

Prabhu Bank Ltd.
Disclosure under Basel III
17th October 2018

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	8,233,958,824
b	Share Premium	167,264,245
c	Statutory General Reserves	1,194,772,523
d	Retained Earnings	1,195,556,687
e	Unaudited current year cumulative profit	643,141,379
f	Other Reserves	238,627,732
	Sub-total	11,673,321,390
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	123,743,880
i	Less: Deferred Tax Assets	238,627,732
	Total Tier I Capital	11,310,949,778

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	971,068,543
b	Exchange Equalisation Reserve	3,527,216
c	Investment Adjustment Reserve	342,276,969
	Total Tier II Capital	1,316,872,728

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	123,743,880
c	Deferred Tax Assets	238,627,732
	Total	362,371,612

1.5 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	11,310,949,778
b	Supplementary Capital (Tier II)	1,316,872,728
	Total Capital Fund (Tier I and Tier II)	12,627,822,506

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	3,384,983,159
d	Claims on corporate and securities firms	46,119,505,718
e	Claims on regulatory retail Portfolio	10,156,490,983
f	Claims secured by residential properties	6,044,148,831
g	Claims secured by commercial real estate	3,264,985,025
h	Past due claims	2,002,128,805
i	High risk claims	7,433,192,369
j	Other Assets	9,618,721,725
k	Off Balance - sheet items	10,564,884,740
	Total Risk Weighted Exposures	98,589,041,354

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	98,589,041,354
b	Risk Weighted Exposure for Operational Risk	5,409,585,846
c	Risk Weighted Exposure for Market Risk	111,108,874
	<u>Adjustments under Pillar-II</u>	
	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	3,123,292,082
	Total Risk Weighted Exposures	107,233,028,157

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	10.55%
	Total Capital Fund to Total Risk Weighted Exposure	11.78%

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	356,643,265	89,160,816	267,482,449
c	Doubtful	870,500,004	435,250,002	435,250,002
d	Loss	925,569,434	925,569,434	-
	Total	2,152,712,703	1,449,980,253	702,732,451

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	2.51%
b	Net NPA to Net Advances	0.84%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	-	-	-
b	Sub-standard	356,643,265	743,554,108	(386,910,842)
c	Doubtful	870,500,004	1,065,247,565	(194,747,562)
d	Loss	925,569,434	888,244,088	37,325,346
	Total	2,152,712,703	2,697,045,761	(544,333,058)
	Non Performing Assets (%)	2.51%	3.55%	-1.04%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	78,486,678
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	2,451,281,451	2,503,067,991	(51,786,539)
b	Interest Suspense	1,278,144,303	1,498,711,172	(220,566,869)

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	14,928,686,120
c	Available for Sale	1,207,930,085
	Total Investment	16,136,616,205

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.