

Template 2

**Basel III Computation of Capital Ratios**

Item	Current Period	Previous Period
	As at 30/06/18	As at 31/12/17
	(Unaudited)	(Audited)
<b>Common Equity Tier I (CETI) Capital after Adjustments</b>	<b>13,791,564</b>	<b>13,082,604</b>
<b>Total Common Equity Tier I (CET1) Capital</b>	<b>12,599,577</b>	<b>12,599,576</b>
Equity capital or stated capital/assigned capital	1,524,250	1,524,250
Reserve fund	680,794	680,794
Published retained earnings/(Accumulated retained losses)	9,501,888	9,501,887
Accumulated other comprehensive income (OCI)	887,475	887,475
General and other disclosed reserves	5,170	5,170
Unpublished current year's profit/(losses) and gains reflected in OCI	-	-
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties		
<b>Total Adjustments to CET1 Capital</b>	<b>(1,191,987)</b>	<b>(483,028)</b>
Goodwill (net)		
Other intangible assets (net)		
Revaluation losses of property, plant and equipment		
Deferred tax assets (net)	14,514	14,514
Cash flow hedge reserve		
Unrealised gains on sale related securitisation transactions		
Shortfall of the cumulative impairment to specific provisions		
Changes in own credit risk		
Defined benefit pension fund assets		
Investment in own shares		
Reciprocal cross holdings in the capital of banking and other financial institutions		
Investments in the capital of banking and financial institutions where the bank does not own more than 10 per cent of the issued ordinary share capital of the entity		
Significant investments in the capital of financial institutions where the bank owns more than 10 per cent of the issued ordinary share capital of the entity		
Shortfall of capital in financial subsidiaries		
Regulatory adjustments applied to CET1 Capital due to insufficient AT1 and Tier 2 Capital to cover adjustments		
Amount due from head office & branches outside Sri Lanka in Sri Lanka Rupees	-	-
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(1,206,501)	(497,542)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	-	-

Item	Current Period	Previous Period
	As at 30/06/18	As at 31/12/17
	(Unaudited)	(Audited)
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>	-	-
<b>Total Additional Tier 1 (ATI) Capital</b>	-	-
Qualifying Additional Tier 1 Capital Instruments		
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties		
<b>Total Adjustments to AT1 Capital</b>	-	-
Investment in own shares		
Reciprocal cross holdings in AT1 capital instruments		
Investments in the capital of banking and financial institutions where the bank does not own more than 10 per cent of the issued ordinary share capital of the entity		
Significant investments in the capital of banking and financial institutions where the bank own more than 10 per cent of the issued ordinary share capital of the entity		
Regulatory adjustments applied to AT1 due to insufficient Tier 2 capital to cover adjustments		
<b>Tier 2 Capital after Adjustments</b>	<b>94,761</b>	-
<b>Total Tier 2 Capital</b>	<b>94,761</b>	-
Qualifying Tier 2 Capital Instruments		
Revaluation gains		
General provisions	94,761	-
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties		
<b>Total Adjustments to Tier 2 Capital</b>	-	-
Investment in own shares		
Reciprocal cross holdings in Tier 2 capital instruments		
Investments in the capital of financial institutions and where the bank does not own more than 10 per cent of the issued capital carrying voting rights of the issuing entity		
Significant investments in the capital of banking and financial institutions where the bank own more than 10 per cent of the issued ordinary share capital of the entity		
<b>Total Tier 1 Capital</b>	<b>13,791,564</b>	<b>13,082,604</b>
<b>Total Capital</b>	<b>13,886,325</b>	<b>13,082,604</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>33,442,812</b>	<b>29,872,251</b>
RWAs for Credit Risk	25,726,770	24,650,814
RWAs for Market Risk	3,282,120	1,012,006
RWAs for Operational Risk	4,433,922	4,209,431
<b>CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>41.24</b>	<b>43.80</b>
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
<b>Total Tier 1 Capital Ratio (%)</b>	<b>41.24</b>	<b>43.80</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>41.52</b>	<b>43.80</b>
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-