

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 (CETI) 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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-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 CETI 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 CETI 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)	-	-
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier 1 (AT1) Capital</b>	<b>-</b>	<b>-</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>	<b>-</b>	<b>-</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>-</b>
<b>Total Tier 2 Capital</b>	<b>94,761</b>	<b>-</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>	<b>-</b>	<b>-</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>

Template 4

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	Current Period As at 30/06/18		Previous Period As at 31/12/17	
	Total Un-weighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	13,655,871	12,886,624	7,932,528	7,932,528
Total Adjusted Level 1A Assets	13,655,871	13,111,467	8,211,247	8,211,247
Level 1 Assets	12,886,624	12,886,624	7,932,528	7,932,528
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	43,099,781	17,010,912	42,508,226	17,116,114
Deposits	-	-	-	-
Unsecured Wholesale Funding	26,251,552	14,923,410	24,266,398	15,097,693
Secured Funding Transactions	272,202	-	220,872.50	-
Undrawn Portion of Committed (Irrevocable)	16,576,027	2,087,502	18,020,956	2,018,421
Facilities and Other Contingent Funding				
Obligations				
Additional Requirements				
Total Cash Inflows	27,689,374	13,794,474	24,904,138	16,129,910
Maturing Secured Lending Transactions				
Backed by Collateral				
Committed Facilities				
Other Inflows by Counterparty which are Maturing within 30 Days	24,179,303	13,479,083	21,742,928	16,129,423
Operational Deposits	2,879,288	-	3,160,234	-
Other Cash Inflows	630,783	315,391	976	488
Liquidity Coverage Ratio (%) (Stock of				
High Quality Liquid Assets/Total Net Cash		303.02%		185.38%
Outflows over the Next 30 Calendar Days) * 100				

**Credit Risk under Standardised Approach –  
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects**

Asse Class	Amount (LKR'000) as at 30.06.2018					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On- Balance Sheet Amount	Off- Balance Sheet Amount	On- Balance Sheet Amount	Off- Balance Sheet Amount	RWA	RWA Density
Claims on Central Government and CBSL	12,911,661	-	12,911,661	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	1,554,855	303,438	1,554,855	303,438	613,952	0.33
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	5,442,792	52,837,709	5,442,792	2,628,627	1,743,670	0.22
Claims on Financial Institutions	190,201	27,861,498	190,201	1,135,133	784,480	0.59
Claims on Corporates	17,258,775	15,898,535	17,258,775	4,506,665	20,909,456	0.96
Retail Claims	-	-	-	-	-	-
Claims Secured by Residential Property	-	-	-	-	-	-
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	-	-	-	-	-	-
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	2,478,243	-	2,478,243	-	1,675,213	0.68
<b>Total</b>	<b>39,836,527</b>	<b>96,901,180</b>	<b>39,836,527</b>	<b>8,573,864</b>	<b>25,726,770</b>	<b>0.53</b>

Template 9

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 30.06.2018
<b>(a) RWA for Interest Rate Risk</b>	<b>128,307</b>
General Interest Rate Risk	128,307
(i) Net Long or Short Position	128,307
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
<b>(b) RWA for Equity</b>	<b>0</b>
(i) General Equity Risk	0
(ii) Specific Equity Risk	
Foreign Exchange & Gold = (e)	261,445
(c) RWA for Foreign Exchange & Gold	389,752
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	3,282,120

Template 10

**Operational Risk under Basic Indicator Approach**

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30.06.2018		
			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	15%		4,157,588	3,539,379	2,833,598
<b>The Standardised Approach</b>					
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%				
Commercial Banking	15%				
<b>The Alternative Standardised Approach</b>					
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%	0.035			
Commercial Banking	15%	0.035			
<b>Capital Charges for Operational Risk (LKR'000)</b>					
The Basic Indicator Approach	526,528				
The Standardised Approach					
The Alternative Standardised Approach					
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>					
The Basic Indicator Approach	4,433,922				
The Standardised Approach					
The Alternative Standardised Approach					