



Unaudited Financial Result(Quarterly) 4th Quarter End of Fiscal Year 2077/078

Statement of Financial Position As on Quarter Ended 31st Asar 2078

(NRs. 000)

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	392,651	824,238
Due from Nepal Rastra Bank	270,889	294,313
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	425,799	395,852
Loans and advances to customers	4,395,083	3,746,469
Investment securities	1,622,737	992,120
Current tax assets	24,969	-
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	2,347	1,621
Property and equipment	57,635	45,262
Goodwill and Intangible assets	3,024	2,644
Deferred tax assets	-	12,398
Other assets	19,922	71,171
Total Assets	7,215,055	6,386,087
Liabilities		
Due to Bank and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	5,839,924	5,207,487
Borrowing	-	-
Current Tax Liabilities	-	13,103
Provisions	-	-
Deferred tax liabilities	13,580	-
Other liabilities	81,355	78,138
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	5,934,858	5,298,728
Equity		
Share capital	915,658	832,416
Share premium	1,141	1,141
Retained earnings	173,316	96,070
Reserves	190,082	157,732
Total equity attributable to equity holders	1,280,196	1,087,359
Non-controlling interest	-	-
Total equity	1,280,196	1,087,359
Total Liabilities and equity	7,215,055	6,386,087

**Condensed Statement of Profit or Loss
As on Quarter Ended 31st Asar 2078**

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	140,692	555,613	165,089	637,739
Interest expenses	96,946	404,685	110,179	422,716
Net interest income	43,745	150,928	54,910	215,022
Fee and commission income	8,124	40,352	5,299	30,677
Fee and commission expenses	-	-	-	-
Net fee and commission income	8,124	40,352	5,299	30,677
Net interest, fee and commission income	51,869	191,280	60,209	245,699
Net trading income	-	-	-	-
Other operating income	127,722	264,611	4,699	8,624
Total operating income	179,591	455,891	64,907	254,323
Impairment charge/(reversal) for loans and other losses	53,525	79,274	(40,270)	(35,514)
Net operating income	126,067	376,617	105,177	289,837
Operating expenses	-	-	-	-
Personnel expenses	32,163	103,293	28,141	83,564
Other operating expenses	18,323	63,833	17,706	50,627
Depreciation & Amortisation	4,474	14,335	1,580	7,551
Operating Profit	71,107	195,156	57,751	148,095
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	71,107	195,156	57,751	148,095
Income tax expenses	-	-	-	-
Current Tax	21,332	58,547	15,842	42,945
Deferred Tax	-	-	2,616	2,616
Profit for the period	49,775	136,609	39,293	102,533

Condensed Statement of comprehensive income

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Profit for the year	49,775	136,609	39,293	102,533
Other comprehensive income	(76,453)	36,372	(6,113)	(41,644)
Total comprehensive income for the period	(26,678)	172,981	33,180	60,890
Basic earnings per share(Annualized)		14.92		12.32
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	(26,678)	172,981	33,180	60,890
Non-Controlling Interest				
Total	(26,678)	172,981	33,180	60,890

Ratios as per NRB Directive

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Capital Fund to RWA		24.66%		23.98%
Non-Performing Loan (NPL) to Total Loan		4.16%		0.99%
Total Loan Loss Provision to Total NPL		79.64%		191.55%
Cost of Funds		6.60%		8.30%
Credit to Deposit Ratio		67.42%		66.42%
Base Rate		9.65%		11.25%
Interest Rate Spread		4.81%		4.40%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	136,609
Appropriations:	-
a. General reserve	27,322
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	1,366
e. Employee' training fund	-
Profit or (loss) before regulatory adjustment	107,921
Regulatory adjustment:	47,296
Regulatory adjustment as per NRb Directive	
Distributable profit or (loss)	155,217

Notes:

- The above figures are subject to review/change from regulator and/or external audit.
- Above Financial are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as per NRB Directive.
- The figures of previous periods have been regrouped/rearranged whenever necessary.
- If the statutory and supervising authority notifies to change the unaudited Financial statement may change accordingly.
- Loan loss provision and interest income are adjusted availing the facilities of NRB circular.
- Interim financial statements have been published in website.
- Certain parts of NFRS will be compiled on preparation of annual financial statements.

**Annexure 14 of Securities Registration and
Issue Regulations, 2073 (Related to sub rule (1) of Rule 26)
For the Fourth Quarter of F.Y.2077/78)**

1. Financial Statements Highlights

- Financial detail at the end of fourth quarter ending 31/03/2078 of the financial year 2077/78 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR. 14.92	Market Value Per Share	NPR 532
Price Earnings Ratio	35.66	Net Worth Per Share	NPR 139.81
Total Assets/No. of share	787.96	Liquidity Ratio	35.17

2. Management Analysis

- Details relating to the change in the FI's reverse income and liquidity in the quarter (if any) and its main reason:** There has been change in the FI's reserve position, income and liquidity as stated in the financial highlight of fourth quarter ending of FY 2077-78. There have been changes in the reserve position of the FI based on the profit/loss generated during the reported period. The FI continues to maintain comfortable liquidity position.
- 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.
- Analytical details of the incidents that may have major impact on reserve, profit or cash flow (if any) based on previous experience:** There have been no incidents or conditions which may have impact on the FI's position, profits and cash flow.

3. Legal Proceedings

- Case filed by or against the FI in this quarter:** Except in the regular course of business, there is no law suits filed against the FI in this quarter.
- 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.
- 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

- Management view on the transaction of the shares to the FI in the Share Market:** Movements in the share price are determined by the open market principal. Hence, management has neutral opinion regarding the share price movement.
- Maximum, minimum and last share price of organized institution including total transacted number of share and transacted day during the quarter. (As per Nepalstock.com)**

Maximum share price	NPR 562	Minimum share price	NPR 228
Closing share price	NPR 532	Total no. of transactions	37,396
No. of days of transaction	65	Total traded no. of share	87,06,590

5. Problem and Challenges

Internal Problems and Challenges: Increasing operational risk due to increase in branch network and transactions, increasing operational cost, turnover of staffs are the major internal problems and challenges faced by the FI.

External Problems and Challenges: Effect of the Covid-19, high competition in the BFI's industry, growing excess interest rate on deposit, lack of favorable environment for the investment are the major external problems and challenges faced by the FI.
Strategy to overcome the problems and challenges: Expanding business activities with caution observing the changes in internal and external environment, effective risk management, monitoring and controlling on operational risk, market risk and interest rate risk, focus on development of staffs by training, counseling and monitoring them, innovative product for expanding customer base.

6. Corporate Governance

Board of Directors, Audit Committee and Management team are committed to strengthening good corporate governance within the FI. Reliance Finance Ltd has written policies, rules and guidelines to perform banking with good governance.

7. CEO's declaration regarding truth and fairness

I am responsible for the truth and fairness of the information and statements in this report till date. Besides, I declare that, to the extent of my knowledge, the statements are true and fair and any information necessary for investors to decisions has not been suppressed.