

# Central Finance Limited

Kupondole Laitpur

## Disclosure under Basel-II For Quarter Ending on Ashad End 2079

The Information below is as per the Capital Adequacy Framework, disclosure requirement issued by NRB.

### 1. Capital Adequacy Ratios

Particulars	Ratio
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	21.20%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	22.54%

### 2. Total Qualifying Capital

Particulars	Amount '000'
Core Capital Fund (Tier-I)	1,168,785.91
Supplementary Capital (Tier-II)	73,863.00
<b>Total Capital Fund</b>	<b>1,242,648.91</b>

### Core Capital Fund (Tier-I) and breakdown of its components

1.2 CAPITAL		Current Period
<b>(A) Core Capital (Tier 1)</b>		<b>1,168,785.91</b>
a	Paid up Equity Share Capital	948,875.46
b	Irredeemable Non-cumulative preference shares	
c	Share Premium	442.55
d	Proposed Bonus Equity Shares	
e	Statutory General Reserves	170,022.93
f	Retained Earnings	55,897.98
g	Un-audited current year cumulative profit/(loss)	
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	
j	Debenture Redemption Reserve	
k	Dividend Equalization Reserves	

l	Other Free Reserve	
n	Less: Goodwill	
o	Less: Fictitious Assets	
p	Less: Investment in equity in licensed Financial Institutions	
q	Less: Investment in equity of institutions with financial interests	
r	Less: Investment in equity of institutions in excess of limits	
s	Less: Investments arising out of underwriting commitments	
t	Less: Reciprocal crossholdings	
u	Less: Purchase of land & building in excess of limit and unutilized	
v	Less: Other Deductions	6,453.00
<b>Adjustments under Pillar II</b>		
<b>SRP 6.4a(1)</b>	Less: Shortfall in Provision	-
<b>SRP 6.4a(2)</b>	Less: Loans & Facilities extended to related parties and restricted lending	-

### Supplementary Capital (Tier-II) and breakdown of its components

<b>(B) Supplementary Capital (Tier 2)</b>		<b>73,863.00</b>
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated Term Debt	
c	Hybrid Capital Instruments	
d	General loan loss provision	73,863.00
e	Exchange Equalization Reserve	
f	Investment Adjustment Reserve	
g	Asset Revaluation Reserve	
h	Other Reserves	
<b>Total Capital Fund (Tier I and Tier II)</b>		<b>1,242,648.91</b>

### Risk Weighted Exposures

<b>1.1 RISK WEIGHTED EXPOSURES</b>		<b>Current Period</b>
a	Risk Weighted Exposure for Credit Risk	4,813,360.94
b	Risk Weighted Exposure for Operational Risk	405,015.74
c	Risk Weighted Exposure for Market Risk	2.56
<b>Total Risk Weighted Exposures (Before adjustments of Pillar II)</b>		<b>5,218,379.24</b>

<b>Adjustments under Pillar II</b>		
<b>SRP 6.4a (5)</b>	<i>ALM policies &amp; practices are not satisfactory, add 1% of net interest income to RWE</i>	2,352.47
<b>SRP 6.4a (6)</b>	<i>Add .....% of the total deposit due to insufficient Liquid Assets</i>	-
<b>SRP 6.4a (7)</b>	<i>Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.</i>	83,162.80

<b>A. Balance Sheet Exposures</b>	<b>Book Value</b>	<b>Specific Provision</b>	<b>Eligible CRM</b>	<b>Net Value</b>	<b>Risk Weight</b>	<b>Risk Weighted Exposures</b>
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d=a-b-c</b>	<b>e</b>	<b>f=d*e</b>
Cash Balance	73,042.72			73,042.72	0%	-
Balance With Nepal Rastra Bank	307,700.48			307,700.48	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	1,326,600.00			1,326,600.00	0%	-
All Claims on Government of Nepal				-	0%	-
Investment in Nepal Rastra Bank securities				-	0%	-
All claims on Nepal Rastra Bank				-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)				-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)				-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)				-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)				-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)				-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework				-	0%	-
Claims on Other Multilateral Development Banks				-	100%	-
Claims on Domestic Public Sector Entities				-	100%	-
Claims on Public Sector Entity (ECA 0-1)				-	20%	-
Claims on Public Sector Entity (ECA 2)				-	50%	-
Claims on Public Sector Entity (ECA 3-6)				-	100%	-
Claims on Public Sector Entity (ECA 7)				-	150%	-
Claims on domestic banks that meet capital adequacy requirements	475,405.49			475,405.49	20%	95,081.10
Claims on domestic banks that do not meet capital adequacy requirements				-	100%	-
Claims on foreign bank (ECA Rating 0-1)				-	20%	-
Claims on foreign bank (ECA Rating 2)				-	50%	-
Claims on foreign bank (ECA Rating 3-6)				-	100%	-

Claims on foreign bank (ECA Rating 7)			-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement			-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)			-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)			-	-	85%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)			-	-	90%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)			-	-	100%	-
Claims on Domestic Corporates (Unrated)	1,668,443.13		-	1,668,443.13	100%	1,668,443.13
Claims on Foreign Corporates (ECA 0-1)			-	-	20%	-
Claims on Foreign Corporates (ECA 2)			-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)			-	-	100%	-
Claims on Foreign Corporates (ECA 7)			-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	2,679,330.44		158,772.75	2,520,557.69	75%	1,890,418.27
Claims fulfilling all criterion of regularity retail except granularity			-	-	100%	-
Claims secured by residential properties	690,824.08		-	690,824.08	60%	414,494.45
Claims not fully secured by residential properties			-	-	150%	-
Claims secured by residential properties (Overdue)	544.07		-	544.07	100%	544.07
Claims secured by Commercial real estate	216,824.42		-	216,824.42	100%	216,824.42
Past due claims (except for claims secured by residential properties)	4,642.87		-	4,642.87	150%	6,964.31
High Risk claims			-	-	150%	-
Lending Against Securities (Bonds)	5,034.12		-	5,034.12	100%	5,034.12
Investments in equity and other capital instruments of institutions listed in stock exchange	281,751.90		-	281,751.90	100%	281,751.90
Investments in equity and other capital instruments of institutions not listed in the stock exchange	3,109.20		-	3,109.20	150%	4,663.80
Staff loan secured by residential property	16,254.76			16,254.76	50%	8,127.38
Interest Receivable/claim on government securities	17,619.09			17,619.09	0%	-
Cash in transit and other cash items in the process of collection	444.00			444.00	20%	88.80
Other Assets (as per attachment)	219,854.25	681.27	-	219,172.98	100%	219,172.98
<b>TOTAL (A)</b>	<b>7,987,425.02</b>	<b>681.27</b>	<b>158,772.75</b>	<b>7,827,971.00</b>		<b>4,811,608.72</b>

<b>B. Off Balance Sheet Exposures</b>	<b>Book Value</b>	<b>Specific Provision</b>	<b>Eligible CRM</b>	<b>Net Value</b>	<b>Risk Weight</b>	<b>Risk Weighted Exposures</b>
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities			-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty			-	-	20%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty			-	-	50%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	4,380.54		-	4,380.54	40%	1,752.21
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-
Repurchase Agreements, Assets sale with recourse			-	-	100%	-
Advance Payment Guarantee			-	-	100%	-
Financial Guarantee			-	-	100%	-
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)			-	-	20%	-
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-

Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
<b>TOTAL (B)</b>	<b>4,380.54</b>	<b>-</b>	<b>-</b>	<b>4,380.54</b>		<b>1,752.21</b>
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>7,991,805.56</b>	<b>681.27</b>	<b>158,772.75</b>	<b>7,832,351.54</b>		<b>4,813,360.94</b>
<b><u>Adjustments under Pillar II</u></b>						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						-
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						-
<b>Total RWE for Credit Risk after Bank's adjustments under Pillar II</b>	<b>7,991,805.56</b>	<b>681.27</b>	<b>158,772.75</b>	<b>7,832,351.54</b>		<b>4,813,360.94</b>

### Amount of Non-Performing Loan

Particulars	Loan	Provision	Net NPA
Restructured/Reschedule	2,073,655	259,207	1,814,448
Sub standard	61,086,224	15,271,556	45,814,668
Doubtful	44,880,433	22,440,216	22,440,216
Bad Loan	24,423,417	24,423,417	-
<b>Non-Performing Loan</b>	<b>132,463,729</b>	<b>62,394,397</b>	<b>70,069,333</b>

### NPA Ratios

Particulars	Gross NPA	Net NPA
Performing Loan to Total Loan	97.48%	98.63%
NPL to Total Loan	2.52%	1.37%

**Movement of Loan Loss Provision**

<b>Particulars</b>	<b>Amount</b>
Total LLP 2078.04.01 (Opening Balance)	97,508,581
Additional LLP in FY 2078-79	38,748,607
<b>Total LLP 2079.03.32</b>	<b>136,257,188</b>
LLP Booked till 2078.12.30	135,157,730
Add LLP to be Booked/(Write back) till 2079.03.32	1,099,458

**Movement of Non-Performing Loan**

<b>Particulars</b>	<b>Amount</b>
Total NPL 2078.04.01 (Opening Balance)	73,698,372
Additional NPL in FY 2078-79	58,765,357
<b>Total NPL 2079.03.32</b>	<b>132,463,729</b>

**Movement of Interest Suspense**

<b>Particulars</b>	<b>Amount</b>
Opening Interest Suspense	27,860,292
Total Interest Accrued	645,812,556
Interest Recovered	639,183,245
Interest Suspense as on 2079.03.32	34,489,603

**Segregation of investment portfolio into Held for trading, Held to maturity and Available for sale category**

<b>Particulars</b>	<b>Amount</b>
Held for Trading	-
Held for Maturity	255,727,422
Available for Sale	-
<b>Total</b>	<b>255,727,422</b>