RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

(नेपाल राष्ट्र बैंकबाट “ग” वर्गको इजाजतपत्र प्राप्त राष्ट्रिय स्तरको वित्तीय संस्था)

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Unaudited Financial Result(Quarterly) Fourth Quarter End of Fiscal Year 2082/083

(NRs. 000)

Statement of Financial Position As on Quarter Ended 32nd Asar 2083

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	349,826	313,792
Due from Nepal Rastra Bank	484,047	334,495
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	3,489	69,336
Loans and advances to customers	9,097,370	6,777,029
Investment securities	2,023,403	1,919,756
Current tax assets	35,703	22,759
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	162,263	210,598
Property and equipment	320,055	307,738
Goodwill and Intangible assets	2,917	1,093
Deferred tax assets	-	-
Other assets	44,978	70,603
Total Assets	**12,524,051**	**10,027,198**
Liabilities		**-**
Due to Bank and Financial Instituions	132,830	250,509
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	10,975,776	8,388,003
Borrowing	-	-
Current Tax Liabilities		-
Provisions	-	-
Deferred tax liabilities	5,192	5,384
Other liabilities	100,642	123,828
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	**11,214,440**	**8,767,724**
Equity		
Share capital	1,121,452	1,121,452
Share premium	1,141	1,141
Retained earnings	(151,067)	(183,245)
Reserves	338,085	320,126
Total equity attributable to equity holders	**1,309,611**	**1,259,474**
Non-controlling interest	-	-
Total equity	**1,309,611**	**1,259,474**
Total Liabilities and equity	**12,524,051**	**10,027,198**

Condensed Statement of Profit or Loss As on Quarter Ended 32nd Asar 2083

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	187,281	784,609	259,036	832,772
Interest expenses	127,160	501,153	129,453	569,690
Net interest income	**60,121**	**283,455**	**129,582**	**263,082**
Fee and commission income	29,337	76,917	13,152	49,358
Fee and commission expenses	-	-	-	-
Net fee and commission income	**29,337**	**76,917**	**13,152**	**49,358**
Net interest, fee and commission income	**89,458**	**360,372**	**142,734**	**312,440**
Net trading income	-	-	-	-
Other operating income	5,132	21,514	9,258	14,329
Total operating income	**94,591**	**381,886**	**151,993**	**326,769**
Impairment charge/(reversal) for loans and other losses	2,181	85,447	(189,057)	19,612
Net operating income	**92,409**	**296,439**	**341,050**	**307,157**
Operating expenses			**-**	**-**
Personnel expenses	44,911	134,972	47,037	130,338
Other operating expenses	24,393	74,244	9,563	56,143
Depreciation & Amortisation	4,985	14,958	15,823	26,760
Operating Profit	**18,120**	**72,264**	**268,627**	**93,916**
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	**18,120**	**72,264**	**268,627**	**93,916**
Income tax expenses			-	-
Current Tax	5,436	21,679	25,482	25,482
Deferred Tax	-	-	(176)	(176)
Profit for the period	**12,684**	**50,585**	**243,321**	**68,610**

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	12,684	50,585	243,321	68,610
Other comprehensive income	(1,735)	(448)	9,405	18,518
Total comprehensive income for the period	**10,949**	**50,137**	**252,726**	**87,128**
Basic earnings per share(Annualized)		4.51		6.12
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	12,684	50,585	243,321	68,610
Non-Controlling Interest				
Total	**12,684**	**50,585**	**243,321**	**68,610**

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		12.49%		14.48%
Tier 1 Capital To RWA		10.74%		13.04%
Non-Performing Loan (NPL) to Total Loan		6.55%		8.39%
Total Loan Loss Provision to Total NPL		81.27%		69.94%
Cost of Funds		4.54%		5.91%
Credit to Deposit Ratio		85.02%		82.12%
Base Rate		6.72%		8.53%
Interest Rate Spread		4.15%		4.10%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss)as per statement of profit or loss	50,585
Appropriations:	-
a. General reserve	(10,117)
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	(338)
e. Employee' training fund	(59)
F. Other	-
Profit or (loss) before regulatory adjustment	**40,071**
Regulatory adjustment:	
Transfer to regulatory reserve	
Transfer from regulatory reserve	(7,893)
Net profit/(loss) for the quarter ended on Asar 2083 available for distribution	**32,178**
Opening Retained Earnings on Shrawan 1 2082	**(183,245)**
Adjustments	
Distribution	
Total Distributable Profit/(Loss) as on Asar end 2083	**(151,067)**

Notes:
1. The above figures are subject to review/change from regulator and/or external audit.
2. Above Financial are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as per NRB Directive. Interest income on financial assets measured at amortized cost within the context of NFRS-9 ECL guidelines has been recognized in accordance with the Guidance Note on interest income Recognition,2025 dated 2082/04/11 issued by NRB.
3. The figures of previous periods have been regrouped/rearranged whenever necessary.
4. If the stautory and supervising authority notifies to change the unaudited Financial statement may change accordingly.
5. Personnel expenses includedes staff bonus as per the bonus Act 2030.
6. Loan loss provision and interest income are adjusted availing the facilities of NRB circular.
7. Interim financial statements have been pulished in website.
8. 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. 2082/83)

1. Financial Statements Highlights

i. Financial detail at the end of **Fourth** quarter ending 32/03/2083 of the financial year 2082/83 has been shown above.

ii. Major Financial Indicators

Earnings per share (Annualized)	NPR.4.51	Market Value Per Share	NPR 450
Price Earnings Ratio	99.76	Net Worth Per Share	116.78
Total Assets/No. of share	1116.77	Liquidity Ratio	23.25

2. Management Analysis

a. **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 in this quarter ending of FY 2082-83.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.

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:** There have been no incidents or conditions which may have impact on the FI's position, profits and cash flow.

3. Legal Proceedings

a. **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.

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

a. **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.

b. **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 499	Minimum share price	NPR 425
Closing share price	NPR 450	Total no. of transactions	11,544
No. of days of transaction	64 days	Total traded no. of share	22,41,919

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: High competition in the BFI's industry, volatile 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.