

Prabhu Bank Ltd.
Disclosure under Basel III
13th April 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	2,405,660,125
d	Retained Earnings	(384,987,977)
e	Unaudited current year cumulative profit	2,109,606,739
f	Other Reserves	141,643,836
	Sub-total	15,618,980,022
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	524,229,080
i	Less: Deferred Tax Assets	-
	Total Tier I Capital	15,094,750,942

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	2,011,412,533
b	Subordinated term debt	2,993,563,841
c	Investment Adjustment Reserve	760,000.00
d	Exchange Equalization Reserve	3,534,395.62
	Total Tier II Capital	5,009,270,770

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)	15,094,750,942
b	Supplementary Capital (Tier II)	5,009,270,770
	Total Capital Fund (Tier I and Tier II)	20,104,021,712

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	3,412,930,418
d	Claims on corporate and securities firms	85,113,430,254.74
e	Claims on regulatory retail Portfolio	17,482,113,588
f	Claims secured by residential properties	6,195,735,066
g	Claims secured by commercial real estate	2,841,287,694
h	Past due claims	2,840,202,262
i	High risk claims	5,146,376,545
j	Other Assets	15,939,711,216
k	Off Balance - sheet items	21,941,215,610
	Total Risk Weighted Exposures	160,913,002,654

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	160,913,002,654
b	Risk Weighted Exposure for Operational Risk	6,611,114,957
c	Risk Weighted Exposure for Market Risk	216,472,149
	<u>Adjustments under Pillar-II</u>	
	Add: 3% of the total RWE due to non compliance to Disclosure Requirement(6.4a 10)	1,555,662,600
	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	5,032,217,693
	Total Risk Weighted Exposures	174,328,470,054

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	8.66%
	Total Capital Fund to Total Risk Weighted Exposure	11.53%

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	829,392,847	206,719,096	622,673,751
c	Doubtful	467,687,748	233,737,385	233,950,362
d	Loss	799,351,352	799,351,352	-
	Total	2,096,431,946	1,239,807,833	856,624,113

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	1.48%
b	Net NPA to Net Advances	0.62%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	-	-	-
b	Sub-standard	829,392,847	1,206,347,983	(376,955,136)
c	Doubtful	467,687,748	376,339,181	91,348,567
d	Loss	799,351,352	1,084,471,040	(285,119,688)
	Total	2,096,431,946	2,667,158,204	(570,726,258)
	Non Performing Assets (%)	1.48%	2.06%	-0.58%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	114,669,738
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	3,090,363,825	3,364,240,968	(273,877,143)
b	Interest Suspense	1,489,035,291	1,572,944,506	(83,909,215)

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	28,677,249,729
c	Available for Sale	5,466,721,383
	Total Investment	34,143,971,112

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.