

## Condensed Statement of Financial Position

As on Quarter ended on 30 Aswin 2076 as per Nepal Financial Reporting System

Particulars	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	743,230,612	794,546,538
Due from Nepal Rastra Bank	46,058,452	36,833,783
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	174,194,982	77,110,815
Loans and advances to customers	1,037,616,623	934,107,206
Investment securities	85,921,671	89,853,940
Current tax assets	-	-
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	-	-
Property and equipment	27,324,564	20,238,868
Goodwill and intangible assets	1,889,341	1,743,000
Deferred tax assets	1,681,266	450,067
Other assets	26,685,657	21,890,798
<b>Total Assets</b>	<b>2,144,603,168</b>	<b>1,976,775,017</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	40,683,231	40,054,073
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	1,232,295,351	1,070,955,210
Borrowing	-	-
Current Tax Liabilities	5,776,896	3,871,222
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	18,733,988	15,589,375
Debt securities issued	-	-
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>1,297,489,466</b>	<b>1,130,469,880</b>
<b>Equity</b>		
Share capital	797,275,330	797,275,330
Share premium	7,124,781	7,124,781
Retained earnings	10,971,147	14,920,717
Reserves	31,742,444	26,984,309
<b>Total equity attributable to equity holders</b>	<b>847,113,702</b>	<b>846,305,137</b>
<b>Non-controlling interest</b>		
<b>Total equity</b>	<b>847,113,702</b>	<b>846,305,137</b>
<b>Total liabilities and equity</b>	<b>2,144,603,168</b>	<b>1,976,775,017</b>

## Condensed Statement of Profit or Loss

(For the Quarter ended on 30 Aswin, 2076)

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	51,460,298.34	51,460,298.34	24,271,480.00	24,271,480.00
Interest expense	26,161,456.93	26,161,456.93	19,399,920.00	19,399,920.00
<b>Net interest income</b>	<b>25,298,841.41</b>	<b>25,298,841.41</b>	<b>4,871,560.00</b>	<b>4,871,560.00</b>
Fee and commission income	1,865,983.28	1,865,983.28	2,274,010.00	2,274,010.00
Fee and commission expense	-	-	-	-
<b>Net fee and commission income</b>	<b>1,865,983.28</b>	<b>1,865,983.28</b>	<b>2,274,010.00</b>	<b>2,274,010.00</b>
<b>Net interest, fee and commission income</b>	<b>27,164,824.69</b>	<b>27,164,824.69</b>	<b>7,145,570.00</b>	<b>7,145,570.00</b>
Net trading income	-	-	-	-
Other operating income	5,929.19	5,929.19	177,530.00	177,530.00
<b>Total operating income</b>	<b>27,170,753.88</b>	<b>27,170,753.88</b>	<b>7,323,100.00</b>	<b>7,323,100.00</b>
Impairment charge/(reversal) for loans and other losses	6,564,020.27	6,564,020.27	(20,786,770.00)	(20,786,770.00)
<b>Net operating income</b>	<b>20,606,733.61</b>	<b>20,606,733.61</b>	<b>28,109,870.00</b>	<b>28,109,870.00</b>
<b>Operating expense</b>	<b>16,203,918.37</b>	<b>16,203,918.37</b>	<b>10,046,720.00</b>	<b>10,046,720.00</b>
Personnel expenses	8,002,143.08	8,002,143.08	5,634,200.00	5,634,200.00
Other operating expenses	6,396,411.01	6,396,411.01	3,713,916.06	3,713,916.06
Depreciation & Amortisation	1,805,364.28	1,805,364.28	698,603.94	698,603.94
<b>Operating Profit</b>	<b>4,402,815.24</b>	<b>4,402,815.24</b>	<b>18,063,150.00</b>	<b>18,063,150.00</b>
Non operating income	-	-	4,616,460.00	4,616,460.00
Non operating expense	-	-	-	-
<b>Profit before income tax</b>	<b>4,402,815.24</b>	<b>4,402,815.24</b>	<b>22,679,610.00</b>	<b>22,679,610.00</b>
Income tax expense	-	-	-	-
Current Tax	1,320,844.57	1,320,844.57	4,857,750.00	4,857,750.00
Deferred Tax	-	-	-	-
<b>Profit for the period</b>	<b>3,081,970.67</b>	<b>3,081,970.67</b>	<b>17,821,860.00</b>	<b>17,821,860.00</b>
<b>Condensed Statement of Comprehensive Income</b>				
Profit for the period	3,081,970.67	3,081,970.67	17,821,860.00	17,821,860.00
Other Comprehensive Income	(2,872,797.61)	(2,872,797.61)	-	-
<b>Total Comprehensive Income</b>	<b>209,173.05</b>	<b>209,173.05</b>	<b>17,821,860.00</b>	<b>17,821,860.00</b>
Basic earning per Share		0.39		8.49
Diluted earning per share		0.39		8.49
Profit attributable to:				
Equity holders of the Finance	3,081,970.67	3,081,970.67	17,821,860.00	17,821,860.00
Non-controlling interest	-	-	-	-
<b>Total</b>	<b>3,081,970.67</b>	<b>3,081,970.67</b>	<b>17,821,860.00</b>	<b>17,821,860.00</b>

### Notes to Interim Financial Statements

- The above figures are subject to review by regulator and statutory auditor, accordingly, final figures may be different.
- Previous period YTD figures have been regrouped but has not been restated as per Nepal Financial Reporting Standard.
- NFRS impact on specified items has been transferred to regulatory reserve from retained earning in current year.
- Interim financial statements have been published in website.

### 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		51.29%		44.89%
Non Performing Loan (NPL) to total loan		1.22%		1.91%
Total Loan Loss Provision to Total NPL		193.97%		163.80%
Cost of Funds		9.37%		9.99%
Credit to Deposit Ratio		57.66%		58.65%
Base Rate		13.73%		14.15%
Interest Rate Spread		4.96%		4.93%

## 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.2076/77)

### 1. Financial Statements (as per un-audited figures of 2076.06.30)

I. Financial detail as at the end of first Quarter (2076.06.30) of F.Y.2076/77 has been published along with this disclosure.

#### II. Major Financial Indicators

a) Earning Per Share(Annualized)	1.54	b) Market Value per Share	96
c) Price Earning Ratio	62.31	d) Net Worth Per Share	105.88
e) Total Assets/No. of Share	268.04	f) Liquidity Ratio	62

### 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. The increasing trust towards the FI, it is expected that share price of this FI will increase.

#### 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	114	Minimum Share Price	96
Closing Share Price	96	Total No. of Transaction	168
No. of days of transaction	42	Total Traded no. of Share	47599

### 5. Problems and Challenges

#### Internal

- 1) To maintain the level of interest spread
- 2) Managing overheads
- 3) Recruitment, retention and development of quality manpower
- 4) Increasing operational risk

#### External

- 1) Tough competition in banking industry
- 2) Unstable socio-political situation of the country
- 3) Lack of favorable environment for the investment

#### 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.

### 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.