

**Disclosure Under Basel II**  
**Garima Bikas Bank Ltd.**  
As of Asoj End 2074 (October 17, 2017)

**Capital Structure and Capital Adequacy**

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

Particulars	Amount in '000
Paid up Equity Share Capital	2,204,243.48
Share Premium	78,297.07
Statutory General Reserves	186,925.87
Retained Earnings	359,182.23
Un-audited current year cumulative profit/(loss)	34,217.99
Deferred Tax Reserve	6,736.92
Other Free Reserve	-
Less: Goodwill	-
Less: Fictitious Assets	9,747.75
Less: Purchase of land & building in excess of limit and unutilized	32,114.80
<b>Total Core Capital</b>	<b>2,827,741.01</b>

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

Particulars	Amount in '000
General Loan Loss Provision	164,463.89
Investment Adjustment Reserve	7,040.49
<b>Total Supplementary Capital</b>	<b>171,504.38</b>

• **Deductions from Capital**

- Deferred tax assets amounting NRs. 9,747,753.18 has been deducted as per NRB directive no. 1/073
- Land amounting NRs. 32,114,800.00 has been deducted as per NRB directive no. 8/073

• **Total Qualifying Capital**

Particulars	Amount in '000
Core Capital	2,827,741.01
Supplementary Capital	171,504.38
<b>Total Qualifying Capital (Total Capital Fund)</b>	<b>2,999,245.39</b>

• **Capital Adequacy Ratio**

Tier 1 Capital to Total Risk Weighted Exposures	21.49%
Total Capital Fund to Total Risk Weighted Exposures	22.80%

## Risk Weighted Exposure

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

Particulars	Amount in '000
Risk Weighted Exposure for Credit Risk	12,254,225.73
Risk Weighted Exposure for Operational Risk	902,885.86
Risk Weighted Exposure for Market Risk	-
<b>Total Risk Weighted Exposure</b>	<b>13,157,111.59</b>

- 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	538,525.85
Claims on Domestic Corporate and Securities Firms	326,326.15
Claims on Regulatory Retail Portfolio and Other Retail Portfolio	8,262,552.83
Claims Secured by Residential Properties	-
Claims Secured by Commercial Real Estate	504,359.10
Past Due Claims	137,089.32
High Risk Claims	1,899,211.55
Other Assets	448,660.77
Off Balance Sheet Items	137,500.17
<b>Total Credit Risk Weighted Exposure</b>	<b>12,254,225.73</b>

- 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	121,801.19	30,452.33	91,348.86
Doubtful	9,628.52	4,814.26	4,814.26
Loss	12,807.80	12,807.80	-
<b>Total</b>	<b>144,237.51</b>	<b>48,074.39</b>	<b>96,163.12</b>

Particulars	Gross	Net Loan
Total Loan and Advances	14,115,354.70	13,893,032.50
	1.02%	0.69%

- NPA Ratios

Particulars	%
Gross NPA to Gross Loan and Advances	1.02%
Net NPA to Net Loan and Advances	0.69%

- **Movement in Non-Performing Assets**

<b>Particulars</b>	<b>This Quarter Amount in '000</b>	<b>Last Quarter Amount in '000</b>	<b>Change %</b>
Restructured	-	-	NA
Sub-Standard	121,801.19	14,219.75	756.56%
Doubtful	9,628.52	4,654.09	106.88%
Loss	12,807.80	11,690.91	9.55%
<b>Total</b>	<b>144,237.51</b>	<b>30,564.75</b>	<b>371.91%</b>

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

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

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

<b>Particulars</b>	<b>This Quarter Amount in '000</b>	<b>Last Quarter Amount in '000</b>	<b>Change %</b>
Loan Loss Provision (Total)	222,322.20	152,745.62	45.55%
Interest Suspense	71,915.09	34,423.20	108.91%

- **Segregation of Investment Portfolio**

<b>Particulars</b>	<b>Amount in '000</b>
Held for Trading	-
Held to Maturity	130,000.00
Available for Sale	60,933.12
<b>Total</b>	<b>190,933.12</b>

### **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.