

Prabhu Bank Ltd.
Disclosure under Basel III
13th April 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	8,233,958,824
b	Share Premium	151,947,990
c	Statutory General Reserves	1,388,179,492
d	Retained Earnings	773,629,731
e	Unaudited current year cumulative profit	1,448,763,465
f	Other Reserves	-
	Sub-total	11,996,479,502
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	116,960,880
i	Less: Deferred Tax Assets	-
	Total Tier I Capital	11,879,518,622

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	1,057,971,402
b	Exchange Equalisation Reserve	-
c	Investment Adjustment Reserve	124,503,880
	Total Tier II Capital	1,182,475,282

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	-
	Total	116,960,880

1.5 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	11,879,518,622
b	Supplementary Capital (Tier II)	1,182,475,282
	Total Capital Fund (Tier I and Tier II)	13,061,993,904

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	4,481,715,314
d	Claims on corporate and securities firms	51,136,919,471
e	Claims on regulatory retail Portfolio	12,147,568,199
f	Claims secured by residential properties	5,864,786,740
g	Claims secured by commercial real estate	3,401,456,538
h	Past due claims	742,350,435
i	High risk claims	4,015,808,635
j	Other Assets	10,504,980,866
k	Off Balance - sheet items	12,954,824,967
	Total Risk Weighted Exposures	105,250,411,164

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	105,250,411,164
b	Risk Weighted Exposure for Operational Risk	5,142,220,506
c	Risk Weighted Exposure for Market Risk	506,039,706
	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	3,326,960,141
	Total Risk Weighted Exposures	114,225,631,517

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	10.40%
	Total Capital Fund to Total Risk Weighted Exposure	11.44%

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	400,375,437	100,093,859	300,281,577
c	Doubtful	361,343,192	180,671,596	180,671,596
d	Loss	1,411,563,835	1,411,563,835	-

Total	2,173,282,464	1,692,329,290	480,953,174
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3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	2.42%
b	Net NPA to Net Advances	0.55%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	-	-	-
b	Sub-standard	400,375,437	600,240,264	(199,864,828)
c	Doubtful	361,343,192	351,394,461	9,948,731
d	Loss	1,411,563,835	1,218,001,780	193,562,055
	Total	2,173,282,464	2,169,636,505	3,645,959
	Non Performing Assets (%)	2.42%	2.47%	-0.05%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	164,411,910
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	2,842,503,908	2,546,043,175	296,460,734
b	Interest Suspense	1,341,854,318	1,278,991,743	62,862,575

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	84,944,915,393
c	Available for Sale	1,341,542,395
	Total Investment	86,286,457,788

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.