

# Central Finance Limited

Kupondole Laitpur

## Disclosure under Basel-II For Quarter Ending on Chaitra End 2080

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)	15.55%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	16.94%

### 2. Total Qualifying Capital

Particulars	Amount '000'
Core Capital Fund (Tier-I)	886,839.27
Supplementary Capital (Tier-II)	79,222.88
<b>Total Capital Fund</b>	<b>966,062.15</b>

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

Amount '000'

1.2 CAPITAL		Amount
<b>(A) Core Capital (Tier 1)</b>		<b>958,977.39</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	176,578.50
f	Retained Earnings	(154,353.44)
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	77,229.71
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	7,474.09
<b>Adjustments under Pillar II</b>		
SRP 6.4a(1)	Less: Shortfall in Provision	-
SRP 6.4a(2)	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>79,222.88</b>
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated Term Debt	
c	Hybrid Capital Instruments	
d	General loan loss provision	79,222.88
e	Exchange Equalization Reserve	
f	Investment Adjustment Reserve	
g	Other Reserves	
<b>Total Capital Fund (Tier I and Tier II)</b>		<b>966,062.15</b>

### Risk Weighted Exposures

<b>1. 1 RISK WEIGHTED EXPOSURES</b>		<b>Amount</b>
a	Risk Weighted Exposure for Credit Risk	5,086,379.37
b	Risk Weighted Exposure for Operational Risk	419,479.32
c	Risk Weighted Exposure for Market Risk	-

<b>Total Risk Weighted Exposures</b> (Before adjustments of Pillar II)		<b>5,505,858.69</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>	2,583.31
<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>	84,312.50
<b>SRP 6.4a (9)</b>	<i>Overall risk management policies and procedures are not satisfactory. Add 2% of RWE</i>	110,117.17
<b>SRP 6.4a (10)</b>	<i>If desired level of disclosure requirement has not been achieved, Add .....% of RWE</i>	-
<b>Total Risk Weighted Exposures</b> (After Bank's adjustments of Pillar II)		<b>5,702,871.68</b>

<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	91,305.00			91,305.00	0%	-
Balance With Nepal Rastra Bank	322,866.00			322,866.00	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	1,578,450.00			1,578,450.00	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	1,310,801.94		-	1,310,801.94	20%	262,160.39

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)			-		100%	-
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)	2,362,140.78	2,791.94	55,550.77	2,303,798.06	75%	1,727,848.55
Claims fulfilling all criterion of regularity retail except granularity			-	-	100%	-
Claims secured by residential properties	759,115.47	550.00	-	758,565.47	60%	455,139.28
Claims not fully secured by residential properties			-	-	150%	-
Claims secured by residential properties (Overdue)	260,377.52	50,257.30	-	210,120.22	100%	210,120.22
Claims secured by Commercial real estate	83,755.22		-	83,755.22	100%	83,755.22
Past due claims (except for claims secured by residential properties)	520,212.74	198,627.50	-	321,585.24	150%	482,377.86
High Risk claims	673,459.50	6,780.06	-	666,679.43	150%	1,000,019.15
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2007-point 3.3(j)(1)(j))			-	-	125%	-
Lending against Shares(above Rs.5 Million)			-	-	125%	-
Lending Against Securities (Bonds)			-	-	100%	-

Lending Against Shares (upto Rs. 5 Million)	9,008.00		-	9,008.00	100%	9,008.00
Real Estate loans for land acquisition and development (For institutions/projects registred/licensed and approved by Government of Nepal for land acquisition and development purposes)			-	-	100%	-
Personal Hire purchase/Personal Auto Loans (upto Rs. 2.5 Million)			-	-	100%	-
Personal Hire purchase/Personal Auto Loans (above Rs. 2.5 Million)			-	-	125%	-
Investments in equity and other capital instruments of institutions listed in stock exchange	446,374.36		-	446,374.36	100%	446,374.36
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	18,884.17			18,884.17	50%	9,442.09
Interest Receivable/claim on government securities	19,649.58			19,649.58	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)	305,665.35	17,086.32	-	288,579.03	100%	288,579.03
<b>TOTAL (A)</b>	<b>8,765,618.83</b>	<b>276,093.13</b>	<b>55,550.77</b>	<b>8,433,974.94</b>		<b>4,979,576.75</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	2,093.95		-	2,093.95	40%	837.58
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)	529,825.19		-	529,825.19	20%	105,965.04
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above				-	20%	-

their respective regulatory capital requirement						
Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
<b>TOTAL (B)</b>	<b>531,919.14</b>	<b>-</b>	<b>-</b>	<b>531,919.14</b>		<b>106,802.62</b>
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>9,297,537.98</b>	<b>276,093.13</b>	<b>55,550.77</b>	<b>8,965,894.08</b>		<b>5,086,379.37</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>9,297,537.98</b>	<b>276,093.13</b>	<b>55,550.77</b>	<b>8,965,894.08</b>		<b>5,086,379.37</b>

### Amount of Non-Performing Loan

Particulars	Loan	Provision	Net NPA
Restructured/Reschedule	4,400,866.67	220,043.33	4,180,823.34
Sub standard	159,023,340.92	39,755,835.23	119,267,505.69
Doubtful	158,546,772.36	80,523,386.18	78,023,386.18
Bad Loan	138,507,540.56	138,507,540.56	-
<b>Non-Performing Loan</b>	<b>460,478,520.51</b>	<b>259,006,805.30</b>	<b>201,471,715.20</b>

### NPA Ratios

Particulars	Gross %	Net %
Performing Loan to Total Loan	90.43%	95.50 %
NPL to Total Loan	9.57%	4.50%

### Movement of Loan Loss Provision

Particulars	Amount
Total LLP 2080.10.01 (Opening Balance)	310,181,515.78
Total LLP 2080.12.30	338,229,680.44
LLP Booked till 2080.12.30	338,229,680.44
Additional LLP to be Booked/(Write back) till 2080.12.30	28,048,164.66

### Movement of Non-Performing Loan

Particulars	Amount
Total NPL 2080.10.01 (Opening Balance)	468,275,044.77
Increase/(Decrease) of NPL in Q3 of FY 2080-81	(7,796,524.26)
<b>Total NPL 2080.12.30</b>	<b>460,478,520.51</b>

### Movement of Interest Suspense

Particulars	Amount
Opening Interest Suspense 2080.10.01	168,235,808.01
Total Interest Accrued	526,382,567.00
Interest Recovered	500,919,212.02
Interest Suspense as on 2080.12.30	193,699,162.99

**Loan Written off during the Quarter**

<b>Particulars</b>	<b>Amount</b>
Chaitra End 2080	Nil

**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	364,922,923.30
Available for Sale	-
<b>Total</b>	<b>364,922,423.30</b>