



RELIANCE FINANCE LIMITED

रिलायन्स फाइनेन्स लिमिटेड

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

Head Office:

B.J. Bhawan, Pradarshani Marg, Kathmandu
Tel: 01-5361104, 5323117, 5361041, 5361167
Email: info@relianceneal.com.np
URL: www.relianceneal.com.np

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

(NRS. 009)

Statement of Financial Position As on Quarter Ended 31st Asoj 2079

Ratios as per NRB Directive

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	286,566	605,812
Due from Nepal Rastra Bank	270,550	221,570
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	367,699	360,692
Loans and advances to customers	5,325,757	5,171,798
Investment securities	2,450,430	2,479,377
Current tax assets	14,929	14,623
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	3,690	6,456
Property and equipment	265,855	270,317
Goodwill and Intangible assets	2,461	2,786
Deferred tax assets	13,999	1,147
Other assets	15,464	16,792
Total Assets	9,017,401	9,151,370
Liabilities		
Due to Bank and Financial Institutions	115,515	206,357
Due to Nepal Rastra Bank	977,800	863,500
Derivative financial instruments	-	-
Deposits from customers	6,565,119	6,670,273
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	94,977	92,582
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	7,753,412	7,832,712
Equity		
Share capital	1,053,006	1,053,006
Share premium	1,141	1,141
Retained earnings	25,303	42,671
Reserves	184,539	221,839
Total equity attributable to equity holders	1,263,989	1,318,658
Non-controlling interest	-	-
Total equity	1,263,989	1,318,658
Total Liabilities and equity	9,017,401	9,151,370

Particulars	This Quarter Ending	Upto This Quarter (YTD)	Previous Year Corresponding	Upto This Quarter (YTD)
Capital Fund to RWA		18.59%		21.38%
Non-Performing Loan (NPL) to Total Loan		3.67%		4.56%
Total Loan Loss Provision to Total NPL		84.52%		74.48%
Cost of Funds		10.23%		6.60%
Credit to Deposit Ratio		85.12%		84.24%
Base Rate		13.29%		9.45%
Interest Rate Spread		4.42%		4.89%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	(42,538)
Appropriations:	
a. General reserve	-
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	1,184
e. Employee' training fund	-
f. Other	-
Profit or (loss) before regulatory adjustment	(41,354)
Regulatory adjustment:	
Transfer to regulatory reserve	(28,645)
Transfer from regulatory reserve	-
Distributable profit or (loss)	(69,999)

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 First Quarter of F.Y.2079/80)

1. Financial Statements Highlights

- Financial detail at the end of first quarter ending 31/06/2079 of the financial year 2079/80 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR.(16.16)	Market Value Per Share	NPR 305
Price Earnings Ratio	(18.88)	Net Worth Per Share	NPR 120.04
Total Assets/No. of share	856.35	Liquidity Ratio	43.14

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 first 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 principle. 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 389	Minimum share price	NPR 286.6
Closing share price	NPR 305	Total no. of transactions	11,606
No. of days of transaction	65	Total traded no. of share	20,29,366

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.

Condensed Statement of Profit or Loss As on Quarter Ended 31st Asoj 2079

Particulars	This Quarter Ending	Upto This Quarter (YTD)	Previous Year Corresponding	Upto This Quarter (YTD)
Interest income	223,829	223,829	165,402	165,402
Interest expenses	190,400	190,400	96,513	96,513
Net interest income	33,429	33,429	68,888	68,888
Fee and commission income	8,556	8,556	11,108	11,108
Fee and commission expenses	-	-	-	-
Net fee and commission income	8,556	8,556	11,108	11,108
Net interest, fee and commission income	41,985	41,985	79,996	79,996
Net trading income	-	-	-	-
Other operating income	1,149	1,149	4,804	4,804
Total operating income	43,134	43,134	84,800	84,800
Impairment charge/(reversal) for loans and other losses	35,180	35,180	5,645	5,645
Net operating income	7,954	7,954	79,155	79,155
Operating expenses	-	-	-	-
Personnel expenses	28,365	28,365	27,893	27,893
Other operating expenses	18,778	18,778	16,675	16,675
Depreciation & Amortisation	3,350	3,350	3,268	3,268
Operating Profit	(42,538)	(42,538)	31,320	31,320
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	(42,538)	(42,538)	31,320	31,320
Income tax expenses	-	-	-	-
Current Tax	-	-	9,396	9,396
Deferred Tax	-	-	-	-
Profit for the period	(42,538)	(42,538)	21,924	21,924

Condensed Statement of comprehensive income

Particulars	This Quarter Ending	Upto This Quarter (YTD)	Previous Year Corresponding	Upto This Quarter (YTD)
Profit for the year	(42,538)	(42,538)	21,924	21,924
Other comprehensive income	(58,643)	(58,643)	21,887	21,887
Total comprehensive income for the period	(101,181)	(101,181)	43,811	43,811
Basic earnings per share(Annualized)	(16.16)	(16.16)	9.58	9.58
Diluted earnings per share	-	-	-	-
Profit attributable to:				
Equity-Holders of the Bank	(101,181)	(101,181)	43,811	43,811
Non-Controlling Interest	-	-	-	-
Total	(101,181)	(101,181)	43,811	43,811