

Prabhu Bank Ltd.
Disclosure under Basel III
17th October 2021

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	11,347,057,299
b	Share Premium	
c	Statutory General Reserves	2,513,333,573
d	Retained Earnings	1,281,195,214
e	Unaudited current year cumulative profit	636,321,433
f	Other Reserves	167,671,233
	Sub-total	15,945,578,752
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	524,229,080
i	Less: Deferred Tax Assets	-
	Total Tier I Capital	15,421,349,672

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	2,035,069,330
b	Subordinated term debt	5,636,695,394
c	Investment Adjustment Reserve	760,000.00
d	Exchange Equalization Reserve	11,048,220.28
	Total Tier II Capital	7,683,572,944

1.3 Deduction from Tier I

SN	Particular	Amount (NPR)
a	Fictitious Assets	-
b	Investment in subsidiaries	524,229,080
c	Deferred Tax Assets	-
	Total	524,229,080

1.4 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	15,421,349,672
b	Supplementary Capital (Tier II)	7,683,572,944
	Total Capital Fund (Tier I and Tier II)	23,104,922,616

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	3,946,670,698
d	Claims on corporate and securities firms	88,399,189,313.77
e	Claims on regulatory retail Portfolio	18,410,180,663
f	Claims secured by residential properties	6,538,764,279
g	Claims secured by commercial real estate	3,272,071,423
h	Past due claims	1,313,536,102
i	High risk claims	4,991,757,463
j	Other Assets	14,751,888,536
k	Off Balance - sheet items	21,181,487,896
	Total Risk Weighted Exposures	162,805,546,372

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	162,805,546,372
b	Risk Weighted Exposure for Operational Risk	8,542,889,660
c	Risk Weighted Exposure for Market Risk	416,892,111
	Adjustments under Pillar-II	
	Add: 3% of the total RWE due to non compliance to Disclosure Requirement(6.4a 10)	1,878,167,074
	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	5,152,959,844
	Total Risk Weighted Exposures	178,796,455,062

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	8.63%
	Total Capital Fund to Total Risk Weighted Exposure	12.92%

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	884,937,361	224,363,161	660,574,200
c	Doubtful	586,448,524	287,323,192	299,125,332
d	Loss	876,777,063	876,241,100	535,963
	Total	2,348,162,947	1,387,927,453	960,235,494

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	1.61%
b	Net NPA to Net Advances	0.67%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	-	-	-
b	Sub-standard	884,937,361	787,086,341	97,851,020
c	Doubtful	586,448,524	648,333,983	(61,885,459)
d	Loss	876,777,063	950,914,928	(74,137,866)
	Total	2,348,162,947	2,386,335,251	(38,172,304)
	Non Performing Assets (%)	1.61%	1.68%	-0.07%

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	3,497,823,266	3,592,116,401	(94,293,135)
b	Interest Suspense	1,808,377,809	1,475,393,002	332,984,807

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	192,647,394
b	Held to Maturity	30,138,667,933
c	Available for Sale	3,505,801,738
	Total Investment	33,837,117,066

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.