

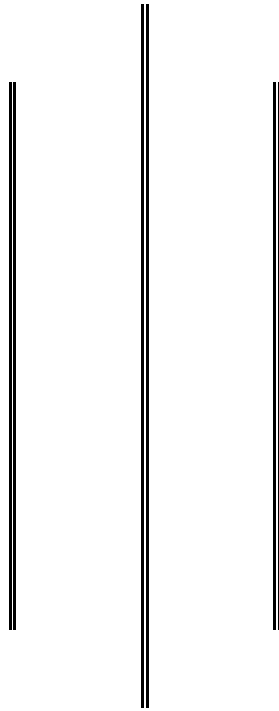


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Pradarshanimarga, Kathmandu-28

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BASEL II DISCLOSURE



As on 31 Asoj, 2078

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

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,240,263
Paid up Equity Share Capital	915,658
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	141,651
Retained Earnings	159,890
Un-audited current year cumulative profit/(loss)	21,924
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. Supplementary Capital (Tier II)	52,603
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	52,603
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,292,866

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	20.51%
Total Capital Fund to Total RWE	21.38%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	5,540,724
RWE for Operational Risk	505,507
RWE for Market Risk	-
Total RWE	6,046,231

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	95,534
4	Claims on Corporate & Securities firm	975,374
5	Claims on Regulatory Retail Portfolio (Not Overdue)	1,018,564
6	Claims secured by residential properties	468,142
7	Claims secured by Commercial real estate	283,598
8	Past due claims (except for claims secured by residential properties)	1,603,447
9	High Risk claims	608,735
10	Other Assets	
	a) Investments in equity and other capital instruments of institution	161,454
	b) Staff loan secured by residential property	7,585
	c) Other Assets (as per attachment)	318,291
B.11	B. Off Balance Sheet Exposures	-
	Total RWE for Credit Risk	5,540,724

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	-
	-
Total Eligible CRM	-

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	148,476	37,119	111,357
Doubtful	42,235	21,118	21,118
Loss	28,927	28,927	-
Total	219,639	87,164	132,475

6.Non Performing Loan Ratio

Gross Loan	4,820,761
Net Loan	4,657,184
Gross NPL to Gross Loan & Advances	4.56%
Net NPL to Net Loan & Advances	2.84%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	41,065	219,639	178,574
Restructured	-	-	-
Substandard	5,050	148,476	143,426
Doubtful	2,400	42,235	39,835
Loss	33,615	28,927	(4,687)

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	38,854	52,603	13,749
Watch List	5,394	23,810	18,416
Restructured	-	-	-
Substandard	124	37,119	36,995
Doubtful	47,276	21,118	(26,158)
Loss	41,723	28,927	(12,796)
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	133,370	163,577	30,207

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,130,011	4,820,761	690,751
Total Loan Loss Provision	133,370	163,577	30,207

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,442,425
Available for Sale	159,543

Note: Opening balance consider of Asoj end 2078.