

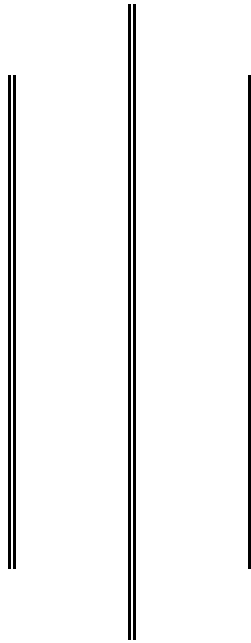


**RELIANCE FINANCE LIMITED**  
**रिलायन्स फाइनान्स लिमिटेड**

**Kamaladi, Kathmandu-1**

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# **BASEL II DISCLOSURE**



**As on 30 Chaitra, 2080**

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

**1. Capital Structure and Capital Adequacy**

(amount in '000)

<b>A. Core Capital (Tier I)</b>	<b>955,855</b>
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	(265,917)
Un-audited current year cumulative profit/(loss)	(47,251)
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Dividend Equalization Reserves	-
Other Free Reserve	-
Less: Goodwill	-
Less: Deferred Tax Assets	(4,982)
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>B. Supplementary Capital (Tier II)</b>	<b>117,869</b>
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	95,202
Exchange Equalization Reserve	-
Investment Adjustment Reserve	22,667
Assets Revaluation Reserve	-
Other Reserves	-
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,073,725</b>

<b>1.3 Capital Adequacy Ratio</b>	
Tier I Capital to Total RWE	10.93%
Total Capital Fund to Total RWE	12.76%

**2 Risk Weighted Exposure (RWE)**

RWE for Credit Risk	7,896,286
RWE for Operational Risk	516,827
RWE for Market Risk	-
<b>Total RWE</b>	<b>8,413,113</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	196,634
4	Claims on Corporate & Securities firm	350,157
5	Claims on Regulatory Retail Portfolio (Not Overdue)	1,282,326
6	Claims secured by residential properties	493,814
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	3,628,471
9	High Risk claims	367,825
10	Real Estate loans for land acquisition and development (Other than mentioned in Capital	176,490
11	Lending against Shares(above Rs.5 Million)	201,644
12	Lending Against Shares(upto Rs. 5 Million)	169,677
13	Personal Hirepurchase/Personal Auto Loans (upto Rs. 2.5 Million)	14,273
14	Personal Hirepurchase/Personal Auto Loans (above Rs. 2.5 Million)	7,747
15	<b>Other Assets</b>	
	a)Investments in equity and other capital instruments of institutions listed in stock exchange	197,135
	b) Staff loan secured by residential property	20,241
	c)Other Assets (as per attachment)	765,340
<b>B.11</b>	<b>B. Off Balance Sheet Exposures</b>	<b>24,511</b>
	<b>Total RWE for Credit Risk</b>	<b>7,896,286</b>

### 4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	<b>116,752</b>
<b>Total Eligible CRM</b>	<b>116752.4874</b>

### DETAIL CREDIT RISK ANALYSIS

#### 5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	101,136	25,106	76,030
Doubtful	294,008	147,004	147,004
Loss	138,421	138,421	-
<b>Total</b>	<b>533,565</b>	<b>310,531</b>	<b>223,034</b>

#### 6.Non Performing Loan Ratio

Gross Loan	6,292,994
Net Loan	5,887,261
Gross NPL to Gross Loan & Advances	8.48%
Net NPL to Net Loan & Advances	3.79%

#### 7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
<b>Non Performing Loan</b>	<b>245,578</b>	<b>533,565</b>	<b>287,988</b>

Restructured	-	-	-
Substandard	118,187	101,136	(17,051)
Doubtful	102,231	294,008	191,776
Loss	25,159	138,421	113,262

#### 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	69,609	63,983	(5,626)
Watch List	6,418	31,219	24,801
Restructured	-	-	-
Substandard	29,320	25,106	(4,214)
Doubtful	51,008	147,004	95,996
Loss	25,159	138,421	113,262
PG & Third Party Collateral	-	-	-
<b>Total Loan Loss Provision</b>	<b>181,514</b>	<b>405,734</b>	<b>224,220</b>

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

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	5,761,172	6,292,994	531,822
Total Loan Loss Provision	181,514	405,734	224,220

#### 11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,736,753
Available for Sale	141,372

Note: Opening balance consider of Chaitra end 2079.