RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

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

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Unaudited Financial Result (Quarterly) Fourth Quarter End of Fiscal Year 2079/080

(NRs. 000)

Statement of Financial Position As on Quarter Ended 31st Asar 2080

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	415,866	605,836
Due from Nepal Rastra Bank	242,269	221,570
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	
Other trading assets	-	
Loan and advances to B/FIs	436,259	356,003
Loans and advances to customers	5,191,588	5,172,130
Investment securities	2,006,787	2,479,377
Current tax assets	28,887	12,023
Investment in susidiaries	-	
Investment in associates	-	
Investment property	24,571	6,456
Property and equipment	332,187	328,065
Goodwill and Intangible assets	1,748	2,699
Deferred tax assets	1,951	1,208
Other assets	34,848	24,207
Total Assets	**8,716,960**	**9,209,575**
Liabilities		
Due to Bank and Financial Instituions	187,459	206,958
Due to Nepal Rastra Bank	177,826	863,500
Derivative financial instruments	-	-
Deposits from customers	6,659,828	6,669,672
Borrowing	370,000	-
Current Tax Liabilities		-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	164,208	152,342
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	**7,559,321**	**7,892,472**
Equity		
Share capital	1,121,452	1,053,006
Share premium	1,141	1,141
Retained earnings	(162,066)	75,913
Reserves	197,113	187,043
Total equity attributable to equity holders	**1,157,639**	**1,317,103**
Non-controlling interest	-	
Total equity	**1,157,639**	**1,317,103**
Total Liabilities and equity	**8,716,960**	**9,209,575**

Condensed Statement of Profit or Loss As on Quarter Ended 31st Asar 2080

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	247,586	985,185	232,802	769,410
Interest expenses	192,167	774,812	169,960	520,405
Net interest income	**55,419**	**210,373**	**62,842**	**249,005**
Fee and commission income	6,987	32,399	7,736	38,742
Fee and commission expenses	-	-	-	-
Net fee and commission income	**6,987**	**32,399**	**7,736**	**38,742**
Net interest, fee and commission income	**62,406**	**242,772**	**70,578**	**287,747**
Net trading income	-	-	-	-
Other operating income	584	2,606	(1,181)	4,719
Total operating income	**62,990**	**245,378**	**69,398**	**292,466**
Impairment charge/(reversal) for loans and other losses	161,742	201,169	(36,781)	(3,820)
Net operating income	**(98,752)**	**44,210**	**106,179**	**296,286**
Operating expenses	-	-	-	-
Personnel expenses	35,304	109,624	29,012	101,525
Other operating expenses	22,493	74,487	8,573	61,383
Depreciation & Amortisation	4,207	14,228	20,203	30,292
Operating Profit	**(160,757)**	**(154,129)**	**48,392**	**103,086**
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	**(160,757)**	**(154,129)**	**48,392**	**103,086**
Income tax expenses	-	-	-	-
Current Tax		-	15,593	32,001
Deferred Tax	-	-	(61)	(61)
Profit for the period	**(160,757)**	**(154,129)**	**32,860**	**71,147**

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	(160,757)	(154,129)	32,860	71,147
Other comprehensive income	37,459	(1,732)	1,566	(28,655)
Total comprehensive income for the period	**(123,298)**	**(155,862)**	**34,427**	**42,492**
Basic earnings per share(Annualized)		(13.74)		6.76
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	(160,757)	(154,129)	32,860	71,147
Non-Controlling Interest				
Total	**(160,757)**	**(154,129)**	**32,860**	**71,147**

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		15.20%		17.40%
Non-Performing Loan (NPL) to Total Loan		4.93%		4.26%
Total Loan Loss Provision to Total NPL		118.45%		73.91%
Cost of Funds		10.02%		10.45%
Credit to Deposit Ratio		83.56%		84.87%
Base Rate		13.02%		13.14%
Interest Rate Spread		4.58%		4.79%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	(154,129)
Appropriations:	-
a. General reserve	-
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	-
e. Employee' training fund	-
f. Other	-
Profit or (loss) before regulatory adjustment	**(154,129)**
Regulatory adjustment:	
Transfer to regulatory reserve	(13,939)
Transfer from regulatory reserve	
Net profit/(loss) for the quarter ended on Asar 2080 available for distribution	**(168,069)**
Opening Retained Earnings on Shrawan 1 2079	75,913
Adjustments	2,137
Distribution	(72,048)
Total Distributable Profit/(Loss) as on Asar end 2080	**(162,067)**

Notes:
1. The above figures are subject to review/change from regulator and/or external audit.
2. Above Financial are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as per NRB Directive.
3. The figures of previous periods have been regrouped/rearranged whenever necessary.
4. If the stautory and supervising authority notifies to change the unaudited Financial statement may change accordingly.
5. Loan loss provision and interest income are adjusted availing the facilities of NRB circular.
6. Interim financial statements have been pulished in website.
7. 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.2079/80)

1. Financial Statements Highlights

i. Financial detail at the end of fourth quarter ending 31/03/2080 of the financial year 2079/80 has been shown above.

ii. Major Financial Indicators

Earnings per share (Annualized)	(NPR.13.74)	Market Value Per Share	NPR 385.90
Price Earnings Ratio	(28.08)	Net Worth Per Share	NPR 109.94
Total Assets/No. of share	827.82	Liquidity Ratio	36.69

2. Management Analysis

a. **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 2079-80.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.

b. **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.

c. **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

a. **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.

b. **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.

c. **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

a. **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.

b. **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 400	Minimum share price	NPR 275
Closing share price	NPR 385.90	Total no. of transactions	9,045
No. of days of transaction	62	Total traded no. of share	18,29,647

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, 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.