

**Everest Bank Limited**  
**Unaudited Financial Result**

4<sup>th</sup> Quarter Ending F/Y 2081/82  
**Unaudited Condensed Statement of Financial Position**  
As on Quarter ended 32<sup>nd</sup> 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
<b>Total Assets</b>	<b>365,205,354</b>	<b>295,743,700</b>
<b>Liabilities</b>		
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	332,316,605
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	-	-
<b>Total liabilities</b>	<b>333,181,802</b>	<b>267,938,917</b>
<b>Equity</b>		
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
<b>Total equity attributable to equity holders</b>	<b>32,023,552</b>	<b>27,804,784</b>
<b>Non-controlling interest</b>		
<b>Total equity</b>	<b>32,023,552</b>	<b>27,804,784</b>
<b>Total liabilities and equity</b>	<b>365,205,354</b>	<b>295,743,700</b>

**Everest Bank Limited**  
**Unaudited Condensed Statement of Profit or Loss**  
For the Quarter ended 32<sup>nd</sup> 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	22,547,387
Interest expense	2,975,246	11,689,600	3,561,979	14,899,062
<b>Net interest income</b>	<b>2,385,430</b>	<b>9,129,388</b>	<b>2,015,261</b>	<b>7,648,325</b>
Fee and commission income	520,942	1,877,809	469,726	1,638,316
Fee and commission expense	88,405	348,866	104,662	295,238
<b>Net fee and commission income</b>	<b>432,538</b>	<b>1,528,943</b>	<b>365,064</b>	<b>1,343,078</b>
<b>Net interest, fee and commission income</b>	<b>2,817,967</b>	<b>10,658,330</b>	<b>2,380,325</b>	<b>8,991,403</b>
Net trading income	109,756	499,382	99,221	353,740
Other operating income	61,810	8,724	98,497	160,337
<b>Total operating income</b>	<b>2,989,533</b>	<b>11,166,437</b>	<b>2,578,043</b>	<b>9,505,480</b>
Impairment charge/(reversal) for loans and other losses	(434,670)	(161,722)	(354,782)	282,404
<b>Net operating income</b>	<b>3,424,203</b>	<b>11,328,158</b>	<b>2,932,825</b>	<b>9,223,076</b>
<b>Operating expense</b>				
Personnel expenses	681,065	2,608,065	694,253	2,410,514
Other operating expenses	194,953	933,492	88,017	817,117
Depreciation & Amortisation	177,302	332,367	214,022	332,375
<b>Operating Profit</b>	<b>2,370,882</b>	<b>7,454,235</b>	<b>1,936,532</b>	<b>5,663,071</b>
Non operating income	-	-	-	-
Non operating expense	2,349	3,363	333	494
<b>Profit before income tax</b>	<b>2,368,533</b>	<b>7,450,870</b>	<b>1,936,199</b>	<b>5,662,577</b>
Income tax expense	-	-	-	-
Current Tax	908,004	2,532,705	827,213	1,945,127
Deferred Tax	-	-	14,225	14,225
<b>Profit for the period</b>	<b>1,460,529</b>	<b>4,918,165</b>	<b>1,094,761</b>	<b>3,703,225</b>
<b>Condensed Statement of Comprehensive Income</b>				
Profit/(Loss) for the period	1,460,529	4,918,165	1,094,761	3,703,225
Other Comprehensive Income	13,658	(37,373)	28,519	(144,312)
<b>Total Comprehensive Income</b>	<b>1,474,188</b>	<b>4,880,792</b>	<b>1,123,280</b>	<b>3,558,913</b>
<b>Earnings per share</b>				
Basic earnings per share	-	37.99	-	31.47
Diluted earnings per share	-	37.99	-	31.47
<b>Profit attributable to:</b>				
Equity holders of the Bank	1,460,529	4,918,165	1,094,761	3,703,225
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>1,460,529</b>	<b>4,918,165</b>	<b>1,094,761</b>	<b>3,703,225</b>

**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

- Notes:**
- Loan Loss Provision as per Unified Directive No 2 of NRB for Pass Loan categories has been decreased from 1.10% to 1.00% as per NRB circular.
  - 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.
  - Interest income recognition for exposure classified under Non-Performing Loan (Sub-standard, Doubtful and Loss) has been considered on an actual receipt basis.
  - The loans and advances include accrued receivable & staff loans are presented net of impairment loss.
  - Previous year figures have been reclassified and regrouped wherever necessary to make the same comparable with the current year's figure.
  - The above figures are subject to change upon otherwise as per the direction of the Regulators and/or Statutory Auditor.
  - Detailed interim financial reports have been published in our Bank's website. ([www.everestbankltd.com](http://www.everestbankltd.com)).

**Statement of Distributable Profit or Loss**

For the Quarter Ended 32<sup>nd</sup> Ashadh 2082  
(As per NRB Regulation)

Fig In '000

Particulars	Current Year	Previous Year
	Up to this Qtr YTD	Corresponding Qtr YTD
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>4,918,165</b>	<b>3,703,225</b>
<b>Appropriations:</b>		
a. General reserve	983,633	740,645
b. Foreign exchange fluctuation fund	210	11,429
c. Capital redemption reserve	597,219	625,778
d. Corporate social responsibility fund	6,333	20,515
e. Employees' training fund	8,304	631
f. Other	-	(188)
<b>Profit or (loss) before regulatory adjustment</b>	<b>3,322,466</b>	<b>2,304,415</b>
<b>Regulatory Adjustment:</b>		
a. Interest receivable (-)/previous accrued interest received (+)	210,285	(104,287)
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 (+)	(41,993)	(522,293)
e. Deferred tax assets recognised (-)/reversal (+)	-	(140,975)
f. Goodwill recognised (+)/impairment of Goodwill (-)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(11,102)	(80,911)
i. Other	-	(67,749)
<b>Net profit for the Quarter ended Ashadh 32, 2082 Available for distribution</b>	<b>3,479,657</b>	<b>1,388,200</b>
<b>Opening Retained Earnings as on Shrawan 1 2081</b>	<b>3,302,369</b>	<b>4,410,488</b>
Adjustment (+/-)	-	-
<b>Distribution:</b>		
Bonus Shares Issued	(1,176,790)	(1,069,809)
Cash Dividend Issued	(650,765)	(1,126,509)
<b>Total Distributable profit or (loss) as on Ashadh 32, 2082</b>	<b>4,954,470</b>	<b>3,302,369</b>
<b>Annualised Distributable Profit/Loss per Share</b>	<b>38.27</b>	<b>28.06</b>

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.

**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.
- 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.