

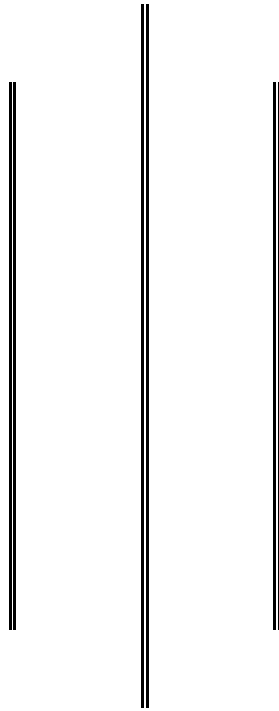


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Pradarshanimarga, Kathmandu-28

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

BASEL II DISCLOSURE



As on 31 Asoj, 2079

Reliance Finance Limited
Disclosure Under Basel II
At the month end of Aoj, 2079

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,216,727
Paid up Equity Share Capital	1,053,006
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	154,386
Retained Earnings	67,841
Un-audited current year cumulative profit/(loss)	(42,538)
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(13,999)
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. Supplementary Capital (Tier II)	143,070
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	97,107
Exchange Equalization Reserve	-
Investment Adjustment Reserve	45,963
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,359,798

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	16.30%
Total Capital Fund to Total RWE	18.59%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	6,772,974
RWE for Operational Risk	539,908
RWE for Market Risk	-
Total RWE	7,312,882

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	120,756
4	Claims on Corporate & Securities firm	671,180
5	Claims on Regulatory Retail Portfolio (Not Overdue)	965,871
6	Claims secured by residential properties	472,750
7	Claims secured by Commercial real estate	7,116
8	Past due claims (except for claims secured by residential properties)	2,080,180
9	High Risk claims	1,741,117
10	Other Assets	
	a) Investments in equity and other capital instruments of institutions listed in stock exchan	214,976
	b) Staff loan secured by residential property	21,607
	c) Other Assets (as per attachment)	477,422
B.11	B. Off Balance Sheet Exposures	-
	Total RWE for Credit Risk	6,772,974

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	120,527
	-
Total Eligible CRM	120,527

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	121,976	30,494	91,482
Doubtful	76,177	38,088	38,088
Loss	11,577	11,577	-
Total	209,730	80,160	129,571

6.Non Performing Loan Ratio

Gross Loan	5,710,135
Net Loan	5,532,868
Gross NPL to Gross Loan & Advances	3.67%
Net NPL to Net Loan & Advances	2.34%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	219,639	209,730	(9,908)
Restructured	-	-	-
Substandard	148,476	121,976	(26,500)
Doubtful	42,235	76,177	33,942
Loss	28,927	11,577	(17,350)

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	52,603	61,835	9,232
Watch List	23,810	35,273	11,462
Restructured	-	-	-
Substandard	37,119	30,494	(6,625)
Doubtful	21,118	38,088	16,971
Loss	28,927	11,577	(17,350)
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	163,577	177,267	13,690

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,820,761	5,710,135	889,374
Total Loan Loss Provision	163,577	177,267	13,690

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	2,327,329
Available for Sale	123,102

Note: Opening balance consider of Asoj end 2079.