Market Disclosures for December 2014

Under Pillar-III of Basel II

To cope with the international best practices and to make the Bank's capital more risk sensitive as well as more shock resilient, "Guidelines on Risk Based Capital Adequacy (RBCA) for Banks" 2010, Basel II became mandatory. The purpose of market disclosure is to present relevant information on adequacy of capital in relation to over all risk exposures of the bank so that the market participants can assess the position and direction of the bank in making economic decisions. It allows market participants to assess key pieces of information on the scope of application, capital adequacy, risk exposures, risk assessment & its management processes. Market disclosures have the potential to reinforce capital regulation & other supervisory efforts to promote safety & soundness in bank.

The qualitative and quantitative disclosures of the bank under Basel-II requirements based on the audited financial statements as of 31 December 2014 are prepared as per the guidelines of Bangladesh Bank on "Risk Based Capital Adequacy for Banks" to establish more transparent and more disciplined financial market.

1. Scope of Application

Scope of Application	Qualitative Disclosures	(a) The name of the top corporate entity in the group to which this guidelines applies;	Janata Bank Limited.
		(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: (i) that are fully consolidated; (ii) that are given a deduction treatment and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	**A brief description of the bank and its subsidiaries are below :** **Janata Bank Limited** Janata Bank Limited is a state owned commercial bank incorporated on 21 May 2007 under the companies act 1994 as a public limited company and governed by the banking companies Act 1991. Janata Bank Limited took over the businesses, assets, liabilities, right, power, privilege and obligation of erstwhile Janata Bank through a vendor agreement signed between the People's Republic of Bangladesh and Janata Bank Limited on 15 November 2007 with a retrospective effect from 1 July 2007. Janata Bank was established by the Bangladesh Bank's (Nationalization) order 1972 (P.O 26 of 1972) and is fully owned by the Government of the Peoples's Republic of Bangladesh. The bank has 904 branches including 4 overseas branches. Bangladesh Bank issued license on 31 May 2007 in the name of Janata Bank Limited to conduct the banking business. **Subsidiaries :** **1) Janata Capital and Investment Limited, Dhaka** Janata Capital and Investment Limited Dhaka incorporated on 13 April 2010 vide incorporation certificate no. C-83898/10 issued by the Registrar of Joint Stock Companies and Firms (RJSC) with 100% ownership of Janata Bank Limited having Taka 5000 million authorized capital and its paid-up capital is Taka 2000 million. The company starts its operations from 26 September 2010 and its main functions are issue management, underwriting and portfolio management. **2) Janata Exchange Company Srl, Italy** Janata Exchange Company Srl. Italy was incorporated on 18 January 2002 vide Ministry of Finance letter # অম/অবি/ব্যাংকিং/শা-৭/বিবিধ-১২(২) 2000 dated 3 January 2001 and letter # অম/অবি/ব্যাংকিং/শা-৭/১২(২)২০০০/১৬৪ dated 27 June 2001 with 100% ownership of Janata Bank Limited having authorised capital of ITL 1.00 Billion and its paid-up capital is 600,000 EURO. Apart from Rome Branch, JEC, Italy has another Branch in Milan, Italy, which was established vide MOF's approval Letter # অম/অবি/ব্যাংকিং নীঃ/শা-১ /১২ /(২)/২০০/ ৩/৩৫২ dated 24 November 2002. **3) Janata Exchange Inc. USA** Janata Bank Limited has a proposed fully owned subsidiary company named Janata Exchange Company Inc. in New York, USA which is going through the process of incorporation. It has obtained the certificate of incorporation in USA and will start its operation after getting the license from the New York State Department of Financial Services.

Scope of Application		(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable
	Quantitative Disclosures	(d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.	Not applicable

2. Capital Structure

Capital Structure	Qualitative Disclosures	(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.	Regulatory capital base is quite different from accounting capital. As per Bangladesh Bank guideline, regulatory capital consists of Tier 1, Tier 2 and Tier 3 capital. Tier-1 capital is the core measure of a bank's financial strength. It consists of highest quality capital items which are stable in nature and allows a bank to absorb losses on an ongoing basis. It includes paid-up capital, statutory reserve, general reserve, retained earnings, minority interest in subsidiaries. Tier-2 capital lacks some of the characteristics of the core capital but also bears loss absorbing capacity to a certain extent. Capital consists of applicable percentage of revaluation reserves (50% for fixed asset, 50% for securities and 10% for equity) and general provision (against unclassified loans, SMA and off-balance sheet exposures). Presently the Bank does not have any debt instruments eligible for capital counting. Tier-3 capital : There is no Tier-3 capital instrument at this moment.

				Solo	**Consolidated**
Capital Structure	Quantitative Disclosures	(b) Amount of core capital (Tier 1), with separate disclosure of:	Tier 1 Capital	**Taka in million**	
			Paid-up capital	19,140.00	19,140.00
			Statutory reserve	8,969.19	8,969.19
			Legal reserve	116.98	116.98
			Retained earnings	353.38	356.74
			Total Tier 1 Capital	28,579.55	28,582.91
		(c) Total Supplementary Capital	Tier 2 and Tier 3 Capital	7,888.82	8,140.80
		(d) Deductions	Less: deductions	-	-
		(e) Total eligible capital	**Total eligible capital**	**36,468.37**	**36,723.71**

3. Capital Adequacy

Capital Adequacy

Qualitative Disclosures

(a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities	For accessing capital adequacy the bank has adopted standardized approach for credit risk measurement, standardized (rule based) approach for market risk measurement and basic indicator approach for operational risk measurement. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank. The bank has maintained capital adequacy ratio on the solo & consolidated are 10.30 percent & 10.25 percent against the minimum regulatory requirement of 10 percent. Tier-I capital adequacy ratio for solo & consolidated are 8.07 percent & 7.98 percent against the minimum regulatory requirement of 5 percent. The bank's policy is to manage and maintain its future capital considering all material risks that are covered under pillar-2 of Basel II as well as the result of stress tests. The primary objective of the capital management is to optimize the balance between return and risk, while maintaining economic regulatory capital in accordance with risk appetite. JBL determines its risk weighted assets by multiplying the exposure amount of assets with their respective risk weight given in Basel II guidelines of Bangladesh Bank. RWA for market & operational risk are calculated by multiplying the capital charge for these risks by the reciprocal of minimum capital adequacy ratio (10%).

Quantitative Disclosures

		Solo	Consolidated
		Taka in million	
(b) Capital Requirement	For Credit Risk	28,343.71	28,278.51
	For Market Risk	3,705.54	4,135.12
	For Operational Risk	3,371.00	3,414.20
	Total Capital Requirements	35,420.25	35,827.83
(c) Total and Tier 1 capital ratio:	Capital Adequacy Ratio(CAR)%	10.30	10.25
	Core Capital to Risk Weighted Assets%	8.07	7.98
(d) Break-up of total assets based on its Risk Weight	Assets with 0% Risk Weight	152,351.50	152,453.50
	Assets with 20% Risk Weight	67,745.31	67,747.81
	Assets with 40% Risk Weight	194.40	194.40
	Assets with 50% Risk Weight	39,576.60	39,576.60
	Assets with 60% Risk Weight	2,351.80	2,351.80
	Assets with 75% Risk Weight	38,685.00	38,684.10
	Assets with 80% Risk Weight	4,364.50	4,364.50
	Assets with 100% Risk Weight	144,523.06	142,520.16
	Assets with more than 100% Risk Weight	56,556.70	57,637.70
	Total	**506,348.87**	**505,530.57**

4. Credit Risk

Credit risk is defined as the probability of failure of counterparty to meet its obligation as per agreed terms. Banks are very much prone to credit risk due to its core activities i.e, lending to corporate, SME, individual, another bank/FI or to another country. The main objective of credit risk management is to minimize the negative impact through adopting proper mitigants and also limiting credit risk exposures within acceptable limit.

Credit Risk

Qualitative Disclosures

	Classification SL	**Types of Loans**	**Classification Status**	**Period for classification (past due)**
a)(i) JBL follows Bangladesh Bank's BRPD Circular No.14 Dated 23 September 2012 and subsequent changes for classification of loans & advances	1	Continuous Loan (Overdraft, Cash credit-Hypo, Cash credit-pledge etc,)	SMA SS DF BL	2 Months 3M 6M 9M
	1	Demand Loan (Forced Loan, PAD, LIM, FBP, IBP etc,)	SMA SS DF BL	2M 3M 6M 9M
	3	Fixed Term Loan (which are repayable under a specific repayment schedule.)	SMA SS DF BL	2M 3M 6M 9M
	4	Fixed Term Loan (loan amount below Tk 0.10 crore)	SMA SS DF BL	2M 6M 9M 12M
	5	Short term Agriculture & Micro credit	SMA SS DF BL	- 12M 36M 60M

(ii) Provisioning depending on the group:

Particulars		Short Term Agriculture & Micro Credit	Consumer Financing: Other than HF,LP	Consumer Financing: HF	Consumer Financing: LP	SMEF	BHs/ MBs /SDs	All other Credit
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%
	SMA	2.5%	5%	2%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	BL	100%	100%	100%	100%	100%	100%	100%

HF = Housing Finance, LP = Loans to professionals to setup business, SMEF = Small & Medium Enterprise Financing, BHs = Loans to Brokerage House, MBs = Loans to Merchant Bank, SDs = Loans to Stock Dealers.

Credit Risk

Qualitative Disclosures

(iii) Discussion of the bank's credit risk management policy:

On the basis of Bangladesh Bank's credit risk management policies, a manual of Credit Risk Management (CRM) has been formulated and approved by JBL's Board of Directors. The key principle of credit risk management is client due diligence, which is aligned with our country and industry portfolio strategies before sanction of any credit facility as per CRM policies which emphasizes on the size & type, purpose, structure (term, conditions, repayment schedule & interest rate) and securities of the loan proposed.

For actively aiming to prevent concentration (Single borrower/group borrower/geographical/ sectoral concentration) and long tail-risks (large unexpected losses; JBL follows different prudential guidelines of its own and Bangladesh Bank. In all market conditions, the bank's capital is effectively protected by ensuring a diversified and marketable credit portfolio.

Risk appetite for credit risk of JBL is determined by its Board of Directors desiring optimum business mix, risk preferences, the acceptable trade-off between risk & reward etc.

The assessment process is initiated at branch/credit division and placed before Management Credit Committee (MCC) or Board for approval. This process includes borrower analysis, industrial analysis, historical financial analysis, repayment sources analysis, mitigating factors etc. Credit risk grading system has been adopted by JBL as per Bangladesh Bank's instruction that defines the risk profile of borrower's to ensure that account management, structure and pricing are commensurate with the risk involved.

JBL is very much concern in managing non-performing loan. JBL follows Bangladesh Bank's BRPD Circular for classification of loans & advances & provisioning. Targets to recover classified loans & advances are determined for the branch, area office & divisional office at the beginning of the year. Continuous contact with the borrowers, special meeting with the defaulter formation of special task forces, announcement of special program are emphasized.

Quantitative Disclosures

(b)Total gross credit risk exposure broken down by major types of credit exposure

	Solo	Consolidated
	Taka in million	
Rural Credit	18,781.31	18,781.31
Loan small scale industries	76,438.28	74,469.79
Transport Loan	340.18	340.18
General house building	1,186.28	1,186.28
Loan against Import Merchandise (LIM)	567.97	567.97
Payment Against Document	30,883.87	30,883.87
Loan Against Trust Receipt	28,282.72	28,282.72
Demand Loan	11,706.77	11,706.77
Cash Credit	87,673.40	87,673.40
Overdrafts	6,446.22	6,446.22
Other Loans	40,782.10	40,782.10
Margin Loan	-	3,048.51
Bills Purchased and Discounted	16,684.14	16,684.14
Total	**319,773.24**	**320,853.26**

Credit Risk

Quantitative Disclosures

(c) Geographical distribution of exposures broken down by major types of credit exposure:

	Solo	Consolidated
	Taka in million	
Dhaka	231,522.01	232,602.03
Chittagong	39,301.56	39,301.56
Khulna	19,465.92	19,465.92
Rajshahi	12,762.73	12,762.73
Sylhet	1,915.25	1,915.25
Barisal	4,277.98	4,277.98
Rangpur	7,905.75	7,905.75
Overseas(UAE Branches)	2,622.04	2,622.04
Total	**319,773.24**	**320,853.26**

(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure

	Solo	Consolidated
	Taka in million	
Jute Industry	5,546.40	5,546.40
Tannery (Industry & Trade)	5,579.10	5,579.10
Jute Trade	150.30	150.30
Cold Storage	178.50	178.50
Textile	19,778.20	19,778.20
Sugar & Food	6,735.10	6,735.10
Steel & Engineering	8,412.10	8,412.10
Food (Industry &Trade)	2,195.40	2,195.40
General House Building	1,186.28	1,186.28
Transport	340.18	340.18
Bricks	1,657.50	1,657.50
Tea	3.00	3.00
Loan to purchase share	-	3,048.51
Import Credit	46,227.90	46,227.90
Export Credit	50,400.00	50,400.00
Industrial credit	76,438.20	76,438.20
Rural Credit	18,781.31	18,781.31
Other	76,163.77	74,195.28
Total	**319,773.24**	**320,853.26**

e) Residual contractual maturity breakdown of the whole portfolio, broken down by the major type of credit exposure

	Solo	Consolidated
	Taka in million	
Repayable on demand	45,650.00	45,650.00
Not more than 3 months	66,124.50	66,124.50
More than 3months but not more than 1years	85,625.00	88,673.51
More than 1 years but not more than 5years	80,993.74	80,993.74
More than 5 years	41,380.00	39,411.51
Total	**319,773.24**	**320,853.26**

Credit Risk

Quantitative Disclosures

f) Major counterparty wise amount of impaired loans & provision :

Loans and advances on the basis of significant concentration

		Taka in million
		Solo
Advances to allied concerns of directors		-
Advances to Managing Directors and other senior executives		232.08
Advances to customer group (amounting more than 10% of banks total capital)		94,925.40
Other customers		195,665.10
Advance to staff		28,950.66
Total		**319,773.24**

Sector wise loans and advances

	Unclassified	Classified	Total
Government	12,622.25	127.50	12,749.75
Other public	15,969.71	91.73	16,061.44
Private	253,805.62	37,156.43	290,962.05
Total	**282,397.58**	**37,375.66**	**319,773.24**

Provision against loan & advances

Standard	274,411.80	2,582.84
SMA	7,985.78	56.30
Total Unclassified	282,397.58	2,639.14
Substandard	5,183.24	330.70
Doubtful	4,212.10	623.00
Bad & Loss	27,980.32	20,730.53
Total Classified	37,375.67	21,684.23
Total	**319,773.24**	**24,323.37**

(g) Movement of NPA & Provisions

	Taka in million
Gross non performing loans(NPLs)	37,375.67
Non performing loans (NPLs) to outstanding loans & advance	11.69%
Movement of NPLs (Gross)	
Opening balance	31,766.86
Add: Newly during the year	20,553.80
Less: Cash Recovery	(7,337.30)
Written-Off	(1,843.80)
Interest waiver	(306.40)
Re-scheduling& restructuring	(5,457.50)
Closing balance	**37,375.67**
Movement of specific provisions for NPAs	
Opening balance	19,345.33
Less : Fully provided debts written off	(2,632.29)
Add : Recoveries of written off	1,374.66
Provision made during the year	3,076.52
Transfer from provision for unclassified loan & advances	320.00
Transfer from provision maintained other assets	200.00
Closing balance	**21,684.23**

5. Equities: Disclosures for banking book positions

The major portion of the bank's holding of equity exposure is mainly with the purpose of capital gain. The quoted shares are valued both at cost price and market price basis. However, the unquoted shares are valued at their cost price.

Equities: Disclosures for banking book positions

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to equity risk, including:	
• Differentiation between holdings in which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Differentiation between holdings of equities for capital gain and those taken under other objectives is being clearly identified. The equity positions are reviewed periodically by the senior management.
• Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	The equity markets are traditionally volatile with a high-risk, high-returns profile. As such investors in the equity market have to plan and strategies to reduce their risks and increase their returns. Equity investments must therefore go hand in hand with a good risk management plan in place. In an uncertain market place like the present, investor cannot afford to place all hope in only one thing. Therefore, it is very important to protect the total investment value by means of diversification. Important policies covering equities valuation and accounting of equity holdings in the Banking Book are based on use of the cost price method for valuation of equities.

Quantitative Disclosures

Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Value disclosed in the statement financial position of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Particulars	Solo		Consolidated	
	Taka in million			
	Cost price	Fair value	Cost price	Fair value
Unquoted Shares	5,940.30	5,940.30	5,940.30	5,940.30
Quoted Shares	7,417.10	11,052.60	7,417.10	11,052.60
Total	**13,357.40**	**16,992.90**	**13,357.40**	**16,992.90**

The cumulative realized gains (losses) arising from sales and liquidations in the reporting period. Nil

Total unrealized gains	3,294.39
Total latent revaluation gains (losses)	Nil
Any amounts of the above included in Tier 2 capital	329.44

Capital charge for equity exposure assessed for total amount is solo Tk 2,210.50 million and consolidated Tk 2,640.00 million

6. Interest Rate Risk in the Banking Book (IRRBB)

Interest rate risk in the banking book reflects the shocks to the financial position of the bank including potential loss that the bank may face in the event of adverse change in market interest rate. This has an impact on earning of the bank through net interest earning as well as on market value of equity or net worth

Interest Rate Risk in the Banking Book (IRRBB)	Qualitative Disclosures	(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits and frequency of IRRBB measurement.	To manage this risk in the banking book, bank considers the impact of interest rate changes on both assets and liabilities, and its particular features including, among other things, terms and timing. Changes in interest rates affect both the current earnings (earning perspective) as well as the net worth of the bank (economic value perspective). JBL periodically computes the interest rate risk on the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For computation of the interest rate mismatches the guidelines of Bangladesh Bank are followed. Details relating to re-pricing mismatches and the interest rate risk thereon are placed to the ALCO regularly.
	Quantitative Disclosures	(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	At 1% increase in Interest Rate, fall in MVE (Market Value Equity) is Tk.32.30 million

7. Market Risk

Market risk is defined as the possibility of loss to a bank caused by changes/movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from investments (interest related instruments and equities) in trading book [HFT categories] and the foreign exchange positions. The objective of the market risk management is to minimize the impact of losses on earnings and equity.

Market Risk	Qualitative Disclosures	(a) Views of BOD on trading/ investment activities	The board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to obtain maximum returns without taking undue risks.
		Methods used to measure market risk	Standardized Approach (SA) is used for calculating capital charge against market risk (interest rate risk, equity position & foreign exchange risk) which is determined separately. The total capital requirement in respect of market risk is the sum of capital requirement measured in terms of two separately calculated capital charges for specific market risk and general market risk for each of these market risk sub-categories.
		Market risk management system	JBL makes investment decision based on historical data of market movements of all comparable financial instruments to avoid general market risk. For managing specific risk JBL emphasizes on investment in government treasury bonds and quality financial instruments which are less volatile in nature. Treasury front office, back office and mid office have been established and functioning through an independent organizational chain as per terms and of the manual.

Market Risk			
Qualitative Disclosures	Conditions, policies and processes for mitigating market risk	There are approved limits for credit deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items, borrowing from money market and foreign exchange position. The limits are monitored and enforced regularly to protect against market risks. These limits are reviewed based on prevailing market and economic conditions to minimize risk due to market fluctuation.	

Market Risk – Quantitative Disclosures			
b) The capital requirements for:		**Solo**	**Consolidated**
		Taka in million	
	(i) Interest rate risk	1,082.70	1,082.70
	(ii) Equity position risk	2,210.50	2,640.10
	(iii) Foreign exchange risk	412.30	412.30
	(iv) Commodity risk	Nil	Nil
	Total requirement	**3,705.50**	**4,135.10**

8. Operational risk : Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. We seek to minimize exposure to operational risk, subject to cost benefit trade-offs. Bank strictly follows KYC norms for its customer dealings and other banking operations. The bank is going to frame comprehensive operational risk management policy to be approved by the board. Supporting policies already been adopted by the bank which deal with management of various areas of operational risk are (a) Operational manual for general banking (b) Compliance risk management policy (c) Foreign exchange risk management policy (d) Policy document on Know Your Customers (KYC) and Anti Money Laundering (AML) procedures (e) IT business continuity and disaster recovery policy etc. JBL has developed Standard Operating Procedures (SOP) to minimize risk for major operation support divisions

Operational Risk – Qualitative Disclosures	
• Views of BOD on system to reduce Operational Risk	Internal Control & Compliance (ICC) is the main tool in managing operational risk. Management, through three units of ICC i.e. monitoring, compliance and Audit & Inspection; controls overall operation of the bank. Board audit committee directly oversees the functions of ICC to prevent operational risks.
• Performance gap of executives and staffs	There is no significant performance gap as JBL takes necessary steps for HR development and ensures proper distribution of its human resources.
• Potential external events	No potential external event is expected to expose the bank to significant operational risk
• Policies and processes for mitigating operational risk	JBL has formed MANCOM (Management Committee) to identify measure, monitor and control the risks through framing required policies and procedures. The policy of managing operational risk through internal control and compliance is approved by the board taking into account the relevant guidelines of Bangladesh Bank. DCFCL (departmental control function check list) and QOR (quarterly operation report) are applied for evaluation of the branches operational performance. Manuals related to credit, human resources, finance & accounts, treasury, audit and inspection etc. have been prepared for continuous recognition and assessment of all material risk that could adversely affect the achievement of JBL's goal. The audit & inspection division makes a year wise risk based audit plan to carry out comprehensive audits & inspections on the banking operations in procedures are in place & complied with.

Operational Risk	Qualitative Disclosures	• Approach for calculating capital charge for operational risk	The bank applies 'Basic Indicator Approach' of Basel II as prescribed by BB in revised RBCA guidelines. Under this approach, banks have to calculate average annual Gross Income (GI) of last three years and multiply the result by 15% to determine required capital charge. Gross income is the sum of 'Net Interest Income' and 'Net Non interest Income' of a year or it is 'Total Operating Income' of the bank with some adjustments as noted below. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows: $K=[(GI1 + GI2 + GI3) \times \alpha] /n$ Where, K = Capital charge under the basic indicator approach GI= Only Positive annual gross income over the previous three years $\alpha = 15\%$ N = Number of the previous three years of which gross income is positive Gross income: Gross income (GI) is defined as net "Net Interest Income" plus "Net Non-interest income". It is intended that this measure should: i) be gross of any provision; ii) be gross of operating expenses, including fees paid outsourcing service provider; iii) exclude realized profit/losses from the sale of securities held to maturity in banking book; iv) exclude extraordinary or irregular items; v) exclude income derived from insurance.
	Quantitative Disclosures	b) The capital requirements for operational risk	

Solo	Consolidated
Taka in million	
3,371.00	3,414.20