

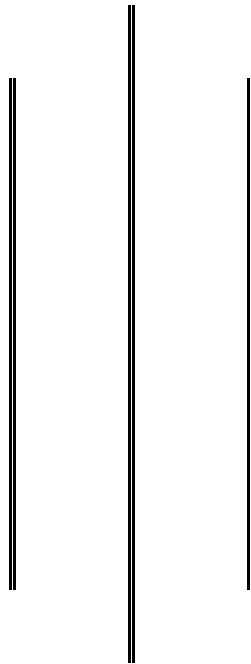


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Pradarshani Marg, Kathmandu-28

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

BASEL II DISCLOSURE



As on 30 Ashwin, 2077

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

1.Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,042,831
Paid up Equity Share Capital	832,416
Irredeemable Non-cumulative Preference Shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	110,711
Retained Earnings	78,284
Un-audited current year cumulative profit/(loss)	20,279
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserve	-
Other Free Reserves	-
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)	40,540
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	38,854
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	1,687
Total Capital Fund (Tier I and Tier II)	1,083,371

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	21.11%
Total Capital Fund to Total RWE	21.93%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	4,568,680
RWE for Operational Risk	371,063
RWE for Market Risk	-
Total RWE	4,939,743

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	384,081
4	Claims on Corporate & Securities firm	-
5	Claims on Regulatory Retail Portfolio (Not Overdue)	2,057,725
6	Claims secured by residential properties	453,579
7	Claims secured by Commercial real estate	322,391
8	Past due claims (except for claims secured by residential properties)	601,730
9	High Risk claims	264,871
10	Other Assets	
	a) Investments in equity and other capital instruments of institutions listed in stock exchange	255,972
	b) Staff loan secured by residential property	6,093
	c) Other Assets (as per attachment)	222,238
B.11	B. Off Balance Sheet Exposures	-
	Total RWE for Credit Risk	4,568,680

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	497	124	373
Doubtful	94,551	47,276	47,276
Loss	41,723	41,723	-
Total	136,771	89,123	47,648

6.Non Performing Loan Ratio

Gross Loan	4,130,011
Net Loan	3,996,640
Gross NPL to Gross Loan & Advances	3.31%
Net NPL to Net Loan & Advances	1.19%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	139,367	136,771	(2,596)
Restructured	-	-	-
Substandard	35,708	497	(35,211)
Doubtful	-	94,551	94,551
Loss	103,660	41,723	(61,937)

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	33,713	38,854	5,141
Watch List	18,201	5,394	(12,807)
Restructured		-	-
Substandard	8,927	124	(8,803)
Doubtful	-	47,276	47,276
Loss	103,660	41,723	(61,937)
PG & Third Party Collateral	1,000	-	(1,000)
Total Loan Loss Provision	165,501	133,370	(32,130)

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	3,874,661	4,130,011	255,350
Total Loan Loss Provision	165,501	133,370	(32,130)

11. Segregation of Finance's Investment Portfolio

Held of Trading	
Held of Maturity	87,925
Available for Sale	159,065

Note: Opening balance consider of Ashwin end 2076.