

Prabhu Bank Ltd.
Disclosure under Basel III
14th January 2024

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	4,223,261,646
d	Retained Earnings	(1,867,467,729)
e	Unaudited current year cumulative profit	-
f	Other Reserves	-
	Sub-total	25,898,283,749
g	Less: Fictitious Assets	-
h	Less: Intangible Assets	132,617,268
i	Less: Investment in subsidiaries	795,729,080
j	Less: Investment in equity of institutions in excess of limits	60,536,500
k	Less: Deferred Tax Assets	-
	Total Tier I Capital	24,909,400,901

1.2 Tier II Capital and Breakdown of its Components:

SN	Particular	Amount (NPR)
a	General loan loss provision	3,442,072,033
b	Exchange Equalisation Reserve	27,630,360
c	Investment Adjustment Reserve	13,760,000
d	Debenture	7,839,585,735
	Total Tier II Capital	11,323,048,128

1.3 Deduction from Tier I

SN	Particular	Amount (NPR)
a	Fictitious Assets	-
b	Intangible Assets	132,617,268
c	Investment in subsidiaries	795,729,080
d	Investment in equity of institutions in excess of limits	60,536,500
e	Deferred Tax Assets	-
	Total	988,882,848

1.4 Qualifying Capital

SN	Particular	Amount (NPR)
a	Core Capital (Tier I)	24,909,400,901
b	Supplementary Capital (Tier II)	11,323,048,128
	Total Capital Fund (Tier I and Tier II)	36,232,449,029

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	5,191,280,771
d	Claims on corporate and securities firms	144,227,353,166
e	Claims on regulatory retail Portfolio	17,708,267,297
f	Claims secured by residential properties	8,526,278,230
g	Claims secured by commercial real estate	2,937,555,647
h	Past due claims	17,924,463,587
i	High risk claims	9,408,834,471
j	Claim on TR Loans Trading Purpose	2,995,248,022
k	Personal Hirepurchase/Personal Auto Loans (upto Rs. 2.5 Million)	1,191,675,492
l	Personal Hirepurchase/Personal Auto Loans (above Rs. 2.5 Million)	607,311,607
m	Real State for Land acquisition	8,153,179,322
n	Lending against Shares(above Rs.5 Million)	3,394,348,643
o	Lending against Shares(upto Rs.5 Million)	716,914,626
p	Other Assets	21,956,973,377
q	Off Balance - sheet items	30,426,078,350
	Total Risk Weighted Exposures	275,365,762,608

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

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	275,365,762,608
b	Risk Weighted Exposure for Operational Risk	12,778,426,204
c	Risk Weighted Exposure for Market Risk	2,103,687,242
	Adjustments under Pillar-II	
	Add: 4% of the Gross Revenue for operational risk (6.4a 7)	4,794,382,389
	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	11,609,915,042
	Total Risk Weighted Exposures	306,652,173,484

2.3 Capital Adequacy Calculation Table:

SN	Particular	Amount (NPR)
a	Risk Weighted Exposure for Credit Risk	275,365,762,608
b	Risk Weighted Exposure for Operational Risk	12,778,426,204

c	Risk Weighted Exposure for Market Risk	2,103,687,242
	Adjustments under Pillar-II	
	Add: 4% of the Gross Revenue for operational risk	4,794,382,389
	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	11,609,915,042
	Total Core Capital to Total Risk Weighted Exposure	8.12%
	Total Capital Fund to Total Risk Weighted Exposure	11.82%

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	3,801,828,325	1,241,170,889	2,560,657,436
c	Doubtful	3,993,932,107	2,186,601,999	1,807,330,108
d	Loss	3,922,508,393	3,908,220,524	14,287,869
	Total	11,718,268,825	7,335,993,412	4,382,275,412

3.2 Non Performing Assets Ratios

SN	Particular	Amount (NPR)
a	Gross NPA to Gross Loan & Advances	4.90%
b	Net NPA to Net Advances	1.95%

3.3 Movement of Non Performing Assets

SN	Particular	This Quarter	Previous Quarter	Movement
a	Restructured	-	6,356,133	(6,356,133)
b	Sub-standard	3,801,828,325	4,171,687,271	(369,858,947)
c	Doubtful	3,993,932,107	2,319,421,478	1,674,510,629
d	Loss	3,922,508,393	3,040,359,283	882,149,110
	Total	11,718,268,825	9,537,824,165	2,180,444,660
	Non Performing Assets (%)	4.90%	3.97%	0.93%

4 Write off of Loans and Interest in the quarter

SN	Particular	Amount (NPR)
a	Write off Loans during the Year	-
b	Write off Interest during the Year	281,757,091

5 Movement of Loan Loss Provision and Interest Suspense

SN	Particular	This Quarter	Previous Quarter	Movement
a	Loan Loss Provision	14,458,658,656	10,257,059,873	4,201,598,782
b	Interest Suspense	9,171,774,796	9,379,271,128	(207,496,332)

6 Segregation of Investment Portfolio

SN	Particular	Amount (NPR)
a	Held for Trading	193,640,909
b	Held to Maturity	45,677,929,299
c	Available for Sale	5,163,561,619
	Total Investment	51,035,131,826

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.