

Prabhu Bank Ltd.
Disclosure under Basel III
15th July 2017

1 Capital Structure and Capital Adequacy:

1.1 Tier I Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	Paid Up Equity Share Capital	5,881,402,224
b	Share Premium	123,748,914
c	Statutory General Reserves	875,182,013
d	Retained Earnings	(1,717,477,403)
e	Unaudited current year cumulative profit	1,751,576,379
f	Other Reserves	871,821,895
	Sub-total	7,786,254,021
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	35,700,000
i	Less: Deferred Tax Assets	325,180,895
	Total Tier I Capital	7,425,373,126

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	700,904,466
b	Investment Adjustment Reserve	236,410,152
c	Exchange Equalisation Reserve	5,733,330
	Total Tier II Capital	943,047,948

1.3 The bank has not issued any Subordinated Term Debt instrument.

1.4 Deduction from Tier I

SN	Particular	Amount (NPR)
a	Fictitious Assets	-
b	Investment in subsidiaries	35,700,000
c	Deferred Tax Assets	325,180,895
	Total	360,880,895

1.5 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	7,425,373,126
b	Supplementary Capital (Tier II)	943,047,948
	Total Capital Fund (Tier I and Tier II)	8,368,421,075

2 Risk Exposures:

2.1 Risk weighted exposures under each 11 categories of Credit Risk:

SN	Particular	Amount (NPR)
a	Claims on government and central bank	-
b	Claims on other official entities	-
c	Claims on banks	1,436,761,135
d	Claims on corporate and securities firms	29,848,904,063
e	Claims on regulatory retail Portfolio	7,030,437,158
f	Claims secured by residential properties	5,231,051,042
g	Claims secured by commercial real estate	2,179,110,641
h	Past due claims	4,074,543,386
i	High risk claims	7,273,373,790
j	Other Assets	5,165,808,921
k	Off Balance - sheet items	7,215,296,103
	Total Risk Weighted Exposures	69,455,286,240

2.2 Risk weighted exposures for Credit Risk, Market Risk and Operational Risk:

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	69,455,286,240
b	Risk Weighted Exposure for Operational Risk	3,864,116,901
c	Risk Weighted Exposure for Market Risk	185,658,089
	Adjustments under Pillar-II	
	Add: 3% of the total RWE due to non compliance to Disclosure Requirement(6.4a 10)	-
	Add:1% of the total deposit due to in sufficient Liquid Assets(6.4a 6)	-
	Add: 3% of Overall Risk Weighted Exposure as per Supervisory Adjustment	2,205,151,837
	Total Risk Weighted Exposures	75,710,213,068

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	9.81%
	Total Capital Fund to Total Risk Weighted Exposure	11.05%

3 Non Performing Assets

3.1 Statement of Non Performing Assets (Gross and Net)

SN	Particular	Amount (NPR)	Provision	Net NPA
a	Restructured	-	-	-
b	Sub-standard	979,718,016	244,929,504	734,788,512
c	Doubtful	222,705,115	111,432,558	111,272,558
d	Loss	1,459,046,531	1,459,046,531	-
	Total	2,661,469,663	1,815,408,593	846,061,070

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	4.29%
b	Net NPA to Net Advances	1.42%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	-	-	-
b	Sub-standard	979,718,016	470,052,614	509,665,403
c	Doubtful	222,705,115	293,276,657	(70,571,541)
d	Loss	1,459,046,531	1,810,156,979	(351,110,448)
	Total	2,661,469,663	2,573,486,250	87,983,413
	Non Performing Assets (%)	4.29%	4.32%	-0.02%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	350,834,129
b	Write off Interest during the Year	-

5 Movement of Loan Loss Provision and Interest Suspense

SN	Particular	This Quarter	Previous Quarter	Movement
a	Loan Loss Provision	2,532,174,129	2,760,904,014	(228,729,885)
b	Interest Suspense	1,618,028,196	1,599,679,825	18,348,371

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	11,142,021,954
c	Available for Sale	550,084,808
	Total Investment	11,692,106,761

7 Summary of the bank's internal approach to assess the adequacy of its capital

The bank has system in place for monitoring and managing the risks undertaken by the bank, assess the capital adequacy and formulating capital as required in order to support its business growth. For risk diversification of its asset base, the bank is following the strategic focus of mapping business and gradually reducing high risk assets and increasing low risk exposure.