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 30th Poush 2082 as per Nepal Financial Reporting System

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	453,751,186	661,458,338
Due from Nepal Rastra Bank	1,513,901,015	290,801,608
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	157,868,592	237,353,482
Loans and advances to customers	5,079,798,834	4,789,972,229
Investment securities	609,392,145	1,313,996,235
Current tax assets	19,402,307	6,766,336
Investment in susidiaries	-	-
Investment in associates	-	-
Investment property	251,333,055	262,532,372
Property and equipment	293,479,810	313,169,616
Goodwill and Intangible assets	8,921,379	5,732,184
Deferred tax assets	9,557,683	7,136,573
Other assets	69,528,630	44,641,335
Total Assets	**8,466,934,636**	**7,933,560,309**
Liabilities		
Due to Bank and Financial Instituions	117,644,351	99,695,779
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	7,531,389,118	6,980,580,427
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	190,909,649	191,391,370
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total liabilities	**7,839,943,119**	**7,271,667,575**
Equity		
Share capital	848,106,000	848,106,000
Share premium	-	-
Retained earnings	-468,698,615	-434,209,670
Reserves	247,584,133	247,996,404
Total equity attributable to equity holders	**626,991,517**	**661,892,733**
Non-controlling interest		-
Total equity	**626,991,517**	**661,892,733**
Total liabilities and equity	**8,466,934,636**	**7,933,560,309**

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	127,493,218	269,721,126	134,329,894	300,756,342
Interest expense	86,559,680	177,946,839	106,162,699	221,942,991
Net interest income	**40,933,538**	**91,774,287**	**28,167,196**	**78,813,351**
Fee and commission income	6,833,632	13,431,228	166,070	345,432
Fee and commission expense	499,784	499,784	-	-
Net fee and commission income	**6,333,848**	**12,931,444**	**166,070**	**345,432**
Net interest, fee and commission income	**47,267,386**	**104,705,731**	**28,333,265**	**79,158,783**
Net trading income	-	-	-	-
Other operating income	561,823	19,102,242	18,071,807	33,380,150
Total operating income	**47,829,209**	**123,807,973**	**46,405,072**	**112,538,932**
Impairment charge/(reversal) for loans and other losses	(15,251,898)	40,086,365	(24,565,597)	(142,886,485)
Net operating income	**63,081,107**	**83,721,608**	**70,970,669**	**255,425,418**
Operating expense	**53,623,744**	**114,173,568**	**66,263,402**	**137,886,055**
Personnel expenses	30,594,672	61,769,549	31,061,914	76,433,624
Other operating expenses	12,630,619	30,720,585	24,912,853	41,330,838
Depreciation & Amortisation	10,398,453	21,683,434	10,288,635	20,121,594
Operating Profit	**9,828,644**	**(30,451,960)**	**4,707,268**	**117,539,363**
Non operating income	-	1,200,000	-	117,060
Non operating expense	-	-	666,625	666,625
Profit before income tax	**9,828,644**	**(29,251,960)**	**4,040,643**	**116,989,798**
Income tax expense				
Current Tax	-	-	(369,789)	31,639,155
Deferred Tax	-	-	-	-
Profit for the period	**9,828,644**	**(29,251,960)**	**4,410,433**	**85,350,643**

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	**9,828,644**	**(29,251,960)**	**4,410,433**	**85,350,643**
Gain/(loss) from investments in equity instruments measured at fair value	(6,854,610)	(8,070,365)	3,312,442	7,788,851
Income tax relating to above items	(1,334,157)	2,421,110	(993,733)	(2,336,655)
Net other comprehensive income that will not be reclassified to profit or loss	**(8,188,768)**	**(5,649,256)**	**2,318,710**	**5,452,196**
Other comprehensive income for the period, net of income tax	(8,188,768)	(5,649,256)	2,318,710	5,452,196
Total comprehensive income for the period	**1,639,876**	**(34,901,216)**	**6,729,141**	**90,802,837**
Total Comprehensive Income attributable to:				
Equity holders of the Bank	1,639,876	(34,901,216)	6,729,142	90,802,838
Non-controlling interest				
Total	**1,639,876**	**(34,901,216)**	**6,729,142**	**90,802,838**
Earnings per Share				
Basic Earnings per Share		(3.45)		10.06
Annualized Basic Earnings Per Share		(6.90)		20.13
Diluted Earnings per Share (Annualized)		(6.90)		20.13

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		11.17%		10.72%
Tier 1 Capital to RWA		8.00%		9.13%
CET 1 Capital to RWA		8.00%		9.13%
Return on Assets		-0.35%		1.08%
Return on Equity		-4.06%		13.39%
Non Performing Loan (NPL) to total loan		7.39%		7.57%
Total Loan Loss Provision to Total NPL		71.68%		76.46%
Cost of Funds		4.70%		5.81%
CD Ratio		70.33%		68.55%
Base Rate		8.00%		9.35%
Interest Rate Spread		4.09%		4.59%

Details about the distributable Profit

Amount in NPR

Opening Retained Earnings			**(434,209,670.00)**
Net profit for the period ended on 30th Poush 2082			**(29,251,960)**
1. Appropriations			
	1.1 Profit Required to be appropriated		**2,373,221**
		a) General Reserve	0
		b) Capital Redemption Reserve	0
		c) Exchange Fluctuation Fund	0
		d) CSR Fund	0
		e) Employee Training Fund	2,373,221
		f) Other	0
	1.2 Profit Required to be transferred to Regulatory Reserve		**2,863,764**
		a) Transferred to Regulatory Reserve	2,863,764
		b) Transferred from Regulatory Reserve	
Net Profit for the Period Ended on 30th Poush 2082 for Distribution			**(468,698,615)**

Note:

1) Interest Income Pursuant to adoption of ECL model, recognition of interest income has been based upon Guidance Note on Interest Income Recognition, 2025 issued by NRB.
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 Second Quarter of F.Y. 2082/83

1. **Financial Statements (as per un-audited figures of 2082.09.30)**
   I. Financial detail as at the end of Second Quarter (2082.09.30) of F.Y.2082/83 has been published along with this disclosure..
   II. Major Financial Indicators

a) Earning Per Share(Annualized)	-6.90	b) Market Value per Share	463.9
c) Price Earning Ratio	-134.5	d) Net Worth Per Share	73.93
e) Total Assets/No. of Share	998.33	f) Liquidity Ratio	31.74

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	496	Minimum Share Price	430
Closing Share Price	463.9	Total No. of Transaction	4490
No. of days of transaction	55	Total Traded no. of Share	6,86,940

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.