

**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) First Quarter End of Fiscal Year 2081/082

(NRs. 000)

Statement of Financial Position As on Quarter Ended 30th Asoj 2081

Particulars	This Quarter Ending	Immediate Previous Year Ending
Assets		
Cash and cash equivalent	278,931	326,199
Due from Nepal Rastra Bank	391,456	313,221
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	248,988	353,071
Loans and advances to customers	6,133,144	5,923,519
Investment securities	2,293,224	2,339,336
Current tax assets	47,344	34,949
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	200,962	210,406
Property and equipment	305,246	309,813
Goodwill and Intangible assets	1,403	1,645
Deferred tax assets	30	5,658
Other assets	42,643	54,314
Total Assets	9,943,373	9,872,131
Liabilities		
Due to Bank and Financial Institutions	324,999	324,999
Due to Nepal Rastra Bank	220,350	324,350
Derivative financial instruments	-	-
Deposits from customers	8,104,690	7,901,226
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	-	2,512
Other liabilities	138,319	165,840
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	8,788,359	8,718,927
Equity		
Share capital	1,121,452	1,121,452
Share premium	1,141	1,141
Retained earnings	(390,272)	(308,098)
Reserves	422,694	338,709
Total equity attributable to equity holders	1,155,014	1,153,203
Non-controlling interest	-	-
Total equity	1,155,014	1,153,203
Total Liabilities and equity	9,943,373	9,872,131

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		12.03%		14.90%
Non-Performing Loan (NPL) to Total Loan		8.58%		4.96%
Total Loan Loss Provision to Total NPL		80.57%		94.68%
Cost of Funds		7.41%		10.45%
Credit to Deposit Ratio		76.73%		80.38%
Base Rate		10.21%		13.28%
Interest Rate Spread		4.60%		4.54%

Statement of Distributable Profit or Loss

Particulars	Current Year
Net profit or (loss) as per statement of profit or loss	(57,555)
Appropriations:	-
a. General reserve	-
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	-
e. Employee training fund	(1,950)
F. Other	-
Profit or (loss) before regulatory adjustment	(59,505)
Regulatory adjustment:	
Transfer to regulatory reserve	
Transfer from regulatory reserve	(21,099)
Net profit/(loss) for the quarter ended on Asoj 2081 available for distribution	(80,604)
Opening Retained Earnings on Shrawan 1 2081	(308,098)
Adjustments	(1,570)
Distribution	
Total Distributable Profit/(Loss) as on Asoj end 2081	(390,272)

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.2081/82)**1. Financial Statements Highlights**

- Financial detail at the end of First quarter ending 30/06/2081 of the financial year 2081/82 has been shown above.
- Major Financial Indicators

Earnings per share (Annualized)	NPR (20.53)	Market Value Per Share	NPR 643
Price Earnings Ratio	(31.32)	Net Worth Per Share	NPR 102.99
Total Assets/No. of share	886.65	Liquidity Ratio	31.83

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 in this quarter ending of FY 2081-82. 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 774.40	Minimum share price	NPR 475.4
Closing share price	NPR 643	Total no. of transactions	50,795
No. of days of transaction	57 days	Total traded no. of share	95,25,338

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 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 30th Asoj 2081

Particulars	Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto This Quarter (YTD)	This Quarter Ending	Upto This Quarter (YTD)
Interest income	201,385	201,385	235,898	235,898
Interest expenses	166,902	166,902	185,398	185,398
Net interest income	34,483	34,483	50,500	50,500
Fee and commission income	10,279	10,279	6,761	6,761
Fee and commission expenses	-	-	-	-
Net fee and commission income	10,279	10,279	6,761	6,761
Net interest, fee and commission income	44,761	44,761	57,261	57,261
Net trading income	-	-	-	-
Other operating income	2,878	2,878	2,116	2,116
Total operating income	47,639	47,639	59,377	59,377
Impairment charge/(reversal) for loans and other losses	54,660	54,660	(78,042)	(78,042)
Net operating income	(7,021)	(7,021)	137,419	137,419
Operating expenses				
Personnel expenses	31,897	31,897	37,339	37,339
Other operating expenses	14,982	14,982	19,358	19,358
Depreciation & Amortisation	3,654	3,654	3,661	3,661
Operating Profit	(57,555)	(57,555)	77,062	77,062
Non operating income	-	-	-	-
Non operating expenses	-	-	-	-
Profit before income tax	(57,555)	(57,555)	77,062	77,062
Income tax expenses	-	-	-	-
Current Tax	-	-	23,119	23,119
Deferred Tax	-	-	-	-
Profit for the period	(57,555)	(57,555)	53,943	53,943

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	(57,555)	(57,555)	53,943	53,943
Other comprehensive income	4,328	4,328	(13,963)	(13,963)
Total comprehensive income for the period	(53,227)	(53,227)	39,980	39,980
Basic earnings per share(Annualized)		(20.53)		19.24
Diluted earnings per share				
Profit attributable to:				
Equity-Holders of the Bank	(57,555)	(57,555)	53,943	53,943
Non-Controlling Interest				
Total	(57,555)	(57,555)	53,943	53,943