

Prabhu Bank Ltd.
Disclosure under Basel III
14th January 2020

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	10,315,506,635
b	Share Premium	
c	Statutory General Reserves	1,962,052,838
d	Retained Earnings	1,073,000,596
e	Unaudited current year cumulative profit	
f	Other Reserves	331,574,753
	Sub-total	13,682,134,822
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	116,960,880
i	Less: Deferred Tax Assets	331,574,753
	Total Tier I Capital	13,233,599,189

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	1,126,984,552
b	Subordinated term debt	1,000,000,000
c	Investment Adjustment Reserve	117,720,880
	Total Tier II Capital	2,244,705,432

1.3 Deduction from Tier I

SN	Particular	Amount (NPR)
a	Fictitious Assets	-
b	Investment in subsidiaries	116,960,880
c	Deferred Tax Assets	331,574,753
	Total	448,535,633

1.4 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	13,233,599,189
b	Supplementary Capital (Tier II)	2,244,705,432
	Total Capital Fund (Tier I and Tier II)	15,478,304,621

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	3,020,973,988
d	Claims on corporate and securities firms	60,897,722,941
e	Claims on regulatory retail Portfolio	10,060,668,463
f	Claims secured by residential properties	6,283,831,836
g	Claims secured by commercial real estate	2,766,265,017
h	Past due claims	1,660,267,167
i	High risk claims	5,092,291,917
j	Other Assets	11,598,922,951
k	Off Balance - sheet items	17,807,499,520
	Total Risk Weighted Exposures	119,188,443,800

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	119,188,443,800
b	Risk Weighted Exposure for Operational Risk	5,266,211,343
c	Risk Weighted Exposure for Market Risk	454,062,576
	<u>Adjustments under Pillar-II</u>	
	Add: 3% of the total RWE due to non compliance to Disclosure Requirement(6.4a 10)	1,436,260,070
	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	3,747,261,532
	Total Risk Weighted Exposures	130,092,239,322

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	10.17%
	Total Capital Fund to Total Risk Weighted Exposure	11.90%

3 Non Performing Assets**3.1 Statement of Non Performing Assets (Gross and Net)**

SN	Particular	Amount (NPR)	Provision	Net NPA
a	Restructured	74,901,698	9,362,712	65,538,986
b	Sub-standard	616,292,458	154,073,115	462,219,344
c	Doubtful	1,010,776,844	505,388,422	505,388,422
d	Loss	1,376,932,422	1,376,932,422	-
	Total	3,078,903,422	2,045,756,670	1,033,146,752

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	3.12%
b	Net NPA to Net Advances	1.08%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	74,901,698	74,318,743	582,956
b	Sub-standard	616,292,458	1,009,198,164	(392,905,706)
c	Doubtful	1,010,776,844	741,901,000	268,875,844
d	Loss	1,376,932,422	1,356,999,120	19,933,302
	Total	3,078,903,422	3,182,417,027	(103,513,605)
	Non Performing Assets (%)	3.12%	3.32%	-0.20%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	21,101,819
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	3,175,229,426	3,140,770,783	34,458,643
b	Interest Suspense	1,345,497,710	1,501,591,008	(156,093,298)

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	12,134,980,777
c	Available for Sale	2,309,824,223
	Total Investment	14,444,805,000

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.