RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Kamaladi,Kathmandu-1

class "C" licenced financial institution licenced by Nepal Rastra Bank

BASEL II DISCLOSURE

As on 30 Chaitra,2082

Reliance Finance Limited

Disclosure Under Basel II

At the month end of Chaitra, 2082

1.Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	**1,062,779**
Paid up Equity Share Capital	1,121,452
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	185,362
Retained Earnings	(279,967)
Un-audited current year cumulative profit/(loss)	37,901
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	-
Less: Fictitious Assets	-
Less: Investment in equity in licensed Financial Institutions	(3,110)
Less: Investment in equity of institutions with financial interests	-
Less: Investment in equity of institutions in excess of limits	-
Less: Investments arising out of underwriting commitments	-
Less: Reciprocal crossholdings	-
Less: Purchase of land & building in excess of limit and unutilized	-
Less: Other Deductions	-
Adjustments under Pillar II	
B. Supplementary Capital (Tier II)	**261,801**
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	108,114
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Accrued Interest Receivable on Pass Loan included in Regulatory Reserve	33,015
Interest Capitalized Reserve included in Regulatory Reserve	-
Regulatory Reserve for nonbanking assets recorded within the last 24 months	120,673
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	**1,324,580**

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	10.95%
Total Capital Fund to Total RWE	13.65%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	8,895,272
RWE for Operational Risk	427,548
RWE for Market Risk	-
Total RWE	**9,322,820**

3 Risk Weighted Exposure under each 11 Categories of Credit Risk

A.	A. Balance Sheet Exposures	Net Value
1	Claims on Government and Central Bank	-
2	Claims on Other Entities	-
3	Claims on Banks	38,735
4	Claims on Corporate & Securities firm	1,962,440
5	Claims on Regulatory Retail Portfolio (Not Overdue)	2,212,347
6	Claims secured by residential properties	517,747
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	2,297,281
9	High Risk claims	23,292
10	Real Estate loans for land acquisition and development (Other than mentioned in Capital	228,849
11	Lending against Shares(above Rs.5 Million)	
12	Lending Against Shares(upto Rs. 5 Million)	191,653
13	Personal Hirepurchase/Personal Auto Loans	33,686
14	Loans not exceeding Rs. 30 million to SME's that fulfill the criteria	100,136
15	**Other Assets**	
	a)Investments in equity and other capital instruments of institutions listed in stock excha	253,752
	b) Staff loan secured by residential property	25,104
	c)Other Assets (as per attachment)	930,544
B.11	**B. Off Balance Sheet Exposures**	**79,706**
	Total RWE for Credit Risk	**8,895,272**

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	130,548
Total Eligible CRM	**130,548**

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	440,197	109,971	330,226
Doubtful	259,327	129,518	129,809
Loss	154,412	152,149	2,264
Total	**853,936**	**391,638**	**462,298**

6.Non Performing Loan Ratio

Gross Loan	8,262,321
Net Loan	7,762,570
Gross NPL to Gross Loan & Advances	10.34%
Net NPL to Net Loan & Advances	5.96%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	**1,101,082**	**853,936**	**(247,146)**
Restructured	-	-	-
Substandard	433,994	440,197	**6,202**
Doubtful	462,504	259,327	**(203,177)**
Loss	204,584	154,412	**(50,171)**

8.Write off of Loans & Interest Suspense

Particulars	Loan Amount	Interest Suspense	Provision Write back
Total Loan Write Off	-	-	-

9.Movement of Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Pass	47,738	65,542	17,804
Watch List	49,988	42,571	(7,416)
Restructured	-	-	-
Substandard	108,483	109,971	1,487
Doubtful	231,130	129,518	(101,612)
Loss	175,747	152,149	(23,599)
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	**613,087**	**499,751**	**(113,335)**

10.Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	6,846,921	8,262,321	1,415,400
Total Loan Loss Provision	613,087	499,751	(113,335)

11.Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,425,443
Available for Sale	140,618

Note:Opening balance consider of Chaitra end 2081.