



# RELIANCE FINANCE LIMITED

## रिलायन्स फाइनान्स लिमिटेड

(नेपाल राष्ट्र बैंकबाट "जा" वर्जको इजाजतपत्र प्राप्त राष्ट्रिय रत्तरको वित्तीय संस्था)

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### Unaudited Financial Result(Quarterly) Fourth Quarter End of Fiscal Year 2081/082

(NRs. 000)

#### Statement of Financial Position As on Quarter Ended 32nd Asar 2082

Particulars	This Quarter Ending	Immediate Previous Year Ending
<b>Assets</b>		
Cash and cash equivalent	313,792	326,199
Due from Nepal Rastra Bank	334,495	313,221
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	70,037	348,834
Loans and advances to customers	6,737,372	5,939,520
Investment securities	1,921,196	2,339,451
Current tax assets	34,816	47,770
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	210,874	210,406
Property and equipment	300,793	313,778
Goodwill and Intangible assets	1,093	1,645
Deferred tax assets	2,377	2,377
Other assets	66,550	51,935
<b>Total Assets</b>	<b>9,993,395</b>	<b>9,895,135</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	245,896	400,663
Due to Nepal Rastra Bank	-	246,150
Derivative financial instruments	-	-
Deposits from customers	8,392,617	7,903,762
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	8,384	-
Other liabilities	111,906	172,214
Debt securities issued	-	-
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>8,758,802</b>	<b>8,722,789</b>
<b>Equity</b>		
Share capital	1,121,452	1,121,452
Share premium	1,141	1,141
Retained earnings	(199,042)	(266,553)
Reserves	311,042	316,307
<b>Total equity attributable to equity holders</b>	<b>1,234,593</b>	<b>1,172,346</b>
Non-controlling interest	-	-
<b>Total equity</b>	<b>1,234,593</b>	<b>1,172,346</b>
<b>Total Liabilities and equity</b>	<b>9,993,395</b>	<b>9,895,135</b>

#### Condensed Statement of Profit or Loss As on Quarter Ended 32nd Asar 2082

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	234,676	808,412	261,869	921,290
Interest expenses	127,952	568,188	176,843	702,703
<b>Net interest income</b>	<b>106,724</b>	<b>240,224</b>	<b>85,026</b>	<b>218,587</b>
Fee and commission income	15,793	51,998	10,134	39,255
Fee and commission expenses	-	-	-	-
<b>Net fee and commission income</b>	<b>15,793</b>	<b>51,998</b>	<b>10,134</b>	<b>39,255</b>
<b>Net interest, fee and commission income</b>	<b>122,517</b>	<b>292,223</b>	<b>95,161</b>	<b>257,841</b>
Net trading income	-	-	-	-
Other operating income	5,387	10,457	3,352	6,950
<b>Total operating income</b>	<b>127,903</b>	<b>302,680</b>	<b>98,513</b>	<b>264,792</b>
Impairment charge/(reversal) for loans and other losses	(169,879)	38,790	(56,485)	9,051
<b>Net operating income</b>	<b>297,783</b>	<b>263,890</b>	<b>154,997</b>	<b>255,741</b>
<b>Operating expenses</b>	-	-	-	-
Personnel expenses	42,219	125,520	41,995	123,357
Other operating expenses	21,446	68,026	6,983	61,727
Depreciation & Amortisation	3,739	14,676	17,566	29,455
<b>Operating Profit</b>	<b>230,378</b>	<b>55,667</b>	<b>88,454</b>	<b>41,202</b>
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
<b>Profit before income tax</b>	<b>230,378</b>	<b>55,667</b>	<b>88,454</b>	<b>41,202</b>
Income tax expenses	-	-	-	-
Current Tax	12,963	12,963	-	-
Deferred Tax	-	-	(1,407)	(1,407)
<b>Profit for the period</b>	<b>217,415</b>	<b>42,704</b>	<b>89,861</b>	<b>42,609</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	217,415	42,704	89,861	42,609
Other comprehensive income	10,450	19,563	10,940	2,134
<b>Total comprehensive income for the period</b>	<b>227,865</b>	<b>62,267</b>	<b>100,800</b>	<b>44,744</b>
Basic earnings per share(Annualized)		3.81		3.80
Diluted earnings per share				
<b>Profit attributable to:</b>				
Equity-Holders of the Bank	217,415	42,704	89,861	42,609
Non-Controlling Interest				
<b>Total</b>	<b>217,415</b>	<b>42,704</b>	<b>89,861</b>	<b>42,609</b>

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Capital Fund to RWA			15.24%	13.40%
Non-Performing Loan (NPL) to Total Loan			9.00%	6.47%
Total Loan Loss Provision to Total NPL			68.22%	93.99%
Cost of Funds			5.91%	8.01%
Credit to Deposit Ratio			82.12%	76.33%
Base Rate			8.53%	11.04%
Interest Rate Spread			4.10%	4.60%

#### Statement of Distributable Profit or Loss

Particulars	Current Year	
	This Quarter Ending	Upto This Quarter (YTD)
Net profit or (loss)as per statement of profit or loss	42,704	
Appropriations:	-	
a. General reserve	(8,541)	
b. Foreign exchange fluctuation fund	-	
c. Capital redemption reserve	-	
d. Corporate social responsibility fund	(336)	
e. Employee' training fund	1,100	
F. Other	-	
<b>Profit or (loss) before regulatory adjustment</b>	<b>34,928</b>	
Regulatory adjustment:		
Transfer to regulatory reserve		
Transfer from regulatory reserve	32,583	
<b>Net profit/(loss) for the quarter ended on Asar 2082 available for distribution</b>	<b>67,511</b>	
Opening Retained Earnings on Shrawan 1 2081		(266,553)
Adjustments		
Distribution		
<b>Total Distributable Profit/(Loss) as on Asar 2082</b>	<b>(199,042)</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. 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.
- 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.
- Personnel expenses includes staff bonus as per the bonus Act 2030.
- 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.2081/82

##### 1. Financial Statements Highlights

- Financial detail at the end of Fourth quarter ending 32/03/2082 of the financial year 2081/82 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR 3.81	Market Value Per Share	NPR 504.27
Price Earnings Ratio	132.43	Net Worth Per Share	NPR 110.09
Total Assets/No. of share	891.11	Liquidity Ratio	24.09

##### 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 this quarter ending of FY 2081-82. 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 528.92	Minimum share price	NPR 458.17
Closing share price	NPR 504.27	Total no. of transactions	9,997
No. of days of transaction	63 days	Total traded no. of share	14,54,912

##### 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

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