



RELIANCE FINANCE LIMITED

रिलायन्स फाइनेन्स लिमिटेड

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

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Unaudited Financial Result(Quarterly) 3rd Quarter End of Fiscal Year 2077/078

(NRs. 000)

Statement of Financial Position As on Quarter Ended 31st Chaitra 2077

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	710,592	1,299,017
Due from Nepal Rastra Bank	201,233	147,015
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	336,741	419,145
Loans and advances to customers	4,192,871	3,602,354
Investment securities	1,610,179	460,963
Current tax assets	22,333	
Investment in susidiaries	-	-
Investment in associates	-	-
Investment property	2,347	1,621
Property and equipment	55,813	30,528
Goodwill and Intangible assets	3,284	1,068
Deferred tax assets	12,398	-
Other assets	42,337	98,957
Total Assets	7,190,128	6,060,669
Liabilities		
Due to Bank and Financial Instituions	-	-
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	5,777,615	4,877,790
Borrowing -	-	
Current Tax Liabilities		8,419
Provisions -	-	
Deferred tax liabilities	48,354	213
Other liabilities	71,213	104,947
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	5,897,181	4,991,370
Equity		
Share capital	832,416	832,416
Share premium	1,141	1,141
Retained earnings	214,708	22,977
Reserves	244,682	212,765
Total equity attributable to equity holders	1,292,947	1,069,299
Non-controlling interest	-	-
Total equity	1,292,947	1,069,299
Total Liabilities and equity	7,190,128	6,060,669

Condensed Statement of Profit or Loss
As on Quarter Ended 31st Chaitra 2077

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	141,365	414,921	150,826	472,649
Interest expenses	96,818	307,738	109,005	312,537
Net interest income	44,547	107,183	41,820	160,113
Fee and commission income	12,875	32,228	6,606	25,378
Fee and commission expenses	-	-	-	-
Net fee and commission income	12,875	32,228	6,606	25,378
Net interest, fee and commission income	57,421	139,411	48,426	185,490
Net trading income	-	-	-	-
Other operating income	63,011	136,889	1,272	3,926
Total operating income	120,432	276,300	49,698	189,416
Impairment charge/(reversal) for loans and other losses	(43,701)	25,750	17,172	4,756
Net operating income	164,134	250,550	32,526	184,660
Operating expenses	-	-	-	-
Personnel expenses	31,316	71,131	17,815	55,424
Other operating expenses	15,877	45,510	10,904	32,922
Depreciation & Amortisation	3,932	9,861	2,376	5,971
Operating Profit	113,008	124,049	1,431	90,344
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	113,008	124,049	1,431	90,344
Income tax expenses	-	-	-	-
Current Tax	33,903	37,215	429	27,103
Deferred Tax	-	-	-	-
Profit for the period	79,106	86,834	1,002	63,241

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	79,106	86,834	1,002	63,241
Other comprehensive income	84,422	112,825	(6,948)	(6,113)
Total comprehensive income for the period	163,528	199,659	(5,111)	57,128
Basic earnings per share(Annualized)		13.91		10.13
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	163,528	199,659	1,002	63,241
Non-Controlling Interest				
Total	163,528	199,659	1,002	63,241

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		25.33%		19.97%
Non-Performing Loan (NPL) to Total Loan		1.88%		2.63%
Total Loan Loss Provision to Total NPL		122.98%		111.67%
Cost of Funds		6.96%		9.39%
Credit to Deposit Ratio		64.97%		69.67%
Base Rate		9.90%		12.23%
Interest Rate Spread		4.67%		4.95%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss)as per statement of profit or loss	86,834
Appropriations:	-
a. General reserve	17,367
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	868
e. Employee' training fund	-
Profit or (loss) before regulatory adjustment	68,599
Regulatory adjustment:	39,331
Regulatory adjustment as per NRb Directive	
Distributable profit or (loss)	107,930

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 pulished 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.2077/78)

1. Financial Statements Highlights

- Financial detail at the end of third quarter ending 31/12/2077 of the financial year 2077/78 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR. 13.91	Market Value Per Share	NPR 293
Price Earnings Ratio	21.07	Net Worth Per Share	NPR 155.32
Total Assets/No. of share	863.77	Liquidity Ratio	36.80

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 2077-78. 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 306	Minimum share price	NPR 196
Closing share price	NPR 293	Total no. of transactions	13,185
No. of days of transaction	59	Total traded no. of share	32,69,857

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.