

Disclosure Under Basel II
Garima Bikas Bank Ltd.
As of Poush End 2074 (January 14, 2018)

Capital Structure and Capital Adequacy

• **Tier 1 Capital and Breakdown of its Components**

Particulars	Amount in '000
Paid up Equity Share Capital	2,534,880.00
Share Premium	16,297.07
Statutory General Reserves	256,728.12
Retained Earnings	1,440.41
Un-audited current year cumulative profit/(loss)	180,564.21
Deferred Tax Reserve	6,736.92
Other Free Reserve	-
Less: Goodwill	-
Less: Fictitious Assets	2,178.73
Less: Purchase of land & building in excess of limit and unutilized	32,114.80
Total Core Capital	2,962,353.20

• **Tier 2 Capital and Breakdown of its Components**

Particulars	Amount in '000
General Loan Loss Provision	173,891.18
Investment Adjustment Reserve	8,158.88
Total Supplementary Capital	182,050.06

• **Deductions from Capital**

- Deferred tax assets amounting NRs. 2,178.73 Thousand has been deducted as per NRB directive no. 1/074
- Land amounting NRs. 32,114.80 Thousand has been deducted as per NRB directive no. 8/074

• **Total Qualifying Capital**

Particulars	Amount in '000
Core Capital	2,962,353.20
Supplementary Capital	182,050.06
Total Qualifying Capital (Total Capital Fund)	3,144,403.26

• **Capital Adequacy Ratio**

Particulars	%
Tier 1 Capital to Total Risk Weighted Exposures	20.13%
Total Capital Fund to Total Risk Weighted Exposures	21.37%

Risk Weighted Exposure

- Risk Weighted Exposure for Credit Risk, Operational Risk and Market Risk

Particulars	Amount in '000
Risk Weighted Exposure for Credit Risk	13,810,066.29
Risk Weighted Exposure for Operational Risk	906,388.68
Risk Weighted Exposure for Market Risk	12.00
Total Risk Weighted Exposure	14,716,466.97

- Risk Weighted Exposure Under Each 11 Categories of Credit Risk

Particulars	Amount in '000
Claims on Government and Central Bank	-
Claims on Other Financial Entities	-
Claims on Banks	597,888.79
Claims on Domestic Corporate and Securities Firms	451,971.88
Claims on Regulatory Retail Portfolio and Other Retail Portfolio	9,245,060.85
Claims Secured by Residential Properties	-
Claims Secured by Commercial Real Estate	538,772.03
Past Due Claims	57,086.16
High Risk Claims	2,179,756.64
Other Assets	549,778.53
Off Balance Sheet Items	189,751.43
Total Credit Risk Weighted Exposure	13,810,066.29

- Amount of Non-Performing Assets (Both Gross and Net)

Particulars	Gross Amount in '000	LLP Amount in '000	Net NPL Amount in '000
Restructured	-	-	-
Sub-Standard	38,416.69	9,604.17	28,812.52
Doubtful	25,333.92	12,666.96	12,666.96
Loss	10,750.73	10,750.73	-
Total	74,501.34	33,021.86	41,479.48

Particulars	Gross	Net Loan
Total Loan and Advances	15,754,976.76	15,548,063.72
	0.47%	0.27%

- NPA Ratios

Particulars	%
Gross NPA to Gross Loan and Advances	0.47%
Net NPA to Net Loan and Advances	0.27%

- **Movement in Non-Performing Assets**

Particulars	This Quarter Amount in '000	Last Quarter Amount in '000	Change %
Restructured	-	-	NA
Sub-Standard	38,416.69	121,801.19	-68.46%
Doubtful	25,333.92	9,628.52	163.11%
Loss	10,750.73	12,807.80	-16.06%
Total	74,501.34	144,237.51	-48.35%

- **Write Off of Loans and Interest Suspense**

Particulars	Amount in '000
Write Off of Loans During the Year	-
Write Off of Interest Suspense During the Year	-
Total	-

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

Particulars	This Quarter Amount in '000	Last Quarter Amount in '000	Change %
Loan Loss Provision (Total)	206,913.04	222,322.20	-6.93%
Interest Suspense	54,747.11	71,915.09	-23.87%

- **Segregation of Investment Portfolio**

Particulars	Amount in '000
Held for Trading	-
Held to Maturity	230,000.00
Available for Sale	98,133.72
Total	328,133.72

Internal Control System

- The effectiveness of the internal control system of the bank is reviewed regularly by the Board and its committee through Internal Audit Department. The Internal Audit Department monitors the compliance with policies and ensures the effectiveness of the internal control system throughout the organization.
- Periodic supervision is done by the top management.