

Template 2

Basel III Computation of Capital Ratios

Item	Current Period	Previous Period
	As at 31/12/19	As at 31/12/18
	(Audited)	(Audited)
Common Equity Tier I (CETI) Capital after Adjustments	12,107,419	13,691,677
Total Common Equity Tier I (CET1) Capital	12,101,398	12,880,317
Equity capital or stated capital/assigned capital	1,524,250	1,524,250
Reserve fund	792,930	768,111
Published retained earnings/(Accumulated retained losses)	9,153,732	9,746,744
Accumulated other comprehensive income (OCI)	625,316	836,042
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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-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		
Total Adjustments to CET1 Capital	(6,021)	(811,360)
Goodwill (net)		
Other intangible assets (net)		
Revaluation losses of property, plant and equipment		
Deferred tax assets (net)	26,546	20,671
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	(439,202)	(832,031)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	406,634.65	-
Additional Tier 1 (AT1) Capital after Adjustments	-	-
Total Additional Tier 1 (AT1) Capital	-	-
Qualifying Additional Tier 1 Capital Instruments		
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties		
Total Adjustments to AT1 Capital	-	-
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		
Tier 2 Capital after Adjustments	28,098	23,622
Total Tier 2 Capital	28,098	23,622
Qualifying Tier 2 Capital Instruments		
Revaluation gains		
General provisions	28,098	23,622
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties		
Total Adjustments to Tier 2 Capital	-	-
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		
Total Tier 1 Capital	12,107,419	13,691,677
Total Capital	12,135,516	13,715,299
Total Risk Weighted Assets (RWA)	39,246,474	34,765,855
RWAs for Credit Risk	22,540,351	26,089,750
RWAs for Market Risk	11,875,483	3,928,221
RWAs for Operational Risk	4,830,639	4,747,884
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	30.85	39.38
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	30.85	39.38
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	30.92	39.45
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

Template 3

Computation of Leverage Ratio		
Item	Amount (LKR '000)	
	Reporting Period	Previous Reporting Period
	As at 31/12/19	As at 31/12/18
Tier 1 Capital	10,840,738	N/A
Total Exposures	152,709,076	N/A
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	51,976,247	N/A
Derivative Exposures	94,672,014	N/A
Securities Financing Transaction Exposures	700,123	N/A
Other Off-Balance Sheet Exposures	5,360,693	N/A
Basel III Leverage Ratio (%) (Tier 1 / Exposure)	7.10%	N/A

Template 4

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	Current Period		Previous Period	
	As at 31/12/19		As at 31/12/18	
	Total Un-weighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	16,706,883	16,706,883	14,238,004	7,932,528
Total Adjusted Level 1A Assets	17,400,785	17,400,785	14,664,060	8,211,247
Level 1 Assets	16,706,883	16,706,883	14,238,004	7,932,528
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	132,352,861	22,054,154	131,431,601	21,864,719
Deposits	-	-	-	-
Unsecured Wholesale Funding	37,785,913	19,998,917	32,239,610	18,427,382
Secured Funding Transactions	-	-	70,864	-
Undrawn Portion of Committed (Irrevocable)	94,566,948	2,055,237	99,121,127	3,437,338
Facilities and Other Contingent Funding				
Obligations				
Additional Requirements				
Total Cash Inflows	30,667,227	16,865,197	36,494,065	16,462,441
Maturing Secured Lending Transactions				
Backed by Collateral				
Committed Facilities	5,442,600	-	5,489,400.00	-
Other Inflows by Counterparty which are Maturing within 30 Days	22,662,791	16,698,211	23,612,119	15,220,413
Operational Deposits	7,670,466	-	4,908,489	-
Other Cash Inflows	333,971	166,985	2,484,056	1,242,028
Liquidity Coverage Ratio (%) (Stock of				
High Quality Liquid Assets/Total Net Cash		303.02%		260.47%
Outflows over the Next 30 Calendar Days) * 100				

			Template 7				
Credit Risk under Standardised Approach –							
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects							
	Amount (LKR'000) as at 31.12.2019						
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)		
Asse Class	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	21,030,500	-	21,030,500	-	-	-	
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	
Claims on Public Sector Entities	-	3,525	-	3,525	705	0.20	
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	
Claims on Banks Exposures	6,662,973	41,704,786	6,662,973	2,662,112	2,058,234	0.22	
Claims on Financial Institutions	548,575	14,353,946	548,575	775,676	905,218	0.68	
Claims on Corporates	15,486,247	21,754,784	15,486,247	4,019,865	18,688,819	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	1,573,483	-	1,573,483	-	887,375	0.56	
Total	45,301,779	77,817,041	45,301,779	7,461,178	22,540,351	0.43	

	Template 9
Market Risk under Standardised Measurement Method	
Item	RWA Amount (LKR'000) as at 31.12.2019
(a) RWA for Interest Rate Risk	193,833
General Interest Rate Risk	193,833
(i) Net Long or Short Position	193,833
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) RWA for Equity	-
(i) General Equity Risk	-
(ii) Specific Equity Risk	
Foreign Exchange & Gold = (e)	1,290,602
(c) RWA for Foreign Exchange & Gold	1,484,435
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	11,875,483

	Template 10				
Operational Risk under Basic Indicator Approach					
Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31.12.2019		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		4,665,092	5,243,181	4,583,642
The Standardised Approach					
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%				
The Alternative Standardised Approach					
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			
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	603,830				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	4,830,638				
The Standardised Approach					
The Alternative Standardised Approach					