

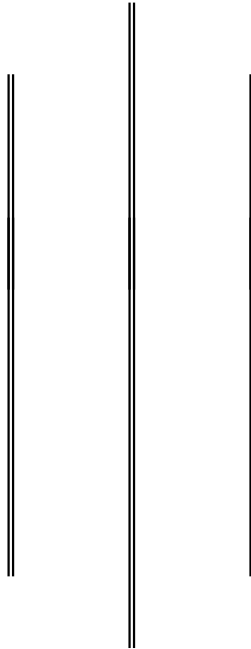


**RELIANCE FINANCE LIMITED**  
**रिलायन्स फाइनान्स लिमिटेड**

**Kamaladi, Kathmandu-1**

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# **BASEL II DISCLOSURE**



**As on 29 Poush, 2080**

**Reliance Finance Limited**  
**Disclosure Under Basel II**  
**At the month end of Poush, 2080**

**1. Capital Structure and Capital Adequacy**

(amount in '000)

<b>A. Core Capital (Tier I)</b>	<b>957,970</b>
Paid up Equity Share Capital	1,121,452
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	154,523
Retained Earnings	(258,046)
Un-audited current year cumulative profit/(loss)	(54,765)
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(3,225)
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	-
<u>Adjustments under Pillar II</u>	
<b>B. Supplementary Capital (Tier II)</b>	<b>101,629</b>
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	84,107
Exchange Equalization Reserve	-
Investment Adjustment Reserve	17,522
Assets Revaluation Reserve	-
Other Reserves	-
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,059,599</b>

<b>1.3 Capital Adequacy Ratio</b>	
Tier I Capital to Total RWE	11.49%
Total Capital Fund to Total RWE	13.21%

**2 Risk Weighted Exposure (RWE)**

RWE for Credit Risk	7,502,281
RWE for Operational Risk	516,827
RWE for Market Risk	-
<b>Total RWE</b>	<b>8,019,108</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	118,460
4	Claims on Corporate & Securities firm	270,305
5	Claims on Regulatory Retail Portfolio (Not Overdue)	855,223
6	Claims secured by residential properties	486,237
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	3,830,609
9	High Risk claims	545,099
10	Real Estate loans for land acquisition and development (Other than mentioned in Capital	138,063
11	Lending against Shares(above Rs.5 Million)	237,599
12	Lending Against Shares(upto Rs. 5 Million)	173,388
13	Personal Hirepurchase/Personal Auto Loans (upto Rs. 2.5 Million)	10,543
14	Personal Hirepurchase/Personal Auto Loans (above Rs. 2.5 Million)	8,392
15	<b>Other Assets</b>	
	a)Investments in equity and other capital instruments of institutions listed in stock exchan	198,713
	b) Staff loan secured by residential property	22,170
	c)Other Assets (as per attachment)	589,945
<b>B.11</b>	<b>B. Off Balance Sheet Exposures</b>	<b>17,536</b>
	<b>Total RWE for Credit Risk</b>	<b>7,502,281</b>

### 4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	79,133
<b>Total Eligible CRM</b>	<b>79,133</b>

### DETAIL CREDIT RISK ANALYSIS

#### 5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	209,336	52,159	157,176
Doubtful	187,164	93,200	93,964
Loss	170,327	170,327	-
<b>Total</b>	<b>566,827</b>	<b>315,687</b>	<b>251,140</b>

#### 6.Non Performing Loan Ratio

Gross Loan	5,860,131
Net Loan	5,460,337
Gross NPL to Gross Loan & Advances	9.67%
Net NPL to Net Loan & Advances	4.60%

#### 7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
<b>Non Performing Loan</b>	<b>278,634</b>	<b>566,827</b>	<b>288,193</b>
Restructured	-	-	-

Substandard	118,052	209,336	<b>91,284</b>
Doubtful	149,276	187,164	<b>37,888</b>
Loss	11,305	170,327	<b>159,022</b>

#### 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	67,646	59,374	(8,271)
Watch List	9,163	24,732	15,570
Restructured	-	-	-
Substandard	29,458	52,159	22,701
Doubtful	74,467	93,200	18,733
Loss	11,305	170,327	159,022
PG & Third Party Collateral	-	-	-
<b>Total Loan Loss Provision</b>	<b>192,039</b>	<b>399,794</b>	<b>207,755</b>

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

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	5,702,150	5,860,131	157,981
Total Loan Loss Provision	192,039	399,794	207,755

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

Held for Trading	
Held for Maturity	1,836,753
Available for Sale	142,950

Note: Opening balance consider of Poush end 2079.