

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

Statement of Financial Position As on Quarter Ended 30th Chaitra 2079

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	342,032	605,812
Due from Nepal Rastra Bank	291,635	221,570
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/Fis	396,598	360,692
Loans and advances to customers	5,340,354	5,171,798
Investment securities	2,021,142	2,479,377
Current tax assets	28,598	14,623
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	30,087	6,456
Property and equipment	259,064	270,317
Goodwill and Intangible assets	1,985	2,786
Deferred tax assets	7,650	1,147
Other assets	36,748	16,792
Total Assets	8,755,893	9,151,370
Liabilities		
Due to Bank and Financial Institutions	172,999	206,357
Due to Nepal Rastra Bank	99,626	863,500
Derivative financial instruments	-	-
Deposits from customers	6,568,142	6,670,273
Borrowing	510,000	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	99,519	92,582
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	7,450,286	7,832,712
Equity		
Share capital	1,053,006	1,053,006
Share premium	1,141	1,141
Retained earnings	1,692	42,671
Reserves	249,768	221,839
Total equity attributable to equity holders	1,305,607	1,318,658
Non-controlling interest	-	-
Total equity	1,305,607	1,318,658
Total Liabilities and equity	8,755,893	9,151,370

Condensed Statement of Profit or Loss As on Quarter Ended 30 Chaitra 2079

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	265,340	737,599	202,826	536,608
Interest expenses	196,954	582,645	136,754	350,445
Net interest income	68,387	154,954	66,073	186,163
Fee and commission income	9,939	25,412	8,245	31,006
Fee and commission expenses	-	-	-	-
Net fee and commission income	9,939	25,412	8,245	31,006
Net interest, fee and commission income	78,326	180,366	74,318	217,169
Net trading income	-	-	-	-
Other operating income	173	2,022	-	5,900
Total operating income	78,499	182,389	74,318	223,068
Impairment charge/(reversal) for loans and other losses	(10,525)	39,427	10,987	32,961
Net operating income	89,024	142,962	63,331	190,107
Operating expenses	-	-	-	-
Personnel expenses	23,823	74,320	22,328	72,513
Other operating expenses	16,742	51,993	18,265	52,810
Depreciation & Amortisation	3,336	10,022	3,445	10,089
Operating Profit	45,123	6,628	19,292	54,695
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	45,123	6,628	19,292	54,695
Income tax expenses	-	-	-	-
Current Tax	1,988	1,988	5,788	16,408
Deferred Tax	-	-	-	-
Profit for the period	43,135	4,639	13,505	38,286

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	43,135	4,639	19,292	38,286
Other comprehensive income	43,535	(43,830)	(15,834)	(30,221)
Total comprehensive income for the period	86,670	(39,191)	3,458	8,065
Basic earnings per share(Annualized)		0.59		4.85
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	43,135	4,639	19,292	38,286
Non-Controlling Interest	-	-	-	-
Total	43,435	4,639	19,292	38,286

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		17.40%		21.10%
Non-Performing Loan (NPL) to Total Loan		4.26%		3.69%
Total Loan Loss Provision to Total NPL		73.91%		87.73%
Cost of Funds		10.45%		9.14%
Credit to Deposit Ratio		84.87%		84.60%
Base Rate		13.14%		12.15%
Interest Rate Spread		4.79%		4.05%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	4,639
Appropriations:	-
a. General reserve	(928)
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	(46)
e. Employee' training fund	(139)
F. Other	-
Profit or (loss) before regulatory adjustment	3,526
Regulatory adjustment:	-
Transfer to regulatory reserve	-
Transfer from regulatory reserve	(41,720)
Net profit/(loss) for the quarter ended on Chaitra 2079 available for distribution	(38,194)
Opening Retained Earnings on Shrawan 1st 2079	42,671
Adjustments	(2,785)
Distribution	-
Total distributable profit/(loss) as on Chaitra end 2079	1,692

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.

Annexure 14 of Securities Registration and Issue Regulations, 2073 (Related to sub rule (1) of Rule 26) For the Third Quarter of F.Y.2079/80)

1. Financial Statements Highlights

- Financial detail at the end of third quarter ending 30/12/2079 of the financial year 2079/80 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR 0.59	Market Value Per Share	NPR 315
Price Earnings Ratio	536.23	Net Worth Per Share	NPR 123.99
Total Assets/No. of share	831.51	Liquidity Ratio	37.38

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 third 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.
- 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 360.00	Minimum share price	NPR 288.00
Closing share price	NPR 315.00	Total no. of transactions	4,733
No. of days of transaction	56	Total traded no. of share	7,29,075

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: Effect of the Covid-19, 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.