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

**Progressive Finance Limited**
प्रोग्रेसिभ फाइनान्स लिमिटेड

**Corporate Office : Tinkune, Kathmandu-32**
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# Condensed Consolidated Statement of Financial Position
## As on 30th Chaitra 2082 as per Nepal Financial Reporting System

Amount in NPR

| Particulars | This Quarter Ending | Immediate Previous Year Ending |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalent | 485,489,169 | 661,458,338 |
| Due from Nepal Rastra Bank | 327,973,165 | 290,801,608 |
| Placement with Bank and Financial Institutions | - | - |
| Derivative financial instruments | - | - |
| Other trading assets | - | - |
| Loan and advances to B/FIs | 68,748,543 | 237,353,482 |
| Loans and advances to customers | 5,115,878,280 | 4,789,972,229 |
| Investment securities | 2,016,237,961 | 1,313,996,235 |
| Current tax assets | 22,628,997 | 6,766,336 |
| Investment in susidiaries | - | - |
| Investment in associates | - | - |
| Investment property | 221,085,125 | 262,532,372 |
| Property and equipment | 286,194,174 | 313,169,616 |
| Goodwill and Intangible assets | 6,948,137 | 5,732,184 |
| Deferred tax assets | 7,397,589 | 7,136,573 |
| Other assets | 83,888,982 | 44,641,335 |
| **Total Assets** | **8,642,470,121** | **7,933,560,309** |
| **Liabilities** | | |
| Due to Bank and Financial Instituions | 46,846,662 | 99,695,779 |
| Due to Nepal Rastra Bank | - | - |
| Derivative financial instruments | - | - |
| Deposits from customers | 7,766,820,481 | 6,980,580,427 |
| Borrowing | - | - |
| Current Tax Liabilities | - | - |
| Provisions | - | - |
| Deferred tax liabilities | - | - |
| Other liabilities | 192,262,532 | 191,391,370 |
| Debt securities issued | - | - |
| Subordinated Liabilities | - | - |
| **Total liabilities** | **8,005,929,675** | **7,271,667,575** |
| **Equity** | | |
| Share capital | 848,106,000 | 848,106,000 |
| Share premium | - | - |
| Retained earnings | -443,774,389 | -434,209,670 |
| Reserves | 232,208,835 | 247,996,404 |
| **Total equity attributable to equity holders** | **636,540,446** | **661,892,733** |
| **Non-controlling interest** | | - |
| **Total equity** | **636,540,446** | **661,892,733** |
| **Total liabilities and equity** | **8,642,470,121** | **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 | 133,881,040 | 403,602,165 | 146,525,123 | 447,281,464 |
| Interest expense | 84,711,082 | 262,657,922 | 94,404,326 | 316,347,317 |
| **Net interest income** | **49,169,957** | **140,944,244** | **52,120,797** | **130,934,147** |
| Fee and commission income | 6,482,972 | 19,914,200 | 207,705 | 553,137 |
| Fee and commission expense | 703,958 | 1,203,741 | - | |
| **Net fee and commission income** | **5,779,015** | **18,710,459** | **207,705** | **553,137** |
| **Net interest, fee and commission income** | **54,948,972** | **159,654,703** | **52,328,501** | **131,487,284** |
| Net trading income | - | - | - | - |
| Other operating income | 1,927,706 | 21,029,948 | 6,771,107 | 40,151,256 |
| **Total operating income** | **56,876,678** | **180,684,651** | **59,099,608** | **171,638,540** |
| Impairment charge/(reversal) for loans and other losses | (7,458,556) | 32,627,809 | (13,139,830) | (156,026,316) |
| **Net operating income** | **64,335,234** | **148,056,842** | **72,239,438** | **327,664,856** |
| **Operating expense** | **59,831,525** | **174,005,092** | **58,225,443** | **196,111,498** |
| Personnel expenses | 33,349,555 | 95,119,104 | 31,576,347 | 108,009,971 |
| Other operating expenses | 18,104,762 | 48,825,347 | 15,695,107 | 57,025,945 |
| Depreciation & Amortisation | 8,377,208 | 30,060,641 | 10,953,989 | 31,075,582 |
| **Operating Profit** | **4,503,709** | **(25,948,250)** | **14,013,996** | **131,553,357** |
| Non operating income | 5,000 | 1,205,000 | - | 117,060 |
| Non operating expense | - | - | 2,060,788 | 2,727,413 |
| **Profit before income tax** | **4,508,709** | **(24,743,250)** | **11,953,208** | **128,943,004** |
| Income tax expense | | | | |
| Current Tax | - | - | 6,861,864 | 38,501,019 |
| Deferred Tax | - | - | - | - |
| **Profit for the period** | **4,508,709** | **(24,743,250)** | **5,091,344** | **90,441,987** |

# 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** | **4,508,709** | **(24,743,250)** | **5,091,344** | **90,441,988** |
| Gain/(loss) from investments in equity instruments measured at fair value | 16,144,957 | 8,074,592 | 4,040,935 | 11,829,786 |
| Income tax relating to above items | (4,843,488) | (2,422,378) | (1,212,280) | (3,548,936) |
| **Net other comprehensive income that will not be reclassified to profit or loss** | **11,301,470** | **5,652,215** | **2,828,654** | **8,280,850** |
| **Other comprehensive income for the period, net of income tax** | 11,301,470 | 5,652,215 | 2,828,654 | 8,280,850 |
| **Total comprehensive income for the period** | **15,810,179** | **(19,091,036)** | **7,919,998** | **98,722,838** |
| **Total Comprehensive Income attributable to:** | | | | |
| Equity holders of the Bank | 15,810,179 | (19,091,036) | 7,919,998 | 98,722,838 |
| Non-controlling interest | | | | |
| **Total** | **15,810,179** | **(19,091,036)** | **7,919,998** | **98,722,838** |
| **Earnings per Share** | | | | |
| Basic Earnings per Share | | (2.92) | | 10.66 |
| Annualized Basic Earnings Per Share | | (3.89) | | 14.22 |
| Diluted Earnings per Share (Annualized) | | (3.89) | | 14.22 |

## 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 | | 10.91% | | 10.75% |
| Tier 1 Capital to RWA | | 8.19% | | 9.18% |
| CET 1 Capital to RWA | | 8.19% | | 9.18% |
| Return on Assets | | -0.29% | | 1.17% |
| Return on Equity | | -3.89% | | 14.02% |
| Non Performing Loan (NPL) to total loan | | 5.58% | | 7.15% |
| Total Loan Loss Provision to Total NPL | | 93.59% | | 75.00% |
| Cost of Funds | | 4.45% | | 5.36% |
| CD Ratio | | 68.04% | | 71.79% |
| Base Rate | | 7.57% | | 8.74% |
| Interest Rate Spread | | 4.46% | | 4.58% |

# Details about the distributable Profit

Amount in NPR

| | | |
|---|---|---|
| **Opening Retained Earnings** | | **(434,209,670.00)** |
| **Net profit for the period ended on 30th Chaitra 2082** | | **(24,743,250)** |
| **1. Appropriations** | | |
| | **1.1 Profit Required to be appropriated** | **1,816,521** |
| | a) General Reserve | |
| | b) Capital Redemption Reserve | |
| | c) Exchange Fluctuation Fund | |
| | d) CSR Fund | |
| | e) Employee Training Fund | 1,816,521 |
| | f) Other | |
| | **1.2 Profit Required to be transferred to Regulatory Reserve** | **(16,995,053)** |
| | a) Transferred to Regulatory Reserve | (16,995,053) |
| | b) Transferred from Regulatory Reserve | |
| **Net Profit for the Period Ended on 30th Chaitra for Distribution** | | **(443,774,389)** |

**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 Third Quarter of F.Y 2082/83

1. **Financial Statements (as per un-audited figures of 2082.12.30)**

I. Financial detail as at the end of Third Quarter (2082.12.30) of F.Y.2082/83 has been published along with this disclosure..

**II. Major Financial Indicators**

| | | | |
|---|---|---|---|
| a) Earning Per Share(Annualized) | -3.89 | b) Market Value per Share | 455 |
| c) Price Earning Ratio | -155.96 | d) Net Worth Per Share | 75.05 |
| e) Total Assets/No. of Share | 1019.03 | f) Liquidity Ratio | 34.22 |

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 | 510 | Minimum Share Price | 435 |
| Closing Share Price | 455 | Total No. of Transaction | 7808 |
| No. of days of transaction | 53 | Total Traded no. of Share | 12,75,725 |

5. **Problems and Challenges ;**

**Internal**
1) Technological Challenges
2) Human Resource Issues
3) 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

**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.