

**Prabhu Bank Ltd.**  
**Disclosure under Basel III**  
**13th April 2022**

**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	12,708,704,175
b	Share Premium	-
c	Statutory General Reserves	2,678,498,285
d	Retained Earnings	946,080,497
e	Unaudited current year cumulative profit	-
f	Other Reserves	-
	<b>Sub-total</b>	<b>16,333,282,956</b>
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	524,229,080
i	Less: Deferred Tax Assets	-
	<b>Total Tier I Capital</b>	<b>15,809,053,876</b>

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

SN	Particular	Amount (NPR)
a	General loan loss provision	2,320,486,442
b	Exchange Equalisation Reserve	10,536,278
c	Investment Adjustment Reserve	1,900,000
d	Debentures	5,636,695,394
	<b>Total Tier II Capital</b>	<b>7,969,618,115</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	524,229,080
c	Deferred Tax Assets	-
	<b>Total</b>	<b>524,229,080</b>

**1.5 Qualifying Capital**

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	15,809,053,876
b	Supplementary Capital (Tier II)	7,969,618,115
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>23,778,671,992</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	3,428,671,410
d	Claims on corporate and securities firms	94,322,176,093
e	Claims on regulatory retail Portfolio	19,237,895,430
f	Claims secured by residential properties	6,988,428,737
g	Claims secured by commercial real estate	2,936,931,032
h	Past due claims	803,246,179
i	High risk claims	4,848,020,819
j	Other Assets	12,450,586,912
k	Off Balance - sheet items	17,884,457,818
	<b>Total Risk Weighted Exposures</b>	<b>162,900,414,431</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	162,900,414,431
b	Risk Weighted Exposure for Operational Risk	8,542,889,660
c	Risk Weighted Exposure for Market Risk	945,827,942
	<u>Adjustments under Pillar-II</u>	
	Add: 4% of the Gross Revenue for operational risk (6.4a 7)	2,504,222,765
	Add: ...% of the total deposit due to in sufficient Liquid Assets (6.4a 6)	-
	Add: 4% of Overall Risk Weighted Exposure as per Supervisory Adjustment	6,895,565,281
	<b>Total Risk Weighted Exposures</b>	<b>181,788,920,080</b>

**2.3 Capital Adequacy Calculation Table:**

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	162,900,414,431

b	Risk Weighted Exposure for Operational Risk	8,542,889,660
c	Risk Weighted Exposure for Market Risk	945,827,942
	Adjustments under Pillar-II	
	Add: 4% of the Gross Revenue for operational risk	2,504,222,765
	Add:.....% of the total deposit due to in sufficient Liquid Assets(6.4a 6)	-
	Add: 4% of the Risk Weighted Exposure as per Supervisory Adjustment	6,895,565,281
	Total Core Capital to Total Risk Weighted Exposure	8.70%
	Total Capital Fund to Total Risk Weighted Exposure	13.08%

### 3 Non Performing Assets

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

SN	Particular	Amount (NPR)	Provision	Net NPA
a	Restructured	209,581,781	26,197,723	183,384,058
b	Sub-standard	297,486,010	74,050,529	223,435,481
c	Doubtful	245,091,251	121,834,345	123,256,906
d	Loss	1,047,010,492	1,046,225,516	784,976
	<b>Total</b>	<b>1,799,169,533</b>	<b>1,268,308,112</b>	<b>530,861,421</b>

#### 3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	1.21%
b	Net NPA to Net Advances	0.37%

#### 3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	209,581,781	-	209,581,781
b	Sub-standard	297,486,010	548,810,469	(251,324,459)
c	Doubtful	245,091,251	330,936,528	(85,845,277)
d	Loss	1,047,010,492	939,910,074	107,100,418
	<b>Total</b>	<b>1,799,169,533</b>	<b>1,819,657,071</b>	<b>(20,487,537)</b>
	<b>Non Performing Assets (%)</b>	<b>1.21%</b>	<b>1.23%</b>	<b>-0.02%</b>

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

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	27,931,287
b	Write off Interest during the Year	17,344,013

### 5 Movement of Loan Loss Provision and Interest Suspense

SN	Particular	This Quarter	Previous Quarter	Movement
a	Loan Loss Provision	3,588,794,554	3,454,479,732	134,314,822
b	Interest Suspense	2,097,481,597	1,781,021,313	316,460,284

### 6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	119,276,406
b	Held to Maturity	40,847,784,268
c	Available for Sale	3,901,647,438
	<b>Total Investment</b>	<b>44,868,708,112</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