

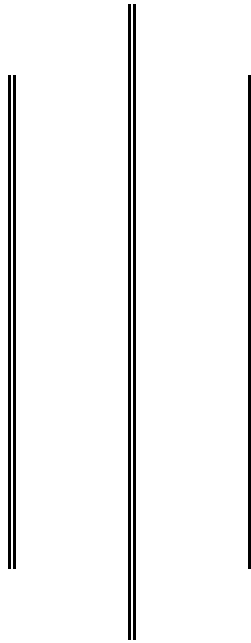


RELIANCE FINANCE LIMITED
रिलायन्स फाइनान्स लिमिटेड

Kamaladi, Kathmandu-1

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BASEL II DISCLOSURE



As on 30 Asoj, 2081

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

1. Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	883,704
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	(332,717)
Un-audited current year cumulative profit/(loss)	(57,555)
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(30)
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)	130,045
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	119,694
Exchange Equalization Reserve	-
Investment Adjustment Reserve	10,352
Assets Revaluation Reserve	-
Other Reserves	-
Total Capital Fund (Tier I and Tier II)	1,013,749

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	10.49%
Total Capital Fund to Total RWE	12.03%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	7,675,533
RWE for Operational Risk	426,556
RWE for Market Risk	-
Total RWE	8,102,089

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	94,531
4	Claims on Corporate & Securities firm	1,206,562
5	Claims on Regulatory Retail Portfolio (Not Overdue)	1,795,035
6	Claims secured by residential properties	450,105
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	1,773,082
9	High Risk claims	637,464
10	Real Estate loans for land acquisition and development (Other than mentioned in Capital	286,841
11	Lending against Shares(above Rs.5 Million)	185,796
12	Lending Against Shares(upto Rs. 5 Million)	151,270
13	Personal Hirepurchase/Personal Auto Loans	30,352
14	Other Assets	
	a)Investments in equity and other capital instruments of institutions listed in stock excha	185,431
	b) Staff loan secured by residential property	20,124
	c)Other Assets (as per attachment)	836,302
B.11	B. Off Balance Sheet Exposures	22,636
	Total RWE for Credit Risk	7,675,533

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	95,099
Total Eligible CRM	95,099

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	203,814	51,533	152,281
Doubtful	101,631	48,545	53,086
Loss	264,325	239,305	25,020
Total	569,770	339,384	230,387

6.Non Performing Loan Ratio

Gross Loan	6,637,283
Net Loan	6,178,205
Gross NPL to Gross Loan & Advances	8.58%
Net NPL to Net Loan & Advances	3.73%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	276,872	569,770	292,898
Restructured	-	-	-

Substandard	118,917	203,814	84,897
Doubtful	38,304	101,631	63,327
Loss	119,651	264,325	144,674

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	56,817	60,745	3,928
Watch List	37,007	58,949	21,942
Restructured	-	-	-
Substandard	29,529	51,533	22,004
Doubtful	19,152	48,545	29,393
Loss	119,651	239,305	119,654
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	262,156	459,077	196,922

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	5,585,478	6,637,283	1,051,805
Total Loan Loss Provision	262,156	459,077	196,922

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,485,183
Available for Sale	134,938

Note: Opening balance consider of Asoj end 2080.