

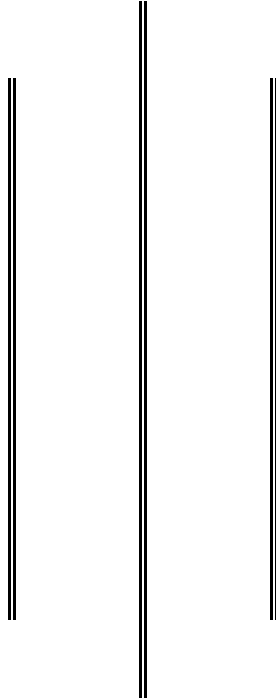


RELIANCE FINANCE LIMITED
रिलायन्स फाइनेन्स लिमिटेड

Pradarshanimarga, Kathmandu-28

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BASEL II DISCLOSURE



As on 31 Chaitra, 2077

Reliance Finance Limited
Disclosure Under Basel II
At the month end of Chaitra, 2077

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,175,576
Paid up Equity Share Capital	832,416
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	127,311
Retained Earnings	127,874
Un-audited current year cumulative profit/(loss)	86,834
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	-
Less: Fictitious Assets	-
Less: Investment in equity in licensed Financial Institutions	-
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)	42,464
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	42,464
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,218,040

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	24.45%
Total Capital Fund to Total RWE	25.33%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	4,437,820
RWE for Operational Risk	371,063
RWE for Market Risk	-
Total RWE	4,808,884

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	131,608
4	Claims on Corporate & Securities firm	-
5	Claims on Regulatory Retail Portfolio (Not Overdue)	2,633,497
6	Claims secured by residential properties	384,460
7	Claims secured by Commercial real estate	350,442
8	Past due claims (except for claims secured by residential properties)	50,266
9	High Risk claims	276,093
10	Other Assets	
	a) Investments in equity and other capital instruments of institution	224,315
	b) Staff loan secured by residential property	9,417
	c) Other Assets (as per attachment)	290,192
B.11	B. Off Balance Sheet Exposures	-
	Total RWE for Credit Risk	4,350,290

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	-
	-
Total Eligible CRM	-

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	11,261	2,815	8,445
Doubtful	47,647	23,823	23,823
Loss	25,991	25,991	-
Total	84,898	52,629	32,269

6.Non Performing Loan Ratio

Gross Loan	4,517,595
Net Loan	4,413,188
Gross NPL to Gross Loan & Advances	1.88%
Net NPL to Net Loan & Advances	0.73%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	106,502	84,898	(21,604)
Restructured	-	-	-
Substandard	52,843	11,261	(41,583)
Doubtful	2,200	47,647	45,447
Loss	51,459	25,991	(25,468)

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	36,093	42,464	6,371
Watch List	17,064	9,314	(7,751)
Restructured		-	-
Substandard	13,211	2,815	(10,396)
Doubtful	1,100	23,823	22,723
Loss	51,459	25,991	(25,468)
PG & Third Party Collateral		-	-
Total Loan Loss Provision	118,928	104,407	(14,520)

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,057,129	4,517,595	460,467
Total Loan Loss Provision	118,928	104,407	(14,520)

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,264,120
Available for Sale	346,059

Note: Opening balance consider of Chaitra end 2076.