EBL/H.O/SHARE/838/081-82

एभरेष्ट बैंक लिमिटेड
EVEREST BANK LIMITED
(A Joint-Venture with punjab national bank, India)
Consistent, Strong & Dependable
(नेपाल राष्ट्र बैंकबाट 'क' वर्गको इजाजत प्राप्त संस्था)

मिति: २०८२/०१/०९

श्री नेपाल धितोपत्र बोर्ड
खुमलटार, ललितपुर

विषय: विवरण प्रकाशित सम्बन्धमा

महोदय,

यस बैंकको धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६(१) बमोजिम प्रकाशित गर्नु पर्ने आ.ब २०८१/८२ को **तेश्रो** त्रैयमासको विवरण मिति २०८२/०१/०७ को **आर्थिक अभियान** राष्ट्रिय दैनिकमा प्रकाशित गरिएको व्यहोरा अवगत गर्दछौ ।

आ.ब २०८१/८२ को उपरोक्त विवरण यसै पत्र साथ संलग्न राखी पठाइएको व्यहोरा जानकारीका लागि अनुरोध गर्दछौ ।

भवदीय

EVEREST BANK LTD.
Head Office
Kathmandu

सुरेश चापागाईं
कम्पनी सचिव

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Publication of Information as Required by Securities Registration and Issuance Regulation 2073 (Related to Sub Rule (1) of Rule 26)

1. Financial Statements

A. Statement of Financial Position and Statement of Profit and Loss
Published along with this report.

B. Related Party Disclosure
Parties are related if any one party can control the other party or exercise the significant influence over the other party in making financial or operational decisions.
Punjab National Bank, a leading Public Sector Bank in India (a Government Public Sector Bank) holds 20.03% promoter shares in the bank and has representation in the board of the bank, is a related party to the bank.
The Directors, Chief Executive Officer and other key management personnel are also considered to be related party to the bank. No transaction between the bank and KMPs was observed other than as prescribed under the service byelaws of the bank and is only related to remuneration.

C. Major Financial Highlights

(i)	Earnings Per Share	Rs. 35.61	(ii)	Liquidity Ratio	27.81%
(iii)	Market Value per share	Rs. 606.10	(iv)	ROA/ ROE	1.49% /15.82%
(v)	PE Ratio	17.02	(vi)	Net Worth per Share	Rs. 235.47

2. Management Analysis
(i) The banking sector experienced a slight increase in credit demand during the second quarter of current fiscal year. However, overall business growth remains limited, primarily due to the ongoing economic downturn. In spite of these obstacles, EBL has been able to register growth in both top line (Deposits & Advances) as well as bottom line (Operating Profit) segment. All key performance indicators of the bank have demonstrated positive trends, and the quality of its assets has also seen a moderate improvement.
In the present fisc 0al year, the banking sector is experiencing ample liquidity, as evidenced by a credit-to-deposit (CD) ratio of approximately 80%. We are hopeful that the decrease in borrowing costs, along with a favorable business climate, will encourage increased demand for credit off take and aid in the recovery of the nation's economy the current year.

(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.

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3. Details relating to legal action

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

4. 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. 650.00 Lowest Price: Rs. 573.00 Last Price: Rs. 606.10
Transaction Volume : 21,56,478.00 no. of shares Days of transaction: 56

5. Problems and Challenges

Internal Challenges

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

External Challenges

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

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

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

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

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

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

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

6. 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.

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- 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.

7. 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.

Sudesh Khaling
Chief Executive Officer

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Everest Bank Limited
Unaudited Financial Result
3rd Quarter Ending F/Y 2081/82

Unaudited Condensed Statement of Financial Position
As on Quarter ended 31st Chaitra 2081

Fig in NPR '000

Assets	This Quarter Ending	Immediate Previous year Ending
Cash and cash equivalent	10,468,788	8,370,599
Due from Nepal Rastra Bank	12,184,207	40,768,261
Placement with Bank and Financial Institutions	8,396,650	6,482,025
Derivative financial instruments	4,680,100	1,664,093
Other trading assets	-	-
Loan and advances to B/FIs	9,054,280	7,652,663
Loans and advances to customers	216,173,965	178,215,399
Investment securities	54,501,341	44,143,620
Current tax assets	406,442	517,747
Investment in subsidiaries	-	-
Investment in associates	776,283	836,283
Investment property	612,728	522,293
Property and equipment	4,036,790	3,891,475
Goodwill and Intangible assets	28,418	25,381
Deferred tax assets	-	-
Other assets	2,757,779	2,653,862
Total Assets	**324,077,771**	**295,743,700**
Liabilities		
Due to Bank and Financial Institutions	1,377,679	1,071,805
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	4,581,477	1,630,408
Deposits from customers	266,439,185	232,316,605
Borrowing	710,456	2,349,196
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	125,808	125,808
Other liabilities	13,758,931	26,841,481
Debt securities issued	6,603,613	3,603,613
Subordinated Liabilities	-	-
Total liabilities	**293,597,148**	**267,938,917**
Equity		
Share capital	12,944,694	11,767,904
Share premium	238,470	238,470
Retained earnings	3,678,782	3,302,369
Reserves	13,618,677	12,496,041
Total equity attributable to equity holders	**30,480,623**	**27,804,784**
Non-controlling interest		
Total equity	**30,480,623**	**27,804,784**
Total liabilities and equity	**324,077,771**	**295,743,700**

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Everest Bank Limited
Unaudited Condensed Statement of Profit or Loss
For the Quarter ended 31st Chaitra 2081

Fig in NPR '000

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	5,157,777	15,458,312	5,486,902	16,970,147
Interest expense	2,729,640	8,714,355	3,477,324	11,337,082
Net interest income	**2,428,137**	**6,743,958**	**2,009,578**	**5,633,064**
Fee and commission income	438,052	1,356,866	374,445	1,168,591
Fee and commission expense	106,687	260,461	64,834	190,577
Net fee and commission income	**331,365**	**1,096,405**	**309,610**	**978,014**
Net interest, fee and commission income	**2,759,502**	**7,840,363**	**2,319,188**	**6,611,078**
Net trading income	176,468	389,626	100,393	254,518
Other operating income	(58,463)	(53,085)	5,132	61,841
Total operating income	**2,877,507**	**8,176,904**	**2,424,713**	**6,927,437**
Impairment charge/(reversal) for loans and other losses	(76,650)	272,948	204,842	637,186
Net operating income	**2,954,157**	**7,903,956**	**2,219,871**	**6,290,251**
Operating expense				
Personnel expenses	663,037	1,927,000	644,101	1,716,260
Other operating expenses	252,280	738,539	257,104	729,099
Depreciation & Amortisation	63,144	155,065	39,723	118,353
Operating Profit	**1,975,696**	**5,083,353**	**1,278,943**	**3,726,539**
Non operating income	-	-	-	-
Non operating expense	163	1,015	(80)	161
Profit before income tax	**1,975,533**	**5,082,337**	**1,279,023**	**3,726,378**
Income tax expense				
Current Tax	592,660	1,624,701	383,707	1,117,913
Deferred Tax	-	-	-	-
Profit for the period	**1,382,873**	**3,457,636**	**895,316**	**2,608,464**
Condensed Statement of Comprehensive Income				
Profit/(Loss) for the period	1,382,873	3,457,636	895,316	2,608,464
Other Comprehensive Income	(49,597)	(51,032)	(53,422)	(172,831)
Total Comprehensive Income	**1,333,277**	**3,406,604**	**841,894**	**2,435,633**
Earnings per share				
Basic earnings per share		35.61		29.55
Diluted earnings per share		35.61		29.55
Profit attributable to:				
Equity holders of the Bank	1,382,873	3,457,636	895,316	2,608,464
Non-controlling interest	-	-	-	-
Profit for the period	**1,382,873**	**3,457,636**	**895,316**	**2,608,464**

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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		12.67%		12.37%
Tier 1 Capital to RWA		9.81%		10.46%
CET 1 Capital to RWA		9.81%		10.46%
Non-Performing Loan (NPL) to Total Loan		0.64%		0.70%
Total Loan Loss Provision to Total NPL		258.93%		291.64%
Cost of Funds		4.11%		6.03%
Credit to Deposit Ratio		84.07%		83.50%
Base Rate		5.61%		7.53%
Base Rate Average (Applicable)		5.45%		8.13%
Interest Rate Spread		3.67%		4.00%
Market Share Price (in Rs.)		606.10		505.00
Return on Total Assets (Annualized in %)		1.49%		1.35%
Return on Equity (Annualized in %)		15.82%		13.04%
Net Worth Per share (in Rs.)		235.47		226.73
Total Assets Per Share		2,503.56		2,189.37

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