

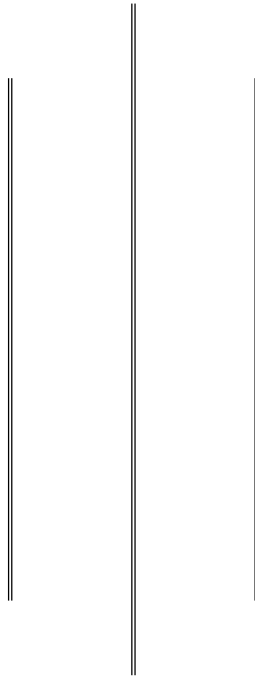


RELIANCE FINANCE LIMITED
रिलायन्स फाइनेन्स लिमिटेड

Kamaladi, Kathmandu-1

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BASEL II DISCLOSURE



As on 32 Asoj, 2082

Reliance Finance Limited
Disclosure Under Basel II
At the month end of Asoj, 2082

1.Capital Structure and Capital Adequacy

(amount in '000)

A. Core Capital (Tier I)	931,960
Paid up Equity Share Capital	1,121,452
Irredeemable Non-cumulative preference shares	-
Share Premium	1,141
Proposed Bonus Equity Shares	-
Statutory General Reserves	164,060
Retained Earnings	(186,756)
Un-audited current year cumulative profit/(loss)	(164,827)
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	(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)	190,710
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General Loan Loss Provision	104,950
Exchange Equalization Reserve	-
Investment Adjustment Reserve	-
Assets Revaluation Reserve	17,938
Other Reserves	67,822
Total Capital Fund (Tier I and Tier II)	1,122,669

1.3 Capital Adequacy Ratio	
Tier I Capital to Total RWE	11.10%
Total Capital Fund to Total RWE	13.37%

2 Risk Weighted Exposure (RWE)

RWE for Credit Risk	7,647,778
RWE for Operational Risk	415,503
RWE for Market Risk	-
Total RWE	8,063,281

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	37,650
4	Claims on Corporate & Securities firm	1,391,102
5	Claims on Regulatory Retail Portfolio (Not Overdue)	2,152,361
6	Claims secured by residential properties	469,965
7	Claims secured by Commercial real estate	-
8	Past due claims (except for claims secured by residential properties)	2,059,373
9	High Risk claims	(0)
10	Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2007-point 3.3(j)(1)(j))	253,964
11	Lending against Shares(above Rs.5 Million)	
12	Lending Against Shares(upto Rs. 5 Million)	253,251
13	Personal Hirepurchase/Personal Auto Loans	40,077
14	Other Assets	
	a)Investments in equity and other capital instruments of institutions listed in stock exchange	248,472
	b) Staff loan secured by residential property	21,597
	c)Other Assets (as per attachment)	650,355
B.11	B. Off Balance Sheet Exposures	69,610
	Total RWE for Credit Risk	7,647,778

4 Eligible Credit Risk Mitigation

Eligible credit Risk Mitigation	Amount
	100,801
Total Eligible CRM	100,801

DETAIL CREDIT RISK ANALYSIS

5.Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	219,969	54,826	165,143
Doubtful	207,722	103,861	103,861
Loss	361,450	361,450	-
Total	789,141	520,136	269,004

6.Non Performing Loan Ratio

Gross Loan	7,396,623
Net Loan	6,754,760
Gross NPL to Gross Loan & Advances	10.67%
Net NPL to Net Loan & Advances	3.98%

7.Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	569,770	789,141	219,370
Restructured	-	-	-
Substandard	203,814	219,969	16,154
Doubtful	101,631	207,722	106,091
Loss	264,325	361,450	97,125

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	60,745	52,110	(8,635)
Watch List	58,949	69,616	10,667
Restructured	-	-	-
Substandard	51,533	54,826	3,293
Doubtful	48,545	103,861	55,316
Loss	239,305	361,450	122,144
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	459,077	641,863	182,785

10. Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	6,637,283	7,396,623	759,341
Total Loan Loss Provision	459,077	641,863	182,785

11. Segregation of Finance's Investment Portfolio

Held for Trading	
Held for Maturity	1,485,443
Available for Sale	178,158

Note: Opening balance consider of Asoj end 2081.