

Prabhu Bank Ltd.
Disclosure under Basel III
13th April 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	1,445,859,924
f	Other Reserves	871,821,895
	Sub-total	7,480,537,566
g	Less: Fictitious Assets	-
h	Less: Deferred Tax Assets	428,168,030
	Total Tier I Capital	7,052,369,536

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	670,359,567
b	Investment Adjustment Reserve	287,679,765
c	Exchange Equalisation Reserve	5,733,330
	Total Tier II Capital	963,772,662

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	Deferred Tax Assets	428,168,030
	Total	428,168,030

1.5 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	7,052,369,536
b	Supplementary Capital (Tier II)	963,772,662
	Total Capital Fund (Tier I and Tier II)	8,016,142,198

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	1,553,318,589
d	Claims on corporate and securities firms	29,120,630,336
e	Claims on regulatory retail Portfolio	6,144,984,724
f	Claims secured by residential properties	5,168,753,191
g	Claims secured by commercial real estate	2,132,194,269
h	Past due claims	3,786,213,343
i	High risk claims	7,017,543,319
j	Other Assets	5,595,311,714
k	Off Balance - sheet items	5,755,634,915
	Total Risk Weighted Exposures	66,274,584,401

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	66,274,584,401
b	Risk Weighted Exposure for Operational Risk	3,864,116,901
c	Risk Weighted Exposure for Market Risk	241,610,349
	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	2,111,409,350
	Total Risk Weighted Exposures	72,491,721,001

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	9.73%
	Total Capital Fund to Total Risk Weighted Exposure	11.06%

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	470,052,614	117,593,153	352,459,460
c	Doubtful	293,276,657	146,758,328	146,518,328
d	Loss	1,810,156,979	1,810,156,979	-
	Total	2,573,486,250	2,074,508,461	498,977,789

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	4.32%
b	Net NPA to Net Advances	0.88%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	-	-	-
b	Sub-standard	470,052,614	476,468,223	(6,415,610)
c	Doubtful	293,276,657	339,910,954	(46,634,297)
d	Loss	1,810,156,979	1,941,920,612	(131,763,633)
	Total	2,573,486,250	2,758,299,790	(184,813,540)
	Non Performing Assets (%)	4.32%	4.88%	-0.56%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	305,841,274
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	2,760,904,014	2,899,223,429	(138,319,416)
b	Interest Suspense	1,599,679,825	1,562,568,954	37,110,871

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	5,189,750,970
c	Available for Sale	634,158,428
	Total Investment	5,823,909,398

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.