

Everest Bank Limited
Unaudited Financial Result
4th Quarter Ending F/Y 2081/82

Unaudited Condensed Statement of Financial Position
As on Quarter ended 32nd Ashadh 2082

		Fig in NPR '000
Assets	This Quarter Ending	Immediate Previous year Ending (Audited)
Cash and cash equivalent	6,691,912	8,370,599
Due from Nepal Rastra Bank	13,661,353	40,768,261
Placement with Bank and Financial Institutions	7,843,200	6,482,025
Derivative financial instruments	4,953,600	1,664,093
Other trading assets	-	-
Loan and advances to B/FIs	9,771,879	7,652,663
Loans and advances to customers	213,623,545	178,215,399
Investment securities	100,524,625	44,143,620
Current tax assets	419,271	517,747
Investment in subsidiaries	-	-
Investment in associates	776,283	836,283
Investment property	564,286	522,293
Property and equipment	4,133,192	3,891,475
Goodwill and Intangible assets	116,696	25,381
Deferred tax assets	-	-
Other assets	2,125,512	2,653,862
Total Assets	365,205,354	295,743,700
Liabilities		
Due to Bank and Financial Institutions	2,335,968	1,071,805
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	4,958,751	1,630,408
Deposits from customers	298,818,400	232,316,605
Borrowing	1,100,976	2,349,196
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	121,050	125,808
Other liabilities	19,243,044	26,841,481
Debt securities issued	6,603,613	3,603,613
Subordinated Liabilities	-	-
Total liabilities	333,181,802	267,938,917
Equity		
Share capital	12,944,694	11,767,904
Share premium	238,470	238,470
Retained earnings	4,954,470	3,302,369
Reserves	13,885,917	12,496,041
Total equity attributable to equity holders	32,023,552	27,804,784
Non-controlling interest		
Total equity	32,023,552	27,804,784
Total liabilities and equity	365,205,354	295,743,700

Everest Bank Limited
Unaudited Condensed Statement of Profit or Loss
For the Quarter ended 32nd Ashadh 2082

Fig in NPR '000

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	5,360,675	20,818,988	5,577,240	22,547,387
Interest expense	2,975,246	11,689,600	3,561,979	14,899,062
Net interest income	2,385,430	9,129,388	2,015,261	7,648,325
Fee and commission income	520,942	1,877,809	469,726	1,638,316
Fee and commission expense	88,405	348,866	104,662	295,238
Net fee and commission income	432,538	1,528,943	365,064	1,343,078
Net interest, fee and commission income	2,817,967	10,658,330	2,380,325	8,991,403
Net trading income	109,756	499,382	99,221	353,740
Other operating income	61,810	8,724	98,497	160,337
Total operating income	2,989,533	11,166,437	2,578,043	9,505,480
Impairment charge/(reversal) for loans and other losses	(434,670)	(161,722)	(354,782)	282,404
Net operating income	3,424,203	11,328,158	2,932,825	9,223,076
Operating expense				
Personnel expenses	681,065	2,608,065	694,253	2,410,514
Other operating expenses	194,953	933,492	88,017	817,117
Depreciation & Amortisation	177,302	332,367	214,022	332,375
Operating Profit	2,370,882	7,454,235	1,936,532	5,663,071
Non operating income	-	-	-	-
Non operating expense	2,349	3,365	333	494
Profit before income tax	2,368,533	7,450,870	1,936,199	5,662,577
Income tax expense				
Current Tax	908,004	2,532,705	827,213	1,945,127
Deferred Tax	-	-	14,225	14,225
Profit for the period	1,460,529	4,918,165	1,094,761	3,703,225
Condensed Statement of Comprehensive Income				
Profit/(Loss) for the period	1,460,529	4,918,165	1,094,761	3,703,225
Other Comprehensive Income	13,658	(37,373)	28,519	(144,312)
Total Comprehensive Income	1,474,188	4,880,792	1,123,280	3,558,913
Earnings per share				
Basic earnings per share		37.99		31.47
Diluted earnings per share		37.99		31.47
Profit attributable to:				
Equity holders of the Bank	1,460,529	4,918,165	1,094,761	3,703,225
Non-controlling interest	-	-	-	-
Profit for the period	1,460,529	4,918,165	1,094,761	3,703,225

Everest Bank Limited
Unaudited Statement of Comprehensive Income
For the Quarter ended 32nd Ashadh 2082

Fig in NPR '000

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Up to This Quarter (YTD)	This Quarter	Up to This Quarter (YTD)
Profit for the year	1,460,529	4,918,165	1,094,761	3,703,225
Other comprehensive income, net of income tax				
Items that will not be reclassified to profit or loss				
Gains/(losses) from investments in equity instruments measured at fair value	13,501	(37,531)	82,259	(90,573)
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(loss) on defined benefit plans	(15,860)	(15,860)	(115,588)	(115,588)
Income tax relating to above items	16,017	16,017	61,848	61,848
Net other comprehensive income that will not be reclassified to profit or loss	13,658	(37,373)	28,519	(144,312)
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	16,017	16,017	61,848	61,848
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	-	-	655	655
Other comprehensive income for the year, net of income tax	13,658	(37,373)	29,174	(143,658)
Total comprehensive income for the period	1,474,188	4,880,792	1,123,934	3,559,567
Total comprehensive income attributable to:				
Equity holders of the Bank	1,474,188	4,880,792	1,123,934	3,559,567
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	1,474,188	4,880,792	1,123,934	3,559,567
Earnings per share				
Basic earnings per share		37.99		31.47
Annualized basic earnings per share		37.99		31.47
Diluted earnings per share		37.99		31.47

Everest Bank Limited
Unaudited Condensed Statement of changes in equity
For the Quarter ended 32nd Ashadh 2082

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-Controlling Interest	Total equity
Balance at Shrawan 1, 2080	10,698,094	238,470	6,008,342	58,194	1,094,475	884,760	971,431	4,110,488	1,307,415	25,371,669		25,371,669
Comprehensive income for the year 2080-81										-		
Profit for the year	-	-	-	-	-	-	-	3,703,225	-	3,703,225		3,703,225
Other comprehensive income (net of tax)	-	-	-	-	-	(63,401)	-	-	(80,257)	(143,658)		(143,658)
Total comprehensive income for the year	-	-	-	-	-	(63,401)	-	3,703,225	(80,257)	3,559,567		3,559,567
Transfer to reserve during the year	-	-	740,645	11,429	916,215	-	-	(2,315,213)	646,925	-		-
Transfer from reserve during the year	-	-	-	-	-	-132	-	188	-	56		56
Contributions from and distributions to owners												
Share issued										-		-
Share based payments										-		-
Dividends to equity holders										-		-
Bonus shares issued	1,069,809	-	-	-	-	-	-	(1,069,809)	-	-		-
Cash dividend paid	-	-	-	-	-	-	-	(1,126,509)	-	(1,126,509)		(1,126,509)
Total contributions by and distributions	1,069,809	-	-	-	-	-	-	(2,196,319)	-	(1,126,509)		(1,126,509)
Balance at Ashad end 2081	11,767,904	238,470	6,748,987	69,622	2,010,690	821,228	971,431	3,302,369	1,874,083	27,804,784		27,804,784
Balance at 1st Shrawan 2081	11,767,904	238,470	6,748,987	69,622	2,010,690	821,228	971,431	3,302,369	1,874,083	27,804,784	-	27,804,784
Comprehensive income for the year 2081-82										-		-
Profit for the year								4,918,165		4,918,165		4,918,165
Other comprehensive income (net of tax)	-	-	-	-	-	(37,531)	-	-	(11,102)	(48,633)		(48,633)
Total comprehensive income for the year	-	-	-	-	-	(37,531)	-	4,918,165	(11,102)	4,869,533		4,869,533
Transfer to reserve during the year	-	-	983,633	210	-	-	-	-	603,552	1,587,395		1,587,395
Transfer from reserve during the year	-	-	-	-	(157,191)	-	-	(1,438,508)	8,304	(1,587,395)		(1,587,395)
Contributions from and distributions to owners												
Share issued										-		-
Share based payments										-		-
Dividends to equity holders												
Bonus shares issued	1,176,790							(1,176,790)		-		-
Cash dividend paid								(650,765)		(650,765)		(650,765)
Other												-
Total contributions by and distributions	1,176,790	-	-	-	-	-	-	(1,827,555)	-	(650,765)	-	(650,765)
Balance at Ashadh end 2082	12,944,694	238,470	7,732,620	69,832	1,853,499	783,697	971,431	4,954,470	2,474,837	32,023,552	-	32,023,552

Ratios as per NRB Directive

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital Fund to RWA		13.28%		12.30%
Tier 1 Capital to RWA		10.42%		10.59%
CET 1 Capital to RWA		10.42%		10.59%
Non-Performing Loan (NPL) to Total Loan		0.38%		0.71%
Total Loan Loss Provision to Total NPL		383.32%		261.42%
Cost of Funds		3.87%		5.64%
Credit to Deposit Ratio		77.48%		80.29%
Base Rate		5.36%		7.29%
Base Rate Average (Applicable)		5.27%		8.13%
Interest Rate Spread		3.48%		3.98%
Market Share Price (in Rs.)		701.56		560.00
Return on Total Assets (Annualized in %)		1.49%		1.36%
Return on Equity (Annualized in %)		16.44%		13.93%
Net Worth Per share (in Rs.)		247.39		236.28
Total Assets Per Share		2,821.27		2,513.14

Everest Bank Limited
Unaudited Condensed Statement of Cash Flows
For the Quarter ended 32nd Ashadh 2082

	Rs. In '000	
Particulars	Up to This Quarter	Corresponding Previous Year Up to this Quarter
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	17,497,255	18,714,726
Fees and other income received	1,877,809	1,638,316
Dividend received	-	-
Receipts from other operating activities	538,217	272,458
Interest paid	(11,243,470)	(14,162,563)
Commission and fees paid	(348,866)	(295,238)
Cash payment to employees	(2,452,929)	(2,272,076)
Other expense paid	(933,492)	(951,182)
Operating Cash Flows before Changes in Operating Assets and Liabilities	4,934,525	2,944,442
(Increase)/Decrease in Operating Assets		
Due from Nepal Rastra Bank	27,106,908	(26,834,467)
Placement with bank and financial institutions	(1,361,175)	(501,050)
Other trading assets	-	-
Loan and advances to bank and financial institutions	(2,134,954)	450,546
Loans and advances to customers	(35,379,942)	(18,952,808)
Other assets	534,324	(612,964)
Increase/(Decrease) in Operating Liabilities		
Due to bank and financial institutions	1,264,163	(147,469)
Due to Nepal Rastra Bank	-	(23,767)
Deposit from customers	66,501,795	34,308,798
Borrowings	(1,248,220)	(315,021)
Other liabilities	(7,688,410)	7,577,175
Net Cash Flow from Operating Activities before Tax Paid	52,529,014	(2,106,586)
Income taxes paid	(2,434,229)	(1,942,021)
Net Cash Flow from Operating Activities	50,094,785	(4,048,608)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(56,419,189)	(4,042,019)
Receipts from sale of investment securities	-	-
Purchase of property and equipment	-	(162,613)
Receipt from the sale of property and equipment	(668,536)	4,569
Purchase of intangible assets	-	(10,364)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	(522,293)
Receipt from the sale of investment properties	18,666	(679)
Interest received	3,465,668	3,490,474
Dividend received	6,998	3,446
Net Cash used in Investing Activities	(53,596,393)	(1,239,479)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	3,000,000	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(694,909)	(1,114,677)
Interest paid	(483,011)	(650,600)
Other receipt/payment	-	-
Net Cash from Financing Activities	1,822,081	(1,765,277)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,679,528)	(7,053,363)
Cash and cash equivalents at Shrawan 1	8,370,599	15,378,248
Effect of exchange rate fluctuations on cash and cash equivalents held	840	45,715
Cash and Cash Equivalents at Ashadh end	6,691,912	8,370,599

Everest Bank Limited
Statement of Distributable Profit or Loss
For the Quarter Ended 32nd Ashadh 2082
(As per NRB Regulation)

Particulars	Fig In '000	
	Current Year Up to this Qtr YTD	Previous Year Corresponding Qtr YTD
Net profit or (loss) as per statement of profit or loss	4,918,165	3,703,225
<u>Appropriations:</u>		
<i>a. General reserve</i>	983,633	740,645
<i>b. Foreign exchange fluctuation fund</i>	210	11,429
<i>c. Capital redemption reserve</i>	597,219	625,778
<i>d. Corporate social responsibility fund</i>	6,333	20,515
<i>e. Employees' training fund</i>	8,304	631
<i>f. Other</i>	-	(188)
Profit or (loss) before regulatory adjustment	3,322,466	2,304,415
<u>Regulatory Adjustment:</u>		
<i>a. Interest receivable (-)/previous accrued interest received (+)</i>	210,285	(104,287)
<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>	(41,993)	(522,293)
<i>e. Deferred tax assets recognised (-)/ reversal (+)</i>	-	(140,975)
<i>f. Goodwill recognised (-)/ impairment of Goodwill (+)</i>	-	-
<i>g. Bargain purchase gain recognised (-)/reversal (+)</i>	-	-
<i>h. Actuarial loss recognised (-)/reversal (+)</i>	(11,102)	(80,911)
<i>i. Other</i>	-	(67,749)
Net profit for the Quarter ended Ashadh 32, 2082 Available for distribution	3,479,657	1,388,200
Opening Retained Earning as on Shrawan 1 2081	3,302,369	4,110,488
Adjustment (+/-)		
<u>Distribution:</u>		
<i>Bonus Shares Issued</i>	(1,176,790)	(1,069,809)
<i>Cash Dividend Issued</i>	(650,765)	(1,126,509)
Total Distributable profit or (loss) as on Ashadh 32, 2082	4,954,470	3,302,369
Annualised Distributable Profit/Loss per Share	38.27	28.06

Notes to the Interim Financial Statements

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 with NFRSs

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. The bank has adopted NFRS 9 for Expected Credit Loss Model and presented in the financial statement as per the Expected Credit Loss Related Guidelines, 2024 issued by NRB.

5. Significant Accounting Policies

a. Basis of Measurement

The interim financial statements have been prepared on historical cost basis except for following material items in the statement of financial position:

- Financial assets other than measured at amortized cost are measured at fair value
- Non-derivative financial instruments at fair value through profit or loss are measured at fair value
- Derivative financial instruments are measured at fair value, if any
- Inventories are measured at cost or net realizable value whichever is lower
- Net defined benefit liabilities are measured at Present Value of Defined Benefits Obligation less the Total Plan Assets.

b. Basis of Consolidation

The bank does not have control over any other entity for consolidation of financial statements.

Investments in associates are accounted for in financial statements as per equity method although associate's financial statements are not prepared using uniform accounting policies for like transactions and events in similar circumstances as it is impracticable to do so.

c. Cash and Cash Equivalent

Cash and cash equivalent comprise the total amount of cash-in -hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities period of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the bank in the management of its short-term commitments. Cash and Cash equivalents are measured at amortized cost in the statement of financial position.

d. Financial assets and Financial liabilities

The bank classifies its financial assets into the following measurement categories:

- a) financial assets held at fair value through profit or loss;
- b) financial assets held at fair value through Other Comprehensive Income, and
- c) financial assets held at amortized cost.

Financial liabilities are classified as either

- a) held at fair value through profit or loss, or
- b) held at amortized cost.

e. Recognition

The Bank initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of an instrument. The Bank initially recognizes loans and advances, deposits; and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the Bank becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, reverse repos, outright purchase are recognized on trade date at which the Bank commits to purchase/ acquire the financial assets. Regular purchase and sale of financial assets are recognized on trade date.

f. Measurement

Initial Measurement

At initial recognition, the bank measures a financial assets or financial liability at its fair value plus or minus, in the case of financial asset or financial liability not at fair value through profit or loss, transaction cost that are incremental and directly attributable to the acquisition or issue of the financial assets or financial liability, such as commission and fees. The transaction cost of financial assets and financial liabilities carried at fair value through profit of loss are expensed in profit or loss.

Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability.

g. Derecognition

Derecognition of Financial Assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Derecognition of Financial Liabilities

A financial liability is derecognized when, and only when it is extinguished (i.e. when the obligation specified in contract is discharged, cancelled or expired). If the liability is renegotiated with the original lender on substantially different contractual terms, the original liability is derecognized and new liability is recognized.

Determination of Fair Value

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

h. Impairment

At each reporting date, the Bank assesses whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through The Statement of Profit or Loss are impaired.

However, in case of loans and advances, impairment loss is measured as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per NFRS 9.

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 an 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 the 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	2,307,944	2,272,758	1,428,985	1,444,283	16,015,717	16,823,584	903,178	1,054,667	1,792,782	2,114,285	134,429	198,384	622,007	791,819	23,205,043	24,699,780
Inter-segment Revenue	62,210	72,988	303,952	442,414	8,557,583	11,614,895	125,670	141,840	215,476	208,587	11,431	4,691	49,810	44,386	9,326,132	12,529,801
Gross Revenue	2,370,154	2,345,746	1,732,937	1,886,697	24,573,299	28,438,479	1,028,848	1,196,507	2,008,258	2,322,872	145,860	203,075	671,817	836,205	32,531,174	37,229,581
Interest Revenue	2,089,788	2,117,132	1,258,244	1,338,866	14,374,066	15,235,113	828,032	991,720	1,577,697	1,947,930	120,623	172,699	570,537	743,928	20,818,988	22,547,387
Interest Expenses	541,701	694,666	560,381	792,739	9,049,058	11,457,856	456,810	586,551	784,569	1,006,724	54,569	67,513	242,512	293,012	11,689,600	14,899,062
Net Interest Revenue	1,548,086	1,422,466	697,863	546,126	5,325,009	3,777,256	371,222	405,169	793,129	941,206	66,054	105,186	328,026	450,916	9,129,388	7,648,325
Depreciation & Amortisation	17,810	16,778	17,320	14,719	137,117	247,737	11,712	14,423	28,419	30,219	1,699	1,782	6,316	6,717	220,394	332,375
Segment Profit/(Loss)	1,542,547	647,773	680,307	619,123	4,609,720	3,732,716	318,409	288,955	757,438	702,415	48,429	88,072	321,116	212,810	8,277,967	6,291,863
Impairment of Assets	(18,907)	74,423	(15,003)	34,045	37,070	124,283	(26,730)	2,754	(62,878)	(44,257)	1,653	(5,134)	(76,926)	96,289	(161,722)	282,404
Segment Assets	36,322,867	27,212,953	22,489,632	17,293,170	252,058,381	201,437,789	14,214,387	12,628,095	28,215,146	25,315,465	2,115,671	2,375,353	9,789,269	9,480,876	365,205,354	295,743,700
Segment Liabilities	33,137,845	24,654,487	20,517,596	15,667,327	229,956,283	182,499,316	12,967,979	11,440,846	25,741,061	22,935,394	1,930,156	2,152,031	8,930,883	8,589,517	333,181,802	267,938,917

B. Reconciliation of reportable segment profit or loss

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

a) Revenue

Rs. In '000

Particulars	Current Quarter	Corresponding Previous Year Quarter
Total revenues for reportable segments	32,531,174	37,229,581
Other revenues	-	-
Elimination of intersegment revenues	(9,326,132)	(12,529,801)
Entity's revenues	23,205,043	24,699,780

b) Profit or loss

Rs. In '000

Particulars	Current Quarter	Corresponding Previous Year Quarter
Total Profit/Loss before tax for reportable segments	8,277,967	6,291,863
Profit before tax for other Segments	-	-494.17
Elimination of inter-segment profit	-	-
Elimination of discontinued operation	-	-
Unallocated amounts:	(827,097)	(628,792)
Bonus expenses	-	-
Other adjustments	7,450,870	5,662,577
Profit before income tax	7,450,870	5,662,577

7. Concentration of Borrowings, Credits and Deposits

Rs. In '000

A. Concentration of Borrowings		
Particulars	Current Year	Previous Year
Borrowings from 10 largest lenders.	-	\$5,000,000.00
Percentage of borrowings from ten largest lenders to total depositors		
B. Concentration of Credit exposures		
Particulars	Current Year	Previous Year
Total exposures to twenty largest borrowers		
a. As per group (related party)	77,767,685	59,686,411
b. As per individual customer	49,815,114	39,826,691
Percentage of exposures to twenty largest borrowers to Total Loans and Advances		
a. As per group (related party)	27.93%	25.94%
b. As per individual customer	17.89%	17.31%
C. Concentration of Deposits		
Particulars	Current Year	Previous Year
Total deposits from twenty largest depositors		
a. Group-wise	12,331,582	5,723,431
b. As per individual customer	7,920,956	7,494,019
Percentage of deposits from twenty largest depositors to Total Deposits		
a. Group-wise	4.09%	2.45%
b. As per individual customer	2.68%	3.21%

8. 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 one expatriate from PNB group under a technical service agreement and three higher level domestic employees 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	32 Ashadh, 2082	31 Ashadh, 2081
Directors:		
Director's Sitting Fees	2,685	2,030
Interest Paid to directors on deposits	9,197	104,951
Key Management Personnel (KMP):		
Remuneration and benefits paid	72,358	73,665
Interest on Account Balances	3,518	4,070
PNB Group		
TSA Paid	11,390	11,390
Cash Dividend	130,315	225,582
Bonus Share Paid (No of Share.)	2,356,512	2,142,284

Rs. In '000

Transactions	32 Ashadh, 2082	31 Ashadh, 2081	Nature of relationship
Deposit	130,650	177,476	Director
Deposit	36,914	34,983	KMP
Loan	18,673	32,025	KMP

9. Issues, repurchases and repayments of debt and equity securities

None

10. Events after interim period

There are no material events after reporting date affecting financial status of the Bank as on Ashadh End, 2082.

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

There is no any merger or acquisition affecting the changes in the composition of the entity during the interim period as on Ashadh End, 2082.

12. Major Financial Highlights

(i)	Earnings Per Share	Rs. 37.99	(ii)	Liquidity Ratio	38.94%
(iii)	Market Value per share	Rs. 701.56	(iv)	ROA/ ROE	1.49% /16.44%
(v)	PE Ratio	18.47	(vi)	Net Worth per Share	Rs. 247.39

13. Management Analysis

(i) The banking industry remained excessively liquid throughout the year amid depressed demand for credit and continued increase in remittance inflow. Overall private credit registered a growth of 8.4% to NPR 563.8 billion during the fiscal year 2081/82 whereas deposit grew by 11.2 % to NPR 711.1 billion leading to lower credit to deposit ratio of about 75%. The banking industry currently has surplus loanable fund of about NPR 900-1000 billion which is more than enough to meet the projected private credit growth of 12% (as projected by Nepal Rastra Bank in recently announced monetary policy).

On the external front, country's foreign exchange reserve is projected to reach historical high of NPR 2650 billion which is sufficient enough to meet our import and service liability of about 15 months.

(ii) The bank is continually enhancing and implementing its digital strategies while modernizing its IT infrastructure to deliver a smoother experience for customers. Its goal is to sustain a competitive advantage over other institutions, which is crucial for maintaining market competitiveness. We are proactively expanding our reach to connect with the unbanked population and support retail and small businesses in diverse areas throughout the country.

(iii) The bank is dedicated to achieving its financial goals by prioritizing sustainable profitability, improving its assets quality, strengthening its capital and meticulously overseeing the growth of its balance sheet. Our robust business model underpins our commitment to responsible expansion while ensuring exceptional customer satisfaction.

14. Details relating to legal action

No major legal proceedings have been commenced by or against the bank, its promoters, or its directors concerning violations of current laws, criminal activities, or financial misconduct, apart from those commonly linked to regular banking practices.

15. Analysis of share transactions and progress of the bank

(i) The management holds a neutral stance regarding the bank's share transactions in the securities market, as the pricing and trading of its shares are determined by open market activities at the Nepal Stock Exchange.

(ii) This section provides the bank's highest, lowest, and closing share prices, as well as the total volume of shares traded and the number of trading days during the quarter.

Highest Price : Rs. 707.90	Lowest Price: Rs. 608.00	Last Price: Rs. 701.56
Transaction Volume : 45,57,403.00 no. of shares		Days of transaction: 63

16. Problems and Challenges

Internal Challenges

- The banking sector is presently facing a surplus of liquidity.
- Business expansion is constrained by restrictions on capital access.
- Managing operational expenses is proving to be challenging.
- Attracting qualified and experienced talent, along with providing adequate local training, remains a significant hurdle.
- It is becoming increasingly difficult to generate revenue from non-interest sources.
- Ensuring prompt loan recovery and sustaining high-quality risk assets continue to be persistent challenges.

External Challenges

The ongoing conflict between Russia and Ukraine, the Israel-Hamas situation, enhanced tariffs imposed by USA and economic instability can influence interest rates, inflation, and overall financial health, potentially affecting banks' profitability and risk profiles.

Constant regulatory changes at both national and international levels can create compliance challenges, necessitating substantial modifications to operational processes.

Variations in interest rates can affect a bank's net interest margin and profitability, as well as impact its lending and deposit activities.

A heightened emphasis on Environmental, Social, and Governance (ESG) factors may compel banks to adapt their operations to sustainable practices, influencing their lending and investment choices.

There is a rising trend in cyber fraud incidents. Lack of Cyber security Awareness

Difficult Terrain makes branch expansion costly, especially in rural area.

Nepal is added to the Financial Action Task Force (FATF) Grey List. This would have significant consequences for Nepal's banking Industry and financial sector, as well as the broader economy.

17. Strategy

To improve the bank's operations, prioritize digital innovation and adopt digital banking solutions to enhance customer experience, bank is offering digital and online services to facilitate smooth & seamless financial and non-financial transactions.

- Evaluate customer feedback and market dynamics to remain competitive.
- To gain insights into customer preferences, provide personalized and tailored services, and enhance customer relationships.
- Launch new financial products and services to broaden the customer base and address their variety of needs.
- Efficiently manage assets and liabilities while optimizing internal processes to lower costs, boost efficiency, and deliver faster services to clients.
- Establish strong cyber-security protocols.
- Invest in employee training to enhance service quality. Educate customers about financial literacy, Banking products, services, and digital platforms to promote their adoption and support financial inclusion in underserved areas.
- Continuously monitor both internal and external environmental shifts, adopting a proactive stance. Allocate resources to strategic marketing initiatives to increase awareness of the bank's offerings and strengthen its brand image.
- Develop a comprehensive risk management framework alongside a resilient AML/CFT strategy. Enhance risk management practices to ensure financial stability and foster customer trust.

18. Corporate Governance

EBL is dedicated to upholding exemplary standards of corporate governance, business integrity, and professionalism across all its operations. This commitment assures stakeholders that the bank is managed ethically, adheres to best practices and relevant legislation, operates within established risk parameters, and actively enhances and safeguards their investments. To facilitate effective and efficient banking operations, Board Level Committees as well as Management level committees have been constituted.

Declaration by the Chief Executive Officer on the Truthfulness and Accuracy of information

I, as on date, hereby take responsibility for the accuracy of the information and details contained in this report. I also hereby, declare that to the best of my knowledge and belief, the information contained in this report is true, accurate and complete and there are no other matters concealed, the omission of which shall adversely affect the informed investment decision by the investors.