

Prabhu Bank Ltd.
Disclosure under Basel III
14th January 2023

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	23,542,489,832
b	Share Premium	-
c	Statutory General Reserves	4,399,003,499
d	Retained Earnings	364,224,181
e	Unaudited current year cumulative profit	-
f	Other Reserves	-
	Sub-total	28,305,717,512
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	695,729,080
i	Less: Deferred Tax Assets	-
J	Less: Investment in equity of institutions in excess of limits	96,155,382
	Total Tier I Capital	27,513,833,050

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	4,310,566,116
b	Exchange Equalisation Reserve	26,652,140
c	Investment Adjustment Reserve	2,280,000
d	Debenture	7,838,024,765
	Total Tier II Capital	12,177,523,020

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	695,729,080
c	Deferred Tax Assets	-
d	Investment in equity of institutions in excess of limits	96,155,382
	Total	791,884,462

1.5 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	27,513,833,050
b	Supplementary Capital (Tier II)	12,177,523,020
	Total Capital Fund (Tier I and Tier II)	39,691,356,070

2 Risk Exposures:

2.1 Risk weighted exposures under each 12 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	2,831,014,518
d	Claims on corporate and securities firms	142,244,482,380
e	Claims on regulatory retail Portfolio	33,345,190,645
f	Claims secured by residential properties	9,956,571,604
g	Claims secured by commercial real estate	7,288,611,825
h	Claim on TR Loans Trading Purpose	4,150,962,285
i	Past due claims	6,061,672,777
j	High risk claims	26,963,021,425
k	Other Assets	23,719,643,297
L	Off Balance - sheet items	28,210,272,481
	Total Risk Weighted Exposures	284,771,443,239

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	284,771,443,239
b	Risk Weighted Exposure for Operational Risk	9,563,695,220
c	Risk Weighted Exposure for Market Risk	59,047,682
	<u>Adjustments under Pillar-II</u>	
	Add: 4% of the Gross Revenue for operational risk (6.4a 7)	2,924,135,809
	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	11,775,767,446
	Total Risk Weighted Exposures	309,094,089,395

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
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a	Risk Weighted Exposure for Credit Risk	284,771,443,239
b	Risk Weighted Exposure for Operational Risk	9,563,695,220
c	Risk Weighted Exposure for Market Risk	59,047,682
Adjustments under Pillar-II		
	Add: 4% of the Gross Revenue for operational risk	2,924,135,809
	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	11,775,767,446
	Total Core Capital to Total Risk Weighted Exposure	8.90%
	Total Capital Fund to Total Risk Weighted Exposure	12.84%

3 Non Performing Assets

3.1 Statement of Non Performing Assets (Gross and Net)

SN	Particular	Amount (NPR)	Provision	Net NPA
a	Restructured	200,020,380	25,002,548	175,017,832.67
b	Sub-standard	1,138,195,907	282,509,911	855,685,996.09
c	Doubtful	1,238,893,231	614,867,575	624,025,655.76
d	Loss	2,369,531,806	2,361,491,567	8,040,238.99
	Total	4,946,641,324	3,283,871,601	1,662,769,723.51

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	1.98%
b	Net NPA to Net Advances	0.69%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	200,020,380	260,298,416	(60,278,035.72)
b	Sub-standard	1,138,195,907	1,094,221,702	43,974,204.86
c	Doubtful	1,238,893,231	508,314,296	730,578,934.79
d	Loss	2,369,531,806	728,695,750	1,640,836,056.56
	Total	4,946,641,324	2,591,530,164	2,355,111,160.49
	Non Performing Assets (%)	1.98%	1.68%	0.30%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	4,240,014
b	Write off Interest during the Year	40,239,071

5 Movement of Loan Loss Provision and Interest Suspense

SN	Particular	This Quarter	Previous Quarter	Movement
a	Loan Loss Provision	7,594,437,716	3,517,820,707	4,076,617,009.57
b	Interest Suspense	5,243,030,299	2,330,132,163	2,912,898,135.93

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	183,794,028
b	Held to Maturity	47,006,116,267
c	Available for Sale	4,720,995,560
	Total Investment	51,910,905,855

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.