नेपाल राष्ट्र बैंकबाट "ग" वर्गको इजाजतपत्रप्राप्त वाणिज्य स्तरको वित्तीय संस्था

Progressive Finance Limited
प्रोग्रेशिभ फाइनान्स लिमिटेड

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Condensed Consolidated Statement of Financial Position
As on 31st Ashwin 2082 as per Nepal Financial Reporting System

Amount in NPR

Progressive Finance Limited	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	489,286,025	662,449,824
Due from Nepal Rastra Bank	270,052,670	290,801,608
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	128,152,128	237,353,482
Loans and advances to customers	4,952,396,219	4,802,903,734
Investment securities	1,701,978,680	1,313,996,235
Current tax assets	7,889,585	52,986,367
Investment in susidiaries	-	-
Investment in associates	-	-
Investment property	251,116,102	262,315,418
Property and equipment	297,454,308	311,125,974
Goodwill and Intangible assets	7,148,912	7,476,967
Deferred tax assets	7,993,439	4,238,172
Other assets	69,548,532	41,127,396
Total Assets	**8,183,016,600**	**7,986,775,177**
Liabilities		
Due to Bank and Financial Instituions	66,883,391	99,695,779
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	7,308,769,500	6,980,580,427
Borrowing	-	-
Current Tax Liabilities	-	47,700,278
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	183,197,954	186,790,044
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total liabilities	**7,558,850,844**	**7,314,766,527**
Equity		
Share capital	848,106,000	848,106,000
Share premium	-	-
Retained earnings	-475,937,268	-423,179,514
Reserves	251,997,024	247,082,164
Total equity attributable to equity holders	**624,165,756**	**672,008,650**
Non-controlling interest		-
Total equity	**624,165,756**	**672,008,650**
Total liabilities and equity	**8,183,016,600**	**7,986,775,177**

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	142,227,908	142,227,908	166,426,447	166,426,447
Interest expense	91,387,159	91,387,159	115,780,292	115,780,292
Net interest income	**50,840,749**	**50,840,749**	**50,646,155**	**50,646,155**
Fee and commission income	6,597,596	6,597,596	179,362	179,362
Fee and commission expense	371,281	371,281	-	-
Net fee and commission income	**6,226,315**	**6,226,315**	**179,362**	**179,362**
Net interest, fee and commission income	**57,067,063**	**57,067,063**	**50,825,517**	**50,825,517**
Net trading income	-	-	-	-
Other operating income	18,540,419	18,540,419	15,308,343	15,308,343
Total operating income	**75,607,483**	**75,607,483**	**66,133,860**	**66,133,860**
Impairment charge/(reversal) for loans and other losses	55,338,263	55,338,263	(118,320,888)	(118,320,888)
Net operating income	**20,269,220**	**20,269,220**	**184,454,748**	**184,454,748**
Operating expense	**60,549,825**	**60,549,825**	**71,622,654**	**71,622,653**
Personnel expenses	31,174,877	31,174,877	45,371,710	45,371,710
Other operating expenses	18,089,966	18,089,966	16,417,985	16,417,985
Depreciation & Amortisation	11,284,981	11,284,981	9,832,959	9,832,959
Operating Profit	**(40,280,605)**	**(40,280,605)**	**112,832,095**	**112,832,095**
Non operating income	1,200,000	1,200,000	117,060	117,060
Non operating expense	-	-	-	-
Profit before income tax	**(39,080,605)**	**(39,080,605)**	**112,949,155**	**112,949,155**
Income tax expense	-	-	32,008,945	32,008,945
Current Tax	-	-	32,008,945	32,008,945
Deferred Tax	-	-	-	-
Profit for the period	**(39,080,605)**	**(39,080,605)**	**80,940,210**	**80,940,210**

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	**(39,080,605)**	**(39,080,605)**	**80,940,210**	**80,940,210**
Gain/(loss) from investments in equity instruments measured at fair value	(12,517,555)	(12,517,555)	4,476,409	4,476,409
Income tax relating to above items	3,755,267	3,755,267	(1,342,923)	(1,342,923)
Net other comprehensive income that will not be reclassified to profit or loss	**(8,762,289)**	**(8,762,289)**	**3,133,486**	**3,133,486**
Other comprehensive income for the period, net of income tax	(8,762,289)	(8,762,289)	3,133,486	3,133,486
Total comprehensive income for the period	**(47,842,894)**	**(47,842,894)**	**84,073,696**	**84,073,696**
Total Comprehensive Income attributable to:				
Equity holders of the Bank	(47,842,894)	(47,842,894)	84,073,696	84,073,696
Non-controlling interest				
Total	**(47,842,894)**	**(47,842,894)**	**84,073,696**	**84,073,696**
Earnings per Share				
Basic Earnings per Share		(4.61)		9.54
Annualized Basic Earnings Per Share		(18.43)		38.17
Diluted Earnings per Share (Annualized)		(18.43)		38.17

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		11.32%		10.55%
Tier 1 Capital to RWA		7.68%		8.97%
CET 1 Capital to RWA		7.68%		8.97%
Return on Assets		-0.48%		1.02%
Return on Equity		-6.26%		13.49%
Non Performing Loan (NPL) to total loan		6.67%		7.47%
Total Loan Loss Provision to Total NPL		83.04%		80.97%
Cost of Funds		4.84%		6.57%
CD Ratio		70.70%		67.72%
Base Rate		8.16%		10.13%
Interest Rate Spread		4.59%		4.50%

Details about the distributable Profit

Amount in NPR

Opening Retained Earnings			**(423,179,513.63)**
Net profit for the period ended on 31st Ashwin 2082			**(39,080,605)**
1. Appropriations			
	1.1 Profit Required to be appropriated		**2,271,441**
		a) General Reserve	0
		b) Capital Redemption Reserve	0
		c) Exchange Fluctuation Fund	0
		d) CSR Fund	0
		e) Employee Training Fund	2,271,441
		f) Other	0
	1.2 Profit Required to be transferred to Regulatory Reserve		**11,405,708**
		a) Transferred to Regulatory Reserve	11,405,708
		b) Transferred from Regulatory Reserve	
Net Profit for the Period Ended on 31st Ashwin 2082 for Distribution			**(475,937,268)**

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 First Quarter of F.Y 2082/83

1. **Financial Statements (as per un-audited figures of 2082.03.32)**
   I. Financial detail as at the end of First Quarter (2082.06.31) of F.Y.2082/83 has been published along with this disclosure..
   II. Major Financial Indicators

a) Earning Per Share(Annualized)	-18.43	b) Market Value per Share	431
c) Price Earning Ratio	-93.53	d) Net Worth Per Share	73.60
e) Total Assets/No. of Share	964.86	f) Liquidity Ratio	31.45

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.
   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	577.73	Minimum Share Price	431
Closing Share Price	431	Total No. of Transaction	7686
No. of days of transaction	51	Total Traded no. of Share	1,224,333

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) Loan Recovery Challenges
   External
   1) Tough competition in banking industry
   2) Economic Challenges
   3) Technological and Digital transformation Challenges
   4) Limited market reach
   5) Global Economic Trends
   6) Political Instability
   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.
   5) Focus on management of Problematic loans.
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.