RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Kamaladi,Kathmandu-1

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

BASEL II DISCLOSURE

As on 32 Asar,2082

Reliance Finance Limited
Disclosure Under Basel II
At the month end of Asar, 2083

1.Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	**1,156,315**
Paid up Equity Share Capital	1,121,452
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	187,899
Retained Earnings	(201,652)
Un-audited current year cumulative profit/(loss)	50,585
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)	**188,203**
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	134,608
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Accrued Interest Receivable on Pass Loan included in Regulatory Reserve	11,488
Interest Capitalized Reserve included in Regulatory Reserve	-
Regulatory Reserve for nonbanking assets recorded within the last 24 months	42,107
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	**1,344,518**

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	10.74%
Total Capital Fund to Total RWE	12.49%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	9,929,735
RWE for Operational Risk	427,548
RWE for Market Risk	-
Total RWE	**10,357,283**

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	59,409
4	Claims on Corporate & Securities firm	2,573,183
5	Claims on Regulatory Retail Portfolio (Not Overdue)	2,435,920
6	Claims secured by residential properties	547,587
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	2,075,163
9	High Risk claims	284,538
10	Real Estate loans for land acquisition and development (Other than mentioned in	279,125
11	Lending against Shares(above Rs.5 Million)	
12	Lending Against Shares(upto Rs. 5 Million)	367,039
13	Personal Hirepurchase/Personal Auto Loans	53,168
14	Loans not exceeding Rs. 30 million to SME's that fulfill the criteria	99,119
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	24,020
	c)Other Assets (as per attachment)	792,088
B.11	**B. Off Balance Sheet Exposures**	**85,622**
	Total RWE for Credit Risk	**9,929,735**

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	144,938
Total Eligible CRM	**144,938**

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	199,688	49,851	149,837
Doubtful	221,374	110,507	110,867
Loss	197,837	195,576	2,262
Total	**618,899**	**355,934**	**262,966**

6.Non Performing Loan Ratio

Gross Loan	9,444,726
Net Loan	8,941,718
Gross NPL to Gross Loan & Advances	6.55%
Net NPL to Net Loan & Advances	2.94%

7.Movement of Non Performing Loan

Particulars	**Opening Balance**	**Closing Balance**	**Movement**
Non Performing Loan	**595,487**	**618,899**	**23,412**
Restructured	-	-	**-**
Substandard	100,955	199,688	**98,734**
Doubtful	381,542	221,374	**(160,168)**
Loss	112,991	197,837	**84,846**

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	57,994	77,757	19,764
Watch List	36,037	69,317	33,281
Restructured	-	**-**	-
Substandard	21,492	49,851	28,359
Doubtful	190,120	110,507	(79,613)
Loss	110,842	195,576	84,733
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	**416,485**	**503,009**	**86,524**

10.Movements of Loan & Loan Loss Provision

Particulars	**Opening Balance**	**Closing Balance**	**Movement**
Total Loan & Advances	7,094,211	9,444,726	2,350,516
Total Loan Loss Provision	416,485	503,009	86,524

11.Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,340,993
Available for Sale	140,618

Note:Opening balance consider of Asar end 2082.