

**PRIME COMMERCIAL BANK LIMITED**  
Disclosures under BASEL II as at 31.12.2066

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                  | 163,755,000.00          |
| c | Proposed Bonus Share               | -                       |
| d | Statutory General Reserve          | 34,143,817.00           |
| e | Retained Earnings                  | 274,328,872.52          |
|   | <b>Sub- Total</b>                  | <b>1,572,227,689.52</b> |
|   | Less : Fictitious Assets           | -                       |
|   | <b>Total Core Capital (Tier I)</b> | <b>1,572,227,689.52</b> |

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

|  | <b>Supplementary Capital (Tier 2)</b>        | <b>Amount (Rs.)</b>   |
|--|--|-----------------------|
|  | General Loan Loss Provision                  | 141,367,923.38        |
|  | Exchange Equalization Reserve                | -                     |
|  | <b>Total Supplementary Capital (Tier II)</b> | <b>141,367,923.38</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** 1,713,595,613.90
- **Capital Adequacy Ratio** 11.65%
- **Summary of the Bank's Internal Approach to assess the adequacy of its capital to support current and future activities:**
  - a. Internal Audit department regularly monitors the adequacy of the capital.
  - b. 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      | 14,134,590,131.10        |
| b | Risk weighted exposure for Operational Risk | 527,726,825.94           |
| c | Risk weighted exposure for Market Risk      | 43,171,787.75            |
|   | <b>Total Risk Weighted Exposure</b>         | <b>14,705,488,744.79</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         | 2,921,869,438.00 | -                |
| 2  | Claims on other Financial Entities       | -                | -                |
| 3  | Claims on Banks                          | 1,160,366,818.10 | 237,069,738.60   |
| 4  | Claims on Corporate and Securities Firm  | 5,869,972,888.40 | 5,801,818,551.32 |
| 5  | Claims on Regulatory Retail Portfolio    | 1,228,466,499.50 | 640,197,426.52   |
| 6  | Claims Secured by Residential Properties | 985,499,376.82   | 591,299,626.09   |
| 7  | Claims Secured by Commercial Real Estate | 2,623,770,103.70 | 2,623,770,103.70 |
| 8  | Past due Claims                          | -                | -                |
| 9  | High Risk Claims                         | 2,241,333,698.17 | 2,339,696,795.40 |
| 10 | Other Assets                             | 541,731,712.16   | 391,614,440.51   |
| 11 | Off Balance Sheet Items                  | 3,134,670,045.09 | 1,509,123,448.96 |

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

|   | <b>Risk Weighted Exposure</b>               | <b>Amount (Rs.)</b>      |
|---|---|--------------------------|
| a | Risk weighted exposure for Credit Risk      | 14,134,590,131.10        |
| b | Risk weighted exposure for Operational Risk | 527,726,825.94           |
| c | Risk weighted exposure for Market Risk      | 43,171,787.75            |
|   | <b>Total Risk Weighted Exposure</b>         | <b>14,705,488,744.79</b> |

- **Amount of NPAs** Rs. 34,790,679.29

- **NPA Ratios** 0.26%

- **Movement of Non Performing Assets**

| <b>Particulars</b> | <b>Opening Balance</b> | <b>Closing Balance</b> | <b>Movement</b> |
|--------------------|------------------------|------------------------|-----------------|
| Sub- Standard Loan | -                      | 34,790,679.29          | 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          | 143,835,088.53         | 132,670,253.58         | -7.76%          |
| Sub- Standard Loan | -                      | 8,697,669.82           | 100%            |

**Interest Suspense**

| <b>Particulars</b> | <b>Opening Balance</b> | <b>Closing Balance</b> | <b>Movement</b> |
|--------------------|------------------------|------------------------|-----------------|
| Interest Suspense  | 7,388,393.76           | 13,932,200.23          | 88.57%          |

**Details of additional Loan Loss Provisions**

| <b>Particulars</b> | <b>Opening Balance</b> | <b>Closing Balance</b> | <b>Movement</b> |
|--------------------|------------------------|------------------------|-----------------|
| Pass Loan          | 143,835,088.53         | 132,670,253.58         | -11,164,834.95  |
| Sub- Standard Loan | -                      | 8,697,669.82           | 8,697,669.82    |

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

All investments are held to maturity.

### **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                   | 147,769,691.65                        |
| Gold                                  | 1,014,561,933.10                      |