

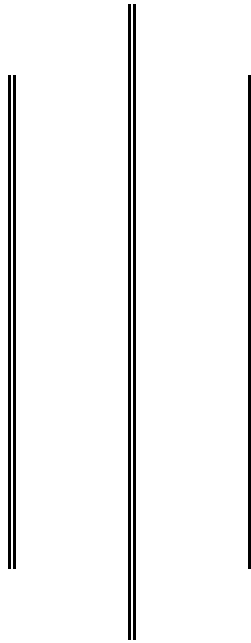


**RELIANCE FINANCE LIMITED**  
**रिलायन्स फाइनान्स लिमिटेड**

**Kamaladi, Kathmandu-1**

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# **BASEL II DISCLOSURE**



**As on 31 Asar, 2081**

**Reliance Finance Limited**  
**Disclosure Under Basel II**  
**At the month end of Asar, 2081**

**1.Capital Structure and Capital Adequacy**

(amount in '000)

<b>A. Core Capital (Tier I)</b>	<b>966,033</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	160,307
Retained Earnings	(337,019)
Un-audited current year cumulative profit/(loss)	28,921
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(5,658)
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	-
Adjustments under Pillar II	
<b>B. Supplementary Capital (Tier II)</b>	<b>123,052</b>
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	109,101
Exchange Equalization Reserve	-
Investment Adjustment Reserve	13,951
Assets Revaluation Reserve	-
Other Reserves	-
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,089,085</b>

<b>1.3 Capital Adequacy Ratio</b>	
<b>Tier I Capital to Total RWE</b>	11.56%
<b>Total Capital Fund to Total RWE</b>	13.03%

**2 Risk Weighted Exposure (RWE)**

RWE for Credit Risk	7,506,122
RWE for Operational Risk	525,906
RWE for Market Risk	-
<b>Total RWE</b>	<b>8,032,028</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	124,445
4	Claims on Corporate & Securities firm	1,195,149
5	Claims on Regulatory Retail Portfolio (Not Overdue)	1,592,915
6	Claims secured by residential properties	453,936
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	1,759,363
9	High Risk claims	608,306
10	Real Estate loans for land acquisition and development (Other than mentioned in Capital	285,459
11	Lending against Shares(above Rs.5 Million)	216,877
12	Lending Against Shares(upto Rs. 5 Million)	169,531
13	Personal Hirepurchase/Personal Auto Loans	21,665
<b>14</b>	<b>Other Assets</b>	
	a)Investments in equity and other capital instruments of institutions listed in stock excha	189,196
	b) Staff loan secured by residential property	19,296
	c)Other Assets (as per attachment)	820,655
<b>B.11</b>	<b>B. Off Balance Sheet Exposures</b>	<b>49,328</b>
	<b>Total RWE for Credit Risk</b>	<b>7,506,122</b>

### 4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	104,864
<b>Total Eligible CRM</b>	<b>104,864</b>

### DETAIL CREDIT RISK ANALYSIS

#### 5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	80,394	20,089	60,305
Doubtful	123,215	48,196	75,019
Loss	229,302	227,032	2,271
<b>Total</b>	<b>432,911</b>	<b>295,316</b>	<b>137,595</b>

#### 6.Non Performing Loan Ratio

Gross Loan	6,526,416
Net Loan	6,121,999
Gross NPL to Gross Loan & Advances	6.63%
Net NPL to Net Loan & Advances	2.25%

#### 7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
<b>Non Performing Loan</b>	<b>370,953</b>	<b>432,911</b>	<b>61,959</b>
Restructured	-	-	-

Substandard	44,760	80,394	<b>35,634</b>
Doubtful	66,716	123,215	<b>56,499</b>
Loss	259,477	229,302	<b>(30,174)</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	66,044	71,293	5,249
Watch List	17,941	37,808	19,867
Restructured	-	-	-
Substandard	11,002	20,089	9,087
Doubtful	33,358	48,196	14,838
Loss	259,477	227,032	(32,445)
PG & Third Party Collateral	-	-	-
<b>Total Loan Loss Provision</b>	<b>387,821</b>	<b>404,417</b>	<b>16,596</b>

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

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	5,829,936	6,526,416	696,480
Total Loan Loss Provision	387,821	404,417	16,596

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

Held for Trading	
Held for Maturity	1,432,850
Available for Sale	187,271

Note: Opening balance consider of Asar end 2080.