

Prabhu Bank Ltd.
Disclosure under Basel III
17th October 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	1,744,898,000
d	Retained Earnings	1,483,696,655
e	Unaudited current year cumulative profit	628,465,673
f	Other Reserves	299,214,148
	Sub-total	13,048,949,181
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	116,960,880
i	Less: Other Deductions	665,503,972
	Total Tier I Capital	12,266,484,329

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	1,148,743,575
b	Exchange Equalisation Reserve	-
c	Investment Adjustment Reserve	117,720,880
d	other reserves	-
	Total Tier II Capital	1,266,464,455

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	Other Deductions	665,503,972
	Total	782,464,852

1.5 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	12,266,484,329
b	Supplementary Capital (Tier II)	1,266,464,455
	Total Capital Fund (Tier I and Tier II)	13,532,948,784

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	2,942,287,746
d	Claims on corporate and securities firms	52,598,659,268
e	Claims on regulatory retail Portfolio	15,510,529,572
f	Claims secured by residential properties	6,179,560,077
g	Claims secured by commercial real estate	2,170,530,736
h	Past due claims	1,836,646,215
i	High risk claims	2,916,137,084
j	Other Assets	11,127,338,611
k	Off Balance - sheet items	16,829,094,176
	Total Risk Weighted Exposures	112,110,783,485

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	112,110,783,485
b	Risk Weighted Exposure for Operational Risk	5,266,211,343
c	Risk Weighted Exposure for Market Risk	337,661,073
	Adjustments under Pillar-II	
	Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	1,436,220,000.00
	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	3,531,439,677
	Total Risk Weighted Exposures	122,682,315,578

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	10.00%
	Total Capital Fund to Total Risk Weighted Exposure	11.03%

3 Non Performing Assets

3.1 Statement of Non Performing Assets (Gross and Net)

SN	Particular	Amount (NPR)	Provision	Net NPA
a	Restructured	74,318,743	9,289,843	65,028,900
b	Sub-standard	1,009,198,164	252,299,541	756,898,623
c	Doubtful	741,901,000	370,950,500	370,950,500
d	Loss	1,356,999,120	1,356,999,120	-
	Total	3,182,417,027	1,989,539,004	1,192,878,023

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	3.32%
b	Net NPA to Net Advances	1.29%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	74,318,743	80,810,283.25	(6,491,541)
b	Sub-standard	1,009,198,164	1,243,114,854.75	(233,916,691)
c	Doubtful	741,901,000	737,548,719.83	4,352,280
d	Loss	1,356,999,120	1,334,132,540.08	22,866,580
	Total	3,182,417,027	3,395,606,397.91	(213,189,371)
	Non Performing Assets (%)	3.32%	3.76%	-0.44%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	-
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	3,140,770,783	3,015,790,786	124,979,997
b	Interest Suspense	1,501,591,008	1,210,616,415	290,974,593

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	12,147,519,177
c	Available for Sale	1,992,456,279
	Total Investment	14,139,975,456

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.