



Global IME Bank

ग्लोबल आइएमई बैंक लि.

INTERIM FINANCIAL STATEMENTS

AS ON 32nd ASHADH 2083

(16th JULY 2026)

(4th QUARTER FY 2082-83)

Condensed Consolidated Statement of Financial Position

As on 32nd Ashadh 2083 (16/07/2026)

			<i>Amount in NPR</i>	
Assets	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending	This Quarter Ending	Immediate Previous Year Ending
Cash and Cash Equivalents	90,868,623,173	53,053,088,913	90,443,960,902	52,688,974,287
Due from Nepal Rastra Bank	28,733,018,176	22,189,468,521	28,683,018,176	22,144,468,521
Placements with BFIs	-	-	-	-
Derivative Financial Instruments	17,418,025,802	11,071,926,976	17,418,025,802	11,071,926,976
Other Trading Assets	1,802,990,894	1,544,461,768	-	-
Loans and Advances to BFIs	13,730,861,536	12,314,273,736	17,924,859,549	15,787,163,343
Loans and Advances to Customers	450,009,523,862	419,852,566,927	439,345,125,097	410,113,933,500
Investment Securities	199,689,547,493	148,846,164,171	199,657,347,493	148,805,835,221
Current Tax Assets	3,539,923,262	2,647,578,735	3,434,029,903	2,441,471,189
Investment in Subsidiaries	-	-	728,395,250	728,395,250
Investment in Associates	2,170,421,871	2,016,153,875	1,395,771,233	1,395,771,273
Investment Property	5,707,797,324	6,067,606,415	5,696,351,680	6,056,160,771
Property and Equipment	8,178,257,503	8,392,718,704	8,069,193,994	8,264,147,405
Goodwill and Intangible Assets	854,550,823	868,203,425	852,690,772	865,927,941
Deferred Tax Assets	808,244,312	-	764,611,313	-
Other Assets	6,569,073,996	8,038,756,779	6,356,707,641	7,716,222,322
Total Assets	830,080,860,026	696,902,968,945	820,770,088,804	688,080,397,999
Liabilities				
Due to BFIs	32,137,346,665	24,383,936,432	31,268,813,352	24,423,550,333
Due to Nepal Rastra Bank	290,363,193	331,843,649	290,363,193	331,843,649
Derivative Financial Instruments	17,600,609,078	11,072,389,917	17,600,609,078	11,072,389,917
Deposit from Customers	672,670,479,931	553,746,057,659	669,171,447,818	550,628,587,849
Borrowings	9,112,511,089	13,905,641,037	9,112,511,089	12,416,419,704
Current Tax Liabilities	3,502,432,168	2,786,419,163	3,456,426,213	2,628,672,188
Provisions	-	-	-	-
Deferred tax Liabilities	-	101,312,825	-	125,131,567
Other Liabilities	11,514,783,962	11,007,180,657	9,373,380,709	9,139,078,797
Debt Securities Issued	10,690,273,649	10,687,316,510	10,690,273,649	10,687,316,510
Subordinated Liabilities	-	-	-	-
Total Liabilities	757,518,799,735	628,022,097,850	750,963,825,101	621,452,990,514
Equity				
Share Capital	38,115,852,616	38,115,852,616	38,115,852,616	38,115,852,616
Share Premium	-	-	-	-
Retained Earnings	5,692,143,019	5,181,270,867	4,581,063,769	4,054,879,099
Reserves	27,921,650,314	24,897,436,013	27,109,347,318	24,456,675,770
Total Equity attributable to equity holders	71,729,645,949	68,194,559,497	69,806,263,703	66,627,407,485
Non-Controlling Interest	832,414,343	686,311,598		
Total Equity	72,562,060,292	68,880,871,095	69,806,263,703	66,627,407,485
Total Liabilities and Equity	830,080,860,027	696,902,968,945	820,770,088,804	688,080,397,999
Net Assets Value Per Share			183.14	174.80

Condensed Consolidated Statement of Profit or Loss

For the period ended 32nd Ashadh 2083 (17/07/2025 to 16/07/2026)

Amount in NPR

Particulars	Group			
	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	10,882,798,760	41,714,335,656	11,107,631,945	45,065,967,772
Interest Expenses	6,270,141,524	24,483,889,877	6,496,123,246	27,599,809,673
Net interest income	4,612,657,236	17,230,445,779	4,611,508,699	17,466,158,099
Fee and commission income	1,412,694,767	5,002,327,259	1,256,044,478	4,469,312,084
Fees and commission expenses	304,649,880	1,068,072,836	324,001,595	1,011,675,364
Net fee and commission income	1,108,044,887	3,934,254,423	932,042,883	3,457,636,720
Net interest, fee and commission income	5,720,702,123	21,164,700,202	5,543,551,582	20,923,794,819
Net Trading Income	295,908,792	1,296,468,575	532,340,559	1,191,311,625
Other Operating Income	64,245,887	678,404,395	(15,186,570)	444,092,449
Total operating income	6,080,856,802	23,139,573,172	6,060,705,570	22,559,198,893
Impairment charge/(reversal) for loans and other losses	733,332,683	4,787,925,608	2,974,377,635	6,170,849,278
Net Operating Income	5,347,524,119	18,351,647,564	3,086,327,935	16,388,349,615
Operating Expenses				
Personnel Expenses	1,441,613,427	5,527,999,859	1,119,390,067	5,079,922,444
Other Operating Expenses	635,471,161	2,543,398,396	651,548,564	2,571,234,594
Depreciation and Amortization	246,915,798	897,163,254	254,607,815	890,303,671
Operating profit	3,023,523,733	9,383,086,055	1,060,781,490	7,846,888,906
Non-operating income	8,672,740	128,414,156	178,329,215	197,806,385
Non-operating expense	18,166,074	26,206,900	6,597,986	17,600,611
Profit before income tax	3,014,030,399	9,485,293,311	1,232,512,719	8,027,094,680
Income Tax Expense				
Current tax	1,149,844,049	3,671,897,477	822,835,184	2,786,419,163
Deferred tax	(130,391,048)	(913,831,369)	(345,199,707)	(365,135,202)
Profit/(Loss) for the period	1,994,577,399	6,727,227,203	754,877,242	5,605,810,719

Particulars	Bank			
	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest Income	10,484,434,623	40,302,472,053	10,776,759,923	43,930,150,342
Interest Expenses	6,165,794,124	24,099,418,790	6,414,011,637	27,250,211,285
Net interest income	4,318,640,500	16,203,053,263	4,362,748,286	16,679,939,057
Fee and commission income	1,328,961,370	4,673,390,192	1,193,561,723	4,187,048,744
Fees and commission expenses	295,553,731	1,032,836,368	283,641,707	965,306,298
Net fee and commission income	1,033,407,639	3,640,553,824	909,920,016	3,221,742,446
Net interest, fee and commission income	5,352,048,138	19,843,607,088	5,272,668,302	19,901,681,503
Net Trading Income	345,169,005	1,304,086,069	257,922,082	916,893,149
Other Operating Income	79,008,635	656,281,654	178,766,301	430,592,473
Total operating income	5,776,225,778	21,803,974,811	5,709,356,685	21,249,167,125
Impairment charge/(reversal) for loans and other losses	873,559,252	4,788,391,640	2,866,462,526	5,976,595,811
Net Operating Income	4,902,666,527	17,015,583,171	2,842,894,158	15,272,571,314
Operating Expenses				
Personnel Expenses	1,292,832,096	5,060,472,908	1,038,994,729	4,691,555,650
Other Operating Expenses	596,368,516	2,401,146,162	672,925,216	2,493,812,259
Depreciation and Amortization	236,031,078	871,851,166	234,454,289	854,030,682
Operating profit	2,777,434,836	8,682,112,934	896,519,924	7,233,172,723
Non-operating income	8,672,740	128,414,156	10,305,059	29,782,229
Non-operating expense	10,451,832	17,102,221	5,345,674	16,318,895
Profit before income tax	2,775,655,744	8,793,424,869	901,479,310	7,246,636,057
Income Tax Expense				
Current tax	1,065,538,104	3,455,585,211	747,742,504	2,628,672,188
Deferred tax	(115,860,608)	(889,316,744)	(388,468,388)	(458,340,026)
Profit/(Loss) for the period	1,825,978,248	6,227,156,403	542,205,194	5,076,303,895

Consolidated Statement of Other Comprehensive Income

Amount in NPR

Particulars	Group			
	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit or loss for the period	1,994,577,399	6,727,227,203	754,877,242	5,605,810,719
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				
Gains/(losses) on revaluation	(95,337,402)	2,156,442	(44,969,998)	208,990,803
Actuarial gain/(losses) on defined benefit plans				
Income Tax relating to above items	-		-	-
Net other comprehensive income that will not be reclassified to profit or loss	27,760,218	(646,933)	13,490,999	(62,697,241)
b) Items that will be reclassified to profit or loss	(67,577,183)	1,509,510	(31,478,999)	146,293,562
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				
Total comprehensive income for the period	(67,577,183)	1,509,510	(31,478,999)	146,293,562
Profit attributable to:	1,927,000,215	6,728,736,713	723,398,243	5,752,104,281
Equity holders of the Bank				
Non-controlling interest	1,852,806,232	6,541,729,110	720,490,679	5,655,289,651
Total	74,193,983	187,007,602	2,907,564	96,814,630
Earnings per share	1,927,000,215	6,728,736,713	723,398,243	5,752,104,281
Annualized Basic earnings per share		17.65		14.71
Diluted earnings per share		17.65		14.71

	Bank			
	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
	1,825,978,248	6,227,156,403	542,205,194	5,076,303,895
	(95,629,002)	1,382,892	(46,778,098)	205,651,353
	-	-	-	-
	-	-	-	-
	27,847,698	(414,868)	14,033,429	(61,695,406)
	(67,781,303)	968,025	(32,744,669)	143,955,947
	(67,781,303)	968,025	(32,744,669)	143,955,947
	1,758,196,945	6,228,124,427	509,460,525	5,220,259,842
	1,758,196,945	6,228,124,427	509,460,525	5,220,259,842
	1,758,196,945	6,228,124,427	509,460,525	5,220,259,842
		16.34		13.32
		16.34		13.32

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		12.05%		13.30%		12.10%		12.65%
Tier 1 Capital to RWA		9.99%		10.58%		10.04%		10.34%
CET 1 Capital to RWA		9.99%		10.58%		10.04%		10.34%
Non-performing Loan (NPL) to Total Loan		5.09%		4.89%		4.96%		4.86%
Net Non-performing Loan to Total Loan		0.64%		1.22%		0.59%		1.22%
Total Loan Loss Provision to Total NPL		118.62%		110.95%		120.47%		110.70%
Cost of Funds		3.43%		4.30%		3.43%		4.30%
Credit to Deposit Ratio (As per NRB Directives)		68.43%		76.07%		68.43%		76.07%
Base Rate		4.75%		5.76%		4.75%		5.76%
Interest Rate Spread		3.29%		3.63%		3.29%		3.63%
Return on Equity		9.35%		8.57%		9.13%		7.93%
Return on Assets		0.86%		0.86%		0.83%		0.79%

Statement of Distributable Profit or Loss

For the quarter end of 32nd Ashadh 2083 (16/07/2026)

(As per NRB Regulation)

	Bank	
	Current Year	Previous Year
	Upto this Quarter YTD	Corresponding Quarter YTD
Net Profit or (Loss) as per statement of Profit & Loss	6,227,156	5,076,304
Appropriations:		
a. General Reserve	(1,245,431)	(1,015,261)
b. Foreign Exchange Fluctuation Fund	(5,815)	(2,806)
c. Capital Redemption Reserve	(627,778)	(627,778)
d. Corporate Social Responsibility Fund	(23,729)	56,585
e. Employees Training Fund	(35,609)	(31,200)
f. Others	1,570	-
Profit or (Loss) before regulatory adjustment	4,290,364	3,455,843
Regulatory Adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	164,577	1,385,653
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 (+)	179,077	36,090
e. Deferred tax assets recognized (-)/ reversal (+)	(889,317)	(725,273)
f. Goodwill recognized (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognized (-)/reversal (+)	-	-
h. Actuarial loss recognized (-)/reversal (+)	-	-
i. Other	(169,248)	(117,070)
Net Profit for the Qtr end Ashadh 2083 available for distribution	3,575,453	4,035,243
Opening Retained Earning as on Shrawan 1	4,054,879	506,718
Adjustment (+/-)	-	-
Distribution:		
Bonus shares issued	-	(487,082)
Cash Dividend Paid	(3,049,268)	-
Total Distributable profit or (loss) as on Qtr end date	4,581,064	4,054,879
Annualized Distributable Profit/Loss per share	12.02	10.64

Condensed Consolidated Statement of Changes in Equity
For the period ended 32nd Ashadh 2083 (17/07/2025 to 16/07/2026)
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		-	-	-	-	(120,046,824)	269,703,868	(71,340,984)	78,316,060
Profit for the period	-	-	-	-	-	6,533,035,852	-	186,907,428	6,719,943,280
Other Comprehensive income	-	-	-	-	1,409,335	-	-	100,175	1,509,510
Total comprehensive income	-	-	-	-	1,409,335	6,533,035,852	-	187,007,602	6,721,452,789
Transfer to reserve during the period									-
General Reserve Fund	-	1,298,748,479	-	-	-	(1,298,748,479)	-	35,745,733	35,745,733
Exchange Fluctuation Fund	-	-	5,815,003	-	-	(5,815,003)	-	-	-
CSR Fund	-	-	-	-	-	(26,755,595)	25,424,562	1,299,666	(31,367)
Customer Protection Fund	-	-	-	-	-	(4,611,105)	3,600,541	2,663,448	1,652,885
Deferred Tax Reserve	-	-	-	-	-	(19,790,286)	19,790,286	4,492,273	4,492,273
Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-
Regulatory reserve	-	-	-	568,656,837	-	(568,656,837)	-	17,009,785	17,009,785
Training Reserve	-	-	-	-	-	(35,609,219)	35,609,219	-	-
Debenture Redemption Reserve	-	-	-	-	-	(627,777,778)	627,777,778	-	-
Capital Reserve	-	-	-	169,248,262	-	(169,248,262)	-	-	-
Fair Value Reserve	-	392,468	-	-	(1,962,338)	1,569,871	-	-	-
Transactions with owners, directly recognized 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 Ashadh 32 2083	38,115,852,616	15,074,708,253	340,833,241	7,260,274,174	993,503,491	5,692,143,019	4,252,331,154	832,414,343	72,562,060,293

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, 2082	38,115,852,616	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						6,227,156,403		6,227,156,403
Other Comprehensive income					968,025		-	968,025
Total comprehensive income	-	-	-	-	968,025	6,227,156,403	-	6,228,124,427
Transfer to reserve during the period								
General Reserve Fund		1,245,431,281				(1,245,431,281)		-
Exchange Fluctuation Fund			5,815,003			(5,815,003)		-
Corporate Social Responsibility Fund						(23,729,428)	23,729,428	-
Investment Adjustment Reserve						-		-
Regulatory reserve				545,662,424		(545,662,424)		-
Training Reserve						(35,609,219)	35,609,219	-
Fair Value Reserve		392,467.65			(1,962,338)	1,569,871		-
Interest Capitalised Reserve				169,248,262		(169,248,262)		-
Debenture Redemption Reserve						(627,777,778)	627,777,778	-
Capital Reserve						-	-	
Transactions with owners, directly recognised in equity								
Transfer from Merger	-	-	-	-	-	-	-	-
Dividend to equity holders								
Bonus shares Issued	-					-	-	-
Cash Dividend Paid						(3,049,268,209)		(3,049,268,209)
Balance as at Asahdh 32, 2083	38,115,852,616	14,820,730,671	340,833,240	6,922,840,963	992,343,424	4,581,063,769	4,032,599,020	69,806,263,703

Condensed Consolidated Statement of Cash Flows
For the period ended 32nd Ashadh 2083 (17/07/2025 to 16/07/2026)

			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	48,138,322,326	39,899,283,568	46,726,416,575	38,843,129,481
Fees and Other Income Received	4,952,307,185	4,472,382,305	4,673,390,192	4,187,982,869
Dividend received	22,080,593	9,107,570	-	-
Receipts from other operating activities	1,846,973,255	1,208,149,418	1,744,814,438	1,187,795,782
Interest Paid	(22,335,638,371)	(25,162,620,235)	(22,212,789,203)	(25,148,053,950)
Commission and Fees Paid	(1,068,072,836)	(980,975,151)	(1,032,836,368)	(965,306,298)
Cash Payment to Employees	(5,516,120,284)	(5,060,111,208)	(5,060,472,908)	(4,750,819,910)
Other Expenses Paid	(2,571,570,689)	(2,649,932,946)	(2,418,248,384)	(2,510,131,154)
Operating cash flows before changes in operating assets and liabilities	23,468,281,178	11,735,283,322	22,420,274,342	10,844,596,820
<u>(Increase) / Decrease in operating assets</u>				
Due from Nepal Rastra Bank	(6,548,549,655)	(874,547,384)	(6,538,549,655)	(829,547,384)
Placements with Bank and financial institutions	-	-	-	-
Other trading assets	(280,156,415)	3,433,221	-	-
Loans and advances to bank and financial institutions	(3,376,120,741)	(1,686,583,478)	(2,318,190,690)	(2,016,121,199)
Loans and advances to customers	(35,257,274,271)	(49,816,392,358)	(34,263,291,626)	(48,462,917,308)
Other assets	(4,781,113,026)	(8,584,896,937)	(4,986,584,147)	(8,185,186,834)
	(50,243,214,108)	(60,958,986,936)	(48,106,616,118)	(59,493,772,725)
<u>Increase / (Decrease) in operating liabilities</u>				
Due to Nepal Rastra Bank	(41,480,456)	(41,480,456)	(41,480,456)	(41,480,456)
Due to bank and financial institutions	8,618,244,613	7,597,026,281	6,845,263,019	6,990,020,075
Deposit from customers	117,823,956,237	63,658,232,931	118,542,859,969	63,172,733,037
Borrowings	(3,303,908,615)	(14,069,406)	(3,303,908,615)	315,468,315
Other liabilities	7,031,178,457	8,119,327,467	6,762,521,073	8,056,576,807
	130,127,990,236	79,319,036,816	128,805,254,990	78,493,317,778
<u>Net cash flow from operating activities before tax paid</u>	103,353,057,306	30,095,333,202	103,118,913,214	29,844,141,873
Income taxes paid	(3,730,715,915)	(2,488,294,081)	(3,621,230,902)	(2,355,843,953)
<u>Net cash flow from operating activities</u>	99,622,341,391	27,607,039,121	99,497,682,312	27,488,297,920
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investment securities	(50,725,780,759)	(27,237,121,233)	(50,853,132,078)	(27,237,121,233)
Receipt from sale of investment securities	4,134,884	179,155,931	4,134,884	14,987,789
Purchase of property and equipment	(656,437,101)	(1,061,448,577)	(640,499,070)	(1,048,918,463)
Receipt from sale of property and equipment	-	12,629,913	-	-

Purchase of intangible assets	(23,351,992)	(17,700,036)	(23,161,516)	(16,966,565)
Receipt from sale of intangible assets	-	-	-	-
Purchase of investment properties	359,809,091	(1,160,060,418)	359,809,091	(1,160,060,418)
Receipt from sale of investment properties	-	-	-	-
Interest received	(5,999,741,650)	6,777,776,871	(5,999,741,650)	6,777,776,871
Dividend received	239,067,140	127,615,486	319,575,285	127,615,486
Net cash used in investing activities	(56,802,300,386)	(22,379,152,064)	(56,833,015,054)	(22,542,686,533)
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	(3,067,543,064)	-	(3,049,268,209)	-
Interest paid	(2,145,294,366)	(2,407,034,053)	(1,883,672,447)	(2,063,499,213)
Other receipt/payment	185,070,672	-	-	-
Net cash from financing activities	(5,027,766,758)	(2,407,034,053)	(4,932,940,656)	(2,063,499,213)
Net increase/(decrease) in cash and cash equivalents	37,792,274,247	2,820,853,004	37,731,726,602	2,882,112,174
Cash and Cash Equivalents as at 1st Shrawan	53,053,088,913	50,221,010,878	52,688,974,287	49,795,637,083
Effect of exchange rate fluctuation on cash & cash equivalents	23,260,012	11,225,030	23,260,012	11,225,030
Cash and Cash Equivalents as at Ashadh End	90,868,623,172	53,053,088,913	90,443,960,901	52,688,974,287

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	Koshi Province		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	3,212,638,282	3,768,317,975	2,671,049,209	3,258,860,175	12,283,546,304	13,575,552,402	2,159,145,145	2,318,525,487
Intersegment revenues	307,429,600	248,590,628	193,166,139	151,378,553	7,041,832,364	6,581,238,427	820,238,593	727,359,317
Gross Revenues	3,520,067,882	4,016,908,603	2,864,215,348	3,410,238,728	19,325,378,669	20,156,790,829	2,979,383,738	3,045,884,804
Segment profit/(loss) before tax	504,700,883	867,423,630	377,079,814	505,244,437	4,579,489,976	4,648,733,228	477,946,217	374,017,915
Segment assets	41,672,985,504	40,220,862,006	32,419,338,345	32,903,602,606	143,808,457,637	135,473,705,940	26,624,757,287	25,966,402,807
Segment liabilities	39,000,291,535	31,190,423,476	31,291,097,338	24,863,581,886	375,505,701,213	287,915,642,005	53,054,291,614	40,277,006,507

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	4,017,538,574	4,725,789,276	485,593,518	492,757,743	1,398,457,504	1,544,689,152	20,821,135,191	19,795,810,944	47,049,103,727	49,480,303,154
Intersegment revenues	1,423,576,111	1,260,265,147	117,084,784	114,430,068	283,512,359	253,919,065	3,300,947,103	4,333,591,393	13,487,787,055	13,670,772,596
Gross Revenues	5,441,114,685	5,986,054,422	602,678,302	607,187,812	1,681,969,863	1,798,608,216	24,122,082,294	24,129,402,336	60,536,890,782	63,151,075,750
Segment profit/(loss) before tax	481,054,741	1,028,066,196	99,777,095	73,035,783	315,239,241	512,856,796	1,958,136,902	(762,741,927)	8,793,424,869	7,246,636,058
Segment assets	50,520,679,368	50,317,404,280	5,276,706,389	5,005,408,912	16,325,074,628	16,504,027,189	147,071,134,547	332,780,624,922	463,719,133,704	639,172,038,661
Segment liabilities	88,012,016,224	70,113,831,198	9,821,640,487	7,764,849,665	22,037,557,210	18,001,705,053	82,305,225,579	126,436,146,751	701,027,821,199	606,563,186,541

B. Reconciliation or reportable segment profit or loss

Particulars	Amount in NPR	
	Current Quarter	Corresponding Previous Year Quarter
Total Profit before tax for reportable segments	8,793,424,869	7,246,636,058
Profit before tax for other segments	-	-
Elimination of inter-segment profit	-	-
Unallocated amounts	-	-
Profit before tax	8,793,424,869	7,246,636,058

7. Concentration of Borrowings, Credits and Deposits**A. Concentration of Borrowings**

Particulars	Current Quarter	Previous Year ending
Borrowing from 10 largest lenders	9,419,115,931	12,801,681,185
Borrowings from 10 largest lenders to total depositors	1.34%	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)	82,891,895,245	69,290,608,735
b. As per individual customer	49,214,172,446	41,978,055,772
% of Exposures to 20 largest borrowers to Total Loans and Advances		
a. As per Group (Related party)	17.47%	15.73%
b. As per individual customer	10.37%	9.53%

C. Concentration of Deposits

Particulars	Current Quarter	Previous Year ending
Total deposits from 20 largest depositors		
a. Group Wise	86,494,009,627	98,401,468,545
b. As per individual customer	86,494,009,627	98,401,468,545
% of Deposits from 20 largest depositors to Total Deposits		
a. Group Wise	12.35%	17.11%
b. As per individual customer	12.35%	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	19,192,208
-salaries and allowances	18,432,608
-post employment benefits	759,600
Director's fees and expenses	11,493,939

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	516,149,873
For the year ended	
-interest paid on deposit	5,578,315
-interest received on loans	
Global IME Laghubitta Bittiya Sanstha Ltd	-
-loans and receivables	4,236,361,629
-deposits	607,347,234
For the year ended	
-interest paid on deposit	-
-interest received on loans	168,100,675
-other expenses	-
Global IME Securities Limited	-
-loans and receivables	-
-deposits	77,218,641
For the year ended	-
-interest paid on deposit	267,949
-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 Laghubitta Bittiya Sanstha Ltd	
-loans and receivables	2,039,411,171
-deposits	1,086,746,678
For the year ended	-
-interest paid on deposit	52,003
-interest received on loans	68,476,488
First Micro Finance Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	971,092,077
-deposits	410,843,491
For the year ended	-
-interest paid on deposit	221,671
-interest received on loans	48,352,560
Chhimmek Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	576,940,595
-deposits	791,832,007
For the year ended	
-interest paid on deposit	5,277,192
-interest received on loans	18,306,700
RSDC Laghubitta Bittiya Sanstha Ltd.	
-loans and receivables	973,929,542
-deposits	252,321,541
For the year ended	
-interest paid on deposit	-
-interest received on loans	37,146,478

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.