

**Everest Bank Ltd**  
**Unaudited Financial Result**  
**1<sup>st</sup> Quarter Ending F/Y 2080/81**

**Unaudited Condensed Statement of Financial Position**  
**As on Quarter Ended 30 Aswin 2080**

<b>Assets</b>	<b>This Quarter Ending</b>	<b>Fig in '000 Immediate Previous year Ending</b>
Cash and cash equivalent	16,069,548	15,378,248
Due from Nepal Rastra Bank	7,961,272	13,933,794
Placement with Bank and Financial Institutions	6,926,400	5,980,975
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	7,915,657	8,076,881
Loans and advances to customers	165,483,046	159,479,295
Investment securities	47,023,844	40,201,725
Current tax assets	187,339	520,852
Investment in subsidiaries	-	-
Investment in associates	727,810	727,810
Investment property	9,167	-
Property and equipment	3,484,294	3,619,403
Goodwill and Intangible assets	23,038	24,949
Deferred tax assets	-	-
Other assets	3,135,883	2,146,560
<b>Total Assets</b>	<b>258,947,297</b>	<b>250,090,493</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	2,062,868	1,219,274
Due to Nepal Rastra Bank	20,000	23,767
Derivative financial instruments	9,909	47,597
Deposits from customers	213,770,050	198,007,807
Borrowing	2,664,000	2,664,217
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	173,207	173,207
Other liabilities	10,717,828	18,979,341
Debt securities issued	3,603,613	3,603,613
Subordinated Liabilities	-	-
<b>Total liabilities</b>	<b>233,021,475</b>	<b>224,718,823</b>
<b>Equity</b>		
Share capital	10,698,094	10,698,094
Share premium	238,470	238,470
Retained earnings	4,521,023	4,110,488
Reserves	10,468,234	10,324,617
<b>Total equity attributable to equity holders</b>	<b>25,925,822</b>	<b>25,371,669</b>
<b>Non-controlling interest</b>		
<b>Total equity</b>	<b>25,925,822</b>	<b>25,371,669</b>
<b>Total liabilities and equity</b>	<b>258,947,297</b>	<b>250,090,493</b>

**Unaudited Condensed Statement of Profit or Loss  
For the Quarter Ended 30 Aswin 2080**

Fig in '000

Particulars	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Corresponding
				Upto This Quarter (YTD)
Interest income	5,838,932	5,838,932	5,314,639	5,314,639
Interest expense	3,947,400	3,947,400	3,429,185	3,429,185
<b>Net interest income</b>	<b>1,891,532</b>	<b>1,891,532</b>	<b>1,885,454</b>	<b>1,885,454</b>
Fee and commission income	437,664	437,664	317,455	317,455
Fee and commission expense	56,125	56,125	55,640	55,640
<b>Net fee and commission income</b>	<b>381,539</b>	<b>381,539</b>	<b>261,815</b>	<b>261,815</b>
<b>Net interest, fee and commission income</b>	<b>2,273,071</b>	<b>2,273,071</b>	<b>2,147,269</b>	<b>2,147,269</b>
Net trading income	76,995	76,995	43,024	43,024
Other operating income	31,332	31,332	5,143	5,143
<b>Total operating income</b>	<b>2,381,398</b>	<b>2,381,398</b>	<b>2,195,437</b>	<b>2,195,437</b>
Impairment charge/(reversal) for loans and other losses	429,502	429,502	122,751	122,751
<b>Net operating income</b>	<b>1,951,896</b>	<b>1,951,896</b>	<b>2,072,686</b>	<b>2,072,686</b>
<b>Operating expense</b>				
Personnel expenses	562,180	562,180	595,193	595,193
Other operating expenses	234,407	234,407	201,376	201,376
Depreciation & Amortisation	39,813	39,813	44,250	44,250
<b>Operating Profit</b>	<b>1,115,496</b>	<b>1,115,496</b>	<b>1,231,866</b>	<b>1,231,866</b>
Non operating income	-	-	-	-
Non operating expense	127	127	99	99
<b>Profit before income tax</b>	<b>1,115,370</b>	<b>1,115,370</b>	<b>1,231,767</b>	<b>1,231,767</b>
Income tax expense				
Current Tax	334,611	334,611	369,530	369,530
Deferred Tax	-	-	-	-
<b>Profit for the period</b>	<b>780,759</b>	<b>780,759</b>	<b>862,237</b>	<b>862,237</b>
<b>Condensed Statement of Comprehensive Income</b>				
Profit/(Loss) for the period	780,759	780,759	862,237	862,237
Other Comprehensive Income	(226,606)	(226,606)	(116,456)	(116,456)
<b>Total Comprehensive Income</b>	<b>554,153</b>	<b>554,153</b>	<b>745,781</b>	<b>745,781</b>
<b>Earnings per share</b>				
Basic earnings per share		29.19		36.58
Diluted earnings per share		29.19		36.43
<b>Profit attributable to:</b>				
Equity holders of the Bank	780,759	780,759	862,237	862,237
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>780,759</b>	<b>780,759</b>	<b>862,237</b>	<b>862,237</b>

# Unaudited Statement of Comprehensive Income

For the Quarter Ending 30 Aswin, 2080

Fig in '000.

	Note	Current Year		Previous Year	
		This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year		780,759	780,759	862,237	862,237
<b>Other comprehensive income, net of income tax</b>					
<b>a) Items that will not be reclassified to profit or loss</b>					
Gains/(losses) from investments in equity instruments measured at fair value		(226,606)	(226,606)	(116,456)	(116,456)
Gains/(losses) on revaluation					
Actuarial gains/(losses) 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>(226,606)</b>	<b>(226,606)</b>	<b>(116,456)</b>	<b>(116,456)</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>
<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>554,153</b>	<b>554,153</b>	<b>745,781</b>	<b>745,781</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Bank		554,153	554,153	745,781	745,781
Non-controlling interest		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>554,153</b>	<b>554,153</b>	<b>745,781</b>	<b>745,781</b>
<b>Earnings per share</b>					
Basic earnings per share			29.19		36.58
Annualized Basic Earnings per share			29.19		36.58
Diluted Earning per Share			29.19		36.43

# Unaudited Condensed Statement of changes in equity

For the Quarter Ended 30 Aswin 2080

	Attributable to equity holders of the Bank											Non-controlling interest	Total equity
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Debt Redemption Reserve	Revaluation Reserve	Retained earning	Other reserve	Total		
<b>Balance at Shawan 1, 2079</b>	9,467,340	238,470	5,311,837	38,661	926,334	681,954	468,845	971,431	3,870,122	693,875	22,668,868	-	22,668,868
<b>Comprehensive income for the Period</b>													
<b>Profit for the period</b>									862,237		862,237		862,237
<b>Other comprehensive income, net of tax</b>						(116,456)					-		-
<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)		15,339	-			(15,502)		(1,217)		(1,217)
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 Aswin End 2079</b>	9,467,340	238,470	5,310,782	38,661	941,673	565,498	468,845	971,431	4,716,857	693,875	23,413,432	-	23,413,432
<b>Balance at Shawan 1, 2080</b>	10,698,094	238,470	6,008,342	58,194	1,094,475	884,760	142,797	971,431	4,110,488	1,164,618	25,371,669	-	25,371,669
<b>Comprehensive income for the period</b>													
<b>Profit for the period</b>									780,759		780,759		780,759
<b>Other comprehensive income, net of tax</b>						(226,606)					-		-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(226,606)	-	-	780,759	-	554,153		554,153
<b>Contributions from and distributions to owners</b>			156,152		211,157	-			(370,223)	2,914	-		-
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 Aswin End 2080</b>	10,698,094	238,470	6,164,494	58,194	1,305,632	658,154	142,797	971,431	4,521,023	1,167,532	25,925,822	-	25,925,822

Fig in '000.

**Ratios as per NRB Directive**

	<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>
<b>Particulars</b>				
Capital Fund to RWA		13.13%		13.39%
Non-Performing Loan (NPL) to Total Loan		0.90%		0.33%
Total Loan Loss Provision to Total NPL		229.08%		486.97%
Cost of Funds		7.74%		7.75%
Credit to Deposit Ratio		82.98%		86.49%
Base Rate		9.70%		9.30%
Interest Rate Spread		4.00%		4.17%
Market Share Price (in Rs.)		459.00		504.00
Return on Total Assets (Annualized in %)		1.32%		1.66%
Return on Equity (Annualized in %)		12.05%		14.73%
Net Worth Per share (in Rs.)		242.34		247.32
Total Assets Per Share		2,217.37		2,195.71

**Statement of distributable profit or loss**  
For the Quarter Ended 30 Aswin 2080  
(As per NRB Regulation)

Fig In '000  
Bank

	Current Year	Previous Year
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>780,759</b>	<b>862,237</b>
<b><u>Appropriations:</u></b>		
<i>a. General reserve</i>	156,152	(1,055)
<i>b. Foreign exchange fluctuation fund</i>	-	13,077
<i>c. Capital redemption reserve</i>		
<i>d. Corporate social responsibility fund</i>	4,798	
<i>e. Employees' training fund</i>	(1,884)	
<i>f. Other</i>		(11,860)
<b>Profit or (loss) before regulatory adjustment</b>	<b>621,693</b>	<b>862,075</b>
<b><u>Regulatory Adjustment :</u></b>		
<i>a. Interest receivable (-)/previous accrued interest received (+)</i>	(211,157)	(15,339)
<i>b. Short loan loss provision in accounts (-)/reversal (+)</i>	-	-
<i>c. Short provision for possible losses on investment (-)/reversal (+)</i>	-	-
<i>d. Short loan loss provision on Non Banking Assets (-)/reversal (+)</i>	-	-
<i>e. Deferred tax assets recognized (-)/ reversal (+)</i>	-	-
<i>f. Goodwill recognized (-)/ impairment of Goodwill (+)</i>	-	-
<i>g. Bargain purchase gain recognized (-)/reversal (+)</i>	-	-
<i>h. Actuarial loss recognized (-)/reversal (+)</i>	-	-
<i>i. Other</i>	-	-
<b>Net profit for the Quarter end Aswin 2080 Available for distribution</b>	<b>410,536</b>	<b>846,735</b>
Opening Retained Earning as on Shrawan 1 2080	4,110,488	3,870,122
Adjustment (+/-)	-	-
<b><u>Distribution:</u></b>		
<i>Bonus Shares Issued</i>		
<i>Cash Dividend Issued</i>		
<b>Total Distributable profit or (loss) as on Aswin end 2080</b>	<b>4,521,023</b>	<b>4,716,857</b>
Annualized Distributable Profit/Loss per Share	42.26	44.09

# Unaudited Condensed Statement of Cash Flows

For the Quarter Ended 30 Aswin 2080

	Rs. In '000	
	Upto This Quarter	Corresponding Previous Year Upto this Quarter
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	4,611,260	4,405,820
Fees and other income received	437,664	317,455
Dividend received	-	-
Receipts from other operating activities	39,307	293,205
Interest paid	(3,684,996)	(3,148,533)
Commission and fees paid	(56,125)	(55,640)
Cash payment to employees	(394,296)	(425,876)
Other expense paid	(234,407)	(201,376)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>718,408</b>	<b>1,185,054</b>
<b>(Increase)/Decrease in operating assets</b>		
Due from Nepal Rastra Bank	5,972,523	4,726,692
Placement with bank and financial institutions	(945,425)	(1,014,075)
Other trading assets	-	-
Loan and advances to bank and financial institutions	180,302	175,679
Loans and advances to customers	(6,051,544)	(2,529,204)
Other assets	(974,681)	(490,276)
<b>Increase/(Decrease) in operating liabilities</b>		
Due to bank and financial institutions	843,594	742,569
Due to Nepal Rastra Bank	(3,767)	(229,282)
Deposit from customers	15,762,242	1,105,368
Borrowings	(217)	81,000
Other liabilities	(8,517,270)	(13,347,452)
<b>Net cash flow from operating activities before tax paid</b>	<b>6,984,164</b>	<b>(9,593,928)</b>
Income taxes paid	(1,098)	-
<b>Net cash flow from operating activities</b>	<b>6,983,066</b>	<b>(9,593,928)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(7,048,725)	4,615,249
Receipts from sale of investment securities	-	-
Purchase of property and equipment	97,528	(16,882)
Receipt from the sale of property and equipment	(127)	5,044
Purchase of intangible assets	-	-
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	20,000	-
Receipt from the sale of investment properties	(9,167)	-
Interest received	812,244	402,036
Dividend received	-	-
<b>Net cash used in investing activities</b>	<b>(6,128,246)</b>	<b>5,005,448</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	2,000,000
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(4,830)	(4,968)
Interest paid	(169,702)	(308,810)
Other receipt/payment	-	-
<b>Net cash from financing activities</b>	<b>(174,531)</b>	<b>1,686,222</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>680,290</b>	<b>(2,902,259)</b>
Cash and cash equivalents at Shawan 1, 2080	15,378,248	10,428,537
Effect of exchange rate fluctuations on cash and cash equivalents held	11,010	6,684
<b>Cash and cash equivalents at Aswin End 2080</b>	<b>16,069,548</b>	<b>7,532,963</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	Koshi Province		Madhesh Province		Bagmati Province		Gandaki Province		Lumbini Province		Karnali Province		Sudurpashchim Province		Total	
	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter	Current Quarter	Corresponding Previous Year Quarter
Revenues from external Customers	549,830	464,852	326,903	371,096	4,450,594	3,695,475	264,469	268,939	518,608	496,016	64,577	54,130	209,941	221,498	6,384,923	5,572,007
Intersegment Revenue	16,929	11,478	108,257	114,438	2,424,563	2,636,914	38,998	21,119	43,193	36,751	848	3	10,463	8,494	2,643,251	2,829,197
Gross Revenue	566,759	476,330	435,160	485,534	6,875,157	6,332,389	303,467	290,058	561,801	532,767	65,425	54,133	220,404	229,992	9,028,174	8,401,204
Interest Revenue	549,830	428,359	326,903	348,146	4,048,270	2,807,807	264,469	253,625	518,608	461,842	64,577	51,176	209,941	210,082	5,982,599	4,561,036
Interest Expenses	205,220	172,778	222,283	203,099	2,954,882	2,574,694	173,216	136,971	286,005	242,874	19,942	18,525	85,852	76,593	3,947,400	3,425,534
Net Interest Revenue	344,610	255,581	104,620	145,047	1,093,388	233,112	91,253	116,654	232,603	218,968	44,635	32,650	124,089	133,489	2,035,199	1,135,502
Depreciation & Amortization	3,827	3,539	3,222	2,592	21,652	27,117	3,114	2,823	6,082	5,660	325	309	1,590	2,210	39,813	44,250
Segment Profit/(Loss)	137,213	124,079	86,356	156,656	783,771	826,636	48,845	58,349	116,629	137,740	33,337	18,189	33,149	46,982	1,239,299	1,368,630
impairment of assets	46,200	11,721	63,814	11,927	180,755	78,528	24,076	643	76,368	16,476	1,221	(167)	37,068	3,623	429,502	122,751
Segment assets	22,298,938	17,977,212	13,257,910	14,351,407	180,498,549	142,915,028	10,725,815	10,400,688	21,032,701	19,182,433	2,619,006	2,093,353	8,514,379	8,565,998	258,947,297	215,486,119
Segment Liabilities	20,066,367	16,023,814	11,930,527	12,791,988	162,427,021	127,385,929	9,651,946	9,270,553	18,926,905	17,098,076	2,356,791	1,865,890	7,661,919	7,635,220	233,021,475	192,071,470

## B. Reconciliation of reportable segment profit or loss

### i) Revenue

Rs. In '000

	Current Quarter	Corresponding Previous Year Quarter
<b>Total revenues for reportable segments</b>	9,028,174	8,401,204
Other revenues	-	-
Elimination of intersegment revenues	(2,643,251)	(2,829,197)
<b>Entity's revenues</b>	<b>6,384,923</b>	<b>5,572,007</b>

### ii) Profit or loss

Rs. In '000

	Current Quarter	Corresponding Previous Year Quarter
Total profit or loss for reportable segments	1,239,299	1,368,630
Other profit or loss		
Elimination of intersegment profits		
Unallocated amounts:		
Bonus expenses	(123,930)	(136,863)
Other adjustments		
Profit before income tax	1,115,370	1,231,767

## 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>30 Aswin, 2080</b>	<b>30 Aswin, 2079</b>
<b>Directors:</b>		
Director's Sitting Fees	480	270
Interest Paid to directors on deposits	76,357	69,007
<b>Key Management Personnel (KMP):</b>		
Remuneration and benefits paid	10,099	12,208
Interest on account balances	677	463

**Rs. In '000**

<b>Transactions</b>	<b>30 Aswin, 2080</b>	<b>30 Aswin, 2079</b>	<b>Nature of relationship</b>
Deposit	2,866,205	2,614,648	Director
Deposit	30,699	13,850	KMP
Loan	8,323	11,419	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, 2080.

**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, 2080.