नेपाल राष्ट्र बैंकबाट 'ज' वर्गको इजाजतपत्रप्राप्त राष्ट्रिय स्तरको वित्तीय संस्था

Progressive Finance Limited

प्रोग्रेसिभ फाइनान्स लिमिटेड

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Condensed Consolidated Statement of Financial Position

As on 31st Chaitra 2081 as per Nepal Financial Reporting System

Amount in NPR

Partuculars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	565,545,557	669,240,120
Due from Nepal Rastra Bank	984,310,802	255,437,056
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	290,137,375	470,888,708
Loans and advances to customers	4,521,015,891	3,952,004,781
Investment securities	707,410,736	1,397,346,639
Current tax assets	50,339,009	7,613,601
Investment in susidiaries	-	-
Investment in associates	-	-
Investment property	258,253,142	198,595,002
Property and equipment	320,720,607	216,238,647
Goodwill and Intangible assets	8,058,992	2,765,207
Deferred tax assets	6,530,755	10,079,691
Other assets	45,457,494	46,180,159
Total Assets	**7,757,780,359**	**7,226,389,610**
Liabilities		
Due to Bank and Financial Instituions	119,873,110	317,235,657
Due to Nepal Rastra Bank	-	68,400,000
Derivative financial instruments	-	-
Deposits from customers	6,775,507,722	6,093,057,677
Borrowing	-	-
Current Tax Liabilities	38,501,019	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	178,735,935	201,256,540
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total liabilities	**7,112,617,787**	**6,679,949,875**
Equity		
Share capital	848,106,000	848,106,000
Share premium	-	-
Retained earnings	-441,672,603	-497,778,966
Reserves	238,729,175	196,112,701
Total equity attributable to equity holders	**645,162,572**	**546,439,736**
Non-controlling interest		-
Total equity	**645,162,572**	**546,439,736**
Total liabilities and equity	**7,757,780,359**	**7,226,389,610**

Condensed Statement of Profit or Loss

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	146,525,123	447,281,464	173,447,040	448,127,482
Interest expense	94,404,326	316,347,317	118,076,765	350,993,610
Net interest income	**52,120,797**	**130,934,147**	**55,370,275**	**97,133,872**
Fee and commission income	207,705	553,137	195,629	646,760
Fee and commission expense	-	-	-	
Net fee and commission income	**207,705**	**553,137**	**195,629**	**646,760**
Net interest, fee and commission income	**52,328,501**	**131,487,284**	**55,565,905**	**97,780,632**
Net trading income	-	-	-	-
Other operating income	6,771,107	40,151,256	13,204,437	43,568,475
Total operating income	**59,099,608**	**171,638,540**	**68,770,342**	**141,349,107**
Impairment charge/(reversal) for loans and other losses	(13,139,830)	(156,026,316)	(44,150,172)	31,489,459
Net operating income	**72,239,439**	**327,664,856**	**112,920,514**	**109,859,648**
Operating expense	**58,225,443**	**196,111,498**	**61,958,878**	**164,369,846**
Personnel expenses	31,576,347	108,009,971	23,881,602	74,911,509
Other operating expenses	15,695,107	57,025,945	31,861,296	71,720,453
Depreciation & Amortisation	10,953,989	31,075,582	6,215,980	17,737,885
Operating Profit	**14,013,996**	**131,553,358**	**50,961,636**	**(54,510,199)**
Non operating income	-	117,060	-	-
Non operating expense	2,060,788	2,727,413	110,963	390,019
Profit before income tax	**11,953,208**	**128,943,006**	**50,850,673**	**(54,900,218)**
Income tax expense		-	-	-
Current Tax	6,861,864	38,501,019	-	-
Deferred Tax	-	-	-	-
Profit for the period	**5,091,344**	**90,441,987**	**50,850,673**	**(54,900,218)**

Condensed Statement of Other Comprehensive Income

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year	**5,091,344**	**90,441,987**	**50,850,673**	**(54,900,218)**
Gain/(loss) from investments in equity instruments measured at fair value	4,040,935	11,829,786	4,615,940	(14,848,647)
Income tax relating to above items	(1,212,280)	(3,548,936)	(1,384,782)	4,454,594
Net other comprehensive income that will not be reclassified to profit or loss	**2,828,654**	**8,280,850**	**3,231,158**	**(10,394,053)**
Other comprehensive income for the period, net of income tax	2,828,654	8,280,850	3,231,158	(10,394,053)
Total comprehensive income for the period	**7,919,998**	**98,722,837**	**54,081,831**	**(65,294,270)**
Total Comprehensive Income attributable to:				
Equity holders of the Bank	7,919,998	98,722,837	54,081,831	(65,294,270)
Non-controlling interest				
Total	**7,919,998**	**98,722,837**	**54,081,831**	**(65,294,270)**
Earnings per Share				
Basic Earnings per Share		10.66		(6.47)
Annualized Basic Earnings Per Share		14.22		(8.63)
Diluted Earnings per Share (Annualized)		14.22		(8.63)

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		10.75%		11.37%
Tier 1 Capital to RWA		9.18%		9.39%
CET 1 Capital to RWA		9.18%		9.39%
Return on Assets		1.17%		- 0.85%
Return on Equity		14.02%		- 9.63%
Non Performing Loan (NPL) to total loan		7.15%		9.34%
Total Loan Loss Provision to Total NPL		75.00%		96.47%
Cost of Funds		5.36%		8.13%
CD Ratio		71.79%		75.16%
Base Rate		8.74%		11.91%
Interest Rate Spread		4.58%		4.57%

Details about the distributable Profit

Amount in NPR

Opening Retained Earnings			**(497,778,966.00)**
Net profit for the period ended on 31st Chaitra 2081			**90,441,987**
1. Appropriations			
	1.1 Profit Required to be appropriated		**19,133,050**
		a) General Reserve	18,088,397
		b) Capital Redemption Reserve	0
		c) Exchange Fluctuation Fund	0
		d) CSR Fund	904,420
		e) Employee Training Fund	140,232
		f) Other	0
	1.2 Profit Required to be transferred to Regulatory Reserve		**15,202,574**
		a) Transferred to Regulatory Reserve	15,202,574
		b) Transferred from Regulatory Reserve	
Net Profit for the Period End Chaitra Quarter for Distribution			**(441,672,603)**

Note:

1) Pursuant to adoption of ECL model, recognition of interest income has been based upon "NRB NFRS 9 Expected Credit Loss (ECL) Related Guidelines, 2024" . The Finance, following regulatory backstop as mentioned in Clause 16 of "NFRS 9- Expected Credit Loss Related Guidelines, 2024" has recognized impairment on credit exposures as the higher of total ECL calculated as per NFRS 9 and existing regulatory provisions as mentioned in Unified NRB Directives no 02.
2) Above figures are subject to change upon otherwise instructions of Statutory Auditor and/ or Regulatory Authorities.
3) The detail interim financial report has been published in the Finance's website

Disclosure as Prescribed by Securities Registration and Issue Regulation, 2073 (Related to Sub Rule (1) of Rule 26, For the Third Quarter of F.Y. 2081/82

1. **Financial Statements (as per un-audited figures of 2081.12.31)**
   I. Financial detail as at the end of Third Quarter (2081.12.31) of F.Y.2081/82 has been published along with this disclosure..
   II. Major Financial Indicators

a) Earning Per Share(Annualized)	14.22	b) Market Value per Share	532.2
c) Price Earning Ratio	49.91	d) Net Worth Per Share	76.07
e) Total Assets/No. of Share	914.72	f) Liquidity Ratio	30.60

2. **Management Analysis :**
   a) **Details relating to the charge in the FI's reserve, income and liquidity in the quarter (if any) and its main reason.**
   FI's reserve and liquidity position remained strong throughout the quarter.
   b) **Management's analytical details regarding future business plan.**
   FI's seeks to achieve sustainable growth in business and profitability as per its strategic management plan.
   c) **Analytical details of the incidents that may have major impact on reserve, profit or cash flow (if any) based on previous experience.**
   No specific incident occurred during the period that could have impact on reserve, profit or cash flow.
3. **Legal Proceedings :**
   a) **Case filed by or against the FI in this quarter.**
   There is no any law suit filed against the FI in this quarter.
   b) **Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or Director of the FI**
   No such information has been received.
   c) **Case relating to commission of financial crime filed against any promoter or Director of the FI.** No such information has been received.
4. **Analysis of stock performance of the FI :**
   a) **Management view on the transaction of the shares of the FI in the Share Market.**
   Transaction of shares and share price are determined by open market at Nepal Stock Exchange Ltd. The increasing trust towards the FI, it is expected that share price of this FI will increase.
   b) **Maximum, minimum and last share price, total transaction days and total transacted number of shares in the quarter (as per nepalstock.com).**

Maximum Share Price	637.8	Minimum Share Price	519.86
Closing Share Price	532.2	Total No. of Transaction	17731
No. of days of transaction	56	Total Traded no. of Share	2,437,403

5. **Problems and Challenges ;**
   Internal
   1) Technological Challenges
   2) Human Resource Issues
   3) Inefficient cost management
   4) Increasing operational risk
   5) Data management Challenges
   6) Lack of Strategic planning

   External
   1) Tough competition in banking industry
   2) Economic Challenges
   3) Technological and Digital transformation Challenges
   4) Global Economic Trends

   Strategy to overcome the problems and challenges :
   1) Development and introduction of customer-oriented product/services.
   2) Strict portfolio management with emphasis on quality rather than quantity.
   3) Identification of new business avenues.
   4) Focus on development of staffs by training, counseling and monitoring them.
6. **Corporate Governance :**
   Clear separation of roles and responsibilities of Board of Directors and Management has ensured high standard of corporate Governance. Audit committee has been functioning independently and actively. Progressive Finance is committed for transparency, high standard of professionalism and data integrity.
7. **Declaration :**
   I, CEO of the FI, am accountable individually on the factual accuracy of the information submitted as of the date in this report. I also declare that to the best of my knowledge, no material information for investors has been concealed.