

**Social Islami Bank Limited**  
**Market disclosures on Risk Based Capital Adequacy under Pillar III (Basel-II)**  
**For 31 December 2010**

**Background:**

In order to comply with the “Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel II)” published on December 2010 and BRBD Circular-35, dated 29/12/2010, these disclosures are made Under Pillar-III of Basel-II framework.

**Validation & Consistency:**

The disclosures (qualitative and quantitative) under the revised Risk Based Capital Adequacy (RBCA) framework as advised by Bangladesh Bank based on the audited financial position of the bank as of 31<sup>st</sup> December, 2010. Since these disclosures are based on audited financial statements, these are easily verifiable.

**Scope of Application:**

The name of the corporate entity to which these guidelines applies is *Social Islami Bank Limited*.

**Capital Structure:**

The Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the RBCA guidelines by Bangladesh Bank as per following details:

- The amount of Tier II capital will be limited to 100% of the amount of Tier I capital: Complied.
- Fifty percent (50%) of Assets Revaluation Reserves shall be eligible for Tier II or Supplementary Capital: Complied.
- A minimum of about 28.5% of market risk needs to be supported by Tier I capital. Supporting of Market Risk from Tier III capital shall be limited up to a maximum of 250% of a bank’s Tier I capital available after meeting credit risk capital requirements:

Capital required for meeting credit risks was BDT 415.16 crore, so the core (Tier I) capital after meeting credit risk was BDT 4.71 crore. Capital required for meeting 28.5% of market risks was BDT 4.73 crore as on the reporting dates. So, this condition is complied bearing a narrow difference.

- Up to 50% of Revaluation Reserves for securities shall be eligible for Supplementary Capital: Complied. (SIBL did not have any Revaluation Reserve for fixed asset as on the reporting date)
- Subordinated Debt shall be limited to a maximum of 30% of the amount of Tier I capital: SIBL did not have any Subordinated Debt as on the reporting dates.

As on the reporting date (31 December 2010), the Bank had a total capital of BDT 467.85 crore comprising Tier I capital of BDT 419.87 crore and Tier II capital of BDT 47.98 crore. (SIBL had no Tier III element in its capital structure) as on the reporting dates. Details are given below:

(amount in crore Tk)

Maintenance of Regulatory Capital	31.12.2010
<b>Quantitative Disclosure :</b>	
<b>A) Amount of Tier -1 Capital</b>	419.87
<b>Fully Paid-up Capital/Capital Deposited with BB</b>	298.78
<b>Statutory Reserve</b>	78.82
<b>Retained Earning</b>	42.27
<b>B) Amount deducted from Tier-1 Capital</b>	-
<b>Goodwill</b>	-
<b>Shortfall</b>	-
<b>Others</b>	-
<b>C) Total amount of Tier-2 capital (net of deductions from Tier 2 capital)</b>	47.98
<b>d) Total eligible capital</b>	467.85

### Capital Adequacy:

SIBL has adopted standardized approach for computing capital charge for credit risk and market risk and basic indicator approach for operational risk. Assessment for capital adequacy is carried out in conjunction with the guidelines and regulations by Bangladesh Bank from time to time.

SIBL has been generating most of its incremental capital from retained profit (stock dividend, right share issue and statutory reserve transfer etc.) to support incremental growth of Risk Weighted Assets (RWA). Therefore, the Bank's Capital Adequacy Ratio (CAR) remains consistently within the comfort zone under Basel II during 2010. (This was 9.33% against required MCR of 9.00% in December, 2010).

Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. SIBL, through its SRP team, is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to. Assessment of Regulatory Capital will be in alignment with the findings of these exercises.

**Overall capital position of the bank to meet certain risks:**

Capital Adequacy	31.12.2010(Tk in Crore)
A) Amount of Regulatory Capital to meet unforeseen loss	-
Amount to meet Credit risk	415.16
Amount to meet Market Risk	16.62
Amount to meet Operational Risk	19.56
B) Additional capital over MCR maintained by the bank	16.51

The details of Capital are given below:

**Minimum Capital Requirement (MCR)  
Under Risk Based Capital (Basel II)  
As on 31-12-2010**

Particulars	Tk. in Crore
<b>A. Eligible Capital :</b>	
<b>1. Tier-1 (Core Capital )</b>	419.87
<b>2 .Tier-2 (Supplementary Capital)</b>	47.98
<b>3. Tier-3 (eligible for market risk only)</b>	
<b>4. Total Eligible Capital (1+2+3) :</b>	<b>467.85</b>
<b>B. Total Risk Weighted Assets (RWA):</b>	5014.86
<b>C. Capital Adequacy Ratio (CAR) <math>(A_4 / B)*100</math></b>	9.33
<b>D. Core Capital to RWA <math>(A_1 / B)*100</math></b>	8.37
<b>E. Supplementary Capital to RWA <math>(A_2 / B)*100</math></b>	0.96
<b>F. Minimum Capital Requirement (MCR)</b>	<b>451.34</b>

## **Credit Risk:**

### **a) Definition of default and classified assets:**

The Bank has been making classification and provisions on classified investment thereof as per BRPD circular 05, dated 05 June 2006 and subsequent circulars issued by Bangladesh Bank time being in force.

Basis for Investment classification has been divided into two categories namely:

- i. **Objective criteria**
- ii. **Qualitative judgment.**

Base for classification of investment is discussed below.

### **Basis for Investment Classification**

#### **i. Objective Criteria**

##### **(1) Past Due/Over Due**

(i) Any **Continuous Investment** if not repaid/renewed within the fixed expiry date for repayment will be treated as past due/overdue from the following day of the expiry date.

(ii) Any **Demand Investment** if not repaid/rescheduled within the fixed expiry date for repayment will be treated as past due/overdue from the following day of the expiry date.

iii) In case of any installment(s) or part of installment(s) of a **Fixed Term Investment(not over five years)** is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date.

(iv) In case of any installment(s) or part of installment(s) of a **Fixed Term Investment(over five years)** is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.

(v) The **Short-term Agricultural and Micro-Credit** if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.

**(2)** All unclassified Investments other than Special Mention Account (SMA) will be treated as **Standard**.

**(3)** A Continuous credit, Demand Investment or a Term Investment which remain overdue for a period of 90 days or more, are put into the "**Special Mention**

**Account(SMA)"** and interest accrued on such Investment is credited to Interest Suspense Account, instead of crediting the same to Income Account.

(4) Any **continuous Investment** is classified as:

'**Sub-standard**' if it is past due/overdue for 6 months or beyond but less than 9 months.

'**Doubtful**' if it is past due/overdue for 9 months or beyond but less than 12 months

'**Bad/Loss**' if it is past due/ overdue for 12 months or beyond.

(5) Any **Demand Investment** is classified as:

'**Sub-standard**' if it remains past due/overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced Investment.

'**Doubtful**' if it remains past due/overdue for 9 months or beyond but not over 12 months from the date of claim by the bank or from the date of creation of forced Investment.

'**Bad/Loss**' if it remains past due/overdue for 12 months or beyond from the date of claim by the bank or from the date of creation of forced Investment.

(6) In case of any installment(s) or part of installment(s) of a **Fixed Term Investment** is not repaid within the due date, the amount of unpaid installment(s) is termed as 'defaulted installment'.

(6.1) In case of **Fixed Term Investments**, which are repayable within **maximum five years of time**:

If the amount of '**defaulted installment**' is equal to or more than the amount of installment(s) due within 6 (six) months, the entire Investment is classified as "**Sub-standard**".

If the amount of '**defaulted installment**' is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire Investment is classified as "**Doubtful**".

If the amount of '**defaulted installment**' is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire Investment is classified as "**Bad/Loss**".

(6.2) In case of **Fixed Term Investments**, which are repayable in **more than five years** of time: -

If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 12 (twelve) months, the entire Investment is classified as "**Sub-standard**".

If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 (eighteen) months, the entire Investment is classified as "**Doubtful**".

If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 24 (twenty four) months, the entire Investment is classified as "**Bad/Loss**".

(7) The **Short-term Agricultural and Micro-Credit** is considered irregular if not repaid within the due date as stipulated in the Investment agreement. If the said irregular status continues, the credit will be classified as 'Substandard ' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per Investment agreement.

## **ii. Qualitative Judgment:**

If any uncertainty or doubt arises in respect of recovery of any Continuous Investment, Demand Investment or Fixed Term Investment, the same is classified on the basis of qualitative judgment whether it is classifiable or not on the basis of objective criteria. If any situational changes occur in the stipulations in terms of which the Investment was extended or if the capital of the borrower is impaired due to adverse conditions or if the value of the securities decreases or if the recovery of the Investment becomes uncertain due to any other unfavorable situation, the Investment is classified on the basis of qualitative judgment.

Besides, if any Investment is illogically or repeatedly re-scheduled or the norms of re-scheduling are violated or instances of (propensity to) frequently exceeding the Investment-limit are noticed or legal action is lodged for recovery of the Investment or the Investment is extended without the approval of the competent authority, it will have to be classified on the basis of qualitative judgment.

Despite the probability of any Investment being affected due to the reasons stated above or for any other reasons, if there exists any hope for change of the existing condition by resorting to proper steps, the Investment, on the basis of qualitative judgment, is classified as 'Sub-standard '. But even if after resorting to proper steps, there exists no certainty of total recovery of the Investment, it is classified as ' Doubtful ' and even after exerting the all-out effort, there exists no chance of recovery, it is classified as ' Bad/Loss 'on the basis of qualitative judgment.

A summery is given below:

Nature of Investments	Sub Standard	Doubtful	Bad/Loss
	Months	Months	Months
<b>1. Continuous Investment</b>	06 months or beyond but less than 09 months	06 months or beyond but less than 09 months	06 months or beyond but less than 09 months
<b>2. Demand Investment</b>	06 months or beyond but not over 09 months from the date of claim by the bank or from the date of creation of forced Investment.	09 months or beyond but not over 12 months from the date of claim by the bank or from the date of creation of forced Investment.	12 months or beyond from the date of claim by the bank or from the date of creation of forced Investment.
<b>3. Fixed Term Investment</b>			
<i>a) Repayable within maximum five (5) years of time</i>	If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 6 (six) months	If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 12 (twelve) months	If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 (eighteen) months
<i>a) Repayable in more than five (5) years of time</i>	If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 12 (twelve) months	If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 18 (eighteen) months	If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 24 (Twenty four) months

Management is very keen to manage the credit risk with utmost caution and care in all spheres of the Bank. According to the core risk management system suggested by Bangladesh Bank, SIBL has a detailed guideline for managing credit risk associated with lending operations.

The policy covers corporate, small and medium enterprise, retail exposures. We have a comprehensive credit appraisal procedure that covers Industry/Business risk, management risk, financial risk, security risk and reputation risk.

The Board has delegated the authority to accept exposures of various categories and of various amounts respectively to the Managing Director of the Bank who is also authorized to sub delegate such authority.

**Credit risk management:**

We have adopted a credit risk management policy to safeguard bank's assets. A separate team is working on it throughout the year for maintaining standard of assets in terms of recovery and disbursement.

Credit exposure of the Bank is monitored by quarterly MIS on portfolio, which is submitted to Managing Director. Bank complies with related norms on exposure stipulated by Bangladesh Bank.

**Policies and procedures for collateral valuation and management:**

Collateral valuation and management is an indispensable part of banking business activities as bank largely relies on the investment income. Investments are to be secured by collateral and guarantees.

Collateral as a tool for risk mitigation is defined as the assets or rights provided to the Bank by the borrower or a third party in order to secure a credit facility. In case of corporate and medium enterprises, fixed assets are generally taken as security for long tenor investments and current assets for working capital finance. For project finance, present and future assets of the underlying project are generally accepted. Housing loans and automobile loans are secured by the property/automobile being financed.

Acceptable collateral for investments are cash or cash equivalent equity/stock of listed companies traded in major stock exchanges, mutual funds, unit certificates, permissible government bonds, real estate, bank guarantees.

The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as delegated by the Board of Directors.

The Bank while calculating regulatory capital under Basel II framework, credit exposure to counterparty is reduced to the extent of risk mitigation provided by the eligible collateral after 'haircuts' as directed by Bangladesh Bank.

Our Bank follows the central bank guidelines in allowing credit facilities to a single Product and party.

Total gross credit risk exposures broken down by major types of credit exposure:

**As on 31-12-2010**

**(Tk. In Crore)**

<b>Sl.</b>	<b>Exposure Type</b>	<b>BB's Rating Grade*</b>	<b>Risk Weight</b>	<b>Exposure</b>	<b>Risk Weighted Asset</b>
<i>1.00</i>	<i>2.00</i>	<i>3.00</i>	<i>4.00</i>	<i>5.00</i>	<i>6 = (4×5)</i>
a)	Cash and Cash Equivalents		0.00	60.88	-
b)	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank (denominated in domestic and foreign currency)		0.00	489.28	-
c)	Claims on other Sovereigns & Central Banks*				
d)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0.00		
e)	Claims on Multilateral Development Banks (MDBs):				
	i) IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0.00		
	ii) Other MDBs	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
f)	Claims on Public Sector Entities (excluding equity exposure) in Bangladesh	1	0.20		
		2,3	0.50		
		4,5	1.00		
		6	1.50		
		Unrated	0.50		
g)	Claims on Banks and NBFIs:				

	(Denominated in domestic as well as foreign currency)				
	i) Original maturity over 3 months	1	0.20	228.82	45.76
		2,3	0.50	122.09	61.05
		4,5	1.00		-
		6	1.50		-
		Unrated	1.00	148.57	148.57
	ii) Original maturity less than 3 months		0.20	535.75	107.15
h)	Claims on Corporate (excluding equity exposure)	1	0.20	72.54	14.51
		2	0.50	50.91	25.46
		3,4	1.00	72.35	72.35
		5,6	1.50	-	-
		Unrated	1.25	1,677.68	2,097.11
i	Claims under credit risk mitigation	PSE	N/A		
	[From Work Sheet - 1(a)]:	Banks & NBFIs	N/A		
		Corporate	1.25	46.70	58.38
		Retail and Small	1.25	11.05	13.81
		Consumer Finance	N/A		
		Residential Property	N/A		
		Commercial real estate	N/A		
j)	Claims categorized as retail portfolio & Small Enterprise (excluding consumer loan )		0.75	905.36	679.02
k)	Consumer Loan		1.00	2.15	2.15
l)	Claims fully secured by residential property		0.50	26.28	13.14
m)	Claims fully secured by commercial real estate		1.00	141.46	141.46
n)	1.Past Due Claims (Risk weights are to be assigned net of specific provision):				
	- Where specific provisions are less than 20 per cent of the outstanding amount of the past due claim ;		1.50	46.67	70.01
	- Where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim.		1.00	17.33	17.33
	- Where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.		0.50	40.69	20.35

	2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	1.00	0.20	0.20
	3. Loans and claims fully secured against residential property that are past due by 90 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount	0.75	14.55	10.91
o)	Capital Market Exposure	1.25	-	-
p)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	1.25	-	-
o)	Investments in venture capital	1.50	151.42	227.12
q)	Investments in premises, plant and equipment and all other fixed assets	1.00	91.47	91.47
r)	Claims on all fixed assets under operating lease	1.00	-	
r)	All other assets		-	
	i) Claims on GOB & BB (eg. Advanced income tax, reimbursement of pratirakka/shdharon sanchay patra, etc.)	0.00	84.26	-
	ii) Staff loan/Investment	0.20	42.28	8.46
	iii)Cash items in process for collection	0.20	-	-
	iv)claims on Off-shore Banking Units (OBU)	1.00		
	iv) Other assets (net off specific provisions)	1.00	0.92	0.92
	Subtotal		<b>1,565.03</b>	<b>1,282.53</b>
	<b>Total:</b>		<b>5,081.66</b>	<b>3,926.66</b>

Geographical distribution of exposures:

Division	As on 31 December 2010	
	Amount (in crore tk)	Composition
Dhaka	2275.89	62.05%
Chittagong	1053.10	28.71%
Sylhet	20.64	0.56%
Rajshahi	265.26	7.23%
Khulna	53.14	1.45%
Total	3668.03	100%

### Maintenance of Specific Provision

SIBL strictly follows Bangladesh Bank Circulars and Guidelines for loan classification, write offs, provisioning and any other issues related to Non Performing Investments (NPL). We strictly follow BRPD circular 05 dated 05 June 2006.

NPI ratio of SIBL was 3.15% and 4.76% as on the reporting dates 31 December 2009 and 31 December 2010. Following is the status of loan classification of the Bank as on the reporting date i.e 31 December 2010.

### Equities: Disclosures for Banking Book Positions

The bank holds unquoted equities intent of which is not trading and the same are shown as banking book asset in balance sheet. As these securities are not quoted or traded in the bourses they are shown in the balance sheet at the cost price and no revaluation reserve has been created against these equities.

Investment in securities traded in the secondary market bears the risk on Equity Position. Capital charge is calculated for 'Specific Risk' and 'General Market Risk' on investment in equities.

#### Capital charge on equities

Capital charge for	Market Value	Weight	Required Capital Charge
1	2	3	4= (2×3)
a) Specific Risk :	49.14	9.00%	4.42
b) General Market Risk:	49.14	9.00%	4.42

#### Investment in Shares (Quoted):

Investment in Shares (Quoted)	31.12.2010 (Amount in tk)
ICB 1st Mutual Fund	11,995,073
ICB 2nd Mutual Fund	4,299,375
ICB 3rd Mutual Fund	15,332,113
ICB 4th Mutual Fund	10,287,840
ICB 5th Mutual Fund	13,208,549
ICB 7th Mutual Fund	16,242,457
ICB 8th Mutual Fund	15,304,467
Al-Arafah Islami Bank Limited	28,390,292
AB Bank Limited	22,306,816
Square Pharmaceuticals Limited	11,836,269
Exim Bank Limited	12,079,896
Renata Limited	1,690,764
RAK Ceramic Limited	4,992
Titas Gas Limited	28,014,865

Beximco Pharmaceuticals Limited	2,933,170
Beximco Limited	6,569,334
ICB Islamic Bank Limited	3,000
IBBL Mudaraba Perpetual Bond	285,076,438
Shahjalal Islami Bank Limited	-
British American Tobacco Company Bangladesh Limited	-
<b>Total</b>	<b>485,575,711</b>

**Investment in Shares (unquoted):**

<b>Investment in Shares (Unquoted)</b>	<b>31.12.2010 (Amount in tk)</b>
CDBL Share	4,416,700
Belhasha Accom JV Limited	500,000,000
Investment in subsidiary: SIBL Securities Limited	249,999,000
Investment in subsidiary: SIBL Investment Limited	249,999,400
Orion Laboratories Limited	500,000,000
M. I. Cements Limited	3,608,921
Mobil Jamuna Limited	6,125,261
CSE (Chittagong Stock Exchange) Membership	-
Preference Share: Averest power Co. Limited	-
<b>Total</b>	<b>1,514,149,282</b>

**Investment in Share & Securities:**

i)	Government Islami Mudaraba Bond (HTM)	105.00
ii)	CDBL Share	0.44
iii)	SIBL Securities and Investment	50.00
iv)	Chittagong Stock Exchange	-
v)	Orion Laboratories	50.00
vi)	Belhasa	50.00
vi)	Others	49.53
v)	<b>Total Investment in Share &amp; Securities (i+ii+iii+iv)</b>	<b>304.97</b>

**Interest rate risk (profit rate) in the banking book (IRRBB):**

Profit rate risk is the exposure of a bank's financial condition due to adverse movements in profit rates. Changes in interest rates affect a bank's earnings by changing its net profit income and the level of other profit sensitive income and operating income. Changes profit rates also affect the underlying value of the bank's assets, liabilities and off-balance-sheet instruments because the economic value of future cash flows changes when interest rates change.

Sources and types of interest rate risks in banking book are:

- a) Gap or mismatch risk

- b) Basis risk
- c) Net interest position risk
- d) Embedded option risk etc.

SIBL does not have any interest (profit) rate related instrument. As consequence to that no interest (profit) rate related risk was calculated.

### **Market risk:**

#### **Market risk on trading book**

Market risk is the risk of loss of asset value and therefore earnings and capital due to changes in market interest rates, foreign currency (exchange) conversion rates and security prices etc.

The Bank uses the standardized approach to calculate market risk for trading book exposure. It has three components as per Bangladesh Bank guidelines:

#### **Profit bearing instruments:**

Two defined approaches are applied in measuring capital charge for Interest Rate Risk under Standardized Approach. These are “Capital charge for specific risk” and “Capital charge for general market risk”.

**Capital charge for specific risk:** As on the reporting date, we had only Mudaraba perpetual bond categorized as HFT that carries 0% risk weight and therefore the capital charge of SIBL for specific risk was nil.

**Capital charge for general market risk** As on the reporting date the capital charge of SIBL for general risk was nil.

#### **Equities:**

Investment in securities traded in the secondary market bears the risk on Equity Position. Capital charge is calculated for ‘Specific Risk’ and ‘General Market Risk’ on investment in equities.

#### **Foreign exchange position:**

The foreign exchange position of the bank is calculated based on the bank’s net open position (as prescribed by Bangladesh Bank) in each currency calculated by summing:

- Net spot position
- Net forward position

The overall foreign exchange exposure is computed on the sum of the net short positions or the sum of the net long positions, whichever is greater.

(amount in crore)

Market Risk on Trading Book :	31.12.2010
<b>Quantitative Disclosure : The Capital Requirement for:</b>	
<b>Interest rate risk</b>	-
<b>Equity Position Risk</b>	8.84
<b>Foreign Exchange Risk; and</b>	7.78
<b>Commodity Risk</b>	-
<b>Total</b>	16.62

### **Operational risk:**

Operational Risk is the risk of loss arising from fraud, error, omission or external events. Operational risk is inherent in every business environment. SIBL is also exposed to the same risk of which our bank is cautious enough to mitigate and avoid possible and unexpected risk related to fraud, error or omission.

The key objectives of operational risk measurement and management include:

- Maintaining capital adequacy and safeguarding bank's assets from potential loss arising from operational risk.
- Ensuring that staffs are trained and have knowledge to perform their risk management roles and responsibilities actively.

The Bank uses the Basic Indicator Approach (BIA) to calculate its operational risk. Capital charge is 15% of the last three years average positive Gross Income or GI (Net Interest Income or NII plus Non-interest income) with few adjustments. RWA will be calculated by multiplying capital charge with the reciprocal of MCR percentage (12.5 if MCR is 8 %).

### **Capital charge for operational risk:**

(Tk in Crore)			
Year	Gross Income (GI)	Average GI*	15% of Average GI
2009	171.77	130.40	<b>19.56</b>
2008	129.17		
2007	90.25		
<b>Total GI</b>	<b>391.19</b>		