

# Central Finance Limited

Kupondole, Lalitpur

## Disclosure under Basel-II

### For Quarter Ending on Asadh End, 2082

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)	12.14%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	14.35%

#### 2. Total Qualifying Capital

Particulars	Amount '000'
Core Capital Fund (Tier-I)	739,118.25
Supplementary Capital (Tier-II)	134,572.07
<b>Total Capital Fund</b>	<b>873,690.32</b>

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

Amount '000'

1.2 CAPITAL		Amount
<b>(A) Core Capital (Tier 1)</b>		<b>739, 118.25</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	194,408.12
F	Retained Earnings	(302,521.99)
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	98,103.21
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	3,982.68
<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	-

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

<b>(B) Supplementary Capital (Tier 2)</b>		<b>134,572.07</b>
A	Cumulative and/or Redeemable Preference Share	
B	Subordinated Term Debt	
C	Hybrid Capital Instruments	
D	General loan loss provision	56,499.33
E	Exchange Equalization Reserve	
F	Investment Adjustment Reserve	
G	Accrued Interest Receivable on pass loan included in Regulatory Reserve	22,617.86
H	Interest Capitalized Reserve included in Regulatory Reserve	3,175.00
I	Other Reserves	52,279.88
<b>Total Capital Fund (Tier I and Tier II)</b>		<b>873,690.32</b>

#### 5. Risk Weighted Exposures

<b>1. 1 RISK WEIGHTED EXPOSURES</b>		<b>Amount</b>
a	Risk Weighted Exposure for Credit Risk	5,491,259,.56

b	Risk Weighted Exposure for Operational Risk	365,023.62
c	Risk Weighted Exposure for Market Risk	4.16
<b>Total Risk Weighted Exposures</b> (Before adjustments of Pillar II)		<b>5,856,287.34</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>	1,494.27
<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>	52,928.00
<b>SRP 6.4a (9)</b>	<i>Overall risk management policies and procedures are not satisfactory. Add 3% of RWE</i>	175,688.62
<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>6,086,398.23</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	100,155.36			100,155.36	0%	-
Balance With Nepal Rastra Bank	348,953.58			348,953.58	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	2,369,200.00			2,369,200.00	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	672,962.03		-	672,962.03	20%	134,592.41
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)	1,874,994.50		40,937.11	1,834,057.39	75%	1,375,543.04
Claims fulfilling all criterion of regularity retail except granularity	62,758.76		-	62,758.76	100%	62,758.76
Claims secured by residential properties	580,216.60		-	580,216.60	60%	348,129.96
Claims not fully secured by residential properties			-	-	150%	-
Claims secured by residential properties (Overdue)	70,120.37		-	70,120.37	100%	70,120.37

Claims secured by Commercial real estate	50,385.00		-	50,385.00	100%	50,385.00
Past due claims (except for claims secured by residential properties)	1,034,368.22	463,835.50	-	570,532.73	150%	855,799.09
High Risk claims	1,017,228.92	6,557.01	-	1,010,671.91	150%	1,516,007.86
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 Securities (Bonds)			-	-	100%	-
Lending Against Shares	170,607.06		-	170,607.06	100%	170,607.06
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 Hirepurchase/Personal Auto Loans	51,258.43		-	51,258.43	100%	51,258.43
Investments in equity and other capital instruments of institutions listed in stock exchange	511,853.76		-	511,853.76	100%	511,853.76
Investments in equity and other capital instruments of institutions not listed in the stock exchange	5,899.20		-	5,899.20	150%	8,848.80
Staff loan secured by residential property	23,482.75			17,398.93	50%	8,699.46
Interest Receivable/claim on government securities	11,161.97			11,161.97	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)	332,459.53	83,232.62	-	251,099.06	100%	251,099.06
<b>TOTAL (A)</b>	<b>9,288,510.02</b>	<b>553,625.12</b>	<b>40,937.11</b>	<b>8,693,947.79</b>		<b>5,416,961.62</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	15,003.42		-	15,003.42	40%	6,001.37
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-





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>9,644,996.30</b>	<b>553,625.12</b>	<b>40,937.11</b>	<b>9,050,434.07</b>		<b>5,491,259.56</b>

## 6. Amount of Non-Performing Loan

Particulars	Loan	Provision	Net NPA
Restructured/Reschedule	-	-	-
Sub-Standard	199,787,868.27	49,946,967.07	149,840,901.20
Doubtful	199,739,187.32	99,869,593.66	99,869,593.66
Bad Loan	320,575,945.01	320,575,945.01	-
<b>Non-Performing Loan</b>	<b>720,103,000.60</b>	<b>470,392,505.74</b>	<b>249,710,494.86</b>

## 7. NPA Ratios

Particulars	Gross %	Net %
Performing Loan to Total Loan	85.82%	94.51%
NPL to Total Loan	14.18%	5.49%

## 8. Movement of Loan Loss Provision

Particulars	Amount
Total LLP 2082.01.01 (Opening Balance)	593,828,002.37
Total LLP 2082.03.32	526,891,832.92
LLP Booked till 2082.03.32	526,891,832.92
Additional LLP to be Booked/(Write back) till 2082.03.32	(66,936,169.95)

## 9. Movement of Non-Performing Loan

Particulars	Amount
Total NPL 2082.01.01 (Opening Balance)	599,227,707.98
Increase/(Decrease) of NPL in Q4 of FY 2081-82	120,875,292.62
<b>Total NPL 2082.03.32</b>	<b>720,103,000.60</b>

## 10. Movement of Interest Suspense

Particulars	Amount
Opening Interest Suspense 2081.04.01	180,564,333.00
Total Interest Accrued	621,851,365.00
Interest Recovered	646,809,591.00
Interest Suspense as on 2082.03.32	155,606,107.00

## 11. Loan Written off during the Quarter

Particulars	Amount
Asadh End 2082	-

**12. 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	306,666,407.60
Available for Sale	-
<b>Total</b>	<b>306,666,407.60</b>