

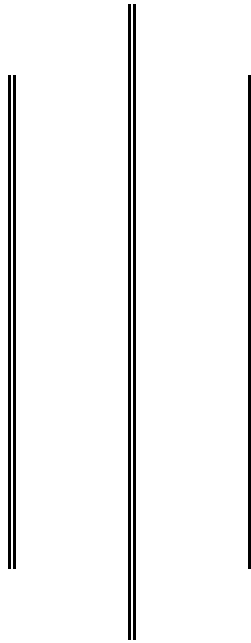


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Kamaladi, Kathmandu-1

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

BASEL II DISCLOSURE



As on 29 Poush, 2081

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

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	847,146
Paid up Equity Share Capital	1,121,452
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	154,523
Retained Earnings	(305,850)
Un-audited current year cumulative profit/(loss)	(119,739)
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(1,269)
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. Supplementary Capital (Tier II)	145,354
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	107,093
Exchange Equalization Reserve	-
Investment Adjustment Reserve	8,225
Assets Revaluation Reserve	30,036
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	992,501

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	9.29%
Total Capital Fund to Total RWE	10.88%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	8,351,758
RWE for Operational Risk	426,556
RWE for Market Risk	-
Total RWE	8,778,314

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	144,097
4	Claims on Corporate & Securities firm	736,680
5	Claims on Regulatory Retail Portfolio (Not Overdue)	1,531,994
6	Claims secured by residential properties	483,557
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	3,191,966
9	High Risk claims	568,852
10	Real Estate loans for land acquisition and development (Other than mentioned in Capital	236,460
11	Lending against Shares(above Rs.5 Million)	217,984
12	Lending Against Shares(upto Rs. 5 Million)	137,225
13	Personal Hirepurchase/Personal Auto Loans	42,230
14	Other Assets	
	a)Investments in equity and other capital instruments of institutions listed in stock excha	190,431
	b) Staff loan secured by residential property	16,968
	c)Other Assets (as per attachment)	825,750
B.11	B. Off Balance Sheet Exposures	27,564
	Total RWE for Credit Risk	8,351,758

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	94,064
Total Eligible CRM	94,064

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	584,685	146,029	438,657
Doubtful	162,936	79,370	83,566
Loss	217,131	191,979	25,152
Total	964,752	417,377	547,374

6.Non Performing Loan Ratio

Gross Loan	6,740,553
Net Loan	6,216,083
Gross NPL to Gross Loan & Advances	14.31%
Net NPL to Net Loan & Advances	8.81%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	566,827	964,752	397,925
Restructured	-	-	-

Substandard	209,336	584,685	375,350
Doubtful	187,164	162,936	(24,228)
Loss	170,327	217,131	46,803

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	59,374	51,527	(7,847)
Watch List	24,732	55,566	30,834
Restructured	-	-	-
Substandard	52,159	146,029	93,869
Doubtful	93,200	79,370	(13,830)
Loss	170,327	191,979	21,651
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	399,794	524,471	124,677

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	5,860,131	6,740,553	880,422
Total Loan Loss Provision	399,794	524,471	124,677

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,485,292
Available for Sale	136,064

Note: Opening balance consider of Poush end 2080.