

Everest Bank Ltd
Unaudited Financial Result
4th Quarter Ending F/Y 2080/81

Unaudited Condensed Statement of Financial Position
As on Quarter Ended 31 Ashadh 2081

Assets	This Quarter Ending	Fig in '000 Immediate Previous year Ending
Cash and cash equivalent	7,308,052	15,378,248
Due from Nepal Rastra Bank	20,764,973	13,933,794
Placement with Bank and Financial Institutions	6,482,025	5,980,975
Derivative financial instruments	18,513	-
Other trading assets	-	-
Loan and advances to B/FIs	7,652,663	8,076,881
Loans and advances to customers	179,647,698	159,479,295
Investment securities	65,156,052	40,201,725
Current tax assets	525,463	520,852
Investment in subsidiaries	-	-
Investment in associates	727,810	727,810
Investment property	522,302	-
Property and equipment	3,605,909	3,619,403
Goodwill and Intangible assets	24,477	24,949
Deferred tax assets	-	-
Other assets	1,525,222	2,146,560
Total Assets	293,961,158	250,090,493
Liabilities		
Due to Bank and Financial Institutions	1,071,805	1,219,274
Due to Nepal Rastra Bank	-	23,767
Derivative financial instruments	-	47,597
Deposits from customers	232,316,604	198,007,807
Borrowing	2,349,196	2,664,217
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	138,467	173,207
Other liabilities	26,702,317	18,979,341
Debt securities issued	3,603,613	3,603,613
Subordinated Liabilities	-	-
Total liabilities	266,182,002	224,718,823
Equity		
Share capital	11,767,904	10,698,094
Share premium	238,470	238,470
Retained earnings	3,514,492	4,110,488
Reserves	12,258,290	10,324,617
Total equity attributable to equity holders	27,779,156	25,371,669
Non-controlling interest		
Total equity	27,779,156	25,371,669
Total liabilities and equity	293,961,158	250,090,493

**Unaudited Condensed Statement of Profit or Loss
For the Quarter Ended 31 Ashadh 2081**

Fig in '000

Particulars	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Corresponding
				Upto This Quarter (YTD)
Interest income	5,484,768	22,454,915	5,907,991	22,400,611
Interest expense	3,457,285	14,794,367	4,082,800	14,988,171
Net interest income	2,027,483	7,660,547	1,825,192	7,412,440
Fee and commission income	469,864	1,638,454	418,929	1,347,521
Fee and commission expense	104,662	295,238	91,942	271,927
Net fee and commission income	365,202	1,343,216	326,987	1,075,594
Net interest, fee and commission income	2,392,685	9,003,763	2,152,179	8,488,034
Net trading income	84,050	338,568	64,137	182,784
Other operating income	(9,670)	52,171	48,712	94,188
Total operating income	2,467,065	9,394,502	2,265,029	8,765,007
Impairment charge/(reversal) for loans and other losses	(354,782)	282,404	219,861	771,361
Net operating income	2,821,847	9,112,098	2,045,167	7,993,646
Operating expense				
Personnel expenses	569,094	2,285,354	490,598	2,129,931
Other operating expenses	310,576	1,039,675	84,593	736,669
Depreciation & Amortisation	65,425	183,778	175,292	309,475
Operating Profit	1,876,753	5,603,292	1,294,685	4,817,571
Non operating income	-	-	(229)	-
Non operating expense	2,066	pps2,227	1,119	1,286
Profit before income tax	1,874,687	5,601,064	1,293,336	4,816,285
Income tax expense				
Current Tax	782,503	1,900,417	390,690	1,447,575
Deferred Tax	-	-	6,595	6,595
Profit for the period	1,092,183	3,700,648	896,051	3,362,115
Condensed Statement of Comprehensive Income				
Profit/(Loss) for the period	1,092,183	3,700,648	896,051	3,362,115
Other Comprehensive Income	31,838	(140,994)	545,840	175,464
Total Comprehensive Income	1,124,021	3,559,654	1,441,891	3,537,579
Earnings per share				
Basic earnings per share		31.45		31.43
Diluted earnings per share		31.45		31.43
Profit attributable to:				
Equity holders of the Bank	1,092,183	3,700,648	896,051	3,362,115
Non-controlling interest	-	-	-	-
Profit for the period	1,092,183	3,700,648	896,051	3,362,115

Unaudited Statement of Comprehensive Income

For the Quarter Ending 31 Ashadh, 2081

Fig in '000.

	Note	Current Year		Previous Year	
		This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year		1,092,200	3,700,665	896,051	3,362,115
Other comprehensive income, net of income tax					
a) Items that will not be reclassified to profit or loss					
Gains/(losses) from investments in equity instruments measured at fair value		(53,422)	87,212	(85,620)	(204,512)
Gains/(losses) on revaluation		-	-	3,554	3,554
Actuarial gains/(losses) on defined benefit plans		(115,800)	(115,800)	(81,085)	(81,085)
Income tax relating to above items		60,426	60,426	(312,647)	(312,647)
Net other comprehensive income that will not be reclassified to profit or loss		(53,422)	31,838	(140,994)	(594,690)
b) Items that are or may be reclassified to profit or loss					
Gains/(losses) on cash flow hedge		-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)		-	-	-	-
Income tax relating to above items		-	-	-	-
Reclassify to profit or loss		-	-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-	-
Share of other comprehensive income of associate accounted as per equited method		-	-	-	-
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive income for the period		1,124,038	3,559,671	301,361	4,091,624
Total comprehensive income attributable to:					
Equity holders of the Bank		1,124,038	3,559,671	301,361	4,091,624
Non-controlling interest		-	-	-	-
Total comprehensive income for the period		1,124,038	3,559,671	301,361	4,091,624
Earnings per share					
Basic earnings per share			31.45		31.43
Annualized Basic Earnings per share			31.45		31.43
Diluted Earnings per Share			31.45		31.43

Unaudited Condensed Statement of changes in equity

For the Quarter Ended 31 Ashadh 2081

Fig 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	Debt Redemption Reserve	Revaluation Reserve	Retained earnings	Other reserve	Total		
Balance at Shawan 1, 2079	9,467,340	238,470	5,335,919	51,738	1,018,468	693,538	468,845	971,431	3,632,755	33,018	22,561,775	-	22,561,775
Comprehensive income for the Period													
Profit for the period	-	-	-	-	-	-	-	-	3,362,115	-	3,362,115	-	3,362,115
Other comprehensive income, net of tax	-	-	-	-	-	191,222	-	-	3,362,115	(15,953)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	191,222	-	-	3,362,115	(15,953)	3,537,384	-	3,537,384
Contributions from and distributions to owners	-	-	672,423	6,456	76,007	-	142,797	-	(926,138)	28,455	-	-	-
Right share issued (Calls in Advance)											-	-	-
Right share issued											-	-	-
Share based payments											-	-	-
Dividends to equity holders											-	-	-
Bonus shares issued	1,230,754	-	-	-	-	-	-	-	(1,230,754)	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-	(727,490)	-	(727,490)	-	(727,490)
Dividends to shareholders (ordinary)									-	-	-	-	-
Dividends to shareholders (preference)									-	-	-	-	-
Total contributions by and distributions	1,230,754	-	-	-	-	-	-	-	(1,958,245)	-	(727,490)	-	(727,490)
Balance at Ashadh End 2080	10,698,094	238,470	6,008,342	58,194	1,094,475	884,760	142,797	971,431	4,110,488	45,519	25,371,669	-	25,371,669
Balance at Shawan 1, 2080	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
Comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	3,700,665	-	3,700,665	-	3,700,665
Other comprehensive income, net of tax	-	-	-	-	-	(59,934)	-	-	3,700,665	(81,060)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(59,934)	-	-	3,700,665	(81,060)	3,559,671	-	3,559,671
Contributions from and distributions to owners	-	-	740,133	11,429	701,894	-	625,778	-	(2,100,355)	21,121	-	-	-
Share issues											-	-	-
Share based payments											-	-	-
Dividends to equity holders											-	-	-
Bonus shares issued	1,069,809	-	-	-	-	-	-	-	-	-	1,069,809	-	1,069,809
Cash dividend paid	-	-	-	-	-	-	-	-	(1,126,509)	-	(1,126,509)	-	(1,126,509)
Dividends to shareholders (ordinary)	-	-	-	-	-	-	-	-	(1,069,809)	-	(1,069,809)	-	(1,069,809)
Dividends to shareholders (preference)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	1,069,809	-	-	-	-	-	-	-	(2,196,319)	-	(1,126,509)	-	(1,126,509)
Balance at Ashadh End 2081	11,767,904	238,470	6,748,475	69,622	1,796,369	824,826	768,575	971,431	3,514,478	(14,420)	27,804,831	-	27,804,831

Ratios as per NRB Directive

Particulars	Current Year		Previous Year	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital Fund to RWA		12.61%		13.36%
Non-Performing Loan (NPL) to Total Loan		0.71%		0.79%
Total Loan Loss Provision to Total NPL		261.42%		235.64%
Cost of Funds		5.64%		7.75%
Credit to Deposit Ratio		80.29%		82.32%
Base Rate (Average)		7.29%		9.47%
Interest Rate Spread		7.45%		9.92%
Market Share Price (in Rs.)		3.98%		3.97%
Return on Total Assets (Annualized in %)		560.00		563.00
Return on Equity (Annualized in %)		1.36%		1.48%
Net Worth Per share (in Rs.)		13.32%		13.31%
Total Assets Per Share		236.06		238.33
		2,311.59		2,144.90

Statement of distributable profit or loss
For the Quarter Ended 31 Ashadh 2081
(As per NRB Regulation)

Fig In '000
Bank

	Current Year	Previous Year
Net profit or (loss) as per statement of profit or loss	3,700,647	3,362,115
<u>Appropriations:</u>		
<i>a. General reserve</i>	740,130	672,423
<i>b. Foreign exchange fluctuation fund</i>	11,429	6,456
<i>c. Capital redemption reserve</i>	625,778	142,797
<i>d. Corporate social responsibility fund</i>	20,490	17,795
<i>e. Employees' training fund</i>	631	10,660
<i>f. Other</i>	-	-
Profit or (loss) before regulatory adjustment	2,302,203	2,511,984
<u>Regulatory Adjustment :</u>		
<i>a. Interest receivable (-)/previous accrued interest received (+)</i>	(101,882)	(162,144)
<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>	(518,952)	(1,147)
<i>e. Deferred tax assets recognised (-)/ reversal (+)</i>	-	111,957
<i>f. Goodwill recognised (-)/ impairment of Goodwill (+)</i>	-	-
<i>g. Bargain purchase gain recognised (-)/reversal (+)</i>	-	-
<i>h. Actuarial loss recognised (-)/reversal (+)</i>	(81,060)	(15,759)
<i>i. Other</i>	-	(8,915)
Net profit for the Qtr end Ashadh Available for distribution	1,600,296	2,435,977
Opening Retained Earning as on Shrawan 1	4,110,488	3,632,755
Adjustment (+/-)	-	-
<u>Distribution:</u>		
<i>Bonus Shares Issued</i>	(1,069,809)	(1,230,754)
<i>Cash Dividend Issued</i>	(1,126,509)	(727,490)
Total Distributable profit or (loss) as on Ashadh end	3,514,465	4,110,488
Annualized Distributable Profit/Loss per Share	29.86	38.42

Unaudited Condensed Statement of Cash Flows

For the Quarter Ended 31 Ashadh 2081

	Rs. In '000	
	Upto This Quarter	Corresponding Previous Year Upto this Quarter
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	18,714,726	19,296,252
Fees and other income received	1,638,454	1,347,521
Dividend received	-	-
Receipts from other operating activities	272,458	246,148
Interest paid	(14,161,932)	(14,244,690)
Commission and fees paid	(295,238)	(271,927)
Cash payment to employees	(2,250,529)	(2,131,745)
Other expense paid	(1,039,675)	(752,372)
Operating cash flows before changes in operating assets and liabilities	2,878,264	3,489,188
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	(6,831,179)	(2,828,762)
Placement with bank and financial institutions	(501,050)	(3,105,475)
Other trading assets	-	-
Loan and advances to bank and financial institutions	450,546	1,503,247
Loans and advances to customers	(18,952,808)	(15,308,066)
Other assets	(649,959)	(199,915)
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	(147,469)	486,200
Due to Nepal Rastra Bank	(23,767)	(2,912,254)
Deposit from customers	34,308,797	25,268,622
Borrowings	(315,021)	86,105
Other liabilities	7,579,315	(3,320,899)
Net cash flow from operating activities before tax paid	17,795,669	3,157,991
Income taxes paid	(1,905,027)	(1,403,110)
Net cash flow from operating activities	15,890,641	1,754,882
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(25,039,946)	(3,749,250)
Receipts from sale of investment securities	-	-
Purchase of property and equipment	(168,408)	(291,013)
Receipt from the sale of property and equipment	(522,302)	34,172
Purchase of intangible assets	-	(15,703)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	(620)	3,423
Interest received	3,487,186	2,733,099
Dividend received	3,446	1,959
Net cash used in investing activities	(22,240,644)	(1,283,314)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	2,277,985
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(1,114,677)	(727,064)
Interest paid	(651,231)	(694,427)
Other receipt/payment	-	-
Net cash from financing activities	(1,765,907)	856,493
Net increase (decrease) in cash and cash equivalents	(8,115,910)	1,328,061
Cash and cash equivalents at Shawan 1, 2080	15,378,248	14,024,364
Effect of exchange rate fluctuations on cash and cash equivalents held	45,715	25,823
Cash and cash equivalents at Ashadh End 2080	7,308,052	15,378,248

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	2,272,758	1,985,628	1,444,283	1,552,963	16,548,757	16,045,763	1,054,667	1,120,252	2,114,285	2,157,617	198,384	221,638	791,819	941,243	24,424,953	24,025,105
Intersegment Revenue	72,988	73,799	442,414	491,776	11,614,895	11,334,248	141,840	115,938	208,587	166,724	4,691	104	44,386	49,300	12,529,801	12,231,889
Gross Revenue	2,345,746	2,059,427	1,886,697	2,044,739	28,163,652	27,380,011	1,196,507	1,236,190	2,322,872	2,324,341	203,075	221,742	836,205	990,543	36,954,754	36,256,994
Interest Revenue	2,102,894	1,844,736	1,329,862	1,452,032	15,132,659	11,846,391	985,050	1,060,090	1,934,831	2,007,300	171,537	210,114	738,926	893,224	22,395,760	19,313,887
Interest Expenses	694,666	756,444	792,739	842,585	11,455,725	11,282,102	586,551	623,927	1,006,724	1,077,194	67,513	78,312	293,012	327,607	14,896,931	14,988,171
Net Interest Revenue	1,408,229	1,088,292	537,123	609,447	3,676,934	564,288	398,500	436,163	928,106	930,106	104,024	131,802	445,913	565,618	7,498,829	4,325,716
Depreciation & Amortization	16,778	17,836	14,719	13,330	99,057	225,612	14,423	15,024	30,219	26,708	1,782	1,348	6,717	9,616	183,695	309,475
Segment Profit/(Loss)	647,773	570,781	619,123	712,990	3,045,988	2,852,376	288,955	250,966	702,415	631,113	88,072	86,400	212,810	247,871	5,605,135	5,352,496
impairment of assets	12,709	83,162	(3,412)	82,254	(264,924)	350,792	1,596	37,528	(130,781)	141,486	(1,775)	101	31,806	40,118	(354,782)	735,441
Segment assets	27,353,284	20,669,490	17,382,346	16,165,646	199,168,934	167,029,149	12,693,215	11,661,315	25,446,010	22,459,819	2,387,602	2,307,154	9,529,767	9,797,920	293,961,158	250,090,493
Segment Liabilities	24,768,415	18,572,572	15,739,725	14,525,642	180,347,587	150,084,049	11,493,714	10,478,275	23,041,377	20,181,272	2,161,975	2,073,093	8,629,209	8,803,921	266,182,002	224,718,823

B. Reconciliation of reportable segment profit or loss

a) **Revenue** Rs. In '000

	Current Quarter	Corresponding Previous Year Quarter
Total revenues for reportable segments	36,954,754	36,256,994
Other revenues	-	-
Elimination of intersegment revenues	(12,529,801)	(12,231,889)
Entity's revenues	24,424,953	24,025,105

b) **Profit or loss** Rs. In '000

	Current Quarter	Corresponding Previous Year Quarter
Total profit or loss for reportable segments	5,605,135	5,352,496
Other profit or loss	617,887	(1,286)
Elimination of intersegment profits		
Unallocated amounts:		
Bonus expenses	(621,958)	(534,925)
Other adjustments		
Profit before income tax	5,601,064	4,816,285

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		
Particulars	31 Ashadh, 2081	31 Ashadh, 2080
Directors:		
Director's Sitting Fees	2,030	1,530
Interest Paid to directors on deposits	104,951	205,122
Key Management Personnel (KMP):		
Remuneration and benefits paid	73,665	35,908
Interest on account balances	4,070	1,545
PNB Group		
TSA Paid	11,390	11,390
Cash Dividend	225,582	76,954
Bonus Share Paid (No of Share.)	2,142,484	2,464,574

Rs. In '000			
Transactions	31 Ashadh, 2081	31 Ashadh, 2080	Nature of relationship
Deposit	177,476	2,557,322	Director
Deposit	34,983	24,245	KMP
Loan	32,025	11,333	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 Ashadh End, 2081.

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 Ashadh End, 2081.