

Everest Bank Limited
Unaudited Financial Result
2nd Quarter Ending F/Y 2082/83

Unaudited Condensed Statement of Financial Position
As on Quarter ended 30th Poush 2082

	This Quarter Ending	Fig. in NPR '000 Immediate Previous year Ending (Audited)
Assets		
Cash and cash equivalent	9,455,398	6,720,639
Due from Nepal Rastra Bank	32,726,867	64,715,146
Placement with Bank and Financial Institutions	9,973,111	7,996,585
Derivative financial instruments	7,024,975	3,577,724
Other trading assets	-	-
Loan and advances to B/FIs	10,346,556	9,781,759
Loans and advances to customers	236,427,244	213,438,490
Investment securities	60,332,416	49,443,437
Current tax assets	246,921	374,635
Investment in subsidiaries	-	-
Investment in associates	762,144	762,144
Investment property	516,963	564,295
Property and equipment	4,187,039	4,177,562
Goodwill and Intangible assets	202,670	191,980
Deferred tax assets	-	-
Other assets	2,480,209	1,894,847
Total Assets	374,682,513	363,639,245
Liabilities		
Due to Bank and Financial Institutions	2,588,030	3,436,943
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	7,077,457	3,598,404
Deposits from customers	304,958,719	298,818,400
Borrowing	649,189	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	42,194	42,194
Other liabilities	20,512,258	19,200,191
Debt securities issued	6,603,613	6,603,613
Subordinated Liabilities	-	-
Total liabilities	342,431,459	331,699,745
Equity		
Share capital	13,721,376	12,944,694
Share premium	238,470	238,470
Retained earnings	3,342,831	4,893,096
Reserves	14,948,378	13,863,240
Total equity attributable to equity holders	32,251,055	31,939,500
Non-controlling interest	-	-
Total equity	32,251,055	31,939,500
Total liabilities and equity	374,682,513	363,639,245

Everest Bank Limited
Unaudited Condensed Statement of Profit or Loss
For the Quarter ended 30th Poush 2082

Particulars	Current Year		Fig. in NPR '000	
	This Quarter	Upto This Quarter (YTD)	Previous Year	Corresponding
		This Quarter	Upto This Quarter (YTD)	
Interest income	4,868,729	10,178,072	4,918,645	10,300,535
Interest expense	2,699,685	5,605,130	2,741,881	5,984,715
Net interest income	2,169,044	4,572,941	2,176,763	4,315,821
Fee and commission income	444,562	1,077,685	426,224	918,814
Fee and commission expense	73,961	156,731	73,539	153,774
Net fee and commission income	370,600	920,954	352,685	765,040
Net interest, fee and commission income	2,539,645	5,493,895	2,529,448	5,080,861
Net trading income	127,441	276,941	92,370	213,158
Other operating income	33,970	43,940	3,479	5,378
Total operating income	2,701,056	5,814,776	2,625,297	5,299,397
Impairment charge/(reversal) for loans and other losses	139,634	562,752	242,894	349,598
Net operating income	2,561,422	5,252,024	2,382,403	4,949,799
Operating expense				
Personnel expenses	737,092	1,409,770	590,252	1,263,963
Other operating expenses	260,290	515,104	245,114	486,259
Depreciation & Amortisation	77,948	155,503	51,000	91,921
Operating Profit	1,486,093	3,171,646	1,496,038	3,107,657
Non operating income	-	-	-	-
Non operating expense	2,033	2,909	291	853
Profit before income tax	1,484,059	3,168,737	1,495,746	3,106,804
Income tax expense				
Current Tax	546,218	1,051,621	548,724	1,032,041
Deferred Tax	-	-	-	-
Profit for the period	937,842	2,117,116	947,023	2,074,763
Condensed Statement of Comprehensive Income				
Profit/(Loss) for the period	937,842	2,117,116	947,023	2,074,763
Other Comprehensive Income	19,196	4,687	(69,355)	(1,435)
Total Comprehensive Income	957,038	2,121,803	877,668	2,073,328
Earnings per share				
Basic earnings per share		30.86		32.06
Diluted earnings per share		30.86		32.06
Profit attributable to:				
Equity holders of the Bank	937,842	2,117,116	947,023	2,074,763
Non-controlling interest	-	-	-	-
Profit for the period	937,842	2,117,116	947,023	2,074,763

Everest Bank Limited
Unaudited Statement of Comprehensive Income
For the Quarter ended 30th Poush 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	937,842	2,117,116	947,023	2,074,763
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	27,423	6,696	(69,355)	(1,435)
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(loss) on defined benefit plans	-	-	-	-
Income tax relating to above items	(8,227)	(2,009)	20,806	431
Net other comprehensive income that will not be reclassified to profit or loss	19,196	4,687	(48,548)	(1,005)
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	19,196	4,687	(48,548)	(1,005)
Total comprehensive income for the period	957,038	2,121,803	898,474	2,073,758
Total comprehensive income attributable to:				
Equity holders of the Bank	957,038	2,121,803	898,474	2,073,758
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	957,038	2,121,803	898,474	2,073,758
Earnings per share				
Basic earnings per share		30.86		32.06
Annualized basic earnings per share		30.86		32.06
Diluted earnings per share		30.86		32.06

Everest Bank Limited
Unaudited Condensed Statement of changes in equity
For the Quarter ended 30th Poush 2082

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalization Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-Controlling Interest	Total equity
Balance at 1 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												
Profit for the year	-	-	-	-	-	-	-	4,839,903	-	4,839,903		4,839,903
Other comprehensive income (net of tax)	-	-	-	-	-	(44,774)	-	-	(9,648)	(54,422)		(54,422)
Total comprehensive income for the year	-	-	-	-	-	(44,774)	-	4,839,903	(9,648)	4,785,481		4,785,481
Transfer to reserve during the year	-	-	967,981	210	-	-	-	-	611,073	1,579,264		1,579,264
Transfer from reserve during the year	-	-	-	-	(157,644)	-	-	(1,421,621)	-	(1,579,264)		(1,579,264)
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)
Total contributions by and distributions	1,176,790	-	-	-	-	-	-	(1,827,555)	-	(650,765)		(650,765)
Balance at Ashad end 2082	12,944,694	238,470	7,716,968	69,832	1,853,046	776,454	971,431	4,893,096	2,475,509	31,939,500		31,939,500
Balance at 1 Shrawan 2082	12,944,694	238,470	7,716,968	69,832	1,853,046	776,454	971,431	4,893,096	2,475,509	31,939,500	-	31,939,500
Comprehensive income for the year												
Profit for the year								2,117,116		2,117,116		2,117,116
Other comprehensive income (net of tax)	-	-	-	-	-	6,696	-	-	-	6,696		6,696
Total comprehensive income for the year	-	-	-	-	-	6,696	-	2,117,116	-	2,123,812		2,123,812
Transfer to reserve during the year	-	-	423,423	4,396	-	-	-	-	497,246	925,066		925,066
Transfer from reserve during the year	-	-	-	-	153,377	-	-	(1,078,442)	-	(925,066)		(925,066)
Contributions from and distributions to owners												
Share issued	-	-	-	-	-	-	-	-	-	-		-
Share based payments	-	-	-	-	-	-	-	-	-	-		-
Dividends to equity holders												
Bonus shares issued	776,682	-	-	-	-	-	-	(776,682)	-	-		-
Cash dividend paid	-	-	-	-	-	-	-	(1,812,257)	-	(1,812,257)		(1,812,257)
Other												-
Total contributions by and distributions	776,682	-	-	-	-	-	-	(2,588,939)	-	(1,812,257)	-	(1,812,257)
Balance at Poush 30, 2082	13,721,376	238,470	8,140,391	74,229	2,006,423	783,149	971,431	3,342,831	2,972,755	32,251,055	-	32,251,055

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		12.27%		11.32%
Tier 1 Capital to RWA		9.60%		9.50%
CET 1 Capital to RWA		9.60%		9.50%
Non-Performing Loan (NPL) to Total Loan		0.68%		0.66%
Total Loan Loss Provision to Total NPL		229.50%		266.00%
Cost of Funds		3.45%		4.24%
Credit to Deposit Ratio		80.19%		85.39%
Base Rate		4.73%		5.66%
Base Rate Average (Applicable)		4.75%		5.84%
Interest Rate Spread		3.24%		3.99%
Market Share Price (in Rs.)		660.00		581.00
Return on Total Assets (Annualized in %)		1.15%		1.36%
Return on Equity(Annualized in %)		13.19%		14.55%
Net Worth Per share (in Rs.)		235.04		225.79
Total Assets Per Share		2,730.65		2,432.42

Notes:

1. The bank has adopted NFRS 9 for Expected Credit Loss Model and presented it in the financial statement as per the Expected Credit Loss Related Guidelines, 2024 issued by NRB. Provision for the quarter as per NRB Norms comes to the Higher side as compared to ECL Model hence, the bank has booked loan loss provisions as per NRB Norms.
2. Interest income recognition on loans and advances is recognized as per the Guidance Note on Interest Income Recognition, 2025 as issued by NRB.
3. The loans and advances include accrued interest receivable and staff loans are presented with net of impairment charges.
4. Regulatory adjustment on Accrued Interest Receivable, possible losses on Investment Property (NBA) and Interest Capitalized on Term Loan has been made as per NRB Directive.
5. Previous year figures have been reclassified and regrouped wherever necessary to make the same comparable with the current year's figure.
6. The above figures are subject to change upon otherwise as per the direction of the Regulators and/or Auditor.

Everest Bank Limited
Unaudited Condensed Statement of Cash Flows
For the Quarter ended 30th Poush 2082

Particulars	Up to This Quarter	Fig. in NPR '000
		Corresponding Previous Year Up to this Quarter
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	7,843,644	8,407,804
Fees and other income received	1,077,685	918,814
Dividend received	-	-
Receipts from other operating activities	308,743	436,603
Interest paid	(5,325,375)	(5,817,232)
Commission and fees paid	(156,731)	(153,774)
Cash payment to employees	(1,668,371)	(1,440,645)
Other expense paid	(515,104)	(486,259)
Operating Cash Flows before Changes in Operating Assets and Liabilities	1,564,491	1,865,312
(Increase)/Decrease in Operating Assets		
Due from Nepal Rastra Bank	31,988,279	22,968,548
Placement with bank and financial institutions	(1,976,525)	(1,257,175)
Other trading assets	-	-
Loan and advances to bank and financial institutions	(570,502)	(572,417)
Loans and advances to customers	(23,196,762)	(30,372,701)
Other assets	(585,049)	(1,286,144)
Increase/(Decrease) in Operating Liabilities		
Due to bank and financial institutions	(848,914)	1,088,090
Due to Nepal Rastra Bank	-	-
Deposit from customers	6,140,319	18,113,908
Borrowings	649,189	(1,649,840)
Other liabilities	769,358	(1,950,919)
Net Cash Flow from Operating Activities before Tax Paid	13,933,884	6,946,663
Income taxes paid	(923,908)	(902,326)
Net Cash Flow from Operating Activities	13,009,976	6,044,337
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(10,848,514)	(4,590,139)
Receipts from sale of investment securities	-	-
Purchase of property and equipment	(167,887)	-
Receipt from the sale of property and equipment	3,970	33,768
Purchase of intangible assets	(10,692)	-
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	47,538	2,788
Interest received	1,951,307	1,746,875
Dividend received	22,177	4,270
Net Cash used in Investing Activities	(9,002,099)	(2,802,437)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(1,005,523)	(486,192)
Interest paid	(285,181)	(206,265)
Other receipt/payment	-	-
Net Cash from Financing Activities	(1,290,704)	(692,457)
Net Increase (Decrease) in Cash and Cash Equivalents	2,717,173	2,549,443
Cash and cash equivalents at Shrawan 1	6,720,639	8,370,599
Effect of exchange rate fluctuations on cash and cash equivalents held	17,585	-
Cash and Cash Equivalents at Poush end	9,455,398	10,920,042

Everest Bank Limited
Statement of Distributable Profit or Loss
For the Quarter Ended 30th Poush 2082
(As per NRB Regulation)

Particulars			Fig. in NPR '000
	Current Year	Previous Year	
	Up to this Quarter YTD	Corresponding Quarter YTD	
Net profit or (loss) as per statement of profit or loss	2,117,116		2,074,763
<u>Appropriations:</u>			
a. General reserve	423,423	414,953	
b. Foreign exchange fluctuation fund	4,396	-	
c. Capital redemption reserve	465,276	312,889	
d. Corporate social responsibility fund	19,832	8,495	
e. Employees' training fund	12,138	538	
f. Other	-	-	
Profit or (loss) before regulatory adjustment	1,192,050		1,337,889
<u>Regulatory Adjustment:</u>			
a. Interest receivable (-)/previous accrued interest received (+)	(173,717)	(97,760)	
b. Short loan loss provision in accounts (-)/reversal (+)	-	-	
c. Short provision for possible losses on investment (-)/reversal (+)	-	-	
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	47,332	1,829	
e. Deferred tax assets recognised (-)/ reversal (+)	-	-	
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-	
g. Bargain purchase gain recognised (-)/reversal (+)	-	-	
h. Actuarial loss recognised (-)/reversal (+)	-	-	
i. Other- Interest Capitalization Reserve	(26,992)	-	
j. Other- Share of Profit/Loss of Associate	-	-	
Net profit for the Month ended Poush 30, 2082 Available for distribution	1,038,673		1,241,958
Opening Retained Earning as on Shrawan 1 2082	4,893,096	3,302,369	
<u>Adjustment (+/-)</u>			
<u>Distribution:</u>			
Bonus Shares Issued	(776,682)	(1,176,790)	
Cash Dividend Paid	(1,812,257)	(650,765)	
Total Distributable profit or (loss) as on Poush 30, 2082	3,342,831		2,716,771
Annualised Distributable Profit/Loss per Share	31.93		30.58

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 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 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

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	1,122,268	1,132,963	655,696	670,321	8,250,040	7,931,826	417,838	442,782	812,921	891,016	51,378	66,887	266,708	302,089	11,576,849	11,437,885
Inter-segment Revenue	45,010	33,755	126,400	159,107	3,945,380	4,860,170	57,777	59,865	123,436	102,654	10,098	3,953	38,670	20,054	4,346,771	5,239,558
Gross Revenue	1,167,278	1,166,718	782,096	829,428	12,195,420	12,791,996	475,615	502,647	936,357	993,670	61,476	70,840	305,378	322,143	15,923,620	16,677,443
Interest Revenue	1,005,453	1,004,939	567,663	584,658	7,269,283	7,176,016	371,684	404,822	680,524	793,027	45,205	60,202	238,260	276,871	10,178,072	10,300,535
Interest Expenses	(275,540)	249,257	(274,547)	283,629	(4,292,040)	4,680,550	(224,019)	227,780	(382,506)	398,150	(26,952)	27,480	(129,525)	117,869	(5,605,130)	5,984,715
Net Interest Revenue	1,280,994	755,683	842,210	301,029	11,561,323	2,495,466	595,702	177,042	1,063,030	394,877	72,158	32,722	367,785	159,001	15,783,202	4,315,821
Depreciation & Amortisation	(7,849)	7,480	(8,893)	8,082	(117,228)	53,132	(4,920)	5,738	(13,120)	13,622	(734)	841	(2,760)	3,026	(155,503)	91,921
Segment Profit/(Loss)	629,581	704,596	178,339	282,018	2,349,206	1,897,267	94,017	127,178	207,140	335,113	(2,915)	24,246	62,986	81,111	3,518,355	3,451,530
Impairment of Assets	62,923	22,458	74,312	24,063	385,903	281,076	7,209	(4,742)	34,297	(14,190)	8,369	(1,201)	(10,261)	42,134	562,752	349,598
Segment Assets	36,321,997	31,188,905	21,221,481	18,453,015	267,010,970	218,352,201	13,523,246	12,189,186	26,310,033	24,528,451	1,662,849	1,841,308	8,631,938	8,316,096	374,682,513	314,869,163
Segment Liabilities	33,195,556	28,293,833	19,394,828	16,740,136	244,027,817	198,083,924	12,359,223	11,057,740	24,045,378	22,251,628	1,519,718	1,670,391	7,888,938	7,544,164	342,431,459	285,641,817

Reconciliation of reportable segment profit or loss

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

a) Revenue

Particulars	Current Quarter	Corresponding Previous Year Quarter	Rs. In '000
Total revenues for reportable segments	15,923,620		16,677,443
Other revenues	-		-
Elimination of intersegment revenues	(4,346,771)		(5,239,558)
Entity's revenues	11,576,849		11,437,885

b) Profit or loss

Particulars	Current Quarter	Corresponding Previous Year Quarter	Rs. In '000
Total Profit/Loss before tax for reportable segments	3,518,355		3,451,530
Profit before tax for other Segments	-		-
Elimination of inter-segment profit	-		-
Elimination of discontinued operation	-		-
Unallocated amounts:	(349,618)		(344,726)
Bonus expenses	-		-
Other adjustments	3,168,737		3,106,804
Profit before income tax	3,168,737		3,106,804

Concentration of Borrowings, Credits and Deposits

Rs. In '000

A. Concentration of Borrowings

Particulars	Current Year	Previous Year
Borrowings from 10 largest lenders.	\$4,500,000.00	\$5,000,000.00
Percentage of borrowings from ten largest lenders to total depositors	0.21%	0.27%

B. Concentration of Credit exposures

Particulars	Current Year	Previous Year
Total exposures to twenty largest borrowers		
a. As per group (related party)	78,977,008	75,903,008
b. As per individual customer	50,560,505	46,417,423
Percentage of exposures to twenty largest borrowers to Total Loans and Advances		
a. As per group (related party)	27.21%	29.73%
b. As per individual customer	17.42%	18.18%

C. Concentration of Deposits

Particulars	Current Year	Previous Year
Total deposits from twenty largest depositors		
a. Group-wise	12,554,874	8,921,140
b. As per individual customer	8,651,451	7,471,075
Percentage of deposits from twenty largest depositors to Total Deposits		
a. Group-wise	4.08%	3.53%
b. As per individual customer	2.81%	2.96%

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:

- 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 six 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	Poush 30, 2082	Poush 29, 2081
Directors:		
Director's Sitting Fees	1,550	1,440
Interest Paid to directors on deposits	3,964	5,067
Key Management Personnel (KMP):		
Remuneration and benefits paid	57,847	43,007
Interest on Account Balances	1,600	1,857
PNB Group		
TSA Paid	11,390	11,390
Cash Dividend	-	-
Bonus Share Paid (No of Share.)	-	-

Rs. In '000			
Transactions	Poush 30, 2082	Poush 29, 2081	Nature of relationship
Deposit	175,373	171,397	Director
Deposit	35,968	34,617	KMP
Loan	22,089	24,697	KMP

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

None

9. Events after interim period

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

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 affecting the changes in the composition of the entity during the interim period as on Poush End, 2082.

11. Major Financial Highlights

(i) Earnings Per Share	Rs. 30.86	(ii) Liquidity Ratio	32.57%
(iii) Market Value per share	Rs. 660	(iv) ROA/ ROE	1.15% / 13.19%
(v) PE Ratio	21.39	(vi) Net Worth per Share	Rs. 235.15

12. Management Analysis

The contemporary economic landscape—both in Nepal and globally—is shaped by post-pandemic recovery, inflationary pressures, geopolitical tensions, climate risks, and rapid technological change. Microeconomic behavior of households and firms is increasingly influenced by macroeconomic instability, while macroeconomic outcomes are deeply affected by micro-level productivity, consumption, and labor dynamics.

The world economy is currently experiencing moderate but uneven growth. Advanced economies face slowing growth due to tight monetary policies aimed at controlling inflation, while many developing economies struggle with debt burdens, currency volatility, and external shocks.

Key global macro trends include:

- High interest rates maintained by major central banks to curb inflation
- Slowing global trade due to geopolitical tensions and protectionist tendencies
- Rising public debt in both developed and developing countries
- Energy and food price volatility, amplified by climate change and conflicts

Although inflation has eased compared to its post-pandemic peak, it remains a concern, limiting governments' ability to stimulate growth.

At the micro level, firms and households face higher costs of production and living. Businesses are:

- Adopting automation and digitalization to reduce costs
- Restructuring supply chains for resilience rather than efficiency
- Facing labor shortages in skilled sectors

Nepal's economy is characterized by low industrial output, high import dependency, and reliance on remittances. While remittance inflows provide foreign exchange stability, they also mask structural weaknesses.

Major macroeconomic features include:

- Slow economic growth due to weak private investment
- Persistent trade deficit, driven by import-heavy consumption
- Fiscal pressure from rising recurrent expenditure
- Dependence on agriculture and services, with limited industrial diversification

Inflation, though relatively controlled compared to some global peers, continues to affect low-income households disproportionately.

At the micro level, Nepal faces significant challenges:

- Small and medium enterprises (SMEs) struggle with credit access and high borrowing costs
- Agricultural productivity remains low due to traditional farming methods and climate vulnerability
- Youth unemployment and underemployment push large-scale labor migration

Household consumption in Nepal is heavily supported by remittances, while domestic production remains weak, limiting sustainable income generation.

In both Nepal and the global economy, micro and macro forces are deeply interconnected:

- Weak firm productivity reduces national growth
- High inflation erodes household purchasing power
- Labor migration impacts domestic labor supply and long-term development
- Policy uncertainty discourages private investment

In Nepal, micro-level inefficiencies—such as low industrial competitiveness—translate into macro-level problems like low exports and fiscal stress.

(i) An unexpected turn of events involving the Gen-Z movement in the month of Bhadra resulting in unfortunate loss of innocent lives, dissolution of the parliament and formation of a non-political caretaker government. The caretaker government has now been mandated to hold the election within Falgun 2082. The economic activity in Nepal is likely taking a backstage until such election is held, and a stable government is formed.

On the external front, inward remittance continues to grow month to month with foreign exchange reserve reaching a high of NPR 3201.47 billion (USD 22.13 billion) in Mansir end. The reserve is sufficient to

cover prospective merchandise and services imports of 18.2 months. Balance Of Payment (BOP) and Current Account remained at a surplus of Rs. 421.89 billion and Rs. 358.83 billion respectively.

(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.

13. Details relating to legal action

No major legal proceedings have been committed 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.

14. 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. 666.00	Lowest Price: Rs. 619.00	Last Price: Rs. 660.00
Transaction Volume : 12,36,301 no. of shares		Days of transaction: 55

15. 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

Geopolitical tensions, policy uncertainty and traded tariff/disputes, ongoing conflicts in the Middle East and other global hotspots are likely to pose a significant threat to economic stability.

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 and difficult Terrain makes branch expansion costly, especially in rural areas.

Nepal is still 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.

16. 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.

17. 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.