

Prabhu Bank Ltd.
Disclosure under Basel III
15th July 2020

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	10,315,506,635
b	Share Premium	-
c	Statutory General Reserves	2,018,292,959
d	Retained Earnings	1,105,818,235
e	Unaudited current year cumulative profit	-
f	Other Reserves	257,050,979
	Sub-total	13,696,668,808
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	116,960,880
i	Less: Deferred Tax Assets	257,050,979
	Total Tier I Capital	13,322,656,949

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	Debt Securites Issued	1,000,000,000
b	General loan loss provision	1,374,582,476
c	Exchange Equalisation Reserve	3,534,396
d	Investment Adjustment Reserve	117,720,880
	Total Tier II Capital	2,495,837,751

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	116,960,880
c	Deferred Tax Assets	257,050,979
	Total	374,011,859

1.5 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	13,322,656,949
b	Supplementary Capital (Tier II)	2,495,837,751
	Total Capital Fund (Tier I and Tier II)	15,818,494,701

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	2,170,463,473
d	Claims on corporate and securities firms	64,729,856,219
e	Claims on regulatory retail Portfolio	10,746,573,270
f	Claims secured by residential properties	6,093,896,993
g	Claims secured by commercial real estate	2,702,216,207
h	Past due claims	2,509,661,867
i	High risk claims	4,907,629,184
j	Other Assets	12,916,690,137
k	Off Balance - sheet items	18,669,546,306
	Total Risk Weighted Exposures	125,446,533,657

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	125,446,533,657
b	Risk Weighted Exposure for Operational Risk	5,266,211,343
c	Risk Weighted Exposure for Market Risk	455,019,317
	<u>Adjustments under Pillar-II</u>	
	Add: RWE Equivalent to reciprocal of capital charge of 3% of Gross Income(6.4a 7)	1,436,220,000
	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	3,935,032,930
	Total Risk Weighted Exposures	136,539,017,247

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
	Total Core Capital to Total Risk Weighted Exposure	9.76%
	Total Capital Fund to Total Risk Weighted Exposure	11.59%

3 Non Performing Assets

3.1 Statement of Non Performing Assets (Gross and Net)

SN	Particular	Amount (NPR)	Provision	Net NPA
a	Restructured	71,156,642	8,894,580	62,262,062
b	Sub-standard	354,373,366	88,593,342	265,780,025
c	Doubtful	1,366,693,905	683,346,952	683,346,952
d	Loss	1,110,820,547	1,110,820,547	-
	Total	2,903,044,460	1,891,655,421	1,011,389,039

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	2.81%
b	Net NPA to Net Advances	1.01%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	71,156,642	74,902,179	(3,745,537)
b	Sub-standard	354,373,366	596,055,880	(241,682,514)
c	Doubtful	1,366,693,905	1,061,529,346	305,164,559
d	Loss	1,110,820,547	1,252,380,736	(141,560,189)
	Total	2,903,044,460	2,984,868,141	(81,823,681)
	Non Performing Assets (%)	2.81%	2.95%	-0.14%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	31,067,408
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	3,268,726,101	3,192,908,195	75,817,906
b	Interest Suspense	2,019,626,274	2,400,164,509	(380,538,235)

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	-
b	Held to Maturity	17,349,452,500
c	Available for Sale	2,931,338,253
	Total Investment	20,280,790,753

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.