

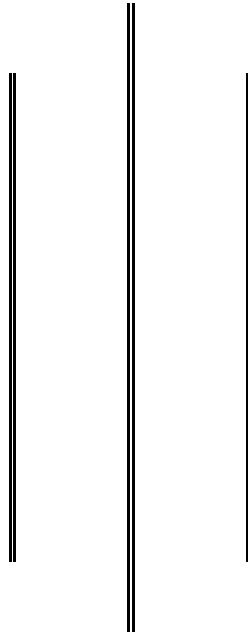


RELIANCE FINANCE LIMITED
रिलायन्स फाइनेन्स लिमिटेड

Pradarshani Marg, Kathmandu-28

Class "C" licensed financial institution licensed by Nepal Rastra Bank

BASEL II DISCLOSURE



As on 29 Poush, 2077

Reliance Finance Limited
Disclosure Under Basel II
At the month end of Poush, 2077

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,095,738
Paid up Equity Share Capital	832,416
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	108,201
Retained Earnings	146,252
Un-audited current year cumulative profit/(loss)	7,728
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)	38,984
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	37,297
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	1,687
Total Capital Fund (Tier I and Tier II)	1,134,722

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	22.69%
Total Capital Fund to Total RWE	23.50%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	4,457,072
RWE for Operational Risk	371,063
RWE for Market Risk	-
Total RWE	4,828,136

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	277,225
4	Claims on Corporate & Securities firm	-
5	Claims on Regulatory Retail Portfolio (Not Overdue)	2,335,845
6	Claims secured by residential properties	371,992
7	Claims secured by Commercial real estate	313,416
8	Past due claims (except for claims secured by residential properties)	415,013
9	High Risk claims	255,579
10	Other Assets	
	a) Investments in equity and other capital instruments of institutions listed in stock exchange	218,974
	b) Staff loan secured by residential property	7,433
	c) Other Assets (as per attachment)	261,595
B.11	B. Off Balance Sheet Exposures	-
	Total RWE for Credit Risk	4,457,072

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	87,733	21,933	65,800
Doubtful	91,551	45,776	45,776
Loss	25,892	25,892	-
Total	205,177	93,601	111,576

6.Non Performing Loan Ratio

Gross Loan	4,279,091
Net Loan	4,130,982
Gross NPL to Gross Loan & Advances	4.79%
Net NPL to Net Loan & Advances	2.70%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	65,909	205,177	139,268
Restructured	-	-	-
Substandard	7,250	87,733	80,483
Doubtful	-	91,551	91,551
Loss	58,659	25,892	(32,766)

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	37,742	37,297	(445)
Watch List	6,405	17,210	10,805
Restructured		-	-
Substandard	1,813	21,933	20,121
Doubtful	-	45,776	45,776
Loss	58,659	25,892	(32,766)
PG & Third Party Collateral		-	-
Total Loan Loss Provision	104,618	148,108	43,490

10.Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	3,968,253	4,279,091	310,838
Total Loan Loss Provision	104,618	148,108	43,490

11.Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	675,988
Available for Sale	204,079

Note:Opening balance consider of Poush end 2076.