

**Prabhu Bank Ltd.**  
**Disclosure under Basel III**  
**14th January 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	2,580,315,756
d	Retained Earnings	(559,746,026)
e	Unaudited current year cumulative profit	1,262,010,042
f	Other Reserves	-
	<b>Sub-total</b>	<b>15,991,283,947</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>15,467,054,867</b>

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

SN	Particular	Amount (NPR)
a	General loan loss provision	2,214,043,443
b	Subordinated term debt	5,636,695,394
c	Investment Adjustment Reserve	1,900,000.00
d	Exchange Equalization Reserve	9,720,363.93
	<b>Total Tier II Capital</b>	<b>7,862,359,201</b>

**1.3 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>

**1.4 Qualifying Capital**

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	15,467,054,867
b	Supplementary Capital (Tier II)	7,862,359,201
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>23,329,414,068</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	3,379,684,667
d	Claims on corporate and securities firms	91,404,619,274.19
e	Claims on regulatory retail Portfolio	19,748,852,554
f	Claims secured by residential properties	6,993,401,127
g	Claims secured by commercial real estate	3,141,583,526
h	Past due claims	813,736,618
i	High risk claims	4,798,198,996
j	Other Assets	13,254,719,006
k	Off Balance - sheet items	21,465,974,614
	<b>Total Risk Weighted Exposures</b>	<b>165,000,770,381</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	165,000,770,381
b	Risk Weighted Exposure for Operational Risk	8,542,889,660
c	Risk Weighted Exposure for Market Risk	349,971,837
	<u>Adjustments under Pillar-II</u>	
	Add: 3% of gross income of immediate previous financial year (6.4a 7)	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	5,216,808,956
	<b>Total Risk Weighted Exposures</b>	<b>180,988,607,908</b>

**2.3 Capital Adequacy Calculation Table:**

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	8.55%
	Total Capital Fund to Total Risk Weighted Exposure	12.89%

**3 Non Performing Assets**

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

<b>SN</b>	<b>Particular</b>	<b>Amount (NPR)</b>	<b>Provision</b>	<b>Net NPA</b>
a	Restructured			
b	Sub-standard	548,810,469	136,791,721	412,018,748
c	Doubtful	330,936,528	164,767,136	166,169,392
d	Loss	939,910,254	938,877,433	1,032,821
	<b>Total</b>	<b>1,819,657,251</b>	<b>1,240,436,289</b>	<b>579,220,961</b>

**3.2 Non Performing Assets Ratios**

<b>SN</b>	<b>Particular</b>	<b>Amount (NPR)</b>
a	Gross NPA to Gross Loan & Advances	1.23%
b	Net NPA to Net Advances	0.40%

**3.3 Movement of Non Performing Assets**

<b>SN</b>	<b>Particular</b>	<b>This Quarter</b>	<b>Previous Quarter</b>	<b>Movement</b>
a	Restructured	-	-	-
b	Sub-standard	548,810,469	884,937,361	(336,126,892)
c	Doubtful	330,936,528	586,448,524	(255,511,996)
d	Loss	939,910,254	876,777,063	63,133,191
	<b>Total</b>	<b>1,819,657,251</b>	<b>2,348,162,947</b>	<b>(528,505,697)</b>
	<b>Non Performing Assets (%)</b>	<b>1.23%</b>	<b>1.61%</b>	<b>-0.38%</b>

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

<b>SN</b>	<b>Particular</b>	<b>Amount (NPR)</b>
a	Write off Loans during the Year	25,149,184
b	Write off Interest during the Year	15,792,494

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

<b>SN</b>	<b>Particular</b>	<b>This Quarter</b>	<b>Previous Quarter</b>	<b>Movement</b>
a	Loan Loss Provision	3,454,479,732	3,497,823,266	(43,343,534)
b	Interest Suspense	1,781,021,313	1,808,377,809	(27,356,496)

**6 Segregation of Investment Portfolio**

<b>SN</b>	<b>Particular</b>	<b>Amount (NPR)</b>
a	Held for Trading	211,894,277
b	Held to Maturity	34,511,642,001
c	Available for Sale	3,545,293,916
	<b>Total Investment</b>	<b>38,268,830,194</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 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.