Everest Bank Limited
Unaudited Financial Result
1st Quarter Ending F/Y 2083/84

Unaudited Condensed Statement of Financial Position
As on Quarter ended 31st Ashwin 2083

Fig. in NPR '000

Particulars	This Quarter Ending	Immediate Previous year Ending (Audited)
Assets		
Cash and cash equivalent	13,320,933	9,103,983
Due from Nepal Rastra Bank	35,692,093	35,070,383
Placement with Bank and Financial Institutions	21,506,782	19,457,118
Derivative financial instruments	11,087,015	7,763,265
Other trading assets	-	-
Loan and advances to B/FIs	10,943,062	11,578,557
Loans and advances to customers	244,610,587	235,514,246
Investment securities	56,951,655	56,985,522
Current tax assets	-	204,150
Investment in subsidiaries	-	-
Investment in associates	831,042	831,042
Investment property	495,923	514,473
Property and equipment	4,063,998	4,015,173
Goodwill and Intangible assets	184,505	205,880
Deferred tax assets	-	-
Other assets	2,357,570	2,277,809
Total Assets	**402,045,164**	**383,521,602**
Liabilities		
Due to Bank and Financial Institutions	3,000,338	2,357,963
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	10,748,067	7,752,061
Deposits from customers	336,628,005	316,018,577
Borrowing	-	-
Current Tax Liabilities	331,225	-
Provisions	-	-
Deferred tax liabilities	11,746	11,746
Other liabilities	9,710,722	15,598,569
Debt securities issued	6,603,613	6,603,613
Subordinated Liabilities	-	-
Total liabilities	**367,033,714**	**348,342,528**
Equity		
Share capital	14,407,445	13,721,376
Share premium	238,470	238,470
Retained earnings	3,870,853	5,207,523
Reserves	16,494,683	16,011,705
Total equity attributable to equity holders	**35,011,450**	**35,179,073**
Non-controlling interest	-	-
Total equity	**35,011,450**	**35,179,073**
Total liabilities and equity	**402,045,164**	**383,521,602**

Everest Bank Limited
Unaudited Condensed Statement of Profit or Loss
For the Quarter Ended 31st Ashwin 2083

Fig. in NPR '000

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	4,956,567	4,956,567	5,309,342	5,309,342
Interest expense	2,585,134	2,585,134	2,905,445	2,905,445
Net interest income	**2,371,433**	**2,371,433**	**2,403,897**	**2,403,897**
Fee and commission income	690,630	690,630	633,123	633,123
Fee and commission expense	87,722	87,722	82,770	82,770
Net fee and commission income	**602,908**	**602,908**	**550,353**	**550,353**
Net interest, fee and commission income	**2,974,341**	**2,974,341**	**2,954,250**	**2,954,250**
Net trading income	251,860	251,860	149,500	149,500
Other operating income	3,303	3,303	9,969	9,969
Total operating income	**3,229,505**	**3,229,505**	**3,113,720**	**3,113,720**
Impairment charge/(reversal) for loans and other losses	233,475	233,475	423,118	423,118
Net operating income	**2,996,029**	**2,996,029**	**2,690,602**	**2,690,602**
Operating expense				
Personnel expenses	811,944	811,944	672,678	672,678
Other operating expenses	294,786	294,786	254,815	254,815
Depreciation & Amortisation	99,526	99,526	77,555	77,555
Operating Profit	**1,789,773**	**1,789,773**	**1,685,554**	**1,685,554**
Non operating income	-	-	-	-
Non operating expense	175	175	876	876
Profit before income tax	**1,789,598**	**1,789,598**	**1,684,678**	**1,684,678**
Income tax expense				
Current Tax	536,879	536,879	505,403	505,403
Deferred Tax	-	-	-	-
Profit for the period	**1,252,719**	**1,252,719**	**1,179,274**	**1,179,274**
Condensed Statement of Comprehensive Income				
Profit/(Loss) for the period	1,252,719	1,252,719	1,179,274	1,179,274
Other Comprehensive Income	(33,743)	(33,743)	(14,509)	(14,509)
Total Comprehensive Income	**1,218,976**	**1,218,976**	**1,164,765**	**1,164,765**
Earnings per share				
Basic earnings per share		34.78		36.44
Diluted earnings per share		34.78		36.44
Profit attributable to:				
Equity holders of the Bank	1,252,719	1,252,719	1,179,274	1,179,274
Non-controlling interest	-	-	-	-
Profit for the period	**1,252,719**	**1,252,719**	**1,179,274**	**1,179,274**

Everest Bank Limited
Unaudited Statement of Comprehensive Income
For the Quarter Ended 31st Ashwin 2083

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	**1,252,719**	**1,252,719**	**1,179,274**	**1,179,274**
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	(48,204)	(48,204)	(20,727)	(20,727)
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(loss) on defined benefit plans	-	-	-	-
Income tax relating to above items	14,461	14,461	6,218	6,218
Net other comprehensive income that will not be reclassified to profit or loss	**(33,743)**	**(33,743)**	**(14,509)**	**(14,509)**
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	**(33,743)**	**(33,743)**	**(14,509)**	**(14,509)**
Total comprehensive income for the period	**1,218,976**	**1,218,976**	**1,164,765**	**1,164,765**
Total comprehensive income attributable to:				
Equity holders of the Bank	1,218,976	1,218,976	1,164,765	1,164,765
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	**1,218,976**	**1,218,976**	**1,164,765**	**1,164,765**
Earnings per share				
Basic earnings per share		34.78		36.44
Annualized basic earnings per share		34.78		36.44
Diluted earnings per share		34.78		36.44

Everest Bank Limited
Unaudited Condensed Statement of changes in equity
For the Quarter Ended 31st Ashwin 2083

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 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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,079,426**	**-**	**5,079,426**		**5,079,426**
Other comprehensive income (net of tax)	**-**	**-**	**-**	**-**	**-**	**51,990**	**-**	**-**	**(79,586)**	**(27,596)**		**(27,596)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**51,990**	**-**	**5,079,426**	**(79,586)**	**5,051,830**		**5,051,830**
Transfer to reserve during the year	-	-	1,015,885	4,309	183,680	-	-	(2,178,752)	974,879	**-**		**-**
Transfer from reserve during the year	-	-	-	-	-	-	-	2,691	(2,691)	**-**		**-**
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)**
Total contributions by and distributions	**776,682**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,588,939)**	**-**	**(1,812,257)**		**(1,812,257)**
Balance at Ashad end 2083	**13,721,376**	**238,470**	**8,732,853**	**74,141**	**2,036,726**	**828,444**	**971,431**	**5,207,523**	**3,368,110**	**35,179,073**		**35,179,073**
Balance at 1 Shrawan 2083	**13,721,376**	**238,470**	**8,732,853**	**74,141**	**2,036,726**	**828,444**	**971,431**	**5,207,523**	**3,368,110**	**35,179,073**	**-**	**35,179,073**
Comprehensive income for the year												
Profit for the year								**1,252,719**		**1,252,719**		**1,252,719**
Other comprehensive income (net of tax)	-	-	-	-	-	(48,204)	-	-	-	**(48,204)**		**(48,204)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(48,204)**	**-**	**1,252,719**	**-**	**1,204,515**		**1,204,515**
Transfer to reserve during the year	-	-	250,544	(21,664)	86,411	-	-	(531,182)	215,891	**-**		**-**
Transfer from reserve during the year	-	-	-	-	-	-	-	-	-	**-**		**-**
Contributions from and distributions to owners												
Share issued	-	-	-	-	-	-	-	-	-	**-**		**-**
Share based payments	-	-	-	-	-	-	-	-	-	**-**		**-**
Dividends to equity holders												
Bonus shares issued	686,069	-	-	-	-	-	-	(686,069)	-	**-**		**-**
Cash dividend paid	-	-	-	-	-	-	-	(1,372,138)	-	**(1,372,138)**		**(1,372,138)**
Other												-
Total contributions by and distributions	**686,069**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,058,206)**	**-**	**(1,372,138)**	**-**	**(1,372,138)**
Balance at 2083 Ashwin, 31	**14,407,445**	**238,470**	**8,983,397**	**52,477**	**2,123,137**	**780,240**	**971,431**	**3,870,853**	**3,584,001**	**35,011,450**	**-**	**35,011,450**

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		11.78%		12.77%
Tier 1 Capital to RWA		9.45%		10.07%
CET 1 Capital to RWA		9.45%		10.07%
Non-Performing Loan (NPL) to Total Loan		0.50%		0.74%
Total Loan Loss Provision to Total NPL		295.46%		210.80%
Cost of Funds		2.97%		3.61%
Credit to Deposit Ratio		75.43%		75.83%
Base Rate		4.25%		4.86%
Base Rate Average (Applicable)		4.18%		4.88%
Interest Rate Spread		2.96%		3.36%
Market Share Price (in Rs.)		719.00		640.10
Return on Total Assets (Annualized in %)		1.28%		1.27%
Return on Equity(Annualized in %)		14.28%		14.51%
Net Worth Per share (in Rs.)		243.01		255.69
Total Assets Per Share		2,790.54		2,907.20

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 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 31st Ashwin 2083

Fig. in NPR '000

Particulars	Up to This Quarter	Corresponding Previous Year Up to this Quarter
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	3,788,049	16,214,260
Fees and other income received	690,630	2,246,805
Dividend received	-	-
Receipts from other operating activities	(75,884)	666,834
Interest paid	(2,424,321)	(10,326,081)
Commission and fees paid	(87,722)	(353,661)
Cash payment to employees	(1,346,062)	(3,360,681)
Other expense paid	(294,786)	(900,275)
Operating Cash Flows before Changes in Operating Assets and Liabilities	**249,905**	**4,187,201**
(Increase)/Decrease in Operating Assets		
Due from Nepal Rastra Bank	(621,709)	29,644,763
Placement with bank and financial institutions	(2,054,613)	(11,465,482)
Other trading assets	-	-
Loan and advances to bank and financial institutions	641,915	(1,814,947)
Loans and advances to customers	(9,221,881)	(22,276,253)
Other assets	(79,520)	(414,919)
Increase/(Decrease) in Operating Liabilities		
Due to bank and financial institutions	642,375	(1,078,981)
Due to Nepal Rastra Bank	-	-
Deposit from customers	20,609,428	17,200,177
Borrowings	-	-
Other liabilities	(5,635,179)	(3,594,772)
Net Cash Flow from Operating Activities before Tax Paid	**4,530,719**	**10,386,787**
Income taxes paid	(1,505)	(2,228,663)
Net Cash Flow from Operating Activities	**4,529,214**	**8,158,125**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(15,051)	(7,561,099)
Receipts from sale of investment securities	-	-
Purchase of property and equipment	(148,526)	(203,215)
Receipt from the sale of property and equipment	(109)	6,172
Purchase of intangible assets	21,375	(53,670)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	17,310	50,997
Interest received	1,059,587	3,919,403
Dividend received	4,652	23,673
Net Cash used in Investing Activities	**939,238**	**(3,817,739)**
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	(1,092,296)	(1,375,527)
Interest paid	(159,206)	(598,750)
Other receipt/payment	-	-
Net Cash from Financing Activities	**(1,251,502)**	**(1,974,276)**
Net Increase (Decrease) in Cash and Cash Equivalents	**4,216,950**	**2,366,109**
Cash and cash equivalents at Shrawan 1	9,103,983	6,720,639
Effect of exchange rate fluctuations on cash and cash equivalents held	-	17,234
Cash and Cash Equivalents at Quarter ended 2083 Ashwin, 31	**13,320,933**	**9,103,983**

Everest Bank Limited
Statement of Distributable Profit or Loss
For the Quarter Ended 31st Ashwin 2083
(As per NRB Regulation)

Fig. in NPR '000

Particulars	Current Year Up to this Quarter YTD	Previous Year Corresponding Quarter YTD
Net profit or (loss) as per statement of profit or loss	**1,252,719**	**1,179,274**
Appropriations:		
a. General reserve	250,544	235,855
b. Foreign exchange fluctuation fund	(21,664)	(2,848)
c. Capital redemption reserve	232,638	232,638
d. Corporate social responsibility fund	(18,752)	10,759
e. Employees' training fund	2,005	5,123
f. Other	-	-
Profit or (loss) before regulatory adjustment	**807,947**	**697,748**
Regulatory Adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(56,914)	(109,273)
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 (+)	18,550	25,772
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	(48,047)	(11,344)
j. Other- Share of Profit/Loss of Associate	-	-
Net profit for the Quarter ended 2083 Ashwin, 31 Available for distribution	**721,537**	**602,904**
Opening Retained Earning as on Shrawan 1 2083	5,207,523	4,893,096
Adjustment (+/-)	-	-
Distribution:		
Bonus Shares Issued	(686,069)	-
Cash Dividend Paid	(1,372,138)	-
Total Distributable profit or (loss) as on 2083 Ashwin, 31	**3,870,853**	**5,496,000**
Annualised Distributable Profit/Loss per Share	**40.77**	**56.43**

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.

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

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.

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.

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 orLoss 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 Guidance Note on Interest Income Recognition, 2025 issued by NRB.

(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.

Everest Bank Limited
Notes to the Interim Financial Statement
For the Quarter ended 31st Ashwin 2083

Segmental Information

Information about reportable segments

Fig. in NPR '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	532,545	603,353	342,968	342,542	4,280,728	4,315,604	194,652	224,423	421,445	442,564	22,109	27,474	108,941	146,151	5,903,388	6,102,110
Inter-segment Revenue	15,390	19,676	70,996	68,616	1,943,693	2,070,092	36,345	29,079	58,115	63,695	6,699	4,903	25,314	19,354	2,156,552	2,275,415
Gross Revenue	**547,935**	**623,029**	**413,964**	**411,158**	**6,224,421**	**6,385,696**	**230,997**	**253,502**	**479,560**	**506,259**	**28,808**	**32,377**	**134,255**	**165,505**	**8,059,940**	**8,377,525**
Interest Revenue	463,150	531,312	265,111	293,732	3,613,529	3,761,086	165,997	199,308	337,202	368,251	18,666	23,815	92,912	131,839	4,956,567	5,309,342
Interest Expenses	113,714	139,422	133,652	141,374	1,966,076	2,235,859	107,466	114,111	187,822	195,025	13,567	13,760	62,837	65,894	2,585,134	2,905,445
Net Interest Revenue	349,435	670,734	131,458	435,106	1,647,453	5,996,945	58,531	313,419	149,381	563,276	5,100	37,574	30,075	197,733	2,371,433	8,214,788
Depreciation & Amortisation	4,906	3,922	5,008	4,442	76,708	58,480	3,198	2,470	7,264	6,512	429	365	2,012	1,366	99,526	77,555
Segment Profit/(Loss)	**329,872**	**350,801**	**115,351**	**38,560**	**1,407,621**	**1,245,244**	**29,699**	**56,999**	**122,798**	**139,999**	**(2,310)**	**(3,881)**	**(15,105)**	**43,093**	**1,987,925**	**1,870,814**
Impairment of Assets	2,246	40,178	18,932	102,266	189,854	246,151	4,761	9,765	4,694	18,528	1,286	8,575	11,703	(2,344)	233,475	423,118
Segment Assets	**36,268,491**	**37,209,846**	**23,357,516**	**21,125,161**	**291,535,324**	**266,150,739**	**13,256,607**	**13,840,525**	**28,702,153**	**27,293,706**	**1,505,746**	**1,694,339**	**7,419,328**	**9,013,384**	**402,045,164**	**376,327,699**
Segment Liabilities	**33,110,108**	**33,937,238**	**21,323,465**	**19,267,201**	**266,147,444**	**242,742,763**	**12,102,177**	**12,623,250**	**26,202,672**	**24,893,223**	**1,374,621**	**1,545,321**	**6,773,228**	**8,220,656**	**367,033,714**	**343,229,652**

Reconciliation of reportable segment profit or loss

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

a) Revenue **Fig. in NPR '000**

Particulars	Current Year	Previous Year
Total revenues for reportable segments	8,059,940	8,377,525
Other revenues	-	-
Elimination of intersegment revenues	(2,156,552)	(2,275,415)
Entity's revenues	**5,903,388**	**6,102,110**

b) Profit or loss **Fig. in NPR '000**

Particulars	Current Year	Previous Year
Total Profit/Loss before tax for reportable segments	1,987,925	1,870,814
Profit before tax for other Segments	-	-
Elimination of inter-segment profit	-	-
Elimination of discontinued operation	-	-
Unallocated amounts:	(198,327)	(186,137)
Bonus expenses	-	-
Other adjustments	1,789,598	1,684,678
Profit before income tax	**1,789,598**	**1,684,678**

Concentration of Borrowings, Credits and Deposits **Fig. in NPR '000**

A. Concentration of Borrowings		
Particulars	**Current Year**	**Previous Year**
Borrowings from 10 largest lenders.	**0.00**	**0.00**
Percentage of borrowings from ten largest lenders to total depositors	**0.00%**	**0.00%**
B. Concentration of Credit exposures		
Particulars	**Current Year**	**Previous Year**
Total exposures to twenty largest borrowers		
a. As per group (related party)	**99,188,353**	**82,586,922**
b. As per individual customer	**73,005,666**	**52,630,304**
Percentage of exposures to twenty largest borrowers to Total Loans and Advances		
a. As per group (related party)	**30.51%**	**29.40%**
b. As per individual customer	**22.46%**	**18.73%**
C. Concentration of Deposits		
Particulars	**Current Year**	**Previous Year**
Total deposits from twenty largest depositors		
a. Group-wise	**4,598,700**	**16,611,420**
b. As per individual customer	**8,883,896**	**8,443,578**
Percentage of deposits from twenty largest depositors to Total Deposits		
a. Group-wise	**1.35%**	**5.24%**
b. As per individual customer	**2.62%**	**2.67%**

Everest Bank Limited
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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 four 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 Microfinance Laghubitta Bittiya Sanstha Limited
7) Nirdhan Utthan Laghubitta Bittiya Sanstha Limited
8) EBL Employee Retirement Fund

Fig. in NPR '000

Particulars	2083 Ashwin, 31	2082 Ashwin, 31
Directors:		
Director's Sitting Fees	820	600
Interest Paid to directors on deposits	1,298	1,898
Key Management Personnel (KMP):		
Remuneration and benefits paid	39,843	26,419
Interest on Account Balances	688	834
PNB Group		
TSA Paid	-	-
Cash Dividend	-	-
Bonus Share Paid (No of Share.)	-	-

Fig. in NPR '000

Transactions	2083 Ashwin, 31	2082 Ashwin, 31	Nature of relationship
Deposit	158,399	135,190	Directors
Deposit	38,818	38,997	Key Managerial Personnel
Loan	3,509	24,632	Key Managerial Personnel

Issues, repurchases and repayments of debt and equity securities

None

Events after interim period

There are no material events after reporting date affecting financial status of the Bank as on Ashwin End, 2083.

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 Ashwin End, 2083.

Major Financial Highlights

(i)	Earnings Per Share	Rs. 34.78	**(ii)**	Liquidity Ratio	30.92%
(iii)	Market Value per share	Rs. 719	**(iv)**	ROA/ ROE	1.28% / 14.28%
(v)	PE Ratio	20.67	**(vi)**	Net Worth per Share	Rs. 243.01

Management Analysis

a) The economy has faced challenges arising from the devastating floods in the Rasuwa and adjoining areas, which caused significant damage to hydropower infrastructure, transportation networks, border trade facilities, and local economic activities. The disruption of the Rasuwagadhi trade corridor, an important gateway for Nepal-China trade, temporarily affected cross-border commerce and highlighted the country's vulnerability to climate-related disasters. The Rasuwa flood also underscored the importance of climate risk management and disaster resilience within the banking sector, as financial institutions continue to assess potential impacts on borrowers, infrastructure financing, and business continuity arrangements.

b) Economic activity was also affected by the adverse impact of the Rasuwa flood, which disrupted infrastructure, energy generation facilities, tourism activities, and supply chains in the affected regions. The resulting reconstruction and rehabilitation requirements may place additional pressure on public resources in the near term, while also creating opportunities for renewed investment in resilient infrastructure. Nevertheless, effective implementation of infrastructure projects, accelerated capital expenditure, and increased investment in productive sectors are expected to support stronger economic growth in the coming quarters.

c) During the review period, the global economy remained resilient and continued to expand at a moderate pace despite heightened geopolitical tensions, evolving trade policies, and volatility in international financial markets. Growth was supported by continued technological investment, particularly in artificial intelligence (AI), improving financial conditions in several economies, and the adaptability of businesses and consumers to changing global conditions. However, the global outlook became increasingly uneven, as geopolitical conflicts, supply chain disruptions, and energy market uncertainties placed pressure on growth prospects in many regions.

d) Nevertheless, private sector credit demand continued to recover gradually, reflecting cautious business sentiment and moderate investment activity. The effective implementation of infrastructure projects, acceleration of capital expenditure, and increased investment in productive sectors are expected to strengthen economic growth in the coming quarters.

e) The banking sector maintained comfortable liquidity conditions during the review period, supported by strong deposit growth, sustained remittance inflows, and improved macroeconomic stability. Ample liquidity in the financial system contributed to a gradual moderation in interest rates, creating a more conducive environment for credit expansion and private sector investment. While credit demand recovered gradually, banking institutions continued to maintain adequate lending capacity and liquidity buffers. Nepal Rastra Bank maintained a cautiously accommodative monetary policy stance and continued to manage system liquidity through various monetary instruments to promote economic activity while preserving financial stability.

f) Against this backdrop, Everest Bank Limited maintained its focus on prudent risk management, sound corporate governance, sustainable business growth, and customer-centric banking services. The Bank continued to strengthen its financial position through disciplined balance sheet management, adequate capital and liquidity, portfolio diversification, and continuous enhancement of digital banking capabilities.

g) Management remains confident that the Bank's strong capital base, sound governance framework, experienced management team, diversified business portfolio, and prudent risk management practices will

enable it to navigate evolving economic conditions effectively and create sustainable value for shareholders and all other stakeholders. The Bank will continue to align its business strategies with Nepal Rastra Bank's regulatory framework while supporting Nepal's economic growth through responsible and sustainable banking.

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.

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. 760.20	Lowest Price:	Rs. 685.90	Last Price: Rs. 719.00
Transaction Volume :	21,17,188 no. of shares			Days of transaction: 61

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/Iran 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.

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 insight 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. Enhancing risk management practices to ensure financial stability and foster customer trust.

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.