

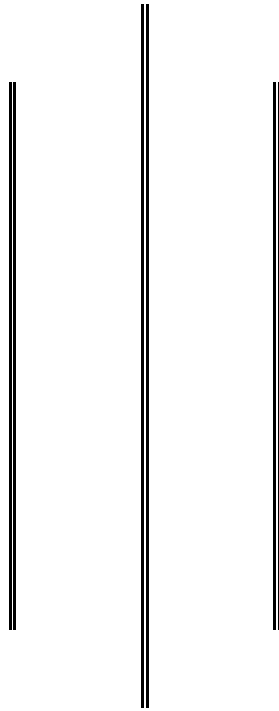


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Pradarshanimarga, Kathmandu-28

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BASEL II DISCLOSURE



As on 30 Chaitra, 2078

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

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,227,684
Paid up Equity Share Capital	1,053,006
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	147,503
Retained Earnings	(12,252)
Un-audited current year cumulative profit/(loss)	38,286
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)	64,213
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	64,213
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,291,898

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	19.63%
Total Capital Fund to Total RWE	21.10%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	5,608,945
RWE for Operational Risk	512,697
RWE for Market Risk	-
Total RWE	6,121,642

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	135,442
4	Claims on Corporate & Securities firm	710,805
5	Claims on Regulatory Retail Portfolio (Not Overdue)	1,264,239
6	Claims secured by residential properties	457,041
7	Claims secured by Commercial real estate	214,862
8	Past due claims (except for claims secured by residential properties)	1,717,746
9	High Risk claims	635,311
10	Other Assets	
	a) Investments in equity and other capital instruments of institutions listed in stock exchan	213,476
	b) Staff loan secured by residential property	16,335
	c) Other Assets (as per attachment)	243,688
B.11	B. Off Balance Sheet Exposures	-
	Total RWE for Credit Risk	5,608,945

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	125,007	30,828	94,179
Doubtful	13,843	6,922	6,922
Loss	61,538	61,538	-
Total	200,387	99,287	101,100

6.Non Performing Loan Ratio

Gross Loan	5,431,467
Net Loan	5,255,657
Gross NPL to Gross Loan & Advances	3.69%
Net NPL to Net Loan & Advances	1.92%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	84,898	200,387	115,489
Restructured	-	-	-
Substandard	11,261	125,007	113,746
Doubtful	47,647	13,843	(33,804)
Loss	25,991	61,538	35,547

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	42,464	64,213	21,749
Watch List	9,314	12,309	2,996
Restructured	-	-	-
Substandard	2,815	30,828	28,013
Doubtful	23,823	6,922	(16,902)
Loss	25,991	61,538	35,547
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	104,407	175,810	71,403

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,517,595	5,431,467	913,872
Total Loan Loss Provision	104,407	175,810	71,403

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,815,974
Available for Sale	140,650

Note: Opening balance consider of Chaitra end 2077.