

**Prabhu Bank Ltd.**  
**Disclosure under Basel III**  
**16th July 2019**

**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	8,892,674,706
b	Share Premium	-
c	Statutory General Reserves	1,388,179,492
d	Retained Earnings	61,731,902
e	Unaudited current year cumulative profit	2,188,411,835
f	Other Reserves	-
	<b>Sub-total</b>	<b>12,530,997,935</b>
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	116,960,880
i	Less: Deferred Tax Assets	-
	<b>Total Tier I Capital</b>	<b>12,414,037,055</b>

**1.2 Tier II Capital and Breakdown of its Components:**

SN	Particular	Amount (NPR)
a	General loan loss provision	992,015,175
b	Exchange Equalisation Reserve	-
c	Investment Adjustment Reserve	124,503,880
d	other reserves	179,826,625
	<b>Total Tier II Capital</b>	<b>1,296,345,679</b>

**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	116,960,880
c	Deferred Tax Assets	-
	<b>Total</b>	<b>116,960,880</b>

**1.5 Qualifying Capital**

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	12,414,037,055
b	Supplementary Capital (Tier II)	1,296,345,679
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>13,710,382,734</b>

**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	5,624,715,486
d	Claims on corporate and securities firms	52,762,993,952
e	Claims on regulatory retail Portfolio	11,951,007,846
f	Claims secured by residential properties	5,756,515,793
g	Claims secured by commercial real estate	2,950,136,906
h	Past due claims	814,793,797
i	High risk claims	3,348,336,934
j	Other Assets	10,666,824,005
k	Off Balance - sheet items	15,588,753,494
	<b>Total Risk Weighted Exposures</b>	<b>109,464,078,213</b>

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	109,464,078,213
b	Risk Weighted Exposure for Operational Risk	5,142,220,506
c	Risk Weighted Exposure for Market Risk	363,165,776
	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	3,449,083,935
	<b>Total Risk Weighted Exposures</b>	<b>118,418,548,430</b>

**2.3 Capital Adequacy Calculation Table:**

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	10.48%
	Total Capital Fund to Total Risk Weighted Exposure	11.58%

**3 Non Performing Assets**

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

SN	Particular	Amount (NPR)	Provision	Net NPA
a	Restructured	80,810,283	10,101,285	70,708,998
b	Sub-standard	466,721,235	116,680,309	350,040,926
c	Doubtful	205,967,163	102,983,582	102,983,582
d	Loss	1,333,699,336	1,333,699,336	-
	<b>Total</b>	<b>2,087,198,017</b>	<b>1,563,464,511</b>	<b>523,733,505</b>

### 3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	2.31%
b	Net NPA to Net Advances	0.60%

### 3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	80,810,283	-	80,810,283
b	Sub-standard	466,721,235	400,375,437	66,345,798
c	Doubtful	205,967,163	361,343,192	(155,376,029)
d	Loss	1,333,699,336	1,411,563,835	(77,864,499)
	<b>Total</b>	<b>2,087,198,017</b>	<b>2,173,282,464</b>	<b>(86,084,447)</b>
	<b>Non Performing Assets (%)</b>	<b>2.31%</b>	<b>2.42%</b>	<b>-0.11%</b>

### 4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	170,417,262
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	2,557,702,502	2,842,503,908	(284,801,406)
b	Interest Suspense	1,210,616,415	1,341,854,318	(131,237,903)

### 6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	12,215,053,171
c	Available for Sale	2,473,990,982
	<b>Total Investment</b>	<b>14,689,044,152</b>

### 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.