

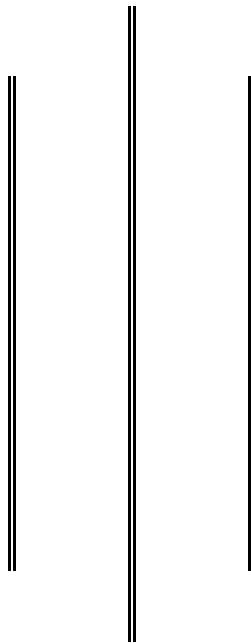


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Kamaladi, Kathmandu-1

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BASEL II DISCLOSURE



As on 30 Asoj, 2080

Reliance Finance Limited
Disclosure Under Basel II
At the month end of Asoj, 2080

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,028,881
Paid up Equity Share Capital	1,121,452
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	165,311
Retained Earnings	(302,664)
Un-audited current year cumulative profit/(loss)	53,943
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(7,192)
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)	123,177
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	93,824
Exchange Equalization Reserve	-
Investment Adjustment Reserve	29,353
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,152,058

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	12.79%
Total Capital Fund to Total RWE	14.90%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	7,216,753
RWE for Operational Risk	516,827
RWE for Market Risk	-
Total RWE	7,733,580

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	129,736
4	Claims on Corporate & Securities firm	264,301
5	Claims on Regulatory Retail Portfolio (Not Overdue)	771,393
6	Claims secured by residential properties	468,456
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	3,689,415
9	High Risk claims	1,078,195
10	Other Assets	5,926
	a) Investments in equity and other capital instruments of institutions listed in stock exchange	
	b) Staff loan secured by residential property	196,212
	c) Other Assets (as per attachment)	25,158
B.11	B. Off Balance Sheet Exposures	577,048
	Total RWE for Credit Risk	10,912

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4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	
	Amount
	89,424
Total Eligible CRM	

89,424

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	118,917	29,529	89,388
Doubtful	38,304	19,152	19,152
Loss	119,651	119,651	-
Total	276,872	168,332	108,540

6.Non Performing Loan Ratio

Gross Loan	5,585,478
Net Loan	5,323,322
Gross NPL to Gross Loan & Advances	4.96%
Net NPL to Net Loan & Advances	2.04%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	209,730	276,872	67,142
Restructured	-	-	-
Substandard	121,976	118,917	(3,060)
Doubtful	76,177	38,304	(37,873)
Loss	11,577	119,651	108,074

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	61,835	56,817	(5,018)
Watch List	35,273	37,007	1,734
Restructured	-	-	-
Substandard	30,494	29,529	(965)
Doubtful	38,088	19,152	(18,937)
Loss	11,577	119,651	108,074
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	177,267	262,156	84,889

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	5,710,135	5,585,478	(124,657)
Total Loan Loss Provision	177,267	262,156	84,889

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	2,327,329
Available for Sale	123,102

Note: Opening balance consider of Asoj end 2079.