



RELIANCE FINANCE LIMITED

रिलायन्स फाइनेन्स लिमिटेड

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

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

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

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
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
Total Assets	9,993,395	9,895,135
Liabilities		
Due to Bank and Financial Instituions	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	-	-
Total Liabilities	8,758,802	8,722,789
Equity		
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
Total equity attributable to equity holders	1,234,593	1,172,346
Non-controlling interest	-	-
Total equity	1,234,593	1,172,346
Total Liabilities and equity	9,993,395	9,895,135

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
Net interest income	106,724	240,224	85,026	218,587
Fee and commission income	15,793	51,998	10,134	39,255
Fee and commission expenses	-	-	-	-
Net fee and commission income	15,793	51,998	10,134	39,255
Net interest, fee and commission income	122,517	292,223	95,161	257,841
Net trading income	-	-	-	-
Other operating income	5,387	10,457	3,352	6,950
Total operating income	127,903	302,680	98,513	264,792
Impairment charge/(reversal) for loans and other losses	(169,879)	38,790	(56,485)	9,051
Net operating income	297,783	263,890	154,997	255,741
Operating expenses	-	-	-	-
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
Operating Profit	230,378	55,667	88,454	41,202
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	230,378	55,667	88,454	41,202
Income tax expenses	-	-	-	-
Current Tax	12,963	12,963	-	-
Deferred Tax	-	-	(1,407)	(1,407)
Profit for the period	217,415	42,704	89,861	42,609

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
Total comprehensive income for the period	227,865	62,267	100,800	44,744
Basic earnings per share(Annualized)		3.81		3.80
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	217,415	42,704	89,861	42,609
Non-Controlling Interest				
Total	217,415	42,704	89,861	42,609

Ratios as per NRB Directive

(NRs. 000)

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
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	-
Profit or (loss) before regulatory adjustment	34,928
Regulatory adjustment:	
Transfer to regulatory reserve	
Transfer from regulatory reserve	32,583
Net profit/(loss) for the quarter ended on Asar 2082 available for distribution	67,511
Opening Retained Earnings on Shrawan 1 2081	(266,553)
Adjustments	
Distribution	
Total Distributable Profit/(Loss) as on Asar 2082	(199,042)

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 includedes 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 pulished 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 in 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

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.