Prabhu Bank
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Interim Financial Statement of 4th Quarter, F.Y. 2081/82

Condensed Consolidated Statement of Financial Position
As on Quarter ended 32 Ashadh 2082

NPR in '000

Assets	Group		Bank	
	This Quarter Ending	Immediate Previous Year Ending	This Quarter Ending	Immediate Previous Year Ending
Cash & Cash Equivalent	7,898,469	8,124,586	7,853,954	8,089,835
Due from Nepal Rastra Bank	20,873,856	15,285,132	20,873,856	15,285,132
Placement with Bank & Financial Institutions	1,126,712	606,130	1,086,712	346,130
Derivative Financial Instruments	7,217,243	261,463	7,217,243	261,463
Other Trading Assets	890,029	820,300	197,869	202,231
Loan & Advances to B/FIs	7,829,686	8,660,301	7,829,686	8,660,301
Loan & Advances to Customers	230,370,295	221,045,599	230,370,295	221,045,599
Investment Securities	120,568,509	93,685,208	119,662,947	93,329,981
Current Tax Assets	441,059	-	423,049	-
Investment in Subsidiaries	-	-	795,729	795,729
Investment in Associates	-	-	-	-
Investment Property	1,654,263	789,752	1,654,263	789,752
Property & Equipment	5,121,173	4,701,915	4,292,137	4,603,367
Goodwill & Intangible Assets	327,088	353,488	298,192	323,272
Deferred Tax Assets	846,244	327,358	869,217	324,463
Other Assets	7,762,812	7,609,461	7,244,880	7,061,458
Total Assets	**412,927,438**	**362,270,695**	**410,670,031**	**361,118,713**
Liabilities				
Due to Bank & Financial Institutions	5,899,651	7,216,236	5,899,651	7,216,236
Due to Nepal Rastra Bank	-	950	-	950
Derivative Financial Instruments	7,224,752	259,963	7,224,752	259,963
Deposit from Customers	342,041,115	304,924,571	342,188,540	305,012,852
Borrowings	723,750	668,250	687,750	668,250
Current Tax Liabilities	-	45,296	-	60,163
Provisions	105,679	105,679	105,679	105,679
Deferred Tax Liabilities	-	-	-	-
Other Liabilities	10,171,157	7,828,781	8,583,156	7,314,658
Debt Securities Issued	7,841,669	7,840,248	7,841,669	7,840,248
Subordinated Liabilities	-	-	-	-
Total Liabilities	**374,007,773**	**328,889,975**	**372,531,197**	**328,479,001**
Equity				
Share Capital	23,542,490	23,542,490	23,542,490	23,542,490
Share Premium	-	-	-	-
Retained Earnings	1,262,004	(2,831,236)	1,045,108	(3,025,526)
Reserves	13,560,133	12,131,215	13,551,236	12,122,749
Total Equity Attributable to Equity Holders	**38,364,627**	**32,842,469**	**38,138,833**	**32,639,713**
Non-controlling Interest	555,038	538,251		
Total Equity	**38,919,665**	**33,380,720**	**38,138,833**	**32,639,713**
Total Liabilities & Equity	**412,927,438**	**362,270,695**	**410,670,031**	**361,118,713**

Condensed Consolidated Statement of Profit or Loss
For the Quarter ended 32 Ashadh 2082

NPR in '000

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto this Quarter(YTD)	This Quarter Ending	Upto this Quarter(YTD)	This Quarter Ending	Upto this Quarter(YTD)	This Quarter Ending	Upto this Quarter(YTD)
Interest Income	4,112,321	23,241,558	8,055,917	31,969,460	4,110,432	23,229,499	8,049,750	31,899,378
Interest Expenses	(4,014,454)	(16,053,086)	(4,603,424)	(20,018,545)	(3,998,245)	(16,031,635)	(4,598,540)	(20,008,484)
Net Interest Income	**97,867**	**7,188,472**	**3,452,493**	**11,950,915**	**112,187**	**7,197,864**	**3,451,210**	**11,890,894**
Fees & Commission Income	819,343	2,642,661	614,109	2,119,168	751,383	2,461,853	555,676	2,009,143
Fees & Commission Expenses	(207,217)	(280,713)	9,600	(117,384)	(191,717)	(249,219)	16,352	(98,641)
Net Fees & Commission Income	**612,127**	**2,361,948**	**623,709**	**2,001,784**	**559,666**	**2,212,633**	**572,028**	**1,910,503**
Net Interest, Fee & Commission Income	**709,993**	**9,550,420**	**4,076,202**	**13,952,698**	**671,853**	**9,410,498**	**4,023,239**	**13,801,397**
Net Trading Income	191,590	696,827	172,006	448,804	128,909	542,600	110,202	384,547
Other Operating Income	173,368	644,332	187,572	359,790	152,821	619,535	213,653	352,535
Total Operating Income	**1,074,951**	**10,891,579**	**4,435,780**	**14,761,293**	**953,583**	**10,572,632**	**4,347,094**	**14,538,479**
Impairment (Charges) /Reversal for Loans & Other Losses	3,749,517	2,511,505	(2,961,227)	(4,719,871)	3,749,517	2,511,505	(2,961,227)	(4,719,871)
Net Operating Income	**4,824,468**	**13,403,084**	**1,474,554**	**10,041,422**	**4,703,100**	**13,084,137**	**1,385,867**	**9,818,608**
Operating Expense								
Personnel Expenses	(1,465,711)	(4,692,364)	(1,234,317)	(4,489,545)	(1,443,903)	(4,621,357)	(1,215,462)	(4,435,455)
Other Operating Expense	(4,214)	(1,510,628)	(250,695)	(1,585,925)	3,077	(1,465,482)	(251,479)	(1,564,297)
Depreciation & Amortization	(416,747)	(724,642)	(349,928)	(685,052)	(414,782)	(714,536)	(341,621)	(668,797)
Operating Profit	**2,937,795**	**6,475,451**	**(360,387)**	**3,280,899**	**2,847,491**	**6,282,761**	**(422,695)**	**3,150,060**
Non Operating Income	446	25,038	217	2,174	446	25,038	217	2,174
Non Operating Expenses	(783)	(2,691)	202,138	(2,784)	(783)	(2,691)	202,138	(2,784)
Profit before Income Tax	**2,937,458**	**6,497,797**	**(158,032)**	**3,280,290**	**2,847,154**	**6,305,108**	**(220,340)**	**3,149,450**
Income Tax Expense								
Current Tax	309,811	(1,464,880)	(903,233)	(2,490,656)	317,218	(1,431,353)	(893,605)	(2,468,786)
Deferred Tax	377,873	541,556	(189,762)	(187,465)	402,261	568,938	(187,656)	(169,809)
Profit /(Loss) for the Period	**3,625,141**	**5,574,474**	**(1,251,027)**	**602,168**	**3,566,633**	**5,442,693**	**(1,301,602)**	**510,856**

Condensed Consolidated Statement of Comprehensive Income

Profit/(loss) for the period	3,625,141	5,574,474	(1,251,027)	602,168	3,566,633	5,442,693	(1,301,602)	510,856
Other Comprehensive Income	(106,047)	52,898	362,578	769,697	(102,517)	56,428	362,835	769,954
Total Comprehensive Income	**3,519,094**	**5,627,372**	**(888,448)**	**1,371,865**	**3,464,116**	**5,499,121**	**(938,767)**	**1,280,810**
Basic Earnings per Share		23.68		2.56		23.12		2.17
Diluted Earnings per Share		23.68		2.56		23.12		2.17
Profit attributable to:								
Equity Holders of the Bank	3,494,021	5,572,374	(911,996)	1,332,506	3,464,116	5,499,121	(938,767)	1,280,810
Non-controlling Interest	25,074	54,998	23,547	39,359	-	-	-	-
Total	**3,519,094**	**5,627,372**	**(888,448)**	**1,371,865**	**3,464,116**	**5,499,121**	**(938,767)**	**1,280,810**

Ratios as per NRB Directive

Particulars	Group				Bank			
	Current Year		Previous Year Corresponding		Current Year		Previous Year Corresponding	
	This Quarter Ending	Upto this quarter(YTD)	This Quarter Ending	Upto this quarter(YTD)	This Quarter Ending	Upto this quarter(YTD)	This Quarter Ending	Upto this quarter(YTD)
CapitaL Fund to RWA		13.90%		12.37%		13.90%		12.37%
Tier 1 Capital to RWA		10.19%		8.70%		10.19%		8.70%
CET 1 Capital to RWA		10.19%		8.70%		10.19%		8.70%
Non-Performing Loan (NPL) to TotaL Loan		4.96%		4.94%		4.96%		4.94%
Net Non-Performing Loan to Total Loan		1.06%		0.93%		1.06%		0.93%
Total Loan Loss Provision to Total NPL		126.65%		118.08%		126.65%		118.08%
Cost of Funds		4.36%		5.77%		4.36%		5.77%
Average Credit to Deposit Ratio		70.78%		74.66%		70.78%		74.66%
Base Rate		6.67%		8.02%		6.67%		8.02%
Average Base Rate (three months)		6.66%		8.20%		6.66%		8.20%
Interest Rate Spread		3.73%		3.97%		3.73%		3.97%
Average Return on Equity (Annualized)		14.95%		0.39%		14.95%		0.39%
Average Return on Assets (Annualized)		1.37%		0.04%		1.37%		0.04%

Notes to Interim Financial Statement

1) Above financials are prepared in accordance with Nepal Financial Reporting Standard (NFRS) as issued by the Nepal Accounting Standard Board.
2) These figures are subject to change as per NRB and/or External Auditors.
3) Previous periods' figures have been revised/regrouped wherever necessary which may vary from previous year published/audited figure.
4) Impairment on credit exposure have been measured at higher of amount derived as per NFRS-9 Expected Credit Loss Related Guideline, 2024 issued by NRB and as per NRB Directive number 2 where impairment charges as calculated as per NRB directive number 2 is higher than the impairment charges as calculated under NFRS 9.
5) Interest income has been recognized in accordance with NFRS-9 Expected Credit Loss Related Guideline, 2024 (first amendment) and Guidance Note on Interest Income Recognition, 2025 issued by NRB.
6) Loans & Advances are presented net of impairment charges and includes interest accruals net of interest suspense and staff loans.
7) Personnel Expenses include employee's bonus provision and amortization of prepaid benefit of subsidized staff loan provided as per Employee Bylaws of the Bank.
8) Group represents Prabhu Bank Limited and it's subsidiary, Prabhu Capital Limited and Prabhu Stock Market Limited.
9) Intercompany transactions among the Group have been eliminated in the above statement related to the Group.
10) The detailed interim report has been published in the bank's website www.prabhubank.com.

Statement of Distributable Profit or Loss
For the Quarter ended 32 Ashadh 2082 (16 July 2025)
(As per NRB Regulations)

NPR in '000

Particulars	BANK	
	Current Year Upto this Qtr YTD	Previous Year Corresponding Qtr YTD
Net Profit or (Loss) as per statement of profit or loss	**5,442,693**	**510,856**
Appropriations		
a. General Reserve	(1,088,539)	(102,171)
b. Foreign Exchange Fluctuation Fund	(3,349)	(277)
c. Capital Redemption Reserve	(1,051,885)	(2,103,770)
d. Corporate Social Responsibility Fund	(54,427)	(5,109)
e. Employees' Training Fund	(3,297)	(13,593)
f. Investment Adjustment Reserves	-	10,000
g. Others	5,109	1,942
Profit or (loss) before regulatory adjustment	**3,246,306**	**(1,702,121)**
Regulatory adjustment :		
a. Interest receivable (-)/Previous Accrued interest Received (+)	1,520,686	224,899
b. Short Loan Loss Provision in Accounts (-)/reversal (+)	-	-
c. Short Provision for Possible Losses on Investment (-)/Reversal (+)	-	-
d. Short Loan Loss Provision on Non Banking Assets (-)/Reversal (+)	(325,783)	(216,972)
e. Deferred Tax Assets Recognised (-)/ Reversal (+)	(78,834)	499,789
f. Goodwill Recognised (-)/ Impairment of Goodwill (+)	31,926	-
g. Bargain Purchase Gain Recognised (-)/Reversal (+)	-	-
h. Actuarial Loss Recognised (-)/Reversal (+)	(323,667)	398,549
i. Other (+/-)	-	-
Net Profit for the Qtr end 32 Ashadh 2082 available for distribution	**4,070,634**	**(795,857)**
Opening Retained Earnings as on Shrawan 1, 2081	(3,025,526)	(2,236,376)
Adjustment (+/-) :	-	6,706
Distributions:		
Bonus Share Issued	-	-
Cash Dividend Issued	-	-
Total Distributable Profit or (Loss) as on Qtr end date	**1,045,108**	**(3,025,526)**
Annualised Distributable Profit/Loss per Share	4.44	-

Annex-14 of Securities Registration and Issue Regulations, 2073 (Related to sub-rule (1) of Rule 26)

Fourth Quarter Report of FY 2081/82

1. Financial Statements

a) Statements related to Financial Position and Profit or Loss have been published along with this.

Transactions with related parties:

i. Group comprises of Prabhu Bank Ltd. (The Bank), Prabhu Capital Ltd. (Subsidiary) and Prabhu Stock Market Ltd. (Subsidiary).

ii. Following are the details of intra-group transactions:

Particulars	Prabhu Capital Ltd.	Prabhu Stock Market Ltd.
Deposits held by Bank (NPR in mio)	144.76	2.66
Interest Paid (NPR in mio)	0.51	0.03

Above intra-group transactions have been eliminated in the financial statements of the group.

b) Key Financial Indicators:

Earnings per Share Rs.	23.12	Market Price per Share Rs.	221.89	Price Earnings Ratio	9.60
Return on Total Assets	1.37%	Net Worth per Share Rs.	162.00	Liquidity Ratio	39.81%

2. Managerial Analysis

a) Details relating to the change in the Bank's reserve, income and liquidity in the quarter and its main reason:
In the quarter, Bank's profit and reserve is improved primarily due to the write back of loan loss provision and increase in fees-based income. Similarly, mobilization of deposit liability to further strengthen its foundation enabled higher liquidity ratio.

b) Management's analytical details regarding future business plan:
Bank will be implementing strategic action plan for the recovery of impaired loans, business expansion with diversification, operational & business process improvement, risk management and service excellency by strengthening of technology infrastructure and capacity building of the employee.

c) Analytical details of the incidents that may have major impact on reserves, profit or cash flow (if any), based on previous experience:
There are no such incidents experienced during the period which might have adverse impact on the reserve, profit or cash flow.

3. Statement related to legal proceedings:

a) Case filed by or against the Bank in this quarter
There have been no legal cases except the cases which are related to recovery of loans and income tax cases in the ordinary business course.

b) Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or director of the Bank
No such information has been received.

c) Case relating to commission of financial crime filed against any promoter or director of the Bank
No such information has been received.

4. Statements related to Share Transactions:

a) Management view on the transactions of the shares of the Bank in the share market
Movements in the share price are determined by the open market principles. Hence, management has neutral opinion regarding the share price movements.

b) Maximum, minimum and closing share price, total transaction days and total transacted number of shares in the quarter

Maximum Price (Rs.)	231.50	Minimum Price (Rs.)	194.10	Closing Price (Rs.)	221.89
Total Transaction Days	63	No. of Transactions	35,037		

5. Problems and Challenges:

Internal Problems and Challenges:

- Challenge to manage Operational Risk with the increase of branch network and business processing complexity
- Challenge to increase non-interest revenue
- Recovery of Impaired Loans
- Management of personnel

External Problems and Challenges:

- Challenges from the political and social environments
- Competition in the banking industry
- Challenge to manage information security risk
- Challenge to cope with changing business environment and legal framework

Bank's Strategy to mitigate problems and challenges:

- Expanding business activities with caution observing the changes in internal and external environment
- Providing trainings to staff to enhance skills and abilities.
- Introducing new products and services considering the interest of the customers
- Focusing on alternate delivery channels to increase non-interest income
- Effective risk management, monitoring and controlling on operational risk, market risk and credit risk.
- Focusing on further improvement on digitalization to improve products offerings and service excellency.
- Detailed analysis of the effect from the external changes that take place from time to time, to the overall business and formulation of strategic action plans to cope with. Among others, Bank's strategy is to continue safe banking practices with special focus on recovery of interest and impaired loan.

6. Corporate Governance

Bank has been meticulously following the laws in force, directions issued by regulatory authorities like Nepal Rastra Bank, Securities Board of Nepal, etc. Bank has well equipped Compliance Department, Internal Audit Department and Risk Management Department to identify, monitor and control the possible risks in an independent manner. Besides, the Bank has board level Risk Management Committee and Audit Committee to supervise overall work of the Risk Management Department and Internal Audit Department respectively and provide guidelines.

7. CEO's declaration regarding truth and fairness

I, CEO, take responsibility for the truth and fairness of the information and statements in this report till date. Besides, I declare that, to the extent of my knowledge and belief, the statements are true and fair and any information necessary for investors to take informed decisions has not been suppressed.