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

Progressive Finance Limited
प्रोग्रेसिभ फाइनान्स लिमिटेड

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Condensed Consolidated Statement of Financial Position
As on 32nd Ashadh 2082 as per Nepal Financial Reporting System

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	662,449,824	669,240,120
Due from Nepal Rastra Bank	290,801,608	255,437,056
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	237,353,482	470,888,708
Loans and advances to customers	4,802,903,734	3,952,004,781
Investment securities	1,313,996,235	1,397,346,639
Current tax assets	52,986,367	7,613,601
Investment in susidiaries	-	-
Investment in associates	-	-
Investment property	262,315,418	198,595,002
Property and equipment	311,125,974	216,238,647
Goodwill and Intangible assets	7,476,967	2,765,207
Deferred tax assets	4,238,172	10,079,691
Other assets	41,127,396	46,180,159
Total Assets	**7,986,775,177**	**7,226,389,610**
Liabilities		
Due to Bank and Financial Instituions	99,695,779	317,235,657
Due to Nepal Rastra Bank	-	68,400,000
Derivative financial instruments	-	-
Deposits from customers	6,980,580,427	6,093,057,677
Borrowing	-	-
Current Tax Liabilities	47,700,278	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	186,790,044	201,256,540
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total liabilities	**7,314,766,527**	**6,679,949,875**
Equity		
Share capital	848,106,000	848,106,000
Share premium	-	-
Retained earnings	-423,179,514	-497,778,966
Reserves	247,082,164	196,112,701
Total equity attributable to equity holders	**672,008,650**	**546,439,736**
Non-controlling interest		-
Total equity	**672,008,650**	**546,439,736**
Total liabilities and equity	**7,986,775,177**	**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	146,520,173	593,801,638	222,039,917	670,167,399
Interest expense	92,151,372	408,498,689	119,429,712	470,423,322
Net interest income	**54,368,801**	**185,302,948**	**102,610,205**	**199,744,077**
Fee and commission income	30,697,844	31,250,980	38,646,394	39,293,154
Fee and commission expense	1,095,100	1,095,100	686,908	686,908
Net fee and commission income	**29,602,744**	**30,155,880**	**37,959,486**	**38,606,246**
Net interest, fee and commission income	**83,971,545**	**215,458,829**	**140,569,691**	**238,350,323**
Net trading income	-	-	-	-
Other operating income	(20,028,165)	20,123,091	(15,698,296)	27,870,179
Total operating income	**63,943,379**	**235,581,920**	**124,871,395**	**266,220,502**
Impairment charge/(reversal) for loans and other losses	(31,903,829)	(187,930,145)	(157,705,092)	(126,215,633)
Net operating income	**95,847,209**	**423,512,065**	**282,576,487**	**392,436,135**
Operating expense	**67,557,057**	**263,668,555**	**66,624,919**	**230,994,765**
Personnel expenses	36,998,000	145,007,970	48,753,056	123,664,565
Other operating expenses	18,608,066	75,634,011	(5,207,300)	66,513,153
Depreciation & Amortisation	11,950,992	43,026,574	23,079,163	40,817,048
Operating Profit	**28,290,151**	**159,843,510**	**215,951,569**	**161,441,370**
Non operating income	3,266,625	3,383,685	4,262,000	4,262,000
Non operating expense	860,800	3,588,213	23,733,597	24,123,616
Profit before income tax	**30,695,976**	**159,638,982**	**196,479,971**	**141,579,753**
Income tax expense	9,199,259	47,700,278	24,722,664	24,722,664
Current Tax	9,199,259	47,700,278	25,961,765	25,961,765
Deferred Tax	-	-	(1,239,101)	(1,239,101)
Profit for the period	**21,496,717**	**111,938,704**	**171,757,307**	**116,857,089**

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	**21,496,717**	**111,938,704**	**171,757,307**	**116,857,089**
Gain/(loss) from investments in equity instruments measured at fair value	7,641,944	19,471,730	17,165,539	2,316,892
Income tax relating to above items	(2,292,583)	(5,841,519)	(5,149,662)	(695,067)
Net other comprehensive income that will not be reclassified to profit or loss	**5,349,361**	**13,630,211**	**12,015,877**	**1,621,824**
Other comprehensive income for the period, net of income tax	5,349,361	13,630,211	12,015,877	1,621,824
Total comprehensive income for the period	**26,846,078**	**125,568,915**	**183,773,184**	**118,478,913**
Total Comprehensive Income attributable to:				
Equity holders of the Bank	26,846,078	125,568,915	183,773,184	118,478,913
Non-controlling interest				
Total	**26,846,078**	**125,568,915**	**183,773,184**	**118,478,913**
Earnings per Share				
Basic Earnings per Share		13.20		14.98
Annualized Basic Earnings Per Share		13.20		14.98
Diluted Earnings per Share (Annualized)		13.20		14.98

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		12.92%		10.48%
Tier 1 Capital to RWA		9.31%		8.83%
CET 1 Capital to RWA		9.31%		8.83%
Return on Assets		1.40%		1.62%
Return on Equity		16.66%		21.39%
Non Performing Loan (NPL) to total loan		4.44%		8.92%
Total Loan Loss Provision to Total NPL		102.07%		100.92%
Cost of Funds		5.13%		7.32%
CD Ratio		72.73%		74.77%
Base Rate		8.64%		10.69%
Interest Rate Spread		4.55%		4.58%

Details about the distributable Profit

Amount in NPR

Opening Retained Earnings			**(497,778,966.00)**
Net profit for the period ended on 32nd Ashadh 2082			**111,938,704**
1. Appropriations			
	1.1 Profit Required to be appropriated		**23,486,319**
		a) General Reserve	22,387,741
		b) Capital Redemption Reserve	0
		c) Exchange Fluctuation Fund	0
		d) CSR Fund	1,119,387
		e) Employee Training Fund	(20,809)
		f) Other	0
	1.2 Profit Required to be transferred to Regulatory Reserve		**13,852,933**
		a) Transferred to Regulatory Reserve	13,852,933
		b) Transferred from Regulatory Reserve	
Net Profit for the Period End Ashadh Quarter for Distribution			**(423,179,514)**

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 Fourth Quarter of F.Y. 2081/82

1. **Financial Statements (as per un-audited figures of 2082.03.32)**
   I. Financial detail as at the end of Fourth Quarter (2082.03.32) of F.Y.2081/82 has been published along with this disclosure..
   II. Major Financial Indicators

a) Earning Per Share(Annualized)	13.20	b) Market Value per Share	521.87
c) Price Earning Ratio	39.54	d) Net Worth Per Share	79.24
e) Total Assets/No. of Share	941	f) Liquidity Ratio	29.85

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 re-serve, 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	538.33	Minimum Share Price	472.65
Closing Share Price	521.87	Total No. of Transaction	8969
No. of days of transaction	63	Total Traded no. of Share	1,226,366

5. **Problems and Challenges ;**
   Internal
   1) Technological Challenges
   2) Difficulty in loan recovery
   3) Human Resource Issues
   4) High Operational cost
   5) Increasing operational risk
   6) Data management Challenges
   External
   1) Tough competition in banking industry
   2) Economic Challenges
   3) Limited Market Reach
   4) Technological and Digital transformation Challenges
   5) 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.