

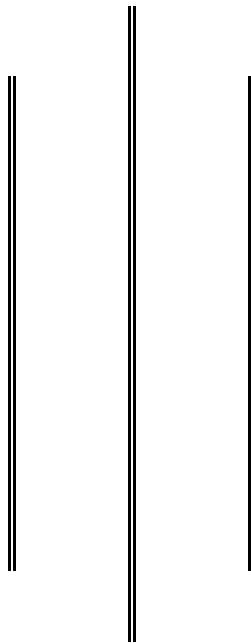


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Pradarshanimarga, Kathmandu-28

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

BASEL II DISCLOSURE



As on 31 Asar, 2080

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

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	1,109,989
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	(7,937)
Un-audited current year cumulative profit/(loss)	(154,129)
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(1,951)
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)	83,054
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	83,054
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,193,043

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	13.76%
Total Capital Fund to Total RWE	15.20%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	7,307,972
RWE for Operational Risk	539,908
RWE for Market Risk	-
Total RWE	7,847,880

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	156,320
4	Claims on Corporate & Securities firm	335,142
5	Claims on Regulatory Retail Portfolio (Not Overdue)	873,238
6	Claims secured by residential properties	469,819
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	3,491,332
9	High Risk claims	1,182,079
10	Other Assets	
	a) Investments in equity and other capital instruments of institutions listed in stock exchange	195,885
	b) Staff loan secured by residential property	23,590
	c) Other Assets (as per attachment)	552,408
B.11	B. Off Balance Sheet Exposures	87,293
	Total RWE for Credit Risk	7,367,106

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	136,464
Total Eligible CRM	136,464

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	27,623	6,407	21,216
Doubtful	17,720	8,860	8,860
Loss	241,877	241,877	-
Total	287,219	257,144	30,076

6.Non Performing Loan Ratio

Gross Loan	5,829,936
Net Loan	5,489,738
Gross NPL to Gross Loan & Advances	4.93%
Net NPL to Net Loan & Advances	0.55%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	200,387	287,219	86,832
Restructured	-	-	-
Substandard	125,007	27,623	(97,384)
Doubtful	13,843	17,720	3,877
Loss	61,538	241,877	180,339

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	64,213	67,736	3,523
Watch List	12,309	15,318	3,008
Restructured	-	-	-
Substandard	30,828	6,407	(24,421)
Doubtful	6,922	8,860	1,938
Loss	61,538	241,877	180,339
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	175,810	340,198	164,388

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	5,431,467	5,829,936	398,468
Total Loan Loss Provision	175,810	340,198	164,388

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 Asar end 2079.