एभरेष्ट बैंक लिमिटेड
EVEREST BANK LIMITED
Consistent, Strong & Dependable
(नेपाल राष्ट्र बैंकबाट 'क' वर्गको इजाजतपत्र प्राप्त संस्था)

**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. 37.99 | (ii) | Liquidity Ratio | 38.94% |
| (iii) | Market Value per share | Rs. 701.56 | (iv) | ROA/ ROE | 1.49% /16.44% |
| (v) | PE Ratio | 18.47 | (vi) | Net Worth per Share | Rs. 247.39 |

**2. Management Analysis**
(i) The banking industry remained excessively liquid throughout the year amid depressed demand for credit and continued increase in remittance inflow. Overall private credit registered a growth of 8.4% to NPR 563.8 billion during the fiscal year 2081/82 whereas deposit grew by 11.2 % to NPR 711.1 billion leading to lower credit to deposit ratio of about 75%. The banking industry currently has surplus loanable fund of about NPR 900-1000 billion which is more than enough to meet the projected private credit growth of 12% (as projected by Nepal Rastra Bank in recently announced monetary policy).

On the external front, country's foreign exchange reserve is projected to reach historical high of NPR 2650 billion which is sufficient enough to meet our import and service liability of about 15 months.

(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. 707.90 | Lowest Price: Rs. 608.00 | Last Price: Rs. 701.56 |
| Transaction Volume : 45,57,403.00 no. of shares | | Days of transaction: 63 |

**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.

**Yogendra Singh Udawat**
**Deputy-CEO**

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**Everest Bank Limited**
**Unaudited Financial Result**
**4th Quarter Ending F/Y 2081/82**

**Unaudited Condensed Statement of Financial Position**
**As on Quarter ended 32nd Ashadh 2082**

Fig in NPR '000

| Assets | This Quarter Ending | Immediate Previous year Ending (Audited) |
|---|---|---|
| Cash and cash equivalent | 6,691,912 | 8,370,599 |
| Due from Nepal Rastra Bank | 13,661,353 | 40,768,261 |
| Placement with Bank and Financial Institutions | 7,843,200 | 6,482,025 |
| Derivative financial instruments | 4,953,600 | 1,664,093 |
| Other trading assets | - | - |
| Loan and advances to B/FIs | 9,771,879 | 7,652,663 |
| Loans and advances to customers | 213,623,545 | 178,215,399 |
| Investment securities | 100,524,625 | 44,143,620 |
| Current tax assets | 419,271 | 517,747 |
| Investment in subsidiaries | - | - |
| Investment in associates | 776,283 | 836,283 |
| Investment property | 564,286 | 522,293 |
| Property and equipment | 4,133,192 | 3,891,475 |
| Goodwill and Intangible assets | 116,696 | 25,381 |
| Deferred tax assets | - | - |
| Other assets | 2,125,512 | 2,653,862 |
| **Total Assets** | **365,205,354** | **295,743,700** |
| **Liabilities** | | |
| Due to Bank and Financial Institutions | 2,335,968 | 1,071,805 |
| Due to Nepal Rastra Bank | - | - |
| Derivative financial instruments | 4,958,751 | 1,630,408 |
| Deposits from customers | 298,818,400 | 232,316,605 |
| Borrowing | 1,100,976 | 2,349,196 |
| Current Tax Liabilities | - | - |
| Provisions | - | - |
| Deferred tax liabilities | 121,050 | 125,808 |
| Other liabilities | 19,243,044 | 26,841,481 |
| Debt securities issued | 6,603,613 | 3,603,613 |
| Subordinated Liabilities | - | - |
| **Total liabilities** | **333,181,802** | **267,938,917** |
| **Equity** | | |
| Share capital | 12,944,694 | 11,767,904 |
| Share premium | 238,470 | 238,470 |
| Retained earnings | 4,954,470 | 3,302,369 |
| Reserves | 13,885,917 | 12,496,041 |
| **Total equity attributable to equity holders** | **32,023,552** | **27,804,784** |
| **Non-controlling interest** | | |
| **Total equity** | **32,023,552** | **27,804,784** |
| **Total liabilities and equity** | **365,205,354** | **295,743,700** |

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## Everest Bank Limited
## Unaudited Condensed Statement of Profit or Loss
## For the Quarter ended 32nd Ashadh 2082

Fig in NPR '000

| Particulars | Current Year | | Previous Year Corresponding | |
|---|---|---|---|---|
| | This Quarter | Upto This Quarter (YTD) | This Quarter | Upto This Quarter (YTD |
| Interest income | 5,360,675 | 20,818,988 | 5,577,240 | 22,547,38 |
| Interest expense | 2,975,246 | 11,689,600 | 3,561,979 | 14,899,06 |
| **Net interest income** | **2,385,430** | **9,129,388** | **2,015,261** | **7,648,32** |
| Fee and commission income | 520,942 | 1,877,809 | 469,726 | 1,638,31 |
| Fee and commission expense | 88,405 | 348,866 | 104,662 | 295,23 |
| **Net fee and commission income** | **432,538** | **1,528,943** | **365,064** | **1,343,07** |
| **Net interest, fee and commission income** | **2,817,967** | **10,658,330** | **2,380,325** | **8,991,40** |
| Net trading income | 109,756 | 499,382 | 99,221 | 353,74 |
| Other operating income | 61,810 | 8,724 | 98,497 | 160,33 |
| **Total operating income** | **2,989,533** | **11,166,437** | **2,578,043** | **9,505,48** |
| Impairment charge/(reversal) for loans and other losses | (434,670) | (161,722) | (354,782) | 282,40 |
| **Net operating income** | **3,424,203** | **11,328,158** | **2,932,825** | **9,223,07** |
| **Operating expense** | | | | |
| Personnel expenses | 681,065 | 2,608,065 | 694,253 | 2,410,51 |
| Other operating expenses | 194,953 | 933,492 | 88,017 | 817,11 |
| Depreciation & Amortisation | 177,302 | 332,367 | 214,022 | 332,37 |
| **Operating Profit** | **2,370,882** | **7,454,235** | **1,936,532** | **5,663,07** |
| Non operating income | - | - | - | - |
| Non operating expense | 2,349 | 3,365 | 333 | 49 |
| **Profit before income tax** | **2,368,533** | **7,450,870** | **1,936,199** | **5,662,57** |
| Income tax expense | | | | |
| Current Tax | 908,004 | 2,532,705 | 827,213 | 1,945,12 |
| Deferred Tax | - | - | 14,225 | 14,22 |
| **Profit for the period** | **1,460,529** | **4,918,165** | **1,094,761** | **3,703,22** |
| **Condensed Statement of Comprehensive Income** | | | | |
| Profit/(Loss) for the period | 1,460,529 | 4,918,165 | 1,094,761 | 3,703,22 |
| Other Comprehensive Income | 13,658 | (37,373) | 28,519 | (144,31 |
| **Total Comprehensive Income** | **1,474,188** | **4,880,792** | **1,123,280** | **3,558,91** |
| **Earnings per share** | | | | |
| Basic earnings per share | | 37.99 | | 31.4 |
| Diluted earnings per share | | 37.99 | | 31.4 |
| **Profit attributable to:** | | | | |
| Equity holders of the Bank | 1,460,529 | 4,918,165 | 1,094,761 | 3,703,22 |
| Non-controlling interest | - | - | - | - |
| **Profit for the period** | **1,460,529** | **4,918,165** | **1,094,761** | **3,703,22** |

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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 | | 13.28% | | 12.30% |
| Tier 1 Capital to RWA | | 10.42% | | 10.59% |
| CET 1 Capital to RWA | | 10.42% | | 10.59% |
| Non-Performing Loan (NPL) to Total Loan | | 0.38% | | 0.71% |
| Total Loan Loss Provision to Total NPL | | 383.32% | | 261.42% |
| Cost of Funds | | 3.87% | | 5.64% |
| Credit to Deposit Ratio | | 77.48% | | 80.29% |
| Base Rate | | 5.36% | | 7.29% |
| Base Rate Average (Applicable) | | 5.27% | | 8.13% |
| Interest Rate Spread | | 3.48% | | 3.98% |
| Market Share Price (in Rs.) | | 701.56 | | 560.00 |
| Return on Total Assets (Annualized in %) | | 1.49% | | 1.36% |
| Return on Equity (Annualized in %) | | 16.44% | | 13.93% |
| Net Worth Per share (in Rs.) | | 247.39 | | 236.28 |
| Total Assets Per Share | | 2,821.27 | | 2,513.14 |

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