

**Everest Bank Ltd**  
**Unaudited Financial Result**  
**1<sup>st</sup> Quarter Ending F/Y 2079/80**

**Unaudited Condensed Statement of Financial Position**  
**As on Quarter Ended 31 Aswin 2079**

Fig in '000

<b>Assets</b>	<b>This Quarter Ending</b>	<b>Immediate Previous year Ending</b>
Cash and cash equivalent	7,532,963	10,428,537
Due from Nepal Rastra Bank	6,378,340	11,105,032
Placement with Bank and Financial Institutions	3,889,575	2,875,500
Derivative financial instruments	9,751	21,075
Other trading assets	-	-
Loan and advances to B/FIs	9,275,463	9,573,311
Loans and advances to customers	147,981,390	145,474,070
Investment securities	34,538,458	39,270,163
Current tax assets	180,071	513,719
Investment in subsidiaries	-	-
Investment in associates	713,660	707,316
Investment property	2,203	2,203
Property and equipment	2,736,418	2,756,670
Goodwill and Intangible assets	26,446	23,076
Deferred tax assets	-	-
Other assets	2,221,380	1,549,548
<b>Total Assets</b>	<b>215,486,119</b>	<b>224,300,219</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	1,475,642	733,073
Due to Nepal Rastra Bank	2,689,977	2,919,259
Derivative financial instruments	-	-
Deposits from customers	173,844,552	172,739,185
Borrowing	2,637,000	2,556,000
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	122,131	91,825
Other liabilities	7,976,540	21,241,050
Debt securities issued	3,325,628	1,325,628
Subordinated Liabilities	-	-
<b>Total liabilities</b>	<b>192,071,470</b>	<b>201,606,020</b>
<b>Equity</b>		
Share capital	9,467,340	9,467,340
Share premium	238,470	238,470
Retained earnings	4,716,857	3,895,454
Reserves	8,991,982	9,092,936
<b>Total equity attributable to equity holders</b>	<b>23,414,649</b>	<b>22,694,200</b>
<b>Non-controlling interest</b>		
<b>Total equity</b>	<b>23,414,649</b>	<b>22,694,200</b>
<b>Total liabilities and equity</b>	<b>215,486,119</b>	<b>224,300,219</b>

**Unaudited Condensed Statement of Profit or Loss  
For the Quarter Ended 31 Aswin 2079**

Fig in '000

Particulars	Bank			
	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	5,314,639	5,314,639	3,025,113	3,025,113
Interest expense	3,429,185	3,429,185	1,933,207	1,933,207
<b>Net interest income</b>	<b>1,885,454</b>	<b>1,885,454</b>	<b>1,091,906</b>	<b>1,091,906</b>
Fee and commission income	317,455	317,455	289,908	289,908
Fee and commission expense	55,640	55,640	82,997	82,997
<b>Net fee and commission income</b>	<b>261,815</b>	<b>261,815</b>	<b>206,910</b>	<b>206,910</b>
<b>Net interest, fee and commission income</b>	<b>2,147,269</b>	<b>2,147,269</b>	<b>1,298,816</b>	<b>1,298,816</b>
Net trading income	43,024	43,024	110,246	110,246
Other operating income	5,143	5,143	254,183	254,183
<b>Total operating income</b>	<b>2,195,437</b>	<b>2,195,437</b>	<b>1,663,245</b>	<b>1,663,245</b>
Impairment charge/(reversal) for loans and other losses	122,751	122,751	144,690	144,690
<b>Net operating income</b>	<b>2,072,686</b>	<b>2,072,686</b>	<b>1,518,555</b>	<b>1,518,555</b>
<b>Operating expense</b>				
Personnel expenses	595,193	595,193	469,210	469,210
Other operating expenses	201,376	201,376	176,103	176,103
Depreciation & Amortisation	44,250	44,250	45,902	45,902
<b>Operating Profit</b>	<b>1,231,866</b>	<b>1,231,866</b>	<b>827,340</b>	<b>827,340</b>
Non operating income	-	-	-	-
Non operating expense	99	99	379	379
<b>Profit before income tax</b>	<b>1,231,767</b>	<b>1,231,767</b>	<b>826,961</b>	<b>826,961</b>
Income tax expense				
Current Tax	369,530	369,530	248,088	248,088
Deferred Tax	-	-	-	-
<b>Profit for the period</b>	<b>862,237</b>	<b>862,237</b>	<b>578,873</b>	<b>578,873</b>
<b>Condensed Statement of Comprehensive Income</b>				
Profit/(Loss) for the period	862,237	862,237	578,873	578,873
Other Comprehensive Income	(116,456)	(116,456)	(346,425)	(346,425)
<b>Total Comprehensive Income</b>	<b>745,781</b>	<b>745,781</b>	<b>232,447</b>	<b>232,447</b>
<b>Earnings per share</b>				
Basic earnings per share		36.58		22.60
Diluted earnings per share		36.43		22.50
<b>Profit attributable to:</b>				
Equity holders of the Bank	862,237	862,237	578,873	578,873
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>862,237</b>	<b>862,237</b>	<b>578,873</b>	<b>578,873</b>

# Unaudited Statement of Comprehensive Income

For the Quarter Ending 31 Aswin, 2079

Fig in NPR.

	Note	Current Year		Previous Year	
		This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year		862,237	862,237	578,872	578,872
<b>Other comprehensive income, net of income tax</b>					
a) <b>Items that will not be reclassified to profit or loss</b>					
Gains/(losses) from investments in equity instruments measured at fair value		(116,456)	(116,456)	(346,425)	(346,425)
Gains/(losses) on revaluation		-	-	-	-
Actuarial gains/(losse) on defined benefit plans		-	-	-	-
Income tax relating to above items		-	-	-	-
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>(116,456)</b>	<b>(116,456)</b>	<b>(346,425)</b>	<b>(346,425)</b>
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 equited method</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
c) <b>Other comprehensive income for the year, net of income tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>745,781</b>	<b>745,781</b>	<b>232,447</b>	<b>232,447</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Bank		745,781	745,781	232,447	232,447
Non-controlling interest		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>745,781</b>	<b>745,781</b>	<b>232,447</b>	<b>232,447</b>
<b>Earnings per share</b>					
Basic earnings per share			36.58		26.04
Annualized Basic Earnings per share			36.58		26.04
Diluted Earning per Share			36.43		25.92

# Unaudited Condensed Statement of changes in equity

For the Quarter Ended 31 Aswin 2079

	Attributable to equity holders of the Bank										Fig in NPR.		
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Debt Redemption Reserve	Revaluation Reserve	Retained earning	Other reserve	Total	Non-controlling interest	Total equity
<b>Balance at Shawan 1, 2077</b>	8,933,717	238,470	4,683,618	38,060	942,127	1,425,444	421,965	971,431	2,364,208	664,565	20,683,605	-	20,683,605
<b>Comprehensive income for the Period</b>													
<b>Profit for the period</b>									578,873		578,873		578,873
<b>Other comprehensive income, net of tax</b>											-		-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(346,425)	-	-	578,873	-	232,447		232,447
<b>Contributions from and distributions to owners</b>									171,328		171,328		171,328
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)											-		-
Dividends to shareholders (preference)											-		-
<b>Total contributions by and distributions</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at Chaitra End 2077</b>	8,933,717	238,470	4,683,618	38,060	942,127	1,079,019	421,965	971,431	3,114,417	664,565	21,087,380	-	21,087,380
<b>Balance at Shawan 1, 2078</b>	9,467,340	238,470	5,311,837	38,661	926,334	681,954	468,845	971,431	3,870,122	43,621	22,668,868	-	22,668,868
<b>Comprehensive income for the period</b>													
<b>Profit for the period</b>											-		-
<b>Other comprehensive income, net of tax</b>											-		-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(116,456)	-	-	862,237	-	745,781		745,781
<b>Contributions from and distributions to owners</b>	-	-	(1,055)	13,077	15,339	-	-	-	(15,502)	(11,860)	(0)		(0)
Share issues											-		-
Share based payments											-		-
<b>Dividends to equity holders</b>											-		-
Bonus shares issued	-										-		-
Cash dividend paid											-		-
Dividends to shareholders (ordinary)											-		-
Dividends to shareholders (preference)											-		-
<b>Total contributions by and distributions</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at Chaitra End 2078</b>	9,467,340	238,470	5,310,782	51,738	941,673	565,498	468,845	971,431	4,716,857	31,761	23,414,649	-	23,414,649

**Ratios as per NRB Directive**

	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
<b>Particulars</b>				
Capital Fund to RWA		13.39%		12.51%
Non-Performing Loan (NPL) to Total Loan		0.33%		0.13%
Total Loan Loss Provision to Total NPL		486.97%		1227.15%
Cost of Funds		7.75%		4.97%
Credit to Deposit Ratio		86.49%		86.39%
Base Rate		9.30%		7.00%
Interest Rate Spread		4.17%		2.61%
Market Share Price (in Rs.)		504.00		714.00
Return on Total Assets (Annualized in %)		1.66%		1.20%
Return on Equity (Annualized in %)		14.73%		11.09%
Net Worth Per share (in Rs.)		247.32		234.73
Total Assets Per Share		2,195.71		2,163.22

**Statement of distributable profit or loss**  
For the Quarter Ended 31 Aswin 2079  
(As per NRB Regulation)

<b>Particulars</b>	<b>Fig In '000</b> Current Period
<b>Opening Retained Earning</b>	<b>3,870,122</b>
<b>Add:</b>	
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>862,237</b>
<b><u>1. Appropriations:</u></b>	
<b><u>1.1 Profit Required to be appropriated to Statutory Reserve</u></b>	<b>163</b>
<i>a. General reserve</i>	(1,055)
<i>b. Foreign exchange fluctuation fund</i>	13,077
<i>c. Debenture redemption reserve</i>	
<i>d. Corporate social responsibility fund</i>	
<i>e. Employees' training fund</i>	
<i>f. Capital Adjustment Reserve</i>	
<i>g. Investment Adjustment Reserve</i>	
<i>h. Other</i>	(11,860)
<b><u>1.2 Profit required to be transfer to Regulatory Reserve :</u></b>	<b>15,339</b>
<i>a. Interest receivable (-)/previous accrued interest received (+)</i>	15,339
a. Transfer to Regulatory Reserve	<b>15,339</b>
b. Transfer from Regulatory Reserve	-
<b>Net Profit For the Period end Ashwin Qtr 2079 available for distribution</b>	<b>4,716,857</b>

# Unaudited Condensed Statement of Cash Flows

For the Quarter Ended 31 Aswin 2079

	Rs. In '000	
	Upto This Quarter	Corresponding Previous Year Upto this Quarter
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	4,405,820	13,517,370
Fees and other income received	317,455	1,294,958
Dividend received	-	-
Receipts from other operating activities	293,205	250,490
Interest paid	(3,148,533)	(10,123,823)
Commission and fees paid	(55,640)	(263,073)
Cash payment to employees	(425,876)	(1,821,056)
Other expense paid	(201,376)	(789,656)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>1,185,054</b>	<b>2,065,209</b>
<b>(Increase)/Decrease in operating assets</b>		
Due from Nepal Rastra Bank	4,726,692	17,733,540
Placement with bank and financial institutions	(1,014,075)	(730,800)
Other trading assets	-	-
Loan and advances to bank and financial institutions	175,679	(2,114,779)
Loans and advances to customers	(2,529,204)	(18,111,621)
Other assets	(490,276)	(218,010)
<b>Increase/(Decrease) in operating liabilities</b>		
Due to bank and financial institutions	742,569	54,098
Due to Nepal Rastra Bank	(229,282)	807,075
Deposit from customers	1,105,368	12,518,928
Borrowings	81,000	2,556,000
Other liabilities	(13,347,452)	(5,877,468)
<b>Net cash flow from operating activities before tax paid</b>	<b>(9,593,928)</b>	<b>8,682,172</b>
Income taxes paid	-	(1,418,822)
<b>Net cash flow from operating activities</b>	<b>(9,593,928)</b>	<b>7,263,350</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	4,615,249	(8,875,850)
Receipts from sale of investment securities	-	870,367
Purchase of property and equipment	(16,882)	(187,887)
Receipt from the sale of property and equipment	5,044	747
Purchase of intangible assets	-	-
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	-
Interest received	402,036	1,715,480
Dividend received	-	10,452
<b>Net cash used in investing activities</b>	<b>5,005,448</b>	<b>(6,466,690)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt from issue of debt securities	-	-
Repayment of debt securities	2,000,000	856,783
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(4,968)	(415,998)
Interest paid	(308,810)	(32,334)
Other receipt/payment	-	-
<b>Net cash from financing activities</b>	<b>1,686,222</b>	<b>408,451</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,902,259)</b>	<b>1,205,111</b>
Cash and cash equivalents at Shawan 1, 2079	10,428,537	9,163,408
Effect of exchange rate fluctuations on cash and cash equivalents held	6,684	60,018
<b>Cash and cash equivalents at Aswin End 2079</b>	<b>7,532,963</b>	<b>10,428,537</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 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.



**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		Madhesh Province		Bagmati Province		Gandaki Province		Lumbini Province		Karnali Province		Sudurpaschim Province		Total	
	Current Quarter	Corresponding Previous Year	Current Quarter	Corresponding Previous Year	Current Quarter	Corresponding Previous Year	Current Quarter	Corresponding Previous Year	Current Quarter	Corresponding Previous Year	Current Quarter	Corresponding Previous Year	Current Quarter	Corresponding Previous Year	Current Quarter	Corresponding Previous Year
Revenues from external Customers	464,852	252,283	371,096	212,457	3,695,475	2,614,628	268,939	162,932	496,016	270,626	54,130	35,169	221,498	131,354	5,572,007	3,679,449
Intersegment Revenue	11,478	2,929	114,438	37,031	2,636,914	1,866,862	21,119	12,525	36,751	12,546	3	-	8,494	1,485	2,829,197	1,933,378
Gross Revenue	476,330	255,212	485,534	249,488	6,332,389	4,481,490	290,058	175,457	532,767	283,172	54,133	35,169	229,992	132,839	8,401,204	5,612,827
Interest Revenue	428,359	217,284	348,146	176,772	2,807,807	2,099,019	253,625	146,281	461,842	236,583	51,176	31,601	210,082	117,572	4,561,036	3,025,113
Interest Expenses	172,778	88,845	203,099	94,585	2,574,694	1,518,516	136,971	71,790	242,874	115,251	18,525	9,202	76,593	35,019	3,425,534	1,933,207
Net Interest Revenue	255,581	128,440	145,047	82,187	233,112	580,503	116,654	74,492	218,968	121,331	32,650	22,399	133,489	82,554	1,135,502	1,091,906
Depreciation & Amortisation	3,539	3,906	2,592	2,887	27,117	29,508	2,823	2,674	5,660	4,378	309	298	2,210	2,252	44,250	45,902
Segment Profit/(Loss)	124,079	53,702	156,656	66,689	826,636	691,416	58,349	35,662	137,740	49,406	18,189	5,312	46,982	16,658	1,368,630	918,846
impairment of assets	11,721	26,816	11,927	13,622	78,528	80,677	643	9,542	16,476	2,755	(167)	(1,198)	3,623	12,477	122,751	144,690
Segment assets	17,977,212	13,731,187	14,351,407	11,563,534	142,915,028	142,308,097	10,400,688	8,868,010	19,182,433	14,729,523	2,093,353	1,914,175	8,565,998	7,149,301	215,486,119	200,263,828
Segment Liabilities	16,023,814	12,297,068	12,791,988	10,355,810	127,385,929	127,445,085	9,270,553	7,941,813	17,098,076	13,191,135	1,865,890	1,714,254	7,635,220	6,402,610	192,071,470	179,347,775

## B. Reconciliation of reportable segment profit or loss

	Rs. In '000	
	Current Quarter	Corresponding Previous Year Quarter
<b>Total revenues for reportable segments</b>	8,401,204	5,612,827
Other revenues	-	-
Elimination of intersegment revenues	(2,829,197)	(1,933,378)
<b>Entity's revenues</b>	<b>5,572,007</b>	<b>3,679,449</b>

	Rs. In '000	
	Current Quarter	Corresponding Previous Year Quarter
Total profit or loss for reportable segments	1,368,630	918,846
Other profit or loss		
Elimination of intersegment profits		
Unallocated amounts:		
Bonus expenses	(136,863)	(91,885)
Other adjustments		
Profit before income tax	1,231,767	826,961

## 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 two expatriates from PNB group under a technical service agreement and three higher level domestic employee 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

**Rs. In '000**

<b>Particulars</b>	<b>31 Aswin, 2079</b>	<b>31 Aswin, 2078</b>
<b>Directors:</b>		
Director's Sitting Fees	270	315
Interest Paid to directors on deposits	69,007	44,717
<b>Key Management Personnel (KMP):</b>		
Remuneration and benefits paid	12,208	8,218
Interest on account balances	463	197

**Rs. In '000**

<b>Transactions</b>	<b>31 Aswin, 2079</b>	<b>31 Aswin, 2078</b>	<b>Nature of relationship</b>
Deposit	2,614,648	2,498,820	Director
Deposit	13,850	12,697	KMP
Loan	11,419	6,452	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 Aswin End, 2079.

**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 Aswin End, 2079.