

# Janaki Finance Co. Limited

## Disclosure under Basel II

**As on end of Ashwin, 2082**

(Rs. in '000)		
<b>1.1 RISK WEIGHTED EXPOSURES</b>		<b>Current Period</b>
a	Risk Weighted Exposure for Credit Risk	3,725,518.38
b	Risk Weighted Exposure for Operational Risk	508,592.46
c	Risk Weighted Exposure for Market Risk	-
<b>Total Risk Weighted Exposures (Before adjustments of Pillar II)</b>		<b>4,234,110.84</b>
<b>Adjustments under Pillar II</b>		
SRP 6.4a (5)	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	1,667.05
SRP 6.4a (6)	Add .....% of the total deposit due to insufficient Liquid Assets	-
SRP 6.4a (7)	Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	85,409.30
SRP 6.4a (9)	Overall risk management policies and precedures are not satisfactory. Add 4% of RWE	169,364.43
SRP 6.4a (10)	Desired level of disclosure requirement has not been achieved. Add 1% of RWE	42,341.11
<b>Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)</b>		<b>4,532,892.73</b>
<b>1.2 CAPITAL</b>		<b>Current Period</b>
<b>(A) Core Capital (Tier 1)</b>		<b>(260,220.01)</b>
a	Paid up Equity Share Capital	690,472.80
b	Irredeemable Non-cumulative preference shares	
c	Share Premium	
d	Proposed Bonus Equity Shares	
e	Statutory General Reserves	184,348.73
f	Retained Earnings	(1,136,887.51)
g	Un-audited current year cumulative profit/(loss)	1,845.98
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	
j	Debenture Redemption Reserve	
k	Dividend Equalization Reserves	
l	Other Free Reserve	
	Transitional Adjustment Amount due to ECL (only Day 1 difference i.e 1st Shrawan 2081)	
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	
<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	-

<b>(B) Supplementary Capital (Tier 2)</b>		-
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated Term Debt (only 50% of Tier 1 capital =Rs - 130110 thousand is eligible)	
c	Hybrid Capital Instruments	
d	General loan loss provision	41,004.84
e	Exchange Equalization Reserve	
f	Investment Adjustment Reserve	
g	Accrued Interest Receivable on pass loan included in Regulatory Reserve	
h	Interest Capitalized Reserve included in Regulatory Reserve	
i	Regulatory reserve for nonbanking assets recorded within the last 24 months.	130,278.84
j	Other Reserves	
<b>Total Capital Fund (Tier I and Tier II)</b>		<b>(260,220.01)</b>

<b>1.3 CAPITAL ADEQUACY RATIOS</b>	<b>Current Period</b>
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	-5.74%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	-5.74%

<b>A. Balance Sheet Exposures</b>	<b>Book Value</b>	<b>Specific Provision</b>	<b>Risk Weighted Exposures</b>
	<b>a</b>	<b>b</b>	<b>f=d*e</b>
Cash Balance	28,810.29		-
Balance With Nepal Rastra Bank	102,805.87		-
Claims on domestic banks that meet capital adequacy requirements	723,288.19		144,657.64
Claims on Domestic Corporates (Unrated)			-
Regulatory Retail Portfolio (Not Overdue)			-
Claims secured by residential properties			-
Claims not fully secured by residential properties			-

Claims secured by residential properties (Overdue)			-
Claims secured by Commercial real estate			-
High Risk claims	2,546,878.21	1,190,543.59	2,034,501.92
Lending Against Shares			-
Investments in equity and other capital instruments of institutions listed in stock exchange	39,145.00		39,145.00
Investments in equity and other capital instruments of institutions not listed in the stock exchange	351.50		527.25
Staff loan secured by residential property	4,625.27		2,312.64
Interest Receivable/claim on government securities			-
Cash in transit and other cash items in the process of collection			-
Other Assets (as per attachment)	1,262,405.03	-	1,262,405.03
<b>TOTAL (A)</b>	<b>4,708,309.35</b>	<b>1,190,543.59</b>	<b>3,483,549.47</b>

<b>B. Off Balance Sheet Exposures</b>	<b>Book Value</b>	<b>Specific Provision</b>	<b>Risk Weighted Exposures</b>
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	1,300.00		520.00
Irrevocable Credit commitments (short term)	191,527.18		38,305.44
<b>TOTAL (B)</b>	<b>192,827.18</b>	<b>-</b>	<b>38,825.44</b>
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>4,901,136.54</b>	<b>1,190,543.59</b>	<b>3,522,374.91</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			
			203,143.47
-			
<b>Total RWE for Credit Risk after Bank's adjustments under Pillar II</b>	<b>4,901,136.54</b>	<b>1,190,543.59</b>	<b>3,725,518.38</b>

## Other Assets

(Rs. in '000)

<b>S.No.</b>	<b>Assets</b>	<b>Gross Amount</b>	<b>Net Balance</b>
1	Current Tax Assets	194,269.48	194,269.48
2	Investment Property	39,496.50	39,496.50
3	Property and Equipment	54,049.34	54,049.34
4	Assets held for Sale		-
5	Other non-banking assets	131,246.72	131,246.72
6	Bills receivable		-

7	Accounts receivable	121,932.98	121,932.98
8	Accrued income	676,008.01	676,008.01
9	Prepayment and Deposits	1,050.08	1,050.08
10	Income tax deposits	44,351.91	44,351.91
11	Deferred Employee Expenditure		-
12	Others		-
	<b>TOTAL</b>	<b>1,262,405.03</b>	<b>1,262,405.03</b>

### Net Liquid Assets to Total Deposit Ratio

(Rs. in '000)

Particulars		Amount
<b>A</b>	<b>Total Deposit &amp; Borrowing</b>	<b>2,709,258.82</b>
	1. Total Deposits (as per NRB Ni. Fa. 9.1)	2,709,258.82
	2. Total Borrowings (as per NRB Ni. Fa. 9.1)	
<b>B</b>	<b>Liquid Assets</b>	<b>854,904.35</b>
	1. Cash(as per NRB Ni. Fa. 9.1)	28,810.29
	2. Bank Balance (as per NRB Ni. Fa. 9.1)	105,883.74
	3. Money at call and short notice (as per NRB Ni. Fa. 9.1)	720,210.32
	4. Investments in government securities (as per NRB Ni. Fa. 9.1)	
	5. Placements upto 90 days	
<b>C</b>	<b>Borrowings payable upto 90 days</b>	
<b>D</b>	<b>Net Liquid Assets (B-C)</b>	<b>854,904.35</b>
<b>E</b>	<b>Net Liquid Assets to Total deposit (D/A1)</b>	<b>31.55%</b>
<b>F</b>	<b>Shortfall in Ratio</b>	No Shortfall
<b>G</b>	<b>Percentage of deposit to be added to RWE</b>	
<b>H</b>	<b>Amount to be added to risk weighted exposures</b>	-

Note (if any):

Eligible Credit Risk Mitigants

Eligible Credit Risk Mitigants	Amount
Deposit with Banks Govt. & NRB Securities	-
Total Eligible CRM	-

Non Performing Assets

(Rs. in '000)

Particulars	Gross	Provision	Net
Restructured and Rescheduled Loan Provision			
Sub-Standard Loan Provision	93908.675	23,477.17	70,431.51
Doubtful Loan Provision	218561.14	109,280.57	109,280.57
Loss Loan Provision	1057785.9	1,057,785.86	0.00
Total	1370255.665	1,190,543.59	179,712.07