

Prabhu Bank Ltd.
Disclosure under Basel III
17th October 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	2,988,994,247
d	Retained Earnings	1,888,771,042
e	Unaudited current year cumulative profit	-
f	Other Reserves	-
	Sub-total	17,586,469,463
g	Less: Fictitious Assets	-
h	Less: Investment in subsidiaries	524,229,080
i	Less: Deferred Tax Assets	-
	Total Tier I Capital	17,062,240,383

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	2,240,795,246
b	Exchange Equalisation Reserve	14,104,301
c	Investment Adjustment Reserve	1,900,000
d	Debentures	5,638,024,765
	Total Tier II Capital	7,894,824,312

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	-
	Total	524,229,080

1.5 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	17,062,240,383
b	Supplementary Capital (Tier II)	7,894,824,312
	Total Capital Fund (Tier I and Tier II)	24,957,064,695

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	2,394,357,505
d	Claims on corporate and securities firms	95,520,037,015
e	Trust Receipt Loans for Trading Firms	3,097,343,001
f	Claims on regulatory retail Portfolio	17,047,973,320
g	Claims secured by residential properties	7,063,333,779
h	Claims secured by commercial real estate	2,163,634,826
i	Past due claims	1,959,744,901
j	High risk claims	13,497,766,306
k	Other Assets	14,440,110,824
L	Off Balance - sheet items	18,922,833,864
	Total Risk Weighted Exposures	176,107,135,341

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	176,107,135,341
b	Risk Weighted Exposure for Operational Risk	9,563,695,220
c	Risk Weighted Exposure for Market Risk	956,317,659
	Adjustments under Pillar-II	
	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	7,465,085,928.80
	Total Risk Weighted Exposures	197,016,369,958

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	176,107,135,341
b	Risk Weighted Exposure for Operational Risk	9,563,695,220
c	Risk Weighted Exposure for Market Risk	956,317,659
	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	7,465,085,929
	Total Core Capital to Total Risk Weighted Exposure	8.66%
	Total Capital Fund to Total Risk Weighted Exposure	12.67%

3 Non Performing Assets

3.1 Statement of Non Performing Assets (Gross and Net)

SN	Particular	Amount (NPR)	Provision	Net NPA
a	Restructured	260,298,416	32,537,302	227,761,114
b	Sub-standard	1,094,221,702	271,314,316	822,907,386

c	Doubtful	508,314,296	247,823,807	260,490,489
d	Loss	728,695,750	725,350,035	3,345,714
	Total	2,591,530,164	1,277,025,460	1,314,504,703

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	1.68%
b	Net NPA to Net Advances	0.87%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	260,298,416	309,481,788	(49,183,372)
b	Sub-standard	1,094,221,702	543,702,867	550,518,835
c	Doubtful	508,314,296	254,773,181	253,541,115
d	Loss	728,695,750	689,790,791	38,904,959
	Total	2,591,530,164	1,797,748,627	793,781,537
	Non Performing Assets (%)	1.68%	1.20%	0.48%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	628,539
b	Write off Interest during the Year	2,726,534

5 Movement of Loan Loss Provision and Interest Suspense

SN	Particular	This Quarter	Previous Quarter	Movement
a	Loan Loss Provision	3,517,820,707	3,280,512,004	237,308,703
b	Interest Suspense	2,330,132,163	2,093,095,573	237,036,590

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	104,009,344
b	Held to Maturity	32,961,543,883
c	Available for Sale	4,320,918,329
	Total Investment	37,386,471,557

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.