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

Progressive Finance Limited

प्रोग्रेशिभ फाइनान्स लिमिटेड

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Condensed Consolidated Statement of Financial Position

As on 32nd Ashadh 2083 as per Nepal Financial Reporting System

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	370,464,482	661,458,338
Due from Nepal Rastra Bank	339,264,460	290,801,608
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	63,285,019	237,353,482
Loans and advances to customers	5,459,776,089	4,789,972,229
Investment securities	2,060,644,685	1,313,996,235
Current tax assets	22,656,474	6,766,336
Investment in susidiaries	-	-
Investment in associates	-	-
Investment property	221,085,125	262,532,372
Property and equipment	276,395,391	313,169,616
Goodwill and Intangible assets	8,070,152	5,732,184
Deferred tax assets	7,565,372	7,136,573
Other assets	70,612,042	44,641,335
Total Assets	**8,899,819,290**	**7,933,560,309**
Liabilities		
Due to Bank and Financial Instituions	59,858,401	99,695,779
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	7,929,663,429	6,980,580,427
Borrowing	-	-
Current Tax Liabilities	20,398,314	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	178,837,350	191,391,370
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total liabilities	**8,188,757,494**	**7,271,667,575**
Equity		
Share capital	848,106,000	848,106,000
Share premium	-	-
Retained earnings	-359,522,861	-434,209,670
Reserves	222,478,657	247,996,404
Total equity attributable to equity holders	**711,061,796**	**661,892,733**
Non-controlling interest		-
Total equity	**711,061,796**	**661,892,733**
Total liabilities and equity	**8,899,819,290**	**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	138,388,150	541,990,315	155,830,982	603,112,446
Interest expense	85,648,808	348,306,730	92,151,372	408,498,689
Net interest income	**52,739,342**	**193,683,586**	**63,679,610**	**194,613,757**
Fee and commission income	7,541,460	27,455,660	37,353,402	37,906,539
Fee and commission expense	163,024	1,366,765	775,365	775,365
Net fee and commission income	**7,378,436**	**26,088,895**	**36,578,037**	**37,131,174**
Net interest, fee and commission income	**60,117,778**	**219,772,480**	**100,257,647**	**231,744,931**
Net trading income	-	-	-	-
Other operating income	1,281,629	22,311,578	(33,256,160)	6,895,096
Total operating income	**61,399,407**	**242,084,058**	**67,001,487**	**238,640,027**
Impairment charge/(reversal) for loans and other losses	(106,490,901)	(73,863,093)	(20,310,478)	(176,336,794)
Net operating income	**167,890,308**	**315,947,150**	**87,311,965**	**414,976,821**
Operating expense	**72,579,152**	**246,584,245**	**73,307,668**	**269,419,165**
Personnel expenses	46,729,880	141,848,984	47,462,784	155,472,755
Other operating expenses	13,577,797	62,403,144	13,968,044	70,993,989
Depreciation & Amortisation	12,271,475	42,332,117	11,876,840	42,952,422
Operating Profit	**95,311,156**	**69,362,906**	**14,004,297**	**145,557,655**
Non operating income	-	1,205,000	2,600,000	2,717,060
Non operating expense	-	-	194,175	2,921,588
Profit before income tax	**95,311,156**	**70,567,906**	**16,410,121**	**145,353,127**
Income tax expense	20,398,314	20,398,314	5,029,320	43,530,339
Current Tax	20,398,314	20,398,314	7,927,721	46,428,740
Deferred Tax	-	-	(2,898,401)	(2,898,401)
Profit for the period	**74,912,842**	**50,169,592**	**11,380,801**	**101,822,787**

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	**74,912,842**	**50,169,592**	**11,380,801**	**101,822,787**
Gain/(loss) from investments in equity instruments measured at fair value	(6,645,265)	1,429,328	7,641,944	19,471,730
Income tax relating to above items	1,993,579	(428,798)	(2,292,583)	(5,841,519)
Net other comprehensive income that will not be reclassified to profit or loss	**(4,651,685)**	**1,000,529**	**5,349,361**	**13,630,211**
Other comprehensive income for the period, net of income tax	(4,651,685)	1,000,529	5,349,361	13,630,211
Total comprehensive income for the period	**70,261,157**	**51,170,121**	**16,730,162**	**115,452,998**
Total Comprehensive Income attributable to:				
Equity holders of the Bank	70,261,157	51,170,121	16,730,162	115,452,998
Non-controlling interest				
Total	**70,261,157**	**51,170,121**	**16,730,162**	**115,452,998**
Earnings per Share				
Basic Earnings per Share		5.92		12.01
Annualized Basic Earnings Per Share		5.92		12.01
Diluted Earnings per Share (Annualized)		5.92		12.01

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		12.25%		12.26%
Tier 1 Capital to RWA		9.67%		9.01%
CET 1 Capital to RWA		9.67%		9.01%
Return on Assets		0.56%		1.28%
Return on Equity		7.06%		15.38%
Non Performing Loan (NPL) to total loan		3.01%		4.63%
Total Loan Loss Provision to Total NPL		102.07%		167.62%
Cost of Funds		4.10%		5.13%
CD Ratio		69.60%		74.47%
Base Rate		7.20%		8.64%
Interest Rate Spread		4.55%		4.55%

Details about the distributable Profit

Amount in NPR

Opening Retained Earnings			**(434,209,669.93)**
Net profit for the period ended on 32nd Ashadh 2083			**50,169,592**
1. Appropriations			
	1.1 Profit Required to be appropriated		**11,464,666**
		a) General Reserve	10,033,918
		b) Capital Redemption Reserve	
		c) Exchange Fluctuation Fund	
		d) CSR Fund	501,696
		e) Employee Training Fund	929,052
		f) Other	
	1.2 Profit Required to be transferred from Regulatory Reserve		**35,981,883**
		a) Transferred to Regulatory Reserve	
		b) Transferred from Regulatory Reserve	35,981,883
Net Profit for the Period Ended on 32nd Ashadh for Distribution			**(359,522,861)**

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 Fourth Quarter of F.Y 2082/83

1. **Financial Statements (as per un-audited figures of 2083.03.32)**

   I. Financial detail as at the end of Fourth Quarter (2083.03.32) of F.Y.2082/83 has been published along with this disclosure..

   II. Major Financial Indicators

a) Earning Per Share(Annualized)	5.92	b) Market Value per Share	433
c) Price Earning Ratio	73.20	d) Net Worth Per Share	83.84
e) Total Assets/No. of Share	1049.38	f) Liquidity Ratio	32.79

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.
   - **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	470	Minimum Share Price	423
Closing Share Price	433	Total No. of Transaction	3576
No. of days of transaction	64	Total Traded no. of Share	4,96,959

5. **Problems and Challenges ;**

   Internal

   1) Technological Challenges
   2) Human Resource Issues
   3) Cost management
   4) Increasing operational risk
   5) Loan Recovery Challenges

   External

   1) Tough competition in banking industry
   2) Economic Challenges
   3) Technological and Digital transformation Challenges
   4) Limited market reach

   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.