

**Everest Bank Ltd**  
**Unaudited Financial Result**  
**2<sup>nd</sup> Quarter Ending F/Y 2076/77**

**Unaudited Condensed Statement of Financial Position**  
**As On Quarter Ended 29 Poush 2076**

**Fig in '000**

Assets	This Quarter Ending	Immediate Previous year Ending
Cash and cash equivalent	7,421,300	7,759,121
Due from Nepal Rastra Bank	18,184,032	23,304,569
Placement with Bank and Financial Institutions	7,966,750	548,500
Derivative financial instruments	15,269	1,486,215
Other trading assets	-	-
Loan and advances to B/FIs	6,632,832	7,362,981
Loans and advances to customers	114,330,160	104,644,201
Investment securities	29,187,802	21,434,199
Current tax assets	-	75,091
Investment in subsidiaries	-	-
Investment in associates	355,691	314,441
Investment property	21,040	21,040
Property and equipment	2,093,488	2,115,995
Goodwill and Intangible assets	43,226	37,770
Deferred tax assets	-	-
Other assets	1,703,676	973,411
<b>Total Assets</b>	<b>187,955,267</b>	<b>170,077,533</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	763,400	609,215
Due to Nepal Rastra Bank	610,245	1,206,069
Derivative financial instruments	-	1,446,390
Deposits from customers	141,195,515	129,568,153
Borrowing	-	-
Current Tax Liabilities	71,491	-
Provisions	-	-
Deferred tax liabilities	92,881	92,881
Other liabilities	26,576,584	18,460,917
Debt securities issued	1,068,845	1,068,845
Subordinated Liabilities	-	-
<b>Total liabilities</b>	<b>170,378,961</b>	<b>152,452,470</b>
<b>Equity</b>		
Share capital	8,510,207	8,106,863
Share premium	238,470	238,470
Retained earnings	1,560,134	2,324,151
Reserves	7,267,496	6,955,579
<b>Total equity attributable to equity holders</b>	<b>17,576,306</b>	<b>17,625,063</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>17,576,306</b>	<b>17,625,063</b>
<b>Total liabilities and equity</b>	<b>187,955,267</b>	<b>170,077,533</b>

**Unaudited Condensed Statement of Profit or Loss  
For the Quarter Ended 29 Poush 2076**

**Fig in '000**

<b>Particulars</b>	<b>Current Year</b>		<b>Previous Year</b>	
	<b>This Quarter</b>	<b>Upto This Quarter (YTD)</b>	<b>This Quarter</b>	<b>Upto This Quarter (YTD)</b>
Interest income	3,582,366	7,172,013	3,137,752	6,206,662
Interest expense	2,112,405	4,269,532	1,777,295	3,535,580
<b>Net interest income</b>	<b>1,469,961</b>	<b>2,902,480</b>	<b>1,360,457</b>	<b>2,671,082</b>
Fee and commission income	292,750	536,419	254,590	524,786
Fee and commission expense	36,228	55,608	27,032	50,130
<b>Net fee and commission income</b>	<b>256,522</b>	<b>480,811</b>	<b>227,558</b>	<b>474,656</b>
<b>Net interest, fee and commission income</b>	<b>1,726,483</b>	<b>3,383,291</b>	<b>1,588,015</b>	<b>3,145,738</b>
Net trading income	50,813	125,142	64,244	131,313
Other operating income	66,392	77,450	75,047	52,971
<b>Total operating income</b>	<b>1,843,689</b>	<b>3,585,883</b>	<b>1,727,305</b>	<b>3,330,021</b>
Impairment charge/(reversal) for loans and other losses	22,422	89,396	(8,961)	111,037
<b>Net operating income</b>	<b>1,821,267</b>	<b>3,496,487</b>	<b>1,736,267</b>	<b>3,218,985</b>
<b>Operating expense</b>				
Personnel expenses	428,843	887,686	392,661	803,858
Other operating expenses	187,995	383,048	172,524	309,357
Depreciation & Amortisation	34,448	68,774	32,848	62,714
<b>Operating Profit</b>	<b>1,169,980</b>	<b>2,156,979</b>	<b>1,138,233</b>	<b>2,043,056</b>
Non operating income	-	-	-	-
Non operating expense	36	80	315	320
<b>Profit before income tax</b>	<b>1,169,945</b>	<b>2,156,899</b>	<b>1,137,918</b>	<b>2,042,736</b>
Income tax expense				
Current Tax	350,983	647,070	341,375	612,821
Deferred Tax	-	-	-	-
<b>Profit for the period</b>	<b>818,961</b>	<b>1,509,829</b>	<b>796,543</b>	<b>1,429,915</b>
<b>Condensed Statement of Comprehensive Income</b>				
Profit/(Loss) for the period	818,961	1,509,829	796,543	1,429,915
Other Comprehensive Income	43,233	54,786	(244,764)	(271,038)
<b>Total Comprehensive Income</b>	<b>862,195</b>	<b>1,564,616</b>	<b>551,779</b>	<b>1,158,877</b>
<b>Earnings per share</b>				
Basic earnings per share		35.65		35.63
Diluted earnings per share		35.48		35.45
<b>Profit attributable to:</b>				
Equity holders of the Bank	818,961	1,509,829	796,543	1,429,915
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>818,961</b>	<b>1,509,829</b>	<b>796,543</b>	<b>1,429,915</b>

## Unaudited Statement of Comprehensive Income

For the Quarter Ending Poush 29, 2076

Particulars	Current Year		Rs. In '000 Previous Year Corresponding	
	This	Upto This	This	Upto This
	Quarter	Quarter (YTD)	Quarter	Quarter (YTD)
Profit or loss for the period	818,961	1,509,829	796,543	1,429,915
<b>Other comprehensive income, net of income tax</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Gains/(losses) from investments in equity instruments measured at fair value	43,233	54,786	(244,764)	(269,858)
Gains/(losses) on revaluation	-	-	-	(1,181)
Actuarial gains/(losses) on defined benefit plans	-	-	-	(1,181)
Income tax relating to above items	-	-	-	-
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>43,233</b>	<b>54,786</b>	<b>(244,764)</b>	<b>(271,038)</b>
<b>Items that are or may be reclassified to profit or loss</b>				
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	-	-	-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Share of other comprehensive income of associate accounted as per equated method</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>862,195</b>	<b>1,564,616</b>	<b>551,779</b>	<b>1,158,877</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Bank	862,195	1,564,616	551,779	1,158,877
Non-controlling interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>862,195</b>	<b>1,564,616</b>	<b>551,779</b>	<b>1,158,877</b>
<b>Earnings per share</b>				
Basic earnings per share		35.65		35.63
Annualized Basic Earnings per share		35.65		35.63
Diluted Earning per Share		35.48		35.45

# Unaudited Condensed Statement of changes in equity

## For the Quarter Ended 29 Poush 2076

Rs. In '000

	Attributable to equity holders of the Bank											Non-controlling interest	Total equity
	Share Capital	Share premium	General reserve	Exchange equalization reserve	Regulatory reserve	Fair value reserve	Debenture Redemption Reserve	Revaluation Reserve	Retained earning	Other reserve	Total		
<b>Balance at Shrawan 1, 2075</b>	8,106,863	238,470	3,204,230	30,162	534,428	547,282	641,310	968,943	1,739,036	123,783	16,134,507	-	16,134,507
<b>Comprehensive income for the period</b>													
<b>Profit for the Period</b>									1,429,915		1,429,915		1,429,915
<b>Other comprehensive income, net of tax</b>											-		-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(269,858)	-	-	1,429,915	(1,181)	1,158,877		1,158,877
<b>Contributions from and distributions to owners</b>					388,091				(388,091)		-		-
Right share issued (Calls in Advance)	-	-									-		-
Right share issued	-										-		-
Share based payments											-		-
<b>Dividends to equity holders</b>											-		-
Bonus shares issued	-								-		-		-
Cash dividend paid											-		-
Dividends to shareholders (ordinary)									(1,605,373)		(1,605,373)		(1,605,373)
Dividends to shareholders (preference)									-		-		-
<b>Total contributions by and distributions</b>	-	-	-	-	-	-	-	-	(1,605,373)	-	(1,605,373)	-	(1,605,373)
<b>Balance at Poush End 2075</b>	8,106,863	238,470	3,204,230	30,162	922,519	277,425	641,310	968,943	1,175,497	122,602	15,688,012	-	15,688,012
<b>Balance at Shrawan 1, 2076</b>	8,106,863	238,470	3,815,054	30,162	594,553	582,022	808,195	968,943	2,324,151	156,649	17,625,063	-	17,625,063
<b>Comprehensive income for the period</b>													
<b>Profit for the period</b>									1,509,829		1,509,829		1,509,829
<b>Other comprehensive income, net of tax</b>											-		-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	54,786	-	-	1,564,616	-	1,564,616		1,564,616
<b>Contributions from and distributions to owners</b>					257,131				(257,131)		-		-
Share issues	403,343								(403,343)		-		-
Share based payments											-		-
<b>Dividends to equity holders</b>											-		-
Bonus shares issued									-		-		-
Cash dividend paid											-		-
Dividends to shareholders (ordinary)									(1,613,373)		(1,613,373)		(1,613,373)
Dividends to shareholders (preference)									-		-		-
<b>Total contributions by and distributions</b>	403,343	-	-	-	-	-	-	-	(2,016,716)	-	(1,613,373)	-	(1,613,373)
<b>Balance at Poush End 2076</b>	8,510,207	238,470	3,815,054	30,162	851,684	636,808	808,195	968,943	1,560,134	156,649	17,576,306	-	17,576,306

**Ratios as per NRB Directive**

<b>Particulars</b>	<b>Current Year</b>		<b>Previous Year</b>	
	<b>This Quarter</b>	<b>Upto This Quarter (YTD)</b>	<b>This Quarter</b>	<b>Upto This Quarter (YTD)</b>
Capital Fund to RWA		12.33%		12.57%
Non-Performing Loan (NPL) to Total Loan		0.16%		0.19%
Total Loan Loss Provision to Total NPL		707.89%		624.03%
Cost of Funds		6.44%		6.23%
Credit to Deposit Ratio		75.04%		76.23%
Base Rate		8.46%		8.22%
Interest Rate Spread		*5.33%		4.38%
Market Share Price (in Rs.)		596		534
Return on Total Assets (Annualized in %)		1.73%		1.78%
Return on Equity (Annualized in %)		17.22%		18.23%
Net Worth Per share (in Rs.)		207.04		194.45
Total Assets Per Share		2,058.23		1,849.22

\* As per new NRB Guidelines

**Unaudited Condensed Statement of Cash Flows**  
**For the Quarter Ended 29 Poush 2076**

**Rs. In '000**

<b>Particular</b>	<b>Upto This Quarter</b>	<b>Corresponding Previous Year Upto this Quarter</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	6,214,720	5,380,757
Fees and other income received	536,419	524,786
Dividend received	-	-
Receipts from other operating activities	153,554	125,447
Interest paid	(4,266,434)	(3,542,399)
Commission and fees paid	(55,608)	(131,313)
Cash payment to employees	(1,035,351)	(885,690)
Other expense paid	(383,048)	(229,355)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>1,164,251</b>	<b>1,242,233</b>
<b>(Increase)/Decrease in operating assets</b>		
Due from Nepal Rastra Bank	5,120,536	(2,958,279)
Placement with bank and financial institutions	(7,418,250)	(109,578)
Other trading assets	-	-
Loan and advances to bank and financial institutions	737,525	(1,917,392)
Loans and advances to customers	(9,394,891)	(9,573,388)
Other assets	(685,000)	325,229
<b>Increase/(Decrease) in operating liabilities</b>		
Due to bank and financial institutions	154,185	(916,078)
Due to Nepal Rastra Bank	(595,825)	735,784
Deposit from customers	11,627,362	8,666,221
Borrowings	-	-
Other liabilities	7,881,768	7,511,909
<b>Net cash flow from operating activities before tax paid</b>	<b>8,591,662</b>	<b>3,006,660</b>
Income taxes paid	(500,488)	(580,392)
<b>Net cash flow from operating activities</b>	<b>8,091,174</b>	<b>2,426,268</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(7,698,817)	(3,516,697)
Receipts from sale of investment securities	-	-
Purchase of property and equipment	(48,533)	(64,260)
Receipt from the sale of property and equipment	8	5,672
Purchase of intangible assets	(3,191)	(32,711)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	-
Interest received	524,188	381,104
Dividend received	18,839	23,336
<b>Net cash used in investing activities</b>	<b>(7,207,507)</b>	<b>(3,203,557)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	-	-
Dividends paid	(1,178,778)	(1,129,643)
Interest paid	(56,128)	(54,450)
Other receipt/payment	-	-
<b>Net cash from financing activities</b>	<b>(1,234,907)</b>	<b>(1,184,093)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(351,239)</b>	<b>(1,961,382)</b>
Cash and cash equivalents at Shrawan 1, 2076	7,759,121	10,065,423
Effect of exchange rate fluctuations on cash and cash equivalents held	13,418	2,177
<b>Cash and cash equivalents at Poush End 2076</b>	<b>7,421,300</b>	<b>8,106,217</b>

## **1. 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.

## **2. Statement of Compliance**

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

## **3. 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.

## **4. 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.

## **5. 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.

**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 recognizes 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.

**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 NAS 39 para 63.

**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.

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 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 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.

**(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.

## 6. Segmental Information

### A. Information about reportable segments

(Rs. in '000)

Particulars	Province 1		Province 2		Bagmati Province		Gandaki Province		Province 5		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	589,870	478,393	504,651	496,127	4,899,152	4,355,678	420,636	381,056	694,462	631,609	90,222	73,487	290,461	248,400	7,489,455	6,664,749
Intersegment Revenue	10,645	9,566	66,583	43,329	4,353,254	3,742,815	1,875	2,129	24,719	24,426	-	-	7,802	6,990	4,464,878	3,829,255
Gross Revenue	600,515	487,959	571,234	539,456	9,252,406	8,098,494	422,511	383,185	719,181	656,035	90,222	73,487	298,263	255,389	11,954,333	10,494,004
Interest Revenue	535,238	585,904	449,961	396,960	4,447,719	4,052,404	390,021	346,145	614,703	542,055	83,159	66,526	263,910	216,668	6,784,711	6,206,662
Interest Expenses	152,419	113,072	160,751	119,976	3,501,453	2,977,133	138,402	92,521	230,952	172,760	18,239	14,475	67,317	45,643	4,269,532	3,535,580
Net Interest Revenue	382,819	472,832	289,210	276,984	946,266	1,075,270	251,619	253,624	383,751	369,295	64,920	52,051	196,593	171,025	2,515,179	2,671,082
Depreciation & Amortisation	6,824	2,173	6,019	2,494	37,746	16,933	5,589	2,234	5,093	2,669	912	512	6,591	2,823	68,774	29,838
Segment Profit/(Loss)	189,328	136,506	181,257	184,459	1,244,014	534,116	114,827	109,063	255,296	233,942	24,124	23,588	69,859	62,763	2,078,704	1,284,436
impairment of assets	9,790	8,423	8,155	10,349	59,980	51,127	400	9,158	12,162	19,583	1,502	3,581	(2,593)	8,816	89,396	111,037
Segment assets	14,803,371	11,536,169	12,664,713	11,963,812	122,949,067	105,034,686	10,556,283	9,188,945	17,428,219	15,230,887	2,264,206	1,772,094	7,289,409	5,990,019	187,955,267	160,716,612
Segment Liabilities	13,419,060	22,165,090	11,480,395	10,017,404	111,451,701	84,058,502	9,569,131	8,383,131	15,798,450	13,432,935	2,052,473	1,625,777	6,607,752	5,345,763	170,378,961	145,028,601

### B. Reconciliation of reportable segment profit or loss

(Rs. in '000)

#### i) Revenue

	Current Quarter	Corresponding Previous Year Quarter
<b>Total revenues for reportable segments</b>	11,954,333	10,494,004
Other revenues	401,264	250,982
Elimination of intersegment revenues	(4,464,878)	(3,829,255)
<b>Entity's revenues</b>	<b>7,890,719</b>	<b>6,915,732</b>

**ii) Profit or loss****(Rs. in '000)**

	<b>Current Quarter</b>	<b>Corresponding Previous Year Quarter</b>
Total profit or loss for reportable segments	2,078,704	1,284,436
Other profit or loss	-	-
Elimination of intersegment profits	-	-
Unallocated amounts:	-	-
Bonus expenses	(239,655)	(226,971)
Other adjustments	317,850	985,271
<b>Profit before income tax</b>	<b>2,156,899</b>	<b>2,042,736</b>

**7. 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:****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 three expatriates seconded from PNB group to oversee the management of the bank's functioning under a technical service agreement and two higher level employee of the bank.
- 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

**Rs. In '000**

<b>Particulars</b>	<b>29 Poush 2076</b>
<b>Directors:</b>	
Director's Sitting Fees	935
Other Expense	177
Interest Paid to directors on deposits	63,717

<b>Key Management Personnel (KMP):</b>	
Remuneration and benefits paid	23,884
Interest on account balances	344
<b>PNB Group</b>	
Cash Dividend	4,295
Bonus Share Paid (No. of Share)	807,865
<b>Nirdhan Utthan Bank Ltd.</b>	
Dividend Received	18,182

<b>Transactions</b>	<b>Amount (Rs. In '000)</b>	<b>Nature of relationship</b>
Deposit	1,516,454	Director
Deposit	8,093	KMP
Loan	8,534	KMP

**8. Issues, repurchases and repayments of debt and equity securities**

None

**9. Events after interim period**

There are no material events after reporting date affecting financial status of the Bank as on Poush End, 2076.

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

There is no any merger or acquisition effecting the changes in the composition of the entity during the interim period as on Poush End, 2076.