

## Unaudited Financial Result(Quarterly) 3rd Quarter End of Fiscal Year 2076/077

### Statement of Financial Position As on Quarter Ended 30th Chaitra 2076

(NRs. 000)

Particulars	This Quarter Ending	Immediate Previous Year Ending
<b>Assets</b>		
Cash and cash equivalent	1,299,017	1,012,090
Due from Nepal Rastra Bank	147,015	195,141
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	419,145	203,000
Loans and advances to customers	3,602,354	3,264,944
Investment securities	460,963	304,472
Current tax assets	-	-
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	1,621	715
Property and equipment	30,528	20,381
Goodwill and Intangible assets	1,068	699
Deferred tax assets	-	-
Other assets	98,957	90,872
<b>Total Assets</b>	<b>6,060,669</b>	<b>5,092,313</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	4,877,790	3,817,605
Borrowing	-	-
Current Tax Liabilities	8,419	13,597
Provisions	-	-
Deferred tax liabilities	213	-
Other liabilities	104,947	255,055
Debt securities issued	-	-
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>4,991,370</b>	<b>4,086,256</b>
<b>Equity</b>		
Share capital	832,416	743,229
Share premium	1,141	1,141
Retained earnings	22,977	187,997
Reserves	212,765	73,690
Total equity attributable to equity holders	1,069,299	1,006,056
Non-controlling interest	-	-
<b>Total equity</b>	<b>1,069,299</b>	<b>1,006,056</b>
<b>Total Liabilities and equity</b>	<b>6,060,669</b>	<b>5,092,313</b>

### Condensed Statement of Profit or Loss As on Quarter Ended 30th Chaitra 2076

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	150,826	472,649	140,549	405,122
Interest expenses	109,005	312,537	90,302	269,885
<b>Net interest income</b>	<b>41,820</b>	<b>160,113</b>	<b>50,247</b>	<b>135,237</b>
Fee and commission income	6,606	25,378	6,013	19,974
Fee and commission expenses	-	-	-	-
<b>Net fee and commission income</b>	<b>6,606</b>	<b>25,378</b>	<b>6,013</b>	<b>19,974</b>
<b>Net interest, fee and commission income</b>	<b>48,426</b>	<b>185,490</b>	<b>56,260</b>	<b>155,210</b>
Net trading income	-	-	-	-
Other operating income	1,272	3,926	1,151	2,330
<b>Total operating income</b>	<b>49,698</b>	<b>189,416</b>	<b>57,411</b>	<b>157,540</b>
Impairment charge/(reversal) for loans and other losses	17,172	4,756	1,161	55,523
<b>Net operating income</b>	<b>32,526</b>	<b>184,660</b>	<b>56,251</b>	<b>102,017</b>
<b>Operating expenses</b>				
Personnel expenses	17,815	55,424	12,138	33,015
Other operating expenses	10,904	32,922	9,739	25,132
Depreciation & Amortisation	2,376	5,971	1,823	5,104
<b>Operating Profit</b>	<b>1,431</b>	<b>90,344</b>	<b>32,551</b>	<b>38,765</b>
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
<b>Profit before income tax</b>	<b>1,431</b>	<b>90,344</b>	<b>32,551</b>	<b>38,765</b>
Income tax expenses	-	-	-	-
Current Tax	429	27,103	9,765	11,630
Deferred Tax	-	-	-	-
<b>Profit for the period</b>	<b>1,002</b>	<b>63,241</b>	<b>22,785</b>	<b>27,136</b>

### 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	1,002	63,241	22,785	27,136
Other comprehensive income	(6,113)	(6,113)	-	-
<b>Total comprehensive income for the period</b>	<b>(5,111)</b>	<b>57,128</b>	<b>22,785</b>	<b>27,136</b>
Basic earnings per share(Annualized)		10.13		4.87
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	1,002	63,241	22,785	27,136
Non-Controlling Interest	-	-	-	-
<b>Total</b>	<b>1,002</b>	<b>63,241</b>	<b>22,785</b>	<b>27,136</b>

### 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		19.97%		25.11%
Non-Performing Loan(NPL) to Total Loan		2.63%		3.43%
Total Loan Loss Provision to Total NPL		111.67%		100.90%
Cost of Funds		9.39%		9.84%
Credit to Deposit Ratio		69.67%		73.14%
Base Rate		12.23%		12.48%
Interest Rate Spread		4.95%		5.13%

### Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	63,241
Appropriations:	-
a. General reserve	12,648
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	632
e. Employee' training fund	-
Profit or (loss) before regulatory adjustment	49,960
Regulatory adjustment:	40,309
Regulatory adjustment as per NRB Directive	-
<b>Distributable profit or (loss)</b>	<b>9,652</b>

#### 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. Comparative figures are without NFRS adjustment.
- If the statutory and supervising authority notifies to change the unaudited Financial statement may change accordingly.
- Adjustment has been made in the impairment of loans and advances in line with NRB Circular no. 14/076/77 dated 2077/01/16.
- 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 Third Quarter of F.Y.2076/77)

#### 1. Financial Statements Highlights

- Financial detail at the end of third quarter ending 30/12/2076 of the financial year 2076/77 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR.10.13	Market Value Per Share	NPR 130
Price Earnings Ratio	12.83	Net Worth Per Share	NPR 113.64
Total Assets/No. of share	735.36	Liquidity Ratio	29.65

#### 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 third 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 are 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 152	Minimum share price	NPR 123
Closing share price	NPR 130	Total no. of transactions	1,260
No. of days of transaction	46	Total traded no. of share	4,96,953

#### 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:** 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.