

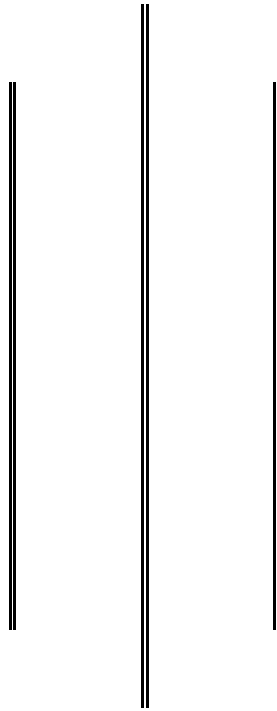


**RELIANCE FINANCE LIMITED**  
**रिलायन्स फाइनान्स लिमिटेड**

**Pradarshanimarga, Kathmandu-28**

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

# **BASEL II DISCLOSURE**



**As on 30 Poush, 2078**

**Reliance Finance Limited**  
**Disclosure Under Basel II**  
**At the month end of Poush, 2078**

**1. Capital Structure and Capital Adequacy**

(amount in '000)

<b>A. Core Capital (Tier I)</b>	<b>1,233,368</b>
Paid up Equity Share Capital	915,658
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	144,802
Retained Earnings	146,986
Un-audited current year cumulative profit/(loss)	24,782
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	-
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	-
<u>Adjustments under Pillar II</u>	
<b>B. Supplementary Capital (Tier II)</b>	<b>63,411</b>
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	63,411
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	-
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,296,779</b>

<b>1.3 Capital Adequacy Ratio</b>	
<b>Tier I Capital to Total RWE</b>	17.80%
<b>Total Capital Fund to Total RWE</b>	18.71%

**2 Risk Weighted Exposure (RWE)**

RWE for Credit Risk	6,417,570
RWE for Operational Risk	512,697
RWE for Market Risk	-
<b>Total RWE</b>	<b>6,930,267</b>

### 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	96,307
4	Claims on Corporate & Securities firm	868,216
5	Claims on Regulatory Retail Portfolio (Not Overdue)	876,639
6	Claims secured by residential properties	493,252
7	Claims secured by Commercial real estate	181,053
8	Past due claims (except for claims secured by residential properties)	2,877,884
9	High Risk claims	554,408
<b>10</b>	<b>Other Assets</b>	
	a) Investments in equity and other capital instruments of institutions listed in stock exchan	213,476
	b) Staff loan secured by residential property	10,561
	c) Other Assets (as per attachment)	245,773
<b>B.11</b>	<b>B. Off Balance Sheet Exposures</b>	-
	<b>Total RWE for Credit Risk</b>	<b>6,417,570</b>

### 4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	-
	-
<b>Total Eligible CRM</b>	<b>-</b>

### DETAIL CREDIT RISK ANALYSIS

#### 5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	77,573	19,393	58,179
Doubtful	33,864	16,932	16,932
Loss	56,131	56,131	-
<b>Total</b>	<b>167,567</b>	<b>92,455</b>	<b>75,111</b>

#### 6.Non Performing Loan Ratio

Gross Loan	5,260,006
Net Loan	5,095,183
Gross NPL to Gross Loan & Advances	3.19%
Net NPL to Net Loan & Advances	1.47%

#### 7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
<b>Non Performing Loan</b>	<b>205,177</b>	<b>167,567</b>	<b>(37,610)</b>
Restructured	-	-	-
Substandard	87,733	77,573	(10,161)
Doubtful	91,551	33,864	(57,688)
Loss	25,892	56,131	30,238

**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	37,297	63,411	26,114
Watch List	17,210	8,956	(8,254)
Restructured	-	-	-
Substandard	21,933	19,393	(2,540)
Doubtful	45,776	16,932	(28,844)
Loss	25,892	56,131	30,238
PG & Third Party Collateral	-	-	-
<b>Total Loan Loss Provision</b>	<b>148,108</b>	<b>164,823</b>	<b>16,714</b>

**10. Movements of Loan & Loan Loss Provision**

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,279,091	5,260,006	980,915
Total Loan Loss Provision	148,108	164,823	16,714

**11. Segregation of Finance's Investment Portfolio**

Held for Trading	
Held for Maturity	1,459,574
Available for Sale	157,061

Note: Opening balance consider of Poush end 2077.