

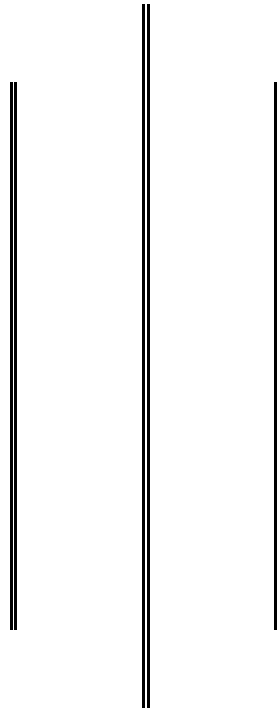


**RELIANCE FINANCE LIMITED**  
**रिलायन्स फाइनेन्स लिमिटेड**

**Pradarshanimarga, Kathmandu-28**

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# **BASEL II DISCLOSURE**



**As on 30 Chaitra, 2079**

**Reliance Finance Limited**  
**Disclosure Under Basel II**  
**At the month end of Chaitra, 2079**

**1.Capital Structure and Capital Adequacy**

(amount in '000)

<b>A. Core Capital (Tier I)</b>	<b>1,200,392</b>
Paid up Equity Share Capital	1,053,006
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	155,313
Retained Earnings	(2,948)
Un-audited current year cumulative profit/(loss)	4,639
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(7,650)
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	-
<u>Adjustments under Pillar II</u>	
<b>B. Supplementary Capital (Tier II)</b>	<b>104,612</b>
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	76,027
Exchange Equalization Reserve	-
Investment Adjustment Reserve	28,585
Assets Revaluation Reserve	-
Other Reserves	-
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,305,004</b>

<b>1.3 Capital Adequacy Ratio</b>	
<b>Tier I Capital to Total RWE</b>	15.68%
<b>Total Capital Fund to Total RWE</b>	17.40%

**2 Risk Weighted Exposure (RWE)**

RWE for Credit Risk	6,959,710
RWE for Operational Risk	539,908
RWE for Market Risk	-
<b>Total RWE</b>	<b>7,499,618</b>

### 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	136,873
4	Claims on Corporate & Securities firm	645,917
5	Claims on Regulatory Retail Portfolio (Not Overdue)	918,610
6	Claims secured by residential properties	504,818
7	Claims secured by Commercial real estate	4,522
8	Past due claims (except for claims secured by residential properties)	2,417,901
9	High Risk claims	1,550,093
<b>10</b>	<b>Other Assets</b>	
	a) Investments in equity and other capital instruments of institutions listed in stock exchan	232,476
	b) Staff loan secured by residential property	21,607
	c) Other Assets (as per attachment)	526,893
<b>B.11</b>	<b>B. Off Balance Sheet Exposures</b>	-
	<b>Total RWE for Credit Risk</b>	<b>6,959,710</b>

### 4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	120,393
	-
<b>Total Eligible CRM</b>	<b>120,393</b>

### DETAIL CREDIT RISK ANALYSIS

#### 5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	118,187	29,320	88,867
Doubtful	102,231	51,008	51,224
Loss	25,159	25,159	-
<b>Total</b>	<b>245,578</b>	<b>105,487</b>	<b>140,091</b>

#### 6.Non Performing Loan Ratio

Gross Loan	5,761,172
Net Loan	5,579,659
Gross NPL to Gross Loan & Advances	4.26%
Net NPL to Net Loan & Advances	2.51%

#### 7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
<b>Non Performing Loan</b>	<b>200,387</b>	<b>245,578</b>	<b>45,190</b>
Restructured	-	-	-
Substandard	125,007	118,187	(6,819)
Doubtful	13,843	102,231	88,388
Loss	61,538	25,159	(36,378)

**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	69,609	5,395
Watch List	12,309	6,418	(5,891)
Restructured	-	-	-
Substandard	30,828	29,320	(1,508)
Doubtful	6,922	51,008	44,086
Loss	61,538	25,159	(36,378)
PG & Third Party Collateral	-	-	-
<b>Total Loan Loss Provision</b>	<b>175,810</b>	<b>181,514</b>	<b>5,704</b>

**10. Movements of Loan & Loan Loss Provision**

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	5,431,467	5,761,172	329,705
Total Loan Loss Provision	175,810	181,514	5,704

**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 Chaitra end 2078.