

**Everest Bank Limited**  
**Disclosure under Basel III**  
**As on January 14, 2026 (2nd Quarter end of FY 2082/83)**

**Capital Structure and Capital Adequacy:**

• **Tier 1 Capital and Breakdown of its Components:**

Particulars	NPR in '000
<b>Common Equity Tier 1 (CET 1)</b>	
Paid up Equity Share Capital	13,721,376
Equity Share Premium	238,470
Proposed Bonus Equity Shares	-
Statutory General Reserves	8,140,391
Retained Earnings	3,342,831
Unaudited current year cumulative profit/(loss)	-
Capital Redemption Reserve	-
Capital Adjustment Reserve	1,116,408
Debenture Redemption Reserve	1,831,070
Dividend Equalization Reserves	-
Bargain Purchase Gain	-
Other Free Reserve	88,630
Less: Goodwill	-
Less: Intangible Assets	202,670
Less: deferred tax assets- accumulated losses	-
Less: deferred tax assets- others	-
Less: Fictitious Assets	-
Less: Investment in equity in licensed Financial Institutions	-
Less: Investment in equity of institutions with financial interests	-
Less: Investment in equity of institutions in excess of limits	-
Less: Investments arising out of underwriting commitments	-
Less: Reciprocal crossholdings	-
Less: Purchase of land & building in excess of limit and unutilized	-
Less: Cash Flow Hedge	-
Less: Defined Benefits Pension Assets	-
Less: Unrecognized Defined Benefit Pension Liabilities	-
Less: Other Deductions	211,323
<b>Adjustments under Pillar II</b>	
Less: Shortfall in Provision(6.4 a 1)	-
Less: Loans and Facilities extended to related parties and restricted lending	-
<b>Additional Tier 1 (AT 1)</b>	
Perpetual Non Cumulative Preference Share Capital	-
Perpetual Debt Instruments	-
Stock Premium	-
<b>Total (Tier 1) Capital</b>	<b>28,065,184</b>

• **Tier 2 Capital and Breakdown of its Components:**

(B) Supplementary Capital (Tier 2)	NPR in '000
Cumulative and/or Redemovable Preference Share	-
Subordinated Term Debt	4,200,000
Hybrid Capital Instruments	-
Stock Premium	-
General Loan Loss Provision	2,804,580
Exchange Equalization Reserve	74,229
Investment Adjustment Reserve	2,691
Accrued Interest Receivable on pass loan included in Regulatory Reserve	234,045
Regulatory reserve for nonbanking assets recorded within the last 24 months.	449,853
Interest Capitalized Reserve included in Regulatory Reserve	26,992
Other Reserves	-
<b>Total (Tier 2) Capital</b>	<b>7,792,389</b>

• **Details of Subordinated Term Debts : Debenture**

Interest Payment frequency:	Debenture Amount	Interest Rate	Period (Years)
Quarterly	2,000,000	10.50%	6
Half Yearly	856,783	8.50%	8
Quarterly	746,830	7.50%	10
Half Yearly	3,000,000	7.50%	10
<b>Total</b>	<b>6,603,613</b>		
<b>Eligible Amount for Tier 2 Capital</b>	<b>4,200,000</b>		

• **Details of Hybrid Capital Instrument: Cumulative Convertible Preference Share**

Maturity period:	N/A
Dividend Rate:	
Dividend Payment frequency:	
Amount(Initial)	
Eligible Amount for Tier 2 Capital	

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**• Deductions from Capital:**

The bank holds following items as stipulated in the Framework that qualifies for deduction from its core capital.

Particulars	Amount
Intangible Assets (Software)	202,670
Negative balances of reserve (actuarial loss)	211,323
<b>Total Capital Fund</b>	<b>413,992</b>

**• Total Qualifying Capital:**

Particulars	NPR in '000
Core Capital (Tier 1)	28,065,184
Supplementary Capital (Tier 2)	7,792,389
<b>Total Capital Fund</b>	<b>35,857,574</b>

**Risk Exposures:**

**• Risk weighted exposures for Credit Risk, Market Risk and Operation Risk**

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	269,259,423
Risk Weighted Exposure for Operational Risk	13,788,260
Risk Weighted Exposure for Market Risk	410,495
<b>Total</b>	<b>283,458,178</b>

**• Risk weighted exposures under each categories of Credit Risk:**

Categorises	NPR in '000
1. All Claims on Government of Nepal	-
2. Claims on Banks	5,722,097.00
3. Claims on Domestic Corporates	142,576,371.41
4. Claims on Regulatory Retail Portfolio & Other Retail Portfolio	27,988,420.86
5. Claims secured by Residential Properties	15,040,447.16
6. Claims secured by Commercial Real Estate	1,947,977.65
7. Past due claims	1,884,545.93
8. High Risk claims	7,957,904.02
9. Investment in equity of Institutions	2,242,639.17
10. Lending against Shares	4,277,081.55
11. Personal Hirepurchase/Personal Auto Loans	2,964,247.34
12. Real Estate loans for land acquisition and development	10,381,653.61
13. Trust Receipt Loans for Trading Firms	2,869,629.55
14. Staff Loan Secured by Residential Property	1,011,122.11
15. Other Assets	14,663,732.48
16. Off Balance Sheet Items	27,731,553.17
<b>Total</b>	<b>269,259,423</b>

**• Total Risk Weight Exposures calculation table:**

RISK WEIGHTED EXPOSURES	NPR in '000
Risk Weighted Exposure for Credit Risk	269,259,423
Risk Weighted Exposure for Operational Risk	13,788,260
Risk Weighted Exposure for Market Risk	410,495
<b>Adjustments under Pillar II</b>	
Adjustment as per SRP 6.4a (5)	
Is supervisor satisfied with ALM Policies and practices employed by the bank?	-
Adjustment as per SRP 6.4a (6)	-
Adjustment as per SRP 6.4a (7)	
Add RWE equivalent to reciprocal of capital charge of 3 % of Gross Income	3,140,939
Adjustment as per SRP 6.4a (9)	
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE	5,669,164
Adjustment as per SRP 6.4a (10)	
Has the bank achieved desired level of disclosure requirement?	-
<b>Total Risk Weighted Exposures</b>	<b>292,268,281</b>
<b>Total Core Capital to Total Risk Weighted Exposures</b>	<b>9.60%</b>
<b>Total Capital to Total Risk Weighted Exposures</b>	<b>12.27%</b>

**• Eligible Credit Risk Mitigants (CRM)**

Particulars	NPR in '000
Cash Deposit with the Bank	4,072,042
Gold	-
Fixed Deposit Receipts	-
Government & NRB Securities	-
<b>Total Eligible Credit Risk Mitigants (CRM)</b>	<b>4,072,042</b>

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<b>• Amount of Non Performing Assets (both Gross and Net)</b>				<b>NPR in '000</b>
<b>Particulars</b>	<b>Amount</b>	<b>Loan Loss Provision</b>	<b>Net NPL</b>	
<b>Non Performing Loans (NPL)</b>				
Restructure/Reschedule	-	-	-	
Substandard	518,197	129,549	388,648	
Doubtful	476,775	238,388	238,388	
Loss	686,512	686,512	-	
<b>Total</b>	<b>1,681,485</b>	<b>1,054,449</b>	<b>627,036</b>	
<b>NPA Ratios</b>				
<b>NPA Ratios</b>		<b>(%)</b>		
Gross NPA to Gross Advances		0.68%		
Net NPA to Net Advances		0.26%		
<b>• Movement in Non Performing Assets</b>				
				<b>NPR in '000</b>
<b>Particulars</b>	<b>This Quarter</b>	<b>Previous Quarter</b>	<b>Changes(%)</b>	
Non Performing Assets (Volumes)	1,681,485	1,764,417	-4.70%	
Non Performing Assets (%)	0.68%	0.74%	-8.15%	
<b>• Write off of Loans and Interest Suspense in the Quarter</b>				
				<b>NPR in '000</b>
Loan	-			
Interest Suspense	708.47			
<b>• Movement in Loan Loss Provision and Interest Suspense:</b>				
				<b>NPR in '000</b>
<b>Particulars</b>	<b>This Quarter</b>	<b>Previous Quarter</b>	<b>Changes(%)</b>	
Loan Loss Provision	3,859,029	3,719,395	3.75%	
Interest Suspense	144,110	146,224	-1.45%	
<b>• Details of Additional Loan Loss Provision:</b>				
				<b>NPR in '000</b>
<b>Particulars</b>	<b>Amount</b>			
Loss	122,814			
Doubtful	153,170			
Substandard	(128,022)			
Restructure/Reschedule	-			
Watchlist	(187,816)			
Pass Loan (other than Restructured/Rescheduled Covid/Others)	121,313			
Pass Loan (Restructured/Rescheduled Covid/Others)	58,175			
Extra Provision	-			
<b>Total</b>	<b>139,634</b>			
<b>• Segregation of Investment Portfolio:</b>				
				<b>NPR in '000</b>
<b>Particulars</b>	<b>Amount</b>			
Held for Trading	-			
Held to Maturity	58,947,621			
Available for sale	1,384,795			
<b>Total Investment</b>	<b>60,332,416</b>			
<b>• Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable</b>				
<p>The Bank has implemented a robust Internal Capital Adequacy Assessment Process (ICAAP) in line with the guidelines issued by Nepal Rashtra Bank (NRB), which forms an integral part of its overall risk management and governance framework. The ICAAP is designed to ensure that the Bank maintains adequate capital to support its current operations as well as future growth, commensurate with its risk profile, business strategy, and operating environment. The process is overseen by the Board of Directors, with senior management responsible for effective implementation, monitoring, and periodic review to ensure continued compliance with regulatory expectations.</p> <p>Under the ICAAP framework, the Bank identifies, measures, monitors, and controls all material risks, including credit risk, market risk, operational risk, liquidity risk, interest rate risk in the banking book, concentration risk, and other residual risks. Capital adequacy is assessed through both regulatory capital calculations and internal assessments, incorporating stress testing and scenario analysis to evaluate the impact of adverse economic and financial conditions. These assessments enable the Bank to determine the adequacy of its capital buffer beyond the minimum regulatory requirements, ensuring resilience under normal and stressed conditions.</p> <p>In addition to complying with the minimum Capital Adequacy Ratio (CAR) as prescribed under NRB's Unified Directives, the Bank maintains internal capital targets that reflect its risk appetite and strategic objectives. Capital planning is forward-looking and aligned with business expansion plans, projected asset growth, and changes in the risk environment. The ICAAP outcomes are regularly reviewed and reported to the Board and NRB as required, supporting prudent capital management and reinforcing the Bank's ability to sustain its activities while safeguarding the interests of depositors and other stakeholders.</p>				