

**RELIANCE FINANCE LIMITED****रिलायन्स फाइनेन्स 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 2078/079

(NRS. 000)

Statement of Financial Position As on Quarter Ended 32nd Ashad 2079

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	605,812	392,651
Due from Nepal Rastra Bank	221,570	270,889
Placement with Bank and Financial Institutions	-	100,031
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	360,692	321,563
Loans and advances to customers	5,171,798	4,403,867
Investment securities	2,479,377	1,622,816
Current tax assets	14,623	17,287
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	6,456	2,347
Property and equipment	270,317	61,002
Goodwill and Intangible assets	2,786	3,024
Deferred tax assets	1,147	-
Other assets	16,792	19,718
Total Assets	9,151,370	7,215,194
Liabilities		
Due to Bank and Financial Institutions	206,357	175,405
Due to Nepal Rastra Bank	863,500	-
Derivative financial instruments	-	-
Deposits from customers	6,670,273	5,664,519
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	-	11,134
Other liabilities	92,582	84,535
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	7,832,712	5,935,593
Equity		
Share capital	1,053,006	915,658
Share premium	1,141	1,141
Retained earnings	42,672	161,622
Reserves	221,839	201,180
Total equity attributable to equity holders	1,318,658	1,279,601
Non-controlling interest	-	-
Total equity	1,318,658	1,279,601
Total Liabilities and equity	9,151,370	7,215,194

Condensed Statement of Profit or Loss As on Quarter Ended 32nd Ashad 2079

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	234,036	770,644	140,785	555,706
Interest expenses	167,380	517,825	96,946	404,685
Net interest income	66,656	252,819	43,838	151,021
Fee and commission income	7,582	38,588	8,251	40,479
Fee and commission expenses	-	-	-	-
Net fee and commission income	7,582	38,588	8,251	40,479
Net interest, fee and commission income	74,238	291,407	52,090	191,500
Net trading income	-	-	-	-
Other operating income	(1,181)	4,719	140,952	277,841
Total operating income	73,057	296,126	193,041	469,341
Impairment charge/(reversal) for loans and other losses	(33,723)	(761)	38,441	64,191
Net operating income	106,780	296,887	154,600	405,151
Operating expenses	-	-	-	-
Personnel expenses	30,147	102,660	35,437	106,567
Other operating expenses	23,221	76,032	17,387	62,897
Depreciation & Amortisation	4,247	14,336	2,043	11,904
Operating Profit	49,165	103,859	99,733	223,782
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	49,165	103,859	99,733	223,782
Income tax expenses	-	-	-	-
Current Tax	14,749	31,158	37,061	74,276
Deferred Tax	-	-	-	-
Profit for the period	31,415	72,701	62,672	149,506

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	49,165	72,701	62,672	149,506
Other comprehensive income	1,566	(28,655)	(76,398)	36,427
Total comprehensive income for the period	50,731	44,047	(13,726)	185,933
Basic earnings per share(Annualized)		6.90		16.33
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	44,047	44,047	(13,726)	185,933
Non-Controlling Interest				
Total	44,047	44,047	(13,726)	185,933

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		19.25%		26.03%
Non-Performing Loan (NPL) to Total Loan		2.33%		2.69%
Total Loan Loss Provision to Total NPL		109.41%		111.27%
Cost of Funds		9.35%		6.60%
Credit to Deposit Ratio		80.90%		67.51%
Base Rate		12.19%		9.65%
Interest Rate Spread		4.44%		4.81%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	72,701
Appropriations:	-
a. General reserve	(14,540)
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	486
e. Employee' training fund	(1,590)
F. Other	1,181
Profit or (loss) before regulatory adjustment	58,237
Regulatory adjustment:	
Transfer to regulatory reserve	(33,669)
Transfer from regulatory reserve	
Distributable profit or (loss)	24,568

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.2078/79)**1. Financial Statements Highlights**

- Financial detail at the end of fourth quarter ending 32/03/2079 of the financial year 2078/79 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR. 6.90	Market Value Per Share	NPR 310
Price Earnings Ratio	44.90	Net Worth Per Share	NPR 125.23
Total Assets/No. of share	869.07	Liquidity Ratio	46.51

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 2078-79. 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 370	Minimum share price	NPR 236
Closing share price	NPR 310	Total no. of transactions	9,879
No. of days of transaction	64	Total traded no. of share	13,60,036

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.