



Unaudited Financial Result (Quarterly) 4th Quarter End of Fiscal Year 2076/077

Statement of Financial Position As on Quarter Ended 31st Ashad 2077

(NRs. 000)

Ratios as per NRB Directive

Particulars	This Quarter Ending	Immediate Previous Year
Assets		
Cash and cash equivalent	824,238	1,019,206
Due from Nepal Rastra Bank	294,313	174,696
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	399,850	346,500
Loans and advances to customers	3,717,873	3,401,906
Investment securities	984,309	309,784
Current tax assets	-	-
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	1,621	715
Property and equipment	42,854	20,511
Goodwill and Intangible assets	2,644	1,146
Deferred tax assets	18,043	-
Other assets	47,047	7,574
Total Assets	6,332,792	5,282,038
Liabilities		
Due to Bank and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	5,207,487	4,135,375
Borrowing -	-	-
Current Tax Liabilities	7,330	2,891
Provisions -	-	-
Deferred tax liabilities	-	2,833
Other liabilities	63,594	74,003
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	5,278,411	4,215,102
Equity		
Share capital	832,416	832,416
Share premium	1,141	1,141
Retained earnings	67,564	54,809
Reserves	153,260	178,569
Total equity attributable to equity holders	1,054,381	1,066,935
Non-controlling interest	-	-
Total equity	1,054,381	1,066,935
Total Liabilities and equity	6,332,792	5,282,038

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Capital Fund to RWA		20.94%		25.55%
Non-Performing Loan(NPL) to Total Loan		1.77%		1.97%
Total Loan Loss Provision to Total NPL		140.87%		151.08%
Cost of Funds		8.30%		9.63%
Credit to Deposit Ratio		66.94%		74.57%
Base Rate		11.25%		12.34%
Interest Rate Spread		4.40%		4.90%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	86,090
Appropriations:	-
a. General reserve	17,218
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	861
e. Employee' training fund	-
Profit or (loss) before regulatory adjustment	68,011
Regulatory adjustment:	29,588
Regulatory adjustment as per NRb Directive	-
Distributable profit or (loss)	38,423

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 1/077/078.
- Interim financial statements have been published in website.

Annexure 14 of Securities Registration and Issue Regulations, 2073 (Related to sub rule (1) of Rule 26) For the Fourth Quarter of F.Y.2076/77)

1. Financial Statements Highlights

- Financial detail at the end of fourth quarter ending 31/03/2077 of the financial year 2076/77 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR. 10.34	Market Value Per Share	NPR 121
Price Earnings Ratio	11.70	Net Worth Per Share	NPR 119
Total Assets/No. of share	772.67	Liquidity Ratio	21.48

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 2076-77. 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 130	Minimum share price	NPR 121
Closing share price	NPR 121	Total no. of transactions	88
No. of days of transaction	10	Total traded no. of share	16,670

5. Problem and Challenges

Internal Problems and Challenges: Negative return on investment, increasing operational risk due to increase in branch network and transactions, increasing operational cost, high 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 BF's industry, fluctuation in 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.

Condensed Statement of Profit or Loss As on Quarter Ended 31st Ashad 2077

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	164,436	637,085	168,429	573,551
Interest expenses	110,179	422,716	96,570	366,455
Net interest income	54,256	214,369	71,859	207,096
Fee and commission income	7,177	32,554	9,463	29,437
Fee and commission expenses	-	-	-	-
Net fee and commission income	7,177	32,554	9,463	29,437
Net interest, fee and commission income	61,433	246,923	81,323	236,533
Net trading income	-	-	-	-
Other operating income	2,544	6,470	1,439	3,769
Total operating income	63,978	253,393	82,762	240,302
Impairment charge/(reversal) for loans and other losses	(15,585)	(10,829)	(10,870)	44,654
Net operating income	79,563	264,223	93,631	195,649
Operating expenses				
Personnel expenses	25,227	80,651	20,413	53,428
Other operating expenses	18,343	51,265	13,131	38,264
Depreciation & Amortisation	3,350	9,321	1,704	6,809
Operating Profit	32,642	122,986	58,383	97,148
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	32,642	122,986	58,383	97,148
Income tax expenses	-	-	-	-
Current Tax	9,793	36,896	22,146	33,776
Deferred Tax	-	-	(747)	(747)
Profit for the period	22,850	86,090	36,984	64,119

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	22,850	86,090	36,984	64,119
Other comprehensive income	(48,712)	(48,712)	17,483	17,483
Total comprehensive income for the period	(25,862)	37,379	54,467	81,603
Basic earnings per share(Annualized)		10.34		8.78
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	(25,862)	37,379	54,467	81,603
Non-Controlling Interest				
Total	(25,862)	37,379	54,467	81,603