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 31st Ashwin 2083 as per Nepal Financial Reporting System

Amount in NPR

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	705,171,103	370,464,482
Due from Nepal Rastra Bank	384,872,973	339,264,460
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	39,587,626	63,285,019
Loans and advances to customers	5,663,761,084	5,459,776,089
Investment securities	1,020,228,257	2,060,644,685
Current tax assets	22,900,738	22,656,474
Investment in susidiaries	-	-
Investment in associates	-	-
Investment property	195,121,413	221,085,125
Property and equipment	271,188,891	276,395,391
Goodwill and Intangible assets	8,932,089	8,070,152
Deferred tax assets	9,112,600	7,565,372
Other assets	74,650,908	70,612,042
Total Assets	**8,395,527,683**	**8,899,819,290**
Liabilities		
Due to Bank and Financial Instituions	40,251,407	59,858,401
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	7,506,011,315	7,929,663,429
Borrowing	-	-
Current Tax Liabilities	20,398,314	20,398,314
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	164,565,334	178,837,350
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total liabilities	**7,731,226,370**	**8,188,757,494**
Equity		
Share capital	848,106,000	848,106,000
Share premium	-	-
Retained earnings	-404,529,036	-359,522,861
Reserves	220,724,349	222,478,657
Total equity attributable to equity holders	**664,301,313**	**711,061,796**
Non-controlling interest		-
Total equity	**664,301,313**	**711,061,796**
Total liabilities and equity	**8,395,527,683**	**8,899,819,290**

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	139,052,309	139,052,309	142,227,908	142,227,908
Interest expense	75,412,882	75,412,882	91,387,159	91,387,159
Net interest income	**63,639,427**	**63,639,427**	**50,840,749**	**50,840,749**
Fee and commission income	9,415,220	9,415,220	6,597,596	6,597,596
Fee and commission expense	627,499	627,499	371,281	371,281
Net fee and commission income	**8,787,721**	**8,787,721**	**6,226,315**	**6,226,315**
Net interest, fee and commission income	**72,427,148**	**72,427,148**	**57,067,064**	**57,067,064**
Net trading income	-	-	-	-
Other operating income	3,029,676	3,029,676	18,540,419	18,540,419
Total operating income	**75,456,824**	**75,456,824**	**75,607,483**	**75,607,483**
Impairment charge/(reversal) for loans and other losses	62,939,810	62,939,810	55,338,263	55,338,263
Net operating income	**12,517,014**	**12,517,014**	**20,269,220**	**20,269,220**
Operating expense	**56,367,298**	**56,367,298**	**60,549,825**	**60,549,825**
Personnel expenses	31,231,564	31,231,564	31,174,877	31,174,877
Other operating expenses	15,932,864	15,932,864	18,089,966	18,089,966
Depreciation & Amortisation	9,202,869	9,202,869	11,284,981	11,284,981
Operating Profit	**(43,850,284)**	**(43,850,284)**	**(40,280,605)**	**(40,280,605)**
Non operating income	700,000	700,000	1,200,000	1,200,000
Non operating expense	-	-	-	-
Profit before income tax	**(43,150,284)**	**(43,150,284)**	**(39,080,605)**	**(39,080,605)**
Income tax expense	-	-	-	-
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
Profit for the period	**(43,150,284)**	**(43,150,284)**	**(39,080,605)**	**(39,080,605)**

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	**(43,150,284)**	**(43,150,284)**	**(39,080,605)**	**(39,080,605)**
Gain/(loss) from investments in equity instruments measured at fair value	(5,157,428)	(5,157,428)	(12,517,555)	(12,517,555)
Income tax relating to above items	1,547,228	1,547,228	3,755,267	3,755,267
Net other comprehensive income that will not be reclassified to profit or loss	**(3,610,199)**	**(3,610,199)**	**(8,762,289)**	**(8,762,289)**
Other comprehensive income for the period, net of income tax	(3,610,199)	(3,610,199)	(8,762,289)	(8,762,289)
Total comprehensive income for the period	**(46,760,483)**	**(46,760,483)**	**(47,842,894)**	**(47,842,894)**
Total Comprehensive Income attributable to:				
Equity holders of the Bank	(46,760,483)	(46,760,483)	(47,842,894)	(47,842,894)
Non-controlling interest				
Total	**(46,760,483)**	**(46,760,483)**	**(47,842,894)**	**(47,842,894)**
Earnings per Share				
Basic Earnings per Share		(5.09)		(4.61)
Annualized Basic Earnings Per Share		(20.35)		(18.43)
Diluted Earnings per Share (Annualized)		(20.35)		(18.43)

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		10.49%		11.32%
Tier 1 Capital to RWA		8.68%		7.68%
CET 1 Capital to RWA		8.68%		7.68%
Return on Assets		-0.51%		-0.48%
Return on Equity		-6.50%		-6.26%
Non Performing Loan (NPL) to total loan		4.57%		6.67%
Total Loan Loss Provision to Total NPL		88.45%		83.04%
Cost of Funds		3.71%		4.84%
CD Ratio		76.74%		70.70%
Base Rate		6.91%		8.16%
Interest Rate Spread		4.57%		4.59%

Details about the distributable Profit

Amount in NPR

Opening Retained Earnings			**(359,522,860.88)**
Net profit for the period ended on 31st Ashwin 2083			**(43,150,284)**
1. Appropriations			
	1.1 Profit Required to be appropriated		**1,457,532**
		a) General Reserve	0
		b) Capital Redemption Reserve	0
		c) Exchange Fluctuation Fund	0
		d) CSR Fund	0
		e) Employee Training Fund	1,457,532
		f) Other	0
	1.2 Profit Required to be transferred to Regulatory Reserve		**398,359**
		a) Transferred to Regulatory Reserve	398,359
		b) Transferred from Regulatory Reserve	
Net Profit for the Period Ended on 31st Ashwin for Distribution			**(404,529,036)**

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 First Quarter of F.Y 2083/84

1. **Financial Statements (as per un-audited figures of 2083.06.31)**
   I. Financial detail as at the end of First Quarter (2083.06.31) of F.Y.2083/84 has been published along with this disclosure.
   II. Major Financial Indicators

a) Earning Per Share(Annualized)	-20.35	b) Market Value per Share	374
c) Price Earning Ratio	-73.51	d) Net Worth Per Share	78.33
e) Total Assets/No. of Share	989.91	f) Liquidity Ratio	25.84

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.
   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	449.4	Minimum Share Price	367
Closing Share Price	374	Total No. of Transaction	2450
No. of days of transaction	61	Total Traded no. of Share	3,41,810

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.