

Disclosure Under Basel II
Garima Bikas Bank Ltd.
As of Ashadh End 2075 (July 16, 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)	437,867.95
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	3,219,656.94

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

Particulars	Amount in '000
General Loan Loss Provision	196,774.65
Investment Adjustment Reserve	8,158.88
Total Supplementary Capital	204,933.53

• **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	3,219,656.94
Supplementary Capital	204,933.53
Total Qualifying Capital (Total Capital Fund)	3,424,590.47

• **Capital Adequacy Ratio**

Particulars	%
Tier 1 Capital to Total Risk Weighted Exposures	18.17%
Total Capital Fund to Total Risk Weighted Exposures	19.33%

Risk Weighted Exposure

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

Particulars	Amount in '000
Risk Weighted Exposure for Credit Risk	16,803,241.29
Risk Weighted Exposure for Operational Risk	915,691.85
Risk Weighted Exposure for Market Risk	0.08
Total Risk Weighted Exposure	17,718,933.21

- 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	826,429.09
Claims on Domestic Corporate and Securities Firms	609,392.51
Claims on Regulatory Retail Portfolio and Other Retail Portfolio	10,889,546.62
Claims Fulfilling all Criterion of Regularity Retail Except Granularity	43,769.53
Claims Secured by Residential Properties	-
Claims Secured by Commercial Real Estate	555,570.22
Past Due Claims	21,808.68
High Risk Claims	3,009,698.44
Other Assets	647,895.71
Off Balance Sheet Items	199,130.48
Total Credit Risk Weighted Exposure	16,803,241.29

- 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	17,114.66	4,278.67	12,836.00
Doubtful	7,709.78	3,854.89	3,854.89
Loss	25,885.38	25,885.38	-
Total	50,709.82	34,018.94	16,690.89

Particulars	Gross	Net Loan
Total Loan and Advances	18,851,037.37	18,620,243.79
	0.27%	0.09%

- NPA Ratios

Particulars	%
Gross NPA to Gross Loan and Advances	0.27%
Net NPA to Net Loan and Advances	0.09%

- **Movement in Non-Performing Assets**

Particulars	This Quarter Amount in '000	Last Quarter Amount in '000	Change %
Restructured	-	-	NA
Sub-Standard	17,114.66	91,896.08	-81.38%
Doubtful	7,709.78	18,715.83	-58.81%
Loss	25,885.38	23,401.77	10.61%
Total	50,709.82	134,013.68	-62.16%

- **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)	230,793.58	249,324.74	-7.43%
Interest Suspense	59,974.08	64,204.61	-6.59%

- **Segregation of Investment Portfolio**

Particulars	Amount in '000
Held for Trading	-
Held to Maturity	230,000.00
Available for Sale	168,438.80
Total	398,438.80

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 process. The internal audit team 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.