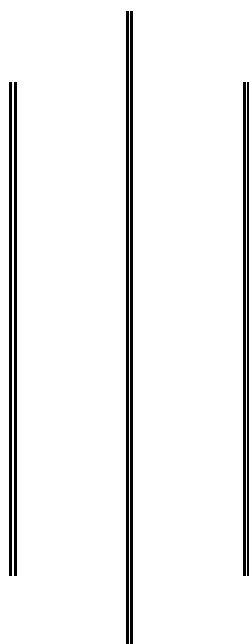




**Kamaladi, Kathmandu-1**

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# **BASEL II DISCLOSURE**



**As on 32 Asar, 2082**

**Reliance Finance Limited**  
**Disclosure Under Basel II**  
**At the month end of Asar, 2082**

**1.Capital Structure and Capital Adequacy**

(amount in '000)

<b>A. Core Capital (Tier I)</b>	<b>1,090,665</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	172,601
Retained Earnings	(241,746)
Un-audited current year cumulative profit/(loss)	42,704
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(2,377)
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>205,243</b>
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	91,394
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	10,870
Other Reserves	102,978
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,295,908</b>

<b>1.3 Capital Adequacy Ratio</b>	
<b>Tier I Capital to Total RWE</b>	12.82%
<b>Total Capital Fund to Total RWE</b>	15.24%

**2 Risk Weighted Exposure (RWE)**

RWE for Credit Risk	7,769,073
RWE for Operational Risk	410,396
RWE for Market Risk	-
<b>Total RWE</b>	<b>8,179,469</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	65,878
4	Claims on Corporate & Securities firm	1,054,341
5	Claims on Regulatory Retail Portfolio (Not Overdue)	2,061,387
6	Claims secured by residential properties	465,011
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	2,469,747
9	High Risk claims	54,221
10	Real Estate loans for land acquisition and development (Other than mentioned in	258,077
11	Lending against Shares(above Rs.5 Million)	
12	Lending Against Shares(upto Rs. 5 Million)	267,439
13	Personal Hirepurchase/Personal Auto Loans	39,920
14	<b>Other Assets</b>	
	a)Investments in equity and other capital instruments of institutions listed in stock exchange	188,824
	b) Staff loan secured by residential property	19,912
	c)Other Assets (as per attachment)	754,705
<b>B.11</b>	<b>B. Off Balance Sheet Exposures</b>	<b>69,610</b>
	<b>Total RWE for Credit Risk</b>	<b>7,769,073</b>

### 4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	89,235
<b>Total Eligible CRM</b>	<b>89,235</b>

### DETAIL CREDIT RISK ANALYSIS

#### 5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	101,087	21,525	79,562
Doubtful	423,608	211,072	212,536
Loss	113,905	111,672	2,234
<b>Total</b>	<b>638,600</b>	<b>344,268</b>	<b>294,332</b>

#### 6.Non Performing Loan Ratio

Gross Loan	7,094,211
Net Loan	6,658,548
Gross NPL to Gross Loan & Advances	9.00%
Net NPL to Net Loan & Advances	4.42%

#### 7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
<b>Non Performing Loan</b>	<b>422,252</b>	<b>638,600</b>	<b>216,348</b>
Restructured	-	-	-

Substandard	85,950	101,087	15,136
Doubtful	100,911	423,608	322,697
Loss	235,391	113,905	(121,486)

#### 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	63,407	58,104	(5,303)
Watch List	41,824	33,290	(8,534)
Restructured		-	-
Substandard	21,478	21,525	47
Doubtful	37,043	211,072	174,028
Loss	233,120	111,672	(121,449)
PG & Third Party Collateral	-	-	-
<b>Total Loan Loss Provision</b>	<b>396,873</b>	<b>435,663</b>	<b>38,790</b>

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

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	6,526,416	7,094,211	567,795
Total Loan Loss Provision	396,873	435,663	38,790

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

Held for Trading	
Held for Maturity	1,484,368
Available for Sale	139,585

Note: Opening balance consider of Asar end 2081.