

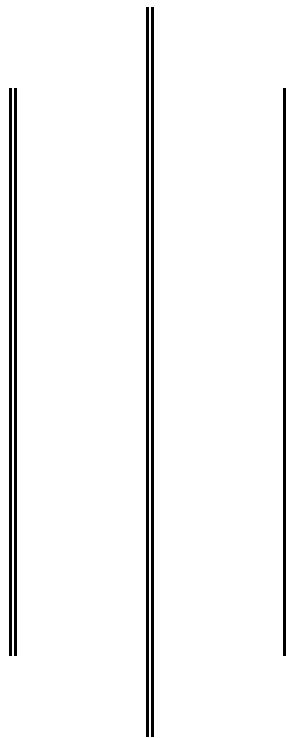


RELIANCE FINANCE LIMITED
रिलायन्स फाइनेन्स लिमिटेड

Pradarshanimarga, Kathmandu-28

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

BASEL II DISCLOSURE



As on 31 Asar, 2078

Reliance Finance Limited
Disclosure Under Basel II
At the month end of Asar, 2078

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,227,380
Paid up Equity Share Capital	915,658
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	137,266
Retained Earnings	36,706
Un-audited current year cumulative profit/(loss)	136,609
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	-
Adjustments under Pillar II	
B. Supplementary Capital (Tier II)	52,485
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	52,485
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,279,866

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	23.65%
Total Capital Fund to Total RWE	24.66%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	4,819,462
RWE for Operational Risk	371,063
RWE for Market Risk	-
Total RWE	5,190,526

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	68,606
4	Claims on Corporate & Securities firm	1,358,558
5	Claims on Regulatory Retail Portfolio (Not Overdue)	1,368,998
6	Claims secured by residential properties	446,035
7	Claims secured by Commercial real estate	361,104
8	Past due claims (except for claims secured by residential properties)	255,398
9	High Risk claims	484,307
10	Other Assets	
	a) Investments in equity and other capital instruments of institution	164,011
	b) Staff loan secured by residential property	6,475
	c) Other Assets (as per attachment)	305,970
B.11	B. Off Balance Sheet Exposures	-
	Total RWE for Credit Risk	4,819,462

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	124,607	31,152	93,455
Doubtful	46,801	23,401	23,401
Loss	26,910	26,910	-
Total	198,318	81,462	116,856

6.Non Performing Loan Ratio

Gross Loan	4,764,874
Net Loan	4,606,942
Gross NPL to Gross Loan & Advances	4.16%
Net NPL to Net Loan & Advances	2.54%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	41,065	198,318	157,253
Restructured	-	-	-
Substandard	5,050	124,607	119,557
Doubtful	2,400	46,801	44,401
Loss	33,615	26,910	(6,705)

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	40,705	52,485	11,780
Watch List	1,875	23,854	21,979
Restructured		-	-
Substandard	1,263	31,152	29,889
Doubtful	1,200	23,401	22,201
Loss	33,615	26,910	(6,705)
PG & Third Party Collateral		-	-
Total Loan Loss Provision	78,658	157,802	79,144

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,149,104	4,764,874	615,770
Total Loan Loss Provision	78,658	157,802	79,144

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,402,729
Available for Sale	120,008

Note: Opening balance consider of Asar end 2077.