

**RELIANCE FINANCE LIMITED****रिलायन्स फाइनेन्स लिमिटेड**

(नेपाल राष्ट्र बैंकबाट "A" वर्गको इजाजतपत्र प्राप्त राष्ट्रिय स्तरको वित्तीय संस्था)

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**Unaudited Financial Result(Quarterly) Fourth Quarter End of Fiscal Year 2080/081****Statement of Financial Position As on Quarter Ended 31st Asar 2081**

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Particulars	Ratios as per NRB Directive	
	Current Year	Previous Year Corresponding
Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	326,199	415,866
Due from Nepal Rastra Bank	313,221	242,269
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	353,071	430,588
Loans and advances to customers	5,923,519	5,170,035
Investment securities	2,339,336	2,006,787
Current tax assets	34,949	29,132
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	210,406	24,571
Property and equipment	309,813	315,809
Goodwill and Intangible assets	1,645	1,748
Deferred tax assets	5,658	1,884
Other assets	54,314	33,585
<b>Total Assets</b>	<b>9,872,131</b>	<b>8,672,274</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	324,999	187,459
Due to Nepal Rastra Bank	324,350	177,826
Derivative financial instruments	-	-
Deposits from customers	7,901,226	6,659,828
Borrowing	-	370,000
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	2,512	-
Other liabilities	165,840	149,559
Debt securities issued	-	-
Subordinated Liabilities	-	-
<b>Total Liabilities</b>	<b>8,718,927</b>	<b>7,544,671</b>
<b>Equity</b>		
Share capital	1,121,452	1,121,452
Share premium	1,141	1,141
Retained earnings	(308,098)	(206,208)
Reserves	338,709	211,218
<b>Total equity attributable to equity holders</b>	<b>1,153,203</b>	<b>1,127,602</b>
Non-controlling interest	-	-
<b>Total equity</b>	<b>1,153,203</b>	<b>1,127,602</b>
<b>Total Liabilities and equity</b>	<b>9,872,131</b>	<b>8,672,274</b>

**Ratios as per NRB Directive**

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Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Capital Fund to RWA		13.03%		14.22%
Non-Performing Loan (NPL) to Total Loan		6.63%		6.36%
Total Loan Loss Provision to Total NPL		93.42%		104.55%
Cost of Funds		8.01%		10.02%
Credit to Deposit Ratio		76.33%		83.56%
Base Rate		11.04%		13.02%
Interest Rate Spread		4.60%		4.58%

**Statement of Distributable Profit or Loss**

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Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	28,921
Appropriations:	-
a. General reserve	(5,784)
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	(289)
e. Employee' training fund	365
F. Other	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>23,213</b>
Regulatory adjustment:	
Transfer to regulatory reserve	
Transfer from regulatory reserve	(125,103)
<b>Net profit/(loss) for the quarter ended on Asar 2081 available for distribution</b>	<b>(101,890)</b>
<b>Opening Retained Earnings on Shrawan 1 2080</b>	<b>(206,208)</b>
Adjustments	-
Distribution	
<b>Total Distributable Profit/(Loss) as on Asar end 2081</b>	<b>(308,098)</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.
- 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.

**Condensed Statement of Profit or Loss As on Quarter Ended 31st Asar 2081**

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Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	259,558	918,978	267,206	1,004,805
Interest expenses	175,505	701,365	193,878	776,523
Net interest income	84,052	217,613	73,328	228,282
Fee and commission income	12,543	41,664	6,289	31,701
Fee and commission expenses	-	-	-	-
Net fee and commission income	12,543	41,664	6,289	31,701
Net interest, fee and commission income	96,596	259,277	79,617	259,983
Net trading income	-	-	-	-
Other operating income	7,767	11,365	1,530	3,552
Total operating income	104,363	270,642	81,147	263,535
Impairment charge/(reversal) for loans and other losses	(48,940)	16,596	209,366	248,792
Net operating income	153,303	254,046	128,219	14,743
Operating expenses	-	-	-	-
Personnel expenses	41,189	122,551	35,791	110,111
Other operating expenses	19,182	73,927	3,627	55,620
Depreciation & Amortisation	4,365	16,253	21,536	31,558
Operating Profit	88,567	41,316	189,173	(182,546)
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	88,567	41,316	(189,173)	(182,546)
Income tax expenses	-	-	-	-
Current Tax	-	12,395	(1,988)	-
Deferred Tax	-	-	66	66
<b>Profit for the period</b>	<b>88,567</b>	<b>28,921</b>	<b>(187,251)</b>	<b>(182,612)</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	88,567	28,921	(187,251)	(182,612)
Other comprehensive income	5,862	(2,943)	42,098	(1,732)
Total comprehensive income for the period	94,430	25,978	(145,154)	(184,344)
Basic earnings per share(Annualized)		2.58		(16.28)
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	88,567	28,921	(187,251)	(182,612)
Non-Controlling Interest				
<b>Total</b>	<b>88,567</b>	<b>28,921</b>	<b>(187,251)</b>	<b>(182,612)</b>

**Annexure 14 of Securities Registration and Issue Regulations, 2073 (Related to sub rule (1) of Rule 26) For the Fourth Quarter of F.Y.2080/81)****1. Financial Statements Highlights**

- Financial detail at the end of Fourth quarter ending 31/03/2081 of the financial year 2080/81 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR.2.58	Market Value Per Share	NPR 459
Price Earnings Ratio	177.98	Net Worth Per Share	NPR 102.83
Total Assets/No. of share	880.30	Liquidity Ratio	32.42

**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 2080-81. 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 459.60	Minimum share price	NPR 355.90
Closing share price	NPR 459	Total no. of transactions	23,228
No. of days of transaction	61 days	Total traded no. of share	57,70,423

**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 BF'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.