RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

(नेपाल राष्ट्र बैंकबाट "ग" वर्गको इजाजतपत्र प्राप्त वाणिज्य बैंकको वित्तीय संस्था)

Head Office:
Reliance Bhawan, Kamaladi, Kathmandu
Tel: +977-1-5351104, 5323117, 5361041, 5361167, 5903698
Email: info@reliancenepal.com.np
Web: www.reliancenepal.com.np

Unaudited Financial Result (Quarterly) Third Quarter End of Fiscal Year 2080/081

Statement of Financial Position As on Quarter Ended 30th Chaitra 2080

(NRs. 000)

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	639,850	415,866
Due from Nepal Rastra Bank	271,203	242,269
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	401,567	436,259
Loans and advances to customers	5,637,210	5,191,588
Investment securities	1,895,825	2,006,787
Current tax assets	37,589	28,887
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	133,970	24,571
Property and equipment	325,568	332,187
Goodwill and Intangible assets	1,075	1,748
Deferred tax assets	4,982	1,951
Other assets	45,651	34,848
Total Assets	**9,394,489**	**8,716,960**
Liabilities		
Due to Bank and Financial Instituions	324,999	187,459
Due to Nepal Rastra Bank	324,350	177,826
Derivative financial instruments	-	-
Deposits from customers	7,476,536	6,659,828
Borrowing	-	370,000
Current Tax Liabilities		
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	165,413	164,208
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	**8,291,298**	**7,559,321**
Equity		
Share capital	1,121,452	1,121,452
Share premium	1,141	1,141
Retained earnings	(313,168)	(162,056)
Reserves	293,766	197,113
Total equity attributable to equity holders	**1,103,191**	**1,157,639**
Non-controlling interest	-	-
Total equity	**1,103,191**	**1,157,639**
Total Liabilities and equity	**9,394,489**	**8,716,960**

Condensed Statement of Profit or Loss As on Quarter Ended 30th Chaitra 2080

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	217,367	659,420	265,340	737,599
Interest expenses	169,611	525,860	196,954	582,645
Net interest income	**47,755**	**133,560**	**68,387**	**154,954**
Fee and commission income	12,646	29,120	9,939	25,412
Fee and commission expenses	-	-	-	-
Net fee and commission income	**12,646**	**29,120**	**9,939**	**25,412**
Net interest, fee and commission income	**60,401**	**162,681**	**78,326**	**180,366**
Net trading income	-	-	-	-
Other operating income	(10)	3,598	173	2,022
Total operating income	**60,391**	**166,279**	**78,499**	**182,389**
Impairment charge/(reversal) for loans and other losses	5,940	65,536	(10,525)	39,427
Net operating income	**54,452**	**100,743**	**89,024**	**142,962**
Operating expenses	-	-	-	-
Personnel expenses	24,799	81,361	23,823	74,320
Other operating expenses	17,966	54,745	16,742	51,993
Depreciation & Amortisation	4,174	11,889	3,336	10,022
Operating Profit	**7,513**	**(47,251)**	**45,123**	**6,628**
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	**7,513**	**(47,251)**	**45,123**	**6,628**
Income tax expenses	-	-	-	-
Current Tax		-	1,988	1,988
Deferred Tax	-	-	-	-
Profit for the period	**7,513**	**(47,251)**	**43,135**	**4,639**

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	7,513	(47,251)	43,135	4,639
Other comprehensive income	(4,100)	(8,805)	43,535	(43,830)
Total comprehensive income for the period	**3,414**	**(56,057)**	**86,670**	**(39,191)**
Basic earnings per share(Annualized)		(5.62)		0.59
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	7,513	(47,251)	43,135	4,639
Non-Controlling Interest				
Total	**7,513**	**(47,251)**	**43,135**	**4,639**

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		12.76%		17.40%
Non-Performing Loan (NPL) to Total Loan		8.48%		4.26%
Total Loan Loss Provision to Total NPL		76.04%		73.91%
Cost of Funds		8.50%		10.45%
Credit to Deposit Ratio		77.44%		84.87%
Base Rate		11.36%		13.14%
Interest Rate Spread		4.59%		4.79%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss)as per statement of profit or loss	(47,251)
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	**(47,251)**
Regulatory adjustment:	
Transfer to regulatory reserve	
Transfer from regulatory reserve	(104,856)
Net profit/(loss) for the quarter ended on Chaitra 2080 available for distribution	**(152,107)**
Opening Retained Earnings on Shrawan 1 2080	(162,066)
Adjustments	1,006
Distribution	
Total Distributable Profit/(Loss) as on Chaitra end 2080	**(313,168)**

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 compilec 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 Third Quarter of F.Y.2080/81

1. Financial Statements Highlights

i. Financial detail at the end of Third quarter ending 30/12/2080 of the financial year 2080/81 has been shown above.

ii. Major Financial Indicators

Earnings per share (Annualized)	NPR.(5.62)	Market Value Per Share	NPR 369.10
Price Earnings Ratio	(65.70)	Net Worth Per Share	NPR 98.37
Total Assets/No. of share	837.71	Liquidity Ratio	31.95

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 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.

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 concitions which may have impact or 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 413.10	Minimum share price	NPR 340
Closing share price	NPR 369.10	Total no. of transactions	9,994
No. of days of transaction	58 days	Total traded no. of share	22,53,156

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 externa 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.