

**PRIME COMMERCIAL BANK LIMITED**  
Disclosures under BASEL II as at 31.06.2067

1. **Capital Structure and Capital Adequacy**

- **Tier 1 Capital and a breakdown of its components:**

	<b>Core Capital (Tier I)</b>	<b>Amount (Rs.)</b>
a	Paid up Capital	1,100,000,000.00
b	Calls in Advances	163,880,000.00
c	Proposed Bonus Share	110,000,000.00
d	Statutory General Reserve	99,140,866.00
e	Retained Earnings	150,745,125.33
	<b>Sub- Total</b>	<b>1,623,765,991.33</b>
	Less : Fictitious Assets	-
	<b>Total Core Capital (Tier I)</b>	<b>1,623,765,991.33</b>

- **Tier 2 Capital and a breakdown of its components:**

	<b>Supplementary Capital (Tier 2)</b>	<b>Amount (Rs.)</b>
	General Loan Loss Provision	157,702,592.51
	Exchange Equalization Reserve	-
	<b>Total Supplementary Capital (Tier II)</b>	<b>157,702,592.51</b>

- **Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, amount eligible to be reckoned as capital funds:** Nil
- **Deductions from Capital** Nil
- **Total Qualifying Capital** 1,781,468,583.84
- **Capital Adequacy Ratio** 10.44%
- **Summary of the Bank's Internal Approach to assess the adequacy of its capital to support current and future activities:**
  - Internal Audit department regularly monitors the adequacy of the capital.
  - The capital adequacy is also monitored by the management and Board of Directors on periodic basis.
- **Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments** Nil

2. **Risk Exposures**

**Risk weighted exposures for Credit Risk, Market Risk and Operational Risk**

	<b>Risk Weighted Exposure</b>	<b>Amount (Rs.)</b>
a	Risk weighted exposure for Credit Risk	16,377,166,863.21
b	Risk weighted exposure for Operational Risk	631,128,006.44
c	Risk weighted exposure for Market Risk	49,479,676.94
	<b>Total Risk Weighted Exposure</b>	<b>17,057,774,546.58</b>

- **Risk Weighted Exposure under each of 11 categories**

	<b>Credit Risk</b>	<b>Claim</b>	<b>RWE</b>
1	Claims on Govt. and Central Bank	3,133,173,919.10	-
2	Claims on other Financial Entities	-	-
3	Claims on Banks	1,199,551,189.65	239,910,237.93
4	Claims on Corporate and Securities Firm	8,007,363,804.19	7,950,048,996.00
5	Claims on Regulatory Retail Portfolio	1,330,961,670.20	656,453,185.23
6	Claims Secured by Residential Properties	1,140,940,173.94	684,564,104.36
7	Claims Secured by Commercial Real Estate	2,655,647,960.64	2,655,647,960.64
8	Past due Claims	29,970,968.60	22,478,226.45
9	High Risk Claims	2,247,172,229.06	2,230,937,351.33
10	Other Assets	565,558,309.81	397,300,160.54
11	Off Balance Sheet Items	3,397,860,238.92	1,540,931,095.84

- **Total Risk weighted exposure calculation table:**

	<b>Risk Weighted Exposure</b>	<b>Amount (Rs.)</b>
a	Risk weighted exposure for Credit Risk	16,377,166,863.21
b	Risk weighted exposure for Operational Risk	631,128,006.44
c	Risk weighted exposure for Market Risk	49,479,676.94
	<b>Total Risk Weighted Exposure</b>	<b>17,057,774,546.58</b>

- **Amount of NPAs** **Rs. 29,970,968.60**

- **NPA Ratios** **0.19%**

- **Movement of Non Performing Assets**

<b>Particulars</b>	<b>Opening Balance</b>	<b>Closing Balance</b>	<b>Movement</b>
Sub- Standard Loan	-	29,970,969	100%

- **Write off of Loans and Interest Suspense** **Nil**

- **Movement in Loan Loss Provisions and Interest Suspense**

**Loan Loss Provisions**

<b>Particulars</b>	<b>Opening Balance</b>	<b>Closing Balance</b>	<b>Movement</b>
Pass Loan	140,843,756	157,828,593	12.06%
Rescheduled Loan	14,985,484	-	-100%
Sub- Standard Loan	-	14,985,484	100%

**Interest Suspense**

<b>Particulars</b>	<b>Opening Balance</b>	<b>Closing Balance</b>	<b>Movement</b>
Interest Suspense	8,105,525	13,589,511	67.66%

**Details of additional Loan Loss Provisions**

<b>Particulars</b>	<b>Opening Balance</b>	<b>Closing Balance</b>	<b>Movement</b>
Pass Loan	140,843,756	157,828,593	16,984,837
Rescheduled Loan	14,985,484	-	-14,985,484
Sub- Standard Loan	-	14,985,484	14,985,484

- **Segregation of investment portfolio into Held for Trading, Held to Maturity and Available for Sale Category**

All investments are held to maturity except investment of Rs. 2,500,000.00 in shares of Nepal Clearing House Ltd. which is Available for Sale.

### **3. Risk Management Function**

Types of eligible credit risk mitigants used and the benefits availed under CRM

<b>Eligible Credit Risk Mitigants</b>	<b>Benefits taken under CRM (Rs.)</b>
Deposits with banks	207,575,703.09
Gold	1,144,429,786.60