

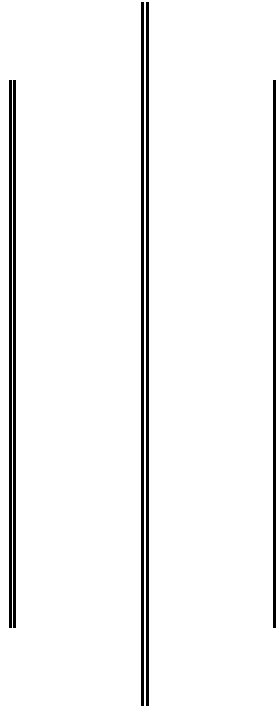


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Pradarshanimarga, Kathmandu-28

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

BASEL II DISCLOSURE



As on 32 Ashad, 2079

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

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,246,947
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	(30,030)
Un-audited current year cumulative profit/(loss)	72,701
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(1,147)
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)	101,395
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	76,523
Exchange Equalization Reserve	-
Investment Adjustment Reserve	24,872
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,348,343

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	17.43%
Total Capital Fund to Total RWE	19.25%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	6,491,949
RWE for Operational Risk	512,697
RWE for Market Risk	-
Total RWE	7,004,646

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	180,221
4	Claims on Corporate & Securities firm	724,218
5	Claims on Regulatory Retail Portfolio (Not Overdue)	994,688
6	Claims secured by residential properties	455,870
7	Claims secured by Commercial real estate	6,725
8	Past due claims (except for claims secured by residential properties)	1,522,321
9	High Risk claims	1,957,993
10	Other Assets	
	a) Investments in equity and other capital instruments of institutions listed in stock exchange	214,476
	b) Staff loan secured by residential property	20,128
	c) Other Assets (as per attachment)	415,308
B.11	B. Off Balance Sheet Exposures	-
	Total RWE for Credit Risk	6,491,949

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	181,603
	-
Total Eligible CRM	181,603

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	65,740	16,349	49,391
Doubtful	29,819	14,910	14,910
Loss	34,305	34,305	-
Total	129,864	65,564	64,300

6.Non Performing Loan Ratio

Gross Loan	5,574,114
Net Loan	5,432,027
Gross NPL to Gross Loan & Advances	2.33%
Net NPL to Net Loan & Advances	1.18%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	128,374	129,864	1,490
Restructured	-	-	-
Substandard	72,000	65,740	(6,260)
Doubtful	1,257	29,819	28,562
Loss	55,118	34,305	(20,813)

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	56,554	68,000	11,445
Watch List	12,548	8,524	(4,025)
Restructured		-	-
Substandard	18,000	16,349	(1,651)
Doubtful	628	14,910	14,281
Loss	55,118	34,305	(20,813)
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	142,849	142,087	(761)

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,764,874	5,574,114	809,240
Total Loan Loss Provision	142,849	142,087	(761)

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	2,327,761
Available for Sale	151,617

Note: Opening balance consider of Ashad end 2078.