"Disclosure on Risk Based Capital (Basel-II)" (December 2011)

a) Scope of application

Qualitative Disclosures	(a)	Conali Dank Limited 1000/ state armed commercial	Doult monogog ita migle
Quantative Disclosures	(a)	Sonali Bank Limited, 100% state owned commercial	· ·
		and maintains risk based capital following the guidelines of	
	(b)	Risk Based Capital Adequacy (RBCA) report of So	nali Bank Limited is
		submitted to Bangladesh Bank on "Solo basis" giving of	deduction treatment for
		investments in the following entities:	
		1) Sonali Investment Limited, a wholly owned	subsidiary in Dhaka,
		Bangladesh.	
		2) Sonali Exchange co. Inc. (SECI), a wholly owned	subsidiary in USA.
		3) Sonali UK Limited, a joint venture company of So	onali Bank Limited and
		the Government of Bangladesh is operating in the	United Kingdom.
	(c)	Sonali Bank Limited transfers funds or regulatory cap	pital within the group
		(subsidiaries & associate) as per Banking rules and	regulations under the
		approval of Board of Directors / Competent Authority.	
Quantitative Disclosures	(d)	The following subsidiaries are not included in the	(Tk. in Crore)
		consolidation and their aggregate capital is as under:	·
		Sonali Investment Limited	200.00
		Sonali Exchange co. Inc. (SECI)	6.67
		Sonali Bank (UK) LTD. London (SB. UK. Ltd.)	71.70

Qualitative Disclosures	(a)	Core capital of Sonali Bank Limited comprises of fully paid up capital against ordinary shares, statutory reserve and general reserve created out of profit, retained earning etc, and supplementary capital include General provision & assets revaluation reserve. Eligible Capital of Sonali Bank Limited has been calculated as per Basel-II guidelines as shown below.	
Quantitative Disclosures	(b)	Eligible Capital	(Tk. in Crore)
		Tier-1 Capital:	
		(I) Paid up Capital	1125.00
		(II) Statutory Reserve	592.49
		(III) General Reserve	4.70
		(IV) Retained Earnings	1279.50
		Total Tier-1 Capital	3001.69
	(c)	Total Tier-2 Capital.	1697.57
	(d)	Deductions from Capital.	278.38
	(e)	Total eligible Capital.(b+c-d)	4420.88

Qualitative Disclosures	(a)	Sonali Bank Limited is very much aware of maintaining Capital to support its current and future activities. A 5 year capital growth plan up to 2017 has also been prepared.	
			(Tk. in Crore)
Quantitative Disclosures	(b)	Capital Requirement for Credit Risk	2579.85
	(c)	Capital Requirement for Market Risk	545.96
	(d)	Capital Requirement for Operational Risk	382.93
	(e)	Capital Adequacy Ratio (CAR)	12.60
	(f)	Tier-1 Capital to RWA	8.16

Qualitative Disclosures	(a)	Sonali Bank Limited has its own Credit Risk Management guideline interms of Core Risks Management guidelines of Bangladesh Bank. The Bank also follows other instructions/guidelines of Bangladesh Bank in this regard.		
		Sonali Bank Limited constantly monitors, reviews and analyses its credit portfolio with a view to improving ability of credit portfolio, minimizing potential losses and ensuring efficient credit process.		
		To manage the Non-Performing Loans (NPL), Sor comprehensive remedial management policy, which controls to identify weak credits and monitoring of the	includes a framework of	
			(Tk. in Crore)	
Quantitative Disclosures	(b)	Total gross credit risk exposures broken down by major types of credit exposure.		
		Balance Sheet Exposures 1) Cash	351.28	
		 Claims on Bangladesh Government and Bangladesh Bank 	12751.54	
		3) Claims on Public Sector Entities (Other than Government) in Bangladesh	7616.59	
		4) Claims on Banks & NBFIs	5661.37	
		5) Claims on Corporate	6881.76	
		6) Claims under Credit Risk Mitigation	1119.06	
		7) Claims categorized as retail portfolio & SME	5293.40	
		8) Consumer Finance	443.78	
		9) Claims fully secured by residential property	41.03	
		10) Past Due Claims (Risk weights are to be assigned net of specific provision)	2829.39	
		11) Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	221.87	
		12) Investments in premises, plant and equipment and all other fixed assets	2302.64	
		13) All other assets	12595.03	
		•		

(Tk. in Crore)

		(1k. in Crore)
	Off-Balance Sheet Exposure	566.40
	1) Claims on Bangladesh Government and	
	Bangladesh Bank	
	2) Claims on Public Sector Entities (Other than	2046.40
	Government) in Bangladesh	
	3) Claims on Banks & NBFIs	23.60
	4) Claims on Corporate	208.20
	5) Claims against retail portfolio & SME	240.57
(c)	Geographical distribution of exposures, broken down	
	in significant areas by major types of credit exposure.	
	Inside Bangladesh	
	1) Dhaka Division.	24816.46
	2) Chittagong Division.	3490.33
	,	
	3) Rajshahi Division.	1261.81
	4) Khulna Division.	2709.87
	5) Sylhet Division.	313.46
	6) Barisal Division.	423.25
	7) Rangpur Division.	1558.69
	Outside Bangladesh	25.26
(d)	Industry or counterparty type distribution of	
	exposures, broken down by major types of credit	
	exposure.	
	1) Agricultural / Rural Credit	2781.59
	2) Micro Credit	928.86
	3) Industrial Credit	7119.24
	4) Agro-based Industrial Credit	3274.76
	5) General Advances	7290.69
	6) International Trade	13203.99
(e)	Residual contractual maturity breakdown of the	13203.77
	whole portfolio, broken down by major types of	
	credit exposure.	
	Loans and Advances	
	On demand	2038.37
	Not more than 3 months	2050.81
	More than 3 months but not more than 1 year	14614.25
	More than 1 year but not more than 5 years	3803.85
	More than 5 years	7425.34
	Bills purchased and discounted	A020 ==
	Not more than 1 month	2030.79
	More than 1 month but not more than 3 months	420.56
	More than 3 months but not more than 6 months	2193.63
	More than 6 months	21.53
(f)	Gross Non Performing Assets (NPAs)	
	Non Performing Assets (NPAs) to Outstanding	
	Loans & advances	
	Movement of Non Performing Assets (NPAs)	
	(Loans & advances)	
	Opening balance	6831.48
	Additions	1963.04
	Reductions	2186.99
	Closing balance	6607.53
1		

Movement of specific provisions for NPAs (Loans & advances)	(Tk. in Crore)
Opening balance	4578.17
Less: Loans written off which fully Provided for	792.02
Add: Recovery Loans which was written off earlier	17.92
Less: Recover and Provision which no more required	17.30
Closing balance	3756.76

Qualitative Disclosures	(a)	The Bank has equity exposure in Banking Book consisting of listed shares of 104 companies and unlisted shares of 13 companies market value of alloted		
		securities has been determined on the basis of the value trading day of the year. The unlisted investments in share	of securities at the last	
Quantitative Disclosures	(b)	Value disclosed in the balance sheet of investments, as well as the fair value of those equity at cost price and market price have been disclosed as under: Investment in shares at cost price:	(Tk. in Crore)	
		Quoted and Un-quoted shares	756.30	
		Quoted shares	534.43	
		Un-quoted shares	221.87	
		Investment in shares as market price; Quoted and Un-quoted shares	1031.04	
		Quoted shares	809.17	
		Un-quoted shares	221.87	

f) Market risk

Qualitative Disclosures	(a)	Market Risk has been determined under the RBCA guidelines taking into consideration as marked to market principles as directed by Bangladesh Bank under guidelines on Risk Based Capital Adequacy, December 2010.	
Quantitative Disclosures	(b)	The capital requirements for:	(Tk. in Crore)
		Interest rate risk;	93.14
		Equity position risk;	161.83
		Foreign exchange risk;	290.99

Qualitative Disclosures	(a)	Operational Risk of Bank has been worked out und Approach of RBCA guidelines.	er the B	asic Indicator
				(Tk. in Crore)
Quantitative Disclosures	(b)	The capital requirements for operational risk		382.93

"Disclosure on Risk Based Capital (Basel-II)" (December 2012)

a) Scope of application

Qualitative Disclosures	(a)	Sonali Bank Limited, 100% state owned commercial and maintains risk based capital following the guidelines of	· ·
	(1.)	1 0 0	Ü
	(b)	Risk Based Capital Adequacy (RBCA) report of So	
		submitted to Bangladesh Bank on "Solo basis" giving of	deduction treatment for
		investments in the following entities:	
		5) Sonali Investment Limited, a wholly owned	subsidiary in Dhaka,
		Bangladesh.	
		6) Sonali Exchange co. Inc. (SECI), a wholly owned	subsidiary in USA.
		7) Sonali UK Limited, a joint venture company of So	onali Bank Limited and
		the Government of Bangladesh is operating in the	United Kingdom.
	(c)	Sonali Bank Limited transfers funds or regulatory cap	pital within the group
		(subsidiaries & associate) as per Banking rules and	regulations under the
		approval of Board of Directors / Competent Authority.	
Quantitative Disclosures	(d)	The following subsidiaries are not included in the	(Tk. in Crore)
		consolidation and their aggregate capital is as under:	
		Sonali Investment Limited	200.00
		Sonali Exchange co. Inc. (SECI)	7.58
		Sonali Bank (UK) LTD. London (SB. UK. Ltd.)	158.11

Qualitative Disclosures	(a)	Core capital of Sonali Bank Limited comprises of fully paid up capital against ordinary shares, statutory reserve and general reserve created out of profit, retained earning etc, and supplementary capital include General provision & assets revaluation reserve. Eligible Capital of Sonali Bank Limited on the basis of Audited Balance Sheet of 31 st December 2012 has been calculated as per Basel-II guidelines as shown below.	
Quantitative Disclosures	(b)	Eligible Capital	(Tk. in Crore)
		Tier-1 Capital:	
		(I) Paid up Capital	1125.00
		(II) Statutory Reserve	592.49
		(III) General Reserve	4.70
		(IV) Retained Earnings	-1873.85
		Total Tier-1 Capital	-151.66
	(c)	Total Tier-2 Capital.	1473.93
	(d)	Deductions from Capital.	182.85
	(e)	Total eligible Capital.(b-d)	-334.51

Qualitative Disclosures	(a)	Sonali Bank Limited is very much aware of maintaining Capital to support its current and future activities. A three year capital growth plan up to 2015 has also been prepared. The government (owner of the bank) has been approach to provide additional capital amounting to Tk. 3375.00 crore to meet the capital requirement of the bank.	
			(Tk. in Crore)
Quantitative Disclosures	(b)	Capital Requirement for Credit Risk	2823.11
	(c)	Capital Requirement for Market Risk	287.02
	(d)	Capital Requirement for Operational Risk	430.53
	(e)	Capital Adequacy Ratio (CAR)	-0.94
	(f)	Tier-1 Capital to RWA	-0.94

Qualitative Disclosures	(a)	Sonali Bank Limited has its own Credit Risk Manageme Core Risks Management guidelines of Bangladesh Bank. other instructions/guidelines of Bangladesh Bank in this research.	The Bank also follows
		Sonali Bank Limited constantly monitors, reviews an portfolio with a view to improving ability of credit potential losses and ensuring efficient credit process.	
		To manage the Non-Performing Loans (NPL), Sonali comprehensive remedial management policy, which incontrols to identify weak credits and monitoring of these a	cludes a framework of
			(Tk. in Crore)
Quantitative Disclosures	(b)	Total gross credit risk exposures broken down by major types of credit exposure.	
		Balance Sheet Exposures (as per Audited Balance	
		Sheet) 1) Cash	602.15
		Claims on Bangladesh Government and Bangladesh Bank	11964.18
		3) Claims on Public Sector Entities (Other than Government) in Bangladesh	7405.36
		4) Claims on Banks & NBFIs	4149.55
		5) Claims on Corporate	5861.48
		6) Claims under Credit Risk Mitigation	1268.21
		7) Claims categorized as retail portfolio & SME	3734.29
		8) Consumer Finance	402.76
		9) Claims fully secured by residential property	32.54
		10) Past Due Claims (Risk weights are to be assigned net of specific provision)	5822.42
		11) Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	558.37
		12) Investments in premises, plant and equipment and all other fixed assets	2312.24
		13) All other assets	17828.47

	_	
	Off-Balance Sheet Exposure	855.60
	1) Claims on Bangladesh Government and	
	Bangladesh Bank	
	2) Claims on Public Sector Entities (Other than	2910.40
	Government) in Bangladesh	
	3) Claims on Banks & NBFIs	24.00
	4) Claims on Corporate	223.80
	5) Claims against retail portfolio & SME	425.03
(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure. Inside Bangladesh	
	1) Dhaka Division.	27785.51
	2) Chittagong Division.	3464.30
	3) Rajshahi Division.	1392.18
	4) Khulna Division.	2546.74
	5) Sylhet Division.	367.90
	6) Barisal Division.	520.05
	/	
	7) Rangpur Division.	1710.02
	Outside Bangladesh	28.01
(d)		
	broken down by major types of credit exposure.	
	1) Agricultural / Rural Credit	2927.90
	2) Micro Credit	982.04
	3) Industrial Credit	8221.52
	4) Agro-based Industrial Credit	2344.69
	5) International Trade	14004.37
	6) SME Finance	293.09
<u> </u>	7) General Advance & Others	9041.10
(-)		9041.10
(e)		
	portfolio, broken down by major types of credit	
	exposure.	
	Loans and Advances	
	On demand	3530.92
	Not more than 3 months	902.02
	More than 3 months but not more than 1 year	15117.01
	More than 1 year but not more than 5 years	4060.72
	More than 5 years	10222.66
	Bills purchased and discounted	
	Not more than 1 month	3056.50
	More than 1 month but not more than 3 months	266.31
	More than 3 months but not more than 6 months	426.15
	More than 6 months	232.42
<u>(f)</u>		
	Non Performing Assets (NPAs) to Outstanding Loans &	
	advances	
	Movement of Non Performing Assets (NPAs) (Loans	
	& advances)	
	Opening balance	6607.53
	Additions	7459.81
	Reductions	846.84
		13220.50
	Closing balance	13220.30

Movement of specific provisions for NPAs (Loans &	(Tk. in Crore)
advances)	
Opening balance	3756.77
Less: Loans written off which fully Provided for	90.92
Add: Recovery Loans which was written off earlier	-
Add: Specific Provisions made during the year	3701.67
Closing balance	7367.52

Qualitative Disclosures	(a)		The Bank has equity exposure in Banking Book consisting of listed shares of		
		96 companies and unlisted shares of 14 companies n			
		securities has been determined on the basis of the value	of securities at the last		
		trading day of the year. The unlisted investments in shar	es are shown at cost.		
Quantitative Disclosures	(b)	Value disclosed in the balance sheet of investments, as	(Tk. in Crore)		
		well as the fair value of those equity at cost price and			
		market price have been disclosed as under:			
		<u>Investment in shares at cost price:</u>			
		Quoted and Un-quoted shares	1066.53		
		Quoted shares	508.16		
		Un-quoted shares	558.37		
		<u>Investment in shares as market price;</u>			
		Quoted and Un-quoted shares	1352.13		
		Quoted shares	793.76		
		Un-quoted shares	558.37		

f) Market risk

Qualitative Disclosures	(a)	Market Risk has been determined under the RBCA guidelines taking into consideration as marked to market principles as directed by Bangladesh Bank under guidelines on Risk Based Capital Adequacy, December 2010.	
Quantitative Disclosures	(b)	The capital requirements for:	(Tk. in Crore)
		Interest rate risk;	76.50
		Equity position risk;	158.76
		Foreign exchange risk;	51.76

Qualitative Disclosures	(a)	Operational Risk of Bank has been worked out under Approach of RBCA guidelines.	er the Ba	asic Indicator
			(Tk. in Crore)
Quantitative Disclosures	(b)	The capital requirements for operational risk		430.53

"Disclosure on Risk Based Capital (Basel-II)" (December 2013)

a) Scope of application

Qualitative Disclosures	(a)	Sonali Bank Limited, 100% state owned commercial	· ·			
	(1.)	and maintains risk based capital following the guidelines of	Ü			
	(b)	Risk Based Capital Adequacy (RBCA) report of So				
		submitted to Bangladesh Bank on "Solo basis" giving of	deduction treatment for			
		investments in the following entities:				
		8) Sonali Investment Limited, a wholly owned	subsidiary in Dhaka,			
		Bangladesh.				
		9) Sonali Exchange co. Inc. (SECI), a wholly owned	subsidiary in USA.			
		10) Sonali UK Limited, a joint venture company of So	10) Sonali UK Limited, a joint venture company of Sonali Bank Limited and			
		the Government of Bangladesh is operating in the	United Kingdom.			
	(c)	onali Bank Limited transfers funds or regulatory capital within the group				
		(subsidiaries & associate) as per Banking rules and regulations under the				
		approval of Board of Directors / Competent Authority.				
Quantitative Disclosures	(d)	The following subsidiaries are not included in the	(Tk. in Crore)			
		consolidation and their aggregate capital is as under:				
		Sonali Investment Limited	200.00			
		Sonali Exchange co. Inc. (SECI)	7.39			
		Sonali Bank (UK) LTD. London (SB. UK. Ltd.)	163.70			

Qualitative Disclosures	(a)	Core capital of Sonali Bank Limited comprises of fully paid up capital against ordinary shares, statutory reserve and general reserve created out of profit, retained earning etc, and supplementary capital include general provision & assets revaluation reserve. Eligible Capital of Sonali Bank Limited on the basis of Audited Balance Sheet of 31 st December 2013 has been calculated as per Basel-II guidelines as shown below.	
Quantitative Disclosures	(b)	Eligible Capital	(Tk. in Crore)
		Tier-1 Capital:	
		(I) Paid up Capital	1125.00
		(II) Statutory Reserve	643.32
		(III) General Reserve	4.70
		(IV) Retained Earnings	-2168.38
		(V) Other (Amount received against proposed right shares issue)	1995.00
		(VI) Deductions from Tier-1 Capital.	185.55
		Total Tier-1 Capital	1414.09
	(c)	Total Tier-2 Capital.	2140.12
	(d)	Deductions from Tier-2 Capital.	726.03
	(e)	Total eligible Capital.(b-d)	2828.18

Qualitative Disclosures	(a)	Sonali Bank Limited is very much aware of maintaining Capital to support its current and future activities. A three year capital growth plan up to 2016 has also been prepared. The government (owner of the bank) has been provide additional capital amounting to Tk. 1995.00 crore to meet the capital requirement of the bank. (Tk. in Crore)	
Quantitative Disclosures	(b)	Capital Requirement for Credit Risk	2898.50
	(c)	Capital Requirement for Market Risk	426.87
	(d)	Capital Requirement for Operational Risk	398.54
	(e)	Capital Adequacy Ratio (CAR)	7.59
	(f)	Tier-1 Capital to RWA	3.80

Qualitative Disclosures	(a) Sonali Bank Limited has its own Credit Risk Management guide Core Risks Management guidelines of Bangladesh Bank. The Eother instructions/guidelines of Bangladesh Bank in this regard.		
		Sonali Bank Limited constantly monitors, reviews and and portfolio with a view to improving ability of credit portfolio potential losses and ensuring efficient credit process.	
		To manage the Non-Performing Loans (NPL), Sonali Bank comprehensive remedial management policy, which includes controls to identify weak credits and monitoring of these account	a framework of
			(Tk. in Crore)
Quantitative Disclosures	(b)	Total gross credit risk exposures broken down by major types of credit exposure. Balance Sheet Exposures (as per Audited Balance Sheet)	,
		1) Cash	846.34
		Claims on Bangladesh Government and Bangladesh Bank	14756.73
		14) Claims on Public Sector Entities (Other than Government) in Bangladesh	6293.27
		15) Claims on Banks & NBFIs	2240.87
		16) Claims on Corporate	6664.75
		17) Claims under Credit Risk Mitigation	1431.57
		18) Claims categorized as retail portfolio & SME	4872.27
		19) Consumer Finance	434.45
		20) Claims fully secured by residential property	24.41
		21) Past Due Claims (Risk weights are to be assigned net of specific provision)	4090.06
		22) Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	564.71
		23) Investments in premises, plant and equipment and all other fixed assets	3250.26
		24) All other assets	17554.53

	Off-Balance Sheet Exposure	1447.40
	1) Claims on Bangladesh Government and	
	Bangladesh Bank	
	2) Claims on Public Sector Entities (Other than	1881.00
	Government) in Bangladesh	
	5) Claims on Banks & NBFIs	23.20
	6) Claims on Corporate	207.60
	5) Claims against retail portfolio & SME	464.02
(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure. Inside Bangladesh	
	8) Dhaka Division.	21282.91
	9) Mymensingh Division	1485.66
	10) Faridpur Division	1056.86
	11) Chittagong Division.	2139.93
	12) Comilla Division	1045.66
	13) Rajshahi Division.	1596.48
	14) Khulna Division.	2768.16
	15) Sylhet Division.	378.29
	16) Barisal Division.	588.60
	,	
	17) Rangpur Division.	1977.85
	Outside Bangladesh	24.65
(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	
	8) Agricultural / Rural Credit	3353.08
	9) Micro Credit	1099.93
	10) Industrial Credit	6176.38
	11) Agro-based Industrial Credit	2377.38
	12) International Trade	10813.22
	13) SME Finance	1473.62
	14) General Advance & Others	9051.44
(e)	Residual contractual maturity breakdown of the whole	7031.44
(6)	portfolio, broken down by major types of credit exposure. Loans and Advances	
	On demand	4819.87
	Not more than 3 months	121.00
	More than 3 months but not more than 1 year	1259.55
	More than 1 year but not more than 5 years	12244.06
	More than 5 years	13027.64
	Bills purchased and discounted	13027.01
	Not more than 1 month	2335.62
	More than 1 month but not more than 3 months	151.11
	More than 3 months but not more than 6 months	385.67
(f)	More than 6 months	0.53
(f)	Gross Non Performing Assets (NPAs) Non Performing Assets (NPAs) to Outstanding Loans & advances	
	Movement of Non Performing Assets (NPAs) to Outstanding Loans & advances Movement of Non Performing Assets (NPAs) (Loans & advances)	
	Opening balance	12597.53
	Additions	2955.84
	Reductions	5176.50
		10376.87
	Closing balance	103/0.8/

I	Movement of specific provisions for NPAs (Loans &	(Tk. in Crore)
	advances)	
	Opening balance	7367.52
	Less: Loans written off which fully Provided for	390.17
	Add: Recovery Loans which was written off earlier	4.30
	Add: Specific Provisions made during the year	23.80
	Closing balance	7005.45

Qualitative Disclosures	(a)	The Bank has equity exposure in Banking Book consisting of listed shares of 97 companies and unlisted shares of 14 companies market value of alloted securities has been determined on the basis of the value of securities at the last trading day of the year. The unlisted investments in shares are shown at cost		
Quantitative Disclosures	(b)	97 companies and unlisted shares of 14 companies market value of allo		

f) Market risk

Qualitative Disclosures	(a)	Market Risk has been determined under the RBCA guidelines taking into consideration as marked to market principles as directed by Bangladesh Bank under guidelines on Risk Based Capital Adequacy, December 2010.		
Quantitative Disclosures	(b)	The capital requirements for:	(Tk. in Crore)	
		Interest rate risk;	120.09	
		Equity position risk;	152.45	
		Foreign exchange risk;	154.33	

Qualitative Disclosures	(a)	Operational Risk of Bank has been worked out und Approach of RBCA guidelines.	er the Basic Indicator
			(Tk. in Crore)
Quantitative Disclosures	(b)	The capital requirements for operational risk	398.54

"Disclosure on Risk Based Capital (Basel-II)" (December 2014)

a) Scope of application

Qualitative Disclosures	(a)	Sonali Bank Limited, 100% state owned commercial	Bank manages its risk	
		and maintains risk based capital following the guidelines of Bangladesh Bank.		
	(b)	Risk Based Capital Adequacy (RBCA) report of So	nali Bank Limited is	
		submitted to Bangladesh Bank on 'Solo' basis as well as 'C	Consolidated' basis.	
		'Solo Basis' refers to all position of the bank and i	its local and overseas	
		branches/offices; and		
		'Consolidated Basis' refers to all position of the ba	ink and its subsidiary	
		companies.		
		Sonali Bank's subsidiary companies are as under;		
		11) Sonali Investment Limited, a wholly owned subsidiary in Dhaka,		
		Bangladesh.		
		12) Sonali Exchange co. Inc. (SECI), a wholly owned subsidiary in USA.		
	(c)	Sonali Bank Limited transfers funds or regulatory cap		
		(subsidiaries & associate) as per Banking rules and	regulations under the	
		approval of Board of Directors / Competent Authority.		
Quantitative Disclosures	(d)	The following subsidiaries are included their financial	(Tk. in Crore)	
		activities and their aggregate capital is as under:		
		Sonali Investment Limited	200.00	
		Sonali Exchange co. Inc. (SECI)	7.40	

Qualitative Disclosures	(a)	Core capital of Sonali Bank Limited comprises of fully paid up capital against ordinary shares, statutory reserve and general reserve created out of profit, retained earning etc, and supplementary capital include general provision & assets revaluation reserve. Eligible Capital of Sonali Bank Limited on the basis of Audited Balance Sheet of 31 st December 2014 has been calculated as per Basel-II guidelines as shown below.			
Quantitative	(b)	Eligible Capital	(Tk.	in Crore)	
Disclosures		Tier-1 Capital:	Solo	Consolidated	
		(I) Paid up Capital	3120.00	3120.00	
		(II) Statutory Reserve	760.15	760.15	
		(III) General Reserve	10.70	10.70	
		(IV) Retained Earnings	-1459.80	-1479.72	
		(V) Other (Amount received against proposed right shares issue)	710.00	710.00	
		(VI) Deductions from Tier-1 Capital.	-	-	
		Total Tier-1 Capital	3141.05	3121.13	
	(c)	Total Tier-2 Capital.	1837.46	1837.46	
	(d)	Deductions from Tier-2 Capital.	-	-	
	(e)	Total eligible Capital.(b+c+d)	4978.51	4958.59	

Qualitative Disclosures	(a)	Sonali Bank Limited is very much aware of maintaining Capital to support its current and future activities inview to this objective. Three year capital growth plan up to 2016 was prepared for this purpose. The government (owner of the bank) injected additional capital amounting to Tk. 710.00 crore in 2014 to an enhance capital of the bank.				
		(Tk. in Crore)				
		Solo Consolida				
Quantitative Disclosures	(b)	Capital Requirement for Credit Risk	3256.08	3231.82		
	(c)	Capital Requirement for Market Risk	429.04	433.35		
	(d)	Capital Requirement for Operational Risk	383.30	387.47		
	(e)	Capital Adequacy Ratio (CAR)	equacy Ratio (CAR) 12.24 12.24			
	(f)	Tier-1 Capital to RWA	7.72	7.70		

Qualitative Disclosures	(a)	Sonali Bank Limited has its own Credit Risk Management guideline interms of Core Risks Management guidelines of Bangladesh Bank. The Bank also follows other instructions/guidelines of Bangladesh Bank in this regard. Sonali Bank Limited constantly monitors, reviews and analyses its credit portfolio with a view to improving ability of credit portfolio, minimizing potential losses and ensuring efficient credit process. To manage the Non-Performing Loans (NPL), Sonali Bank Limited has a comprehensive remedial management policy, which includes a framework of controls to identify weak credits and monitoring of these accounts constantly. (Tk. in Crore)			
Quantitative Disclosures	(b)	Total gross credit risk exposures broken down by major types of credit exposure. Balance Sheet Exposures (as per Audited Balance Sheet)	Solo	Consolidated	
		1) Cash	614.62	614.62	
		Claims on Bangladesh Government and Bangladesh Bank	21845.03	21845.03	
		25) Claims on Public Sector Entities (Other than Government) in Bangladesh	6742.22	6742.22	
		26) Claims on Banks & NBFIs	4980.27	4978.92	
		27) Claims on Corporate	6291.15	6321.82	
		28) Claims under Credit Risk Mitigation	1687.23	1683.95	
		29) Claims categorized as retail portfolio & SME	4587.28	4616.88	
		30) Consumer Finance	881.91	881.91	
		31) Claims fully secured by residential property	23.71	23.71	
		32) Past Due Claims (Risk weights are to be assigned net of specific provision)	4471.71	4471.71	
		33) Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	578.96	578.96	
		34) Investments in premises, plant and equipment and all other fixed assets	3276.76	3278.65	
		35) Capital market exposures	-	220.85	
		36) All other assets	20880.70	20893.90	

	Off-Balance Sheet Exposure	Solo	Consolidated
	1) Claims on Bangladesh Government and	1610.00	1610.00
	Bangladesh Bank		
	2) Claims on Public Sector Entities (Other than	2806.60	2806.60
	Government) in Bangladesh	7.40	7.40
	7) Claims on Banks & NBFIs	7.40	7.40
	8) Claims on Corporate	302.00	302.00
	5) Claims against retail portfolio & SME	405.34	405.34
	Geographical distribution of exposures, broken down		
	in significant areas by major types of credit exposure.		
	Inside Bangladesh		
	18) Dhaka Division.	19722.41	19943.58
	19) Mymensingh Division	1634.09	1634.09
	20) Faridpur Division	1126.27	1126.27
	21) Chittagong Division.	1938.02	1938.02
	22) Comilla Division	1153.43	1153.43
	23) Rajshahi Division.	1850.29	1850.29
	24) Khulna Division.	3002.21	3002.21
	25) Sylhet Division.	412.65	412.65
	26) Barisal Division.	673.73	673.73
	27) Rangpur Division.	2213.13	2213.13
	Outside Bangladesh	29.21	29.21
() Industry or counterparty type distribution of exposures,		
	broken down by major types of credit exposure.		
	15) Agricultural / Rural Credit	3492.10	3492.10
	16) Micro Credit	1135.30	1135.30
	17) Industrial Credit	5566.20	5566.20
	18) Agro-based Industrial Credit	2564.70	2564.70
	19) International Trade	8434.00	8434.00
	20) SME Finance	2332.18	2332.18
	21) General Advance & Others	10230.96	10452.13
(Residual contractual maturity breakdown of the whole		
	portfolio, broken down by major types of credit exposure.		
	Loans and Advances		
	On demand	4102.98	4102.98
	Not more than 3 months	74.97	74.97
	More than 3 months but not more than 1 year	508.04	508.04
	More than 1 year but not more than 5 years	13220.76	13220.76
	More than 5 years	14403.71	14624.87
	Bills purchased and discounted	(26.40	(26.40
	Not more than 1 month	636.40	636.40
	More than 1 month but not more than 3 months	286.06	286.06
	More than 3 months but not more than 6 months	492.70	492.70
<u> </u>	More than 6 months	29.82	29.82
(
	Non Performing Assets (NPAs) to Outstanding Loans & advances		
	Movement of Non Performing Assets (NPAs)		
	(Loans & advances)		
	Opening balance	10376.87	10376.87
			100/0.0/
		2773 10	2773 10
	Additions Reductions	2773.10 4506.31	2773.10 4506.31

	Movement of specific provisions for NPAs (Loans &	(Tk.	in Crore)
	advances)	Solo	Consolidated
	Opening balance	7005.45	7005.45
	Less: Loans written off which fully Provided for	1811.14	1811.14
	Add: Recovery Loans which was written off earlier	16.19	16.19
	Add: Specific Provisions made during the year	28.76	28.76
	Closing balance	5239.26	5239.26

Qualitative Disclosures	(a)	 'Solo Basis' the Bank has equity exposure in Banking Book consisting of listed shares of 90 companies and unlisted shares of 14 companies. 'Consolidated Basis' the Bank has equity exposure in Banking Book consisting of listed shares of 146 companies and unlisted shares of 14 companies. Market value of alloted securities has been determined on the basis of the value of securities at the last trading day of the year. The unlisted investments in shares are shown at cost. 			
Quantitative Disclosures	(b)	Value disclosed in the balance sheet of investments, as well as the fair value of those equity at cost price and market price have been disclosed as under: Investment in shares at cost price: Quoted and Un-quoted shares	(Tk. in Crore) Solo Consolidated		
		Quoted shares Un-quoted shares	1046.37 467.41 578.96	1076.02 497.06 578.96	
		Investment in shares as market price; Quoted and Un-quoted shares Quoted shares Un-quoted shares	1315.36 736.40 578.96	1336.91 757.95 578.96	

f) Market risk

Qualitative Disclosures	(a)	Market Risk has been determined under the RBCA guidelines taking into consideration as marked to market principles as directed by Bangladesh Bank under guidelines on Risk Based Capital Adequacy, December 2010.		
		(Tk. in Crore)		
Quantitative	(b)	The capital requirements for:	Solo	Consolidated
Disclosures		Interest rate risk;	175.93	175.93
		Equity position risk;	147.28	151.59
		Foreign exchange risk;	105.83	105.83

Qualitative Disclosures	(a)	Operational Risk of Bank has been worked out un Approach of RBCA guidelines.	der the	Basic Indicator
				(Tk. in Crore)
Quantitative Disclosures	(b)	The capital requirements for operational risk	Solo	Consolidated
			383.30	387.47