**Everest Bank Limited**
**Disclosure under Basel III**
**As on October 17, 2026 (1st Quarter end of FY 2083/84)**

**Capital Structure and Capital Adequacy:**

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

**NPR in '000**

| **Particulars** | **Amount** |
|---|---|
| **Common Equity Tier 1 (CET 1)** | |
| Paid up Equity Share Capital | 14,407,445 |
| Equity Share Premium | 238,470 |
| Proposed Bonus Equity Shares | - |
| Statutory General Reserves | 8,983,397 |
| Retained Earnings | 3,870,853 |
| Unaudited current year cumulative profit/(loss) | - |
| Capital Redemption Reserve | - |
| Capital Adjustment Reserve | 1,116,408 |
| Debenture Redemption Reserve | 2,528,985 |
| Dividend Equalization Reserves | - |
| Bargain Purchase Gain | - |
| Other Free Reserve | 88,630 |
| Less: Goodwill | - |
| Less: Intangible Assets | 184,505 |
| 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 | 290,909 |
| **Adjustments under Pillar II** | |
| Less:Shortfall in Provision(6.4 a 1) | - |
| Less: Loans and Facilities extended to related parties and restricted lending | - |
| **Additional Tier 1 (AT 1)** | |
| Perpetual Non Cumulative Preference Share Capital | - |
| Perpetual Debt Instruments | - |
| Stock Premium | - |
| **Total (Tier 1) Capital** | **30,758,774** |

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

**NPR in '000**

| **(B) Supplementary Capital (Tier 2)** | **Amount** |
|---|---|
| Cumulative and/or Redeemable Preference Share | - |
| Subordinated Term Debt | 3,800,000 |
| Hybrid Capital Instruments | - |
| Stock Premium | - |
| General Loan Loss Provision | 2,985,971 |
| Exchange Equalization Reserve | 52,477 |
| Investment Adjustment Reserve | - |
| Accrued Interest Receivable on pass loan included in Regulatory Reserve | 397,237 |
| Regulatory reserve for non-banking assets recorded within the last 24 months. | 201,928 |
| Interest Capitalized Reserve included in Regulatory Reserve | 142,569 |
| Other Reserves | - |
| **Total (Tier 2) Capital** | **7,580,184** |

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

**NPR in '000**

| **Interest Payment frequency:** | **DebentureAmount** | **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 |
| **Total** | **6,603,613** | | |
| **Eligible Amount for Tier 2 Capital** | **3,800,000** | | |

**• 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) | 184,505 |
| Negative balances of reserve (actuarial loss) | 290,909 |
| **Total Capital Fund** | **475,413** |

**• Total Qualifying Capital:** **NPR in '000**

| **Particulars** | **Amount** |
|---|---|
| Core Capital (Tier 1) | 30,758,774 |
| Supplementary Capital (Tier 2) | 7,580,184 |
| **Total Capital Fund** | **38,338,958** |

**Risk Exposures:**

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

| **RISK WEIGHTED EXPOSURES** | **Amount** |
|---|---|
| Risk Weighted Exposure for Credit Risk | 297,677,950 |
| Risk Weighted Exposure for Operational Risk | 15,229,485 |
| Risk Weighted Exposure for Market Risk | 3,975,586 |
| **Total** | **316,883,021** |

**• Risk weighted exposures under each categories of Credit Risk:** **NPR in '000**

| **Categorises** | **Risk Weighted Exposure** |
|---|---|
| 1. All Claims on Government of Nepal | - |
| 2. Claims on Banks | 8,970,416.59 |
| 3. Claims on Domestic Corporates | 153,918,700.17 |
| 4. Claims on Regulatory Retail Portfolio & Other Retail Portfolio | 24,632,113.02 |
| 5. Claims secured by Residential Properties | 15,712,100.56 |
| 6. Claims secured by Commercial Real Estate | 1,681,050.21 |
| 7. Past due claims | 1,811,848.34 |
| 8. High Risk claims | 8,428,736.21 |
| 9. Investment in equity of Institutions | 1,250,203.48 |
| 10. Lending against Shares | 4,617,030.92 |
| 11. Personal Hirepurchase/Personal Auto Loans | 2,703,505.71 |
| 12. Real Estate loans for land acquisition and development | 11,817,030.30 |
| 13. Trust Receipt Loans for Trading Firms | 2,610,161.77 |
| 14. Staff Loan Secured by Residential Property | 1,027,021.76 |
| 15. Other Assets | 7,251,378.43 |
| 16. Off Balance Sheet Items | 51,246,653.03 |
| **Total** | **297,677,950** |

**• Total Risk Weight Exposures calculation table:** **NPR in '000**

| **RISK WEIGHTED EXPOSURES** | **Amount** |
|---|---|
| Risk Weighted Exposure for Credit Risk | 297,677,950 |
| Risk Weighted Exposure for Operational Risk | 15,229,485 |
| Risk Weighted Exposure for Market Risk | 3,975,586 |
| **Adjusments under Pillar II** | |
| Adjustment as per SRP 6.4a (5)<br>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)<br>Add RWE equvalent to reciprocal of capital charge of 2 % of Gross Income | 2,219,404 |
| Adjustment as per SRP 6.4a (9)<br>Overall risk management policies and precedures are not satisfactory. Add 2% of RWE | 6,337,660 |
| Adjustment as per SRP 6.4a (10)<br>Has the bank achieved desired level of disclosure requirement? | - |
| **Total Risk Weighted Exposures** | **325,440,086** |
| **Total Core Capital to Total Risk Weighted Exposures** | **9.45%** |
| **Total Capital to Total Risk Weighted Exposures** | **11.78%** |

**• Eligible Credit Risk Mitigants (CRM)** **NPR in '000**

| **Particulars** | **Risk Weighted Exposure** |
|---|---|
| Cash Deposit with the Bank | 5,381,511 |
| Gold | - |
| Fixed Deposit Receipts | - |
| Government & NRB Securities | - |
| **Total Eligible Credit Risk Mitigants (CRM)** | **5,381,511** |

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**• Amount of Non Performing Assets (both Gross and Net)** **NPR in '000**

| Particulars | Amount | Loan Loss Provision | Net NPL |
|---|---|---|---|
| **Non Performing Loans (NPL)** | | | |
| Restructure/Reschedule | - | - | - |
| Substandard | 314,735 | 78,684 | 236,051 |
| Doubtful | 468,103 | 234,051 | 234,051 |
| Loss | 504,299 | 504,299 | - |
| **Total** | **1,287,137** | **817,034** | **470,103** |

| NPA Ratios | |
|---|---|
| **NPA Ratios** | **(%)** |
| Gross NPA to Gross Advances | 0.50% |
| Net NPA to Net Advances | 0.19% |

**• Movement in Non Performing Assets** **NPR in '000**

| Particulars | This Quarter | Previous Quarter | Changes(%) |
|---|---|---|---|
| Non Performing Assets (Volumes) | 1,287,137 | 1,207,213 | 6.62% |
| Non Performing Assets (%) | 0.50% | 0.49% | 3.01% |

| • Write off of Loans and Interest Suspense in the Quarter | NPR in '000 |
|---|---|
| Loan | - |
| Interest Suspense | 1,872 |

**• Movement in Loan Loss Provision and Interest Suspense:** **NPR in '000**

| Particulars | This Quarter | Previous Quarter | Changes(%) |
|---|---|---|---|
| Loan Loss Provision | 3,803,005 | 3,569,530 | 6.54% |
| Interest Suspense | 130,334 | 132,927 | -1.95% |

**• Details of Additional Loan Loss Provision:** **NPR in '000**

| Particulars | Amount |
|---|---|
| Loss | 4,707 |
| Doubtful | 117,788 |
| Substandard | (40,090) |
| Restructure/Reschedule | - |
| Watchlist | 62,489 |
| Pass Loan (other than Restructured/Rescheduled Covid/Others) | 71,174 |
| Pass Loan (Restructured/Rescheduled Covid/Others) | 11,527 |
| Extra Provision | 5,880 |
| **Total** | **233,475** |

**• Segregation of Investment Portfolio:** **NPR in '000**

| Particulars | Amount |
|---|---|
| Held for Trading | - |
| Held to Maturity | 55,409,354 |
| Available for sale | 1,542,301 |
| **Total Investment** | **56,951,655** |

**• Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable**

The Bank has implemented a robust Internal Capital Adequacy Assessment Process (ICAAP) in line with the guidelines issued by Nepal Rastra 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.

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 buffers beyond the minimum regulatory requirements, ensuring resilience under normal and stressed conditions.

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.