previously recognized in the interim financial statements. The bank has adopted NFRS 9 for Expected Credit Loss Model and presented in the financial statement as per the Expected Credit Loss Related Guidelines, 2024 issued by NRB.

Significant Accounting Policies

a. Basis of Measurement

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

- Financial assets other than measured at amortized cost are measured at fair value
- Non-derivative financial instruments at fair value through profit or loss are measured at fair value
- Derivative financial instruments are measured at fair value, if any
- Inventories are measured at cost or net realizable value whichever is lower
- Net defined benefit liabilities are measured at Present Value of Defined Benefits Obligation less the Total Plan Assets.

b. Basis of Consolidation

The bank does not have control over any other entity for consolidation of financial statements.

Investments in associates are accounted for in financial statements as per equity method although associate's financial statements are not prepared using uniform accounting policies for like transactions and events in similar circumstances as it is impracticable to do so.

c. Cash and Cash Equivalent

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

Cash and Cash equivalents are measured at amortized cost in the statement of financial position.

Everest Bank Limited
Notes to the Interim Financial Statement
For the Quarter ended 32nd Ashadh 2083

d. Financial assets and Financial liabilities

The bank classifies its financial assets into the following measurement categories:

- a) financial assets held at fair value through profit or loss;
- b) financial assets held at fair value through Other Comprehensive Income, and
- c) financial assets held at amortized cost.

Financial liabilities are classified as either

- a) held at fair value through profit or loss, or
- b) held at amortized cost.

e. Recognition

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

f. Measurement

Initial Measurement

At initial recognition, the bank measures a financial assets or financial liability at its fair value plus or minus, in the case of financial asset or financial liability not at fair value through profit or loss, transaction cost that are incremental and directly attributable to the acquisition or issue of the financial assets or financial liability, such as commission and fees. The transaction cost of financial assets and financial liabilities carried at fair value through profit of loss are expensed in profit or loss.

Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability.

g. Derecognition

Derecognition of Financial Assets

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

Derecognition of Financial Liabilities

A financial liability is derecognized when, and only when it is extinguished (i.e. when the obligation specified in contract is discharged, cancelled or expired). If the liability is renegotiated with the original lender on substantially different contractual terms, the original liability is derecognized and new liability is recognized.

Determination of Fair Value

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

Everest Bank Limited
Notes to the Interim Financial Statement
For the Quarter ended 32nd Ashadh 2083

h. Impairment

At each reporting date, the Bank assesses whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through The Statement of Profit or Loss are impaired.

However, in case of loans and advances, impairment loss is measured as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per NFRS 9.

i. Trading Assets

The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. Held for trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognized in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

j. Property, Plant and Equipment

All Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs 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.

k. Goodwill and Intangible assets

Intangible assets include externally generated capitalized software enhancements. Intangible assets, which have been determined to have a finite useful life, are amortized on a straight-line basis over their estimated useful life. Intangible assets with finite useful lives are reviewed at each reporting date to assess whether there is any indication that they are impaired. If any such indication exists the recoverable amount of the asset is determined and, in the event, that the asset's carrying amount is greater than its recoverable amount, it is written down immediately.

l. Investment Property and Noncurrent Assets held for sale

Investment Property

Investment property is the land or building or both held either for rental income or for capital appreciation or for both, but not sold in ordinary course of business and owner-occupied property.

Non-Current Assets held for sale

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

m. Income Tax

Current income tax which is payable on taxable profits is recognized as an expense in the period in which the profits arise.

Everest Bank Limited
Notes to the Interim Financial Statement
For the Quarter ended 32nd Ashadh 2083

Current income tax assets and liabilities for the current 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 those that are enacted or substantively enacted at the reporting date in Nepal.

n. Deposit, Debt Securities issued and subordinated liabilities

The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The estimated fair value of fixed interest bearing deposits and other borrowings without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity period.

Debentures are recognized at amortized cost using effective interest rates. The coupon rates of these instruments represent the effective interest rates.

o. Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events, 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. When the effect of the time value of money is material, the Bank determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in Statement of Profit or Loss net of any reimbursement in other operating expenses

p. Revenue Recognition

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

(i) Interest income

Interest income is recognized in the profit or loss as per accrual basis of accounting and as per NRB Circular No. 1 of F/Y 2076-77- Interest Income Recognition.

(ii) Fees and Commission

Fees and commission income including management fee, service charges, and syndication fee and forex transaction commission are recognized as the related services are performed.

(iii) Dividend Income

Dividend on investment in resident company is recognized when the right to receive payment is established. Dividend income are presented in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity instruments.

(iv) Net trading income

Gain and losses arising in changes in fair value of financial instrument held at fair value through profit or loss are included in Statement of Profit or Loss in the period in which they arise.

(v) Interest Expenses

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

(vi) Employees Benefits

Short-term employee benefits, such as salaries, paid absences, performance-based cash awards and social security costs are recognized over the period in which the employees provide the related services.

Everest Bank Limited
Notes to the Interim Financial Statement
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(vii) Foreign Currency Translation

The interim financial statements are presented in Nepalese Rupees, which is the Company's functional and presentation currency.

q. Share Capital and Reserve

The Bank applies NAS 32, Financial Instruments: Presentation, to determine whether funding is either a financial liability (debt) or equity. Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the bank having a present obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument.

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Segmental Information

Information about reportable segments

Fig. in NPR ‘000

Particulars	Koshi Province		Madhesh Province		Bagmati Province		Gandaki Province		Lumbini Province		Karnali Province		Sudurpashchim Province		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	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter
Revenues from External Customers	2,208,111	2,307,944	1,395,612	1,428,985	16,268,542	16,050,987	835,161	903,178	1,676,302	1,792,782	101,764	134,429	519,194	622,007	23,004,687	23,240,313
Inter-segment Revenue	82,573	62,210	247,531	303,952	7,532,655	8,557,583	121,173	125,670	241,503	215,476	21,552	11,431	80,325	49,810	8,327,312	9,326,132
Gross Revenue	2,290,684	2,370,154	1,643,143	1,732,937	23,801,197	24,608,569	956,334	1,028,848	1,917,805	2,008,258	123,316	145,860	599,519	671,817	31,331,999	32,566,444
Interest Revenue	1,985,300	2,089,788	1,214,066	1,258,244	14,184,531	14,369,340	746,631	828,032	1,388,716	1,577,697	88,855	120,623	455,624	570,537	20,063,722	20,814,261
Interest Expenses	522,012	541,701	537,882	560,381	8,299,474	9,071,394	447,098	456,810	759,419	784,569	53,811	54,569	253,566	242,512	10,873,263	11,711,937
Net Interest Revenue	1,463,288	1,548,086	676,184	697,863	5,885,057	5,297,945	299,532	371,222	629,296	793,129	35,043	66,054	202,058	328,026	9,190,459	9,102,324
Depreciation & Amortisation	22,945	26,378	26,090	25,652	292,346	203,081	15,511	17,347	38,336	42,091	2,097	2,516	8,088	9,355	405,414	326,421
Segment Profit/(Loss)	1,356,449	1,535,986	577,566	672,352	5,373,460	4,536,785	211,785	314,140	550,863	746,762	16,295	47,951	118,786	319,639	8,205,205	8,173,616
Impairment of Assets	58,299	(18,702)	44,888	(13,396)	127,093	37,070	10,539	(26,484)	28,633	(62,782)	374	1,653	(1,768)	(76,916)	268,059	(159,557)
Segment Assets	36,835,136	36,112,216	23,281,237	22,359,205	271,387,609	251,148,458	13,931,944	14,131,952	27,963,643	28,051,515	1,697,601	2,103,402	8,661,067	9,732,497	383,758,236	363,639,245
Segment Liabilities	33,457,233	32,940,374	21,146,271	20,395,331	246,500,479	229,089,354	12,654,339	12,890,701	25,399,286	25,587,668	1,541,926	1,918,654	7,866,819	8,877,663	348,566,353	331,699,745

Everest Bank Limited
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Reconciliation of reportable segment profit or loss

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

a) Revenue

Fig. in NPR '000

Particulars	Current Year	Previous Year
Total revenues for reportable segments	31,331,999	32,566,444
Other revenues	-	-
Elimination of intersegment revenues	(8,327,312)	(9,326,132)
Entity's revenues	23,004,687	23,240,313

b) Profit or loss

Fig. in NPR '000

Particulars	Current Year	Previous Year
Total Profit/Loss before tax for reportable segments	8,205,205	8,173,616
Profit before tax for other Segments	-	-
Elimination of inter-segment profit	-	-
Elimination of discontinued operation	-	-
Unallocated amounts:	(818,153)	(816,662)
Bonus expenses	-	-
Other adjustments	7,387,051	7,356,954
Profit before income tax	7,387,051	7,356,954

Concentration of Borrowings, Credits and Deposits

Fig. in NPR '000

A. Concentration of Borrowings		
Particulars	Current Year	Previous Year
Borrowings from 10 largest lenders.	0	1,100,800
Percentage of borrowings from ten largest lenders to total depositors	0.00%	0.37%
B. Concentration of Credit exposures		
Particulars	Current Year	Previous Year
Total exposures to twenty largest borrowers		
a. As per group (related party)	94,246,388	77,767,685
b. As per individual customer	68,263,096	49,815,114
Percentage of exposures to twenty largest borrowers to Total Loans and Advances		
a. As per group (related party)	30.54%	28.82%
b. As per individual customer	22.12%	18.46%
C. Concentration of Deposits		
Particulars	Current Year	Previous Year
Total deposits from twenty largest depositors		
a. Group-wise	5,303,460	6,216,573
b. As per individual customer	8,438,204	7,997,366
Percentage of deposits from twenty largest depositors to Total Deposits		
a. Group-wise	1.67%	2.06%
b. As per individual customer	2.65%	2.66%

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Related party disclosure

Entity with significant influence over the bank

Followings have been identified as related parties for Everest Bank Limited under NAS 24 Related parties:

- 1) Punjab National Bank Limited – this is the joint-venture partner of the investors who established the bank
- 2) Key Management Personnel of the Bank – Bank is managed by two expatriates from PNB group under a technical service agreement and six higher level domestic employees of the bank including CEO to oversee the management of the bank's functioning.
- 3) Units and companies under PNB Group
- 4) Directors of the Bank
- 5) Relatives of directors and key management personnel
- 6) Forward Community Microfinance Limited
- 7) Nirdhan Utthan Bank Ltd.
- 8) EBL Employee Retirement Fund

Fig. in NPR '000

Particulars	Ashadh 32, 2083	Ashadh 32, 2082
Directors:		
Director's Sitting Fees	2,610	2,685
Interest Paid to directors on deposits	7,341	9,197
Key Management Personnel (KMP):		
Remuneration and benefits paid	89,538	72,358
Interest on Account Balances	3,209	3,518
PNB Group		
TSA Paid	11,390	11,390
Cash Dividend	336,981	112,017
Bonus Share Paid (No of Share.)	1,555,298	2,356,512

Fig. in NPR '000

Transactions	Ashadh 32, 2083	Ashadh 32, 2082	Nature of relationship
Deposit	141,816	130,650	Directors
Deposit	33,915	36,914	Key Managerial Personnel
Loan	10,311	18,673	Key Managerial Personnel

Issues, repurchases and repayments of debt and equity securities

None

Events after interim period

There are no material events after reporting date affecting financial status of the Bank as on Ashadh End, 2083.

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

There is no any merger or acquisition affecting the changes in the composition of the entity during the interim period as on Ashadh End, 2083.

Major Financial Highlights

(i) Earnings Per Share	Rs. 36.95	(ii) Liquidity Ratio	31.91%
(iii) Market Value per share	Rs. 695	(iv) ROA/ ROE	1.36% / 15.10%
(v) PE Ratio	18.81	(vi) Net Worth per Share	Rs. 256.47

Everest Bank Limited
Notes to the Interim Financial Statement
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Management Analysis

- a) During the review period, the global economy continued to grow at a moderate pace despite persistent geopolitical tensions, evolving trade policies, and volatility in international financial markets. Inflation has generally eased across major economies, enabling several central banks to adopt a more accommodative monetary policy stance. While these developments have supported global economic activity, risks associated with geopolitical uncertainties, commodity price fluctuations, climate-related events, and financial market volatility continue to influence the global outlook.
- b) The Nepalese economy remained broadly stable during the review period. Inflation remained within a manageable range, supported by stable supply conditions and prudent monetary management. Robust remittance inflows, comfortable foreign exchange reserves, recovery in tourism, and improved external sector indicators contributed to maintaining macroeconomic stability. Improved liquidity in the banking system and the gradual decline in interest rates have created a more supportive environment for investment and business activities.
- c) Nevertheless, private sector credit demand continued to recover gradually, reflecting cautious business sentiment and moderate investment activity. The effective implementation of infrastructure projects, acceleration of capital expenditure, and increased investment in productive sectors are expected to strengthen economic growth in the coming quarters.
- d) The banking industry continued to operate under adequate liquidity conditions with increased competition in both deposit mobilization and credit expansion. Banks remained focused on maintaining asset quality, strengthening risk management, enhancing digital banking services, improving operational efficiency, and ensuring compliance with evolving regulatory requirements. The sector continues to play a pivotal role in mobilizing financial resources and supporting sustainable economic development.
- e) Against this backdrop, Everest Bank Limited maintained its focus on prudent risk management, sound corporate governance, sustainable business growth, and customer-centric banking services. The Bank continued to strengthen its financial position through disciplined balance sheet management, adequate capital and liquidity, portfolio diversification, and continuous enhancement of digital banking capabilities.
- f) The Bank remains committed to financing productive sectors of the economy while maintaining prudent credit underwriting standards and effective risk management practices. Continuous investment in technology, operational excellence, cybersecurity, human capital, and service quality remains central to the Bank's long-term strategy.
- g) Management remains confident that the Bank's strong capital base, sound governance framework, experienced management team, diversified business portfolio, and prudent risk management practices will enable it to navigate evolving economic conditions effectively and create sustainable value for shareholders and all other stakeholders. The Bank will continue to align its business strategies with Nepal Rastra Bank's regulatory framework while supporting Nepal's economic growth through responsible and sustainable banking.

Details relating to legal action

No major legal proceedings have been committed by or against the bank, its promoters, or its directors' concerning violations of current laws, criminal activities, or financial misconduct, apart from those commonly linked to regular banking practices.

Everest Bank Limited
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Analysis of share transactions and progress of the bank

(i) The management holds a neutral stance regarding the bank's share transactions in the securities market, as the pricing and trading of its shares are determined by open market activities at the Nepal Stock Exchange.

(ii) This section provides the bank's highest, lowest, and closing share prices, as well as the total volume of shares traded and the number of trading days during the quarter.

Highest Price :	Rs. 735.00	Lowest Price:	Rs. 670.00	Last Price:	Rs. 695.00
Transaction Volume :	20,22,140 no. of shares			Days of transaction:	64

Problems and Challenges

Internal Challenges

- The banking sector is presently facing a surplus of liquidity.
- Business expansion is constrained by restrictions on capital access.
- Managing operational expenses is proving to be challenging.
- Attracting qualified and experienced talent, along with providing adequate local training, remains a significant hurdle.
- It is becoming increasingly difficult to generate revenue from non-interest sources.
- Ensuring prompt loan recovery and sustaining high-quality risk assets continue to be persistent challenges.

External Challenges

- Geopolitical tensions, policy uncertainty and traded tariff/disputes, ongoing conflicts in the Middle East and other global hotspots are likely to pose a significant threat to economic stability.
- Constant regulatory changes at both national and international levels can create compliance challenges, necessitating substantial modifications to operational processes.
- Variations in interest rates can affect a bank's net interest margin and profitability, as well as impact its lending and deposit activities.
- A heightened emphasis on Environmental, Social and Governance (ESG) factors may compel banks to adapt their operations to sustainable practices, influencing their lending and investment choices.
- There is a rising trend in cyber fraud incidents. Lack of Cyber security Awareness and difficult Terrain makes branch expansion costly, especially in rural areas.
- Nepal is still added to the Financial Action Task Force (FATF) Grey List. This would have significant consequences for Nepal's banking Industry and financial sector, as well as the broader economy.

Strategy

To improve the bank's operations, prioritize digital innovation and adopt digital banking solutions to enhance customer experience, bank is offering digital and online services to facilitate smooth & seamless financial and non-financial transactions.

- Evaluate customer feedback and market dynamics to remain competitive.
- To gain insight into customer preferences, provide personalized and tailored services, and enhance customer relationships.
- Launch new financial products and services to broaden the customer base and address their variety of needs.
- Efficiently manage assets and liabilities while optimizing internal processes to lower costs, boost efficiency, and deliver faster services to clients.
- Establish strong cyber-security protocols.
- Invest in employee training to enhance service quality. Educate customers about financial literacy, Banking products, services, and digital platforms to promote their adoption and support financial inclusion in underserved areas.

Everest Bank Limited
Notes to the Interim Financial Statement
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- Continuously monitor both internal and external environmental shifts, adopting a proactive stance. Allocate resources to strategic marketing initiatives to increase awareness of the bank's offerings and strengthen its brand image.
- Develop a comprehensive risk management framework alongside a resilient AML/CFT strategy. Enhancing risk management practices to ensure financial stability and foster customer trust.

Corporate Governance

EBL is dedicated to upholding exemplary standards of corporate governance, business integrity, and professionalism across all its operations. This commitment assures stakeholders that the bank is managed ethically, adheres to best practices and relevant legislation, operates within established risk parameters, and actively enhances and safeguards their investments. To facilitate effective and efficient banking operations, Board Level Committees as well as Management level committees have been constituted.

Declaration by the Chief Executive Officer on the Truthfulness and Accuracy of information

I, as on date, hereby take responsibility for the accuracy of the information and details contained in this report. I also hereby declare that to the best of my knowledge and belief, the information contained in this report is true, accurate and complete and there are no other matters concealed, the omission of which shall adversely affect the informed investment decision by the investors.