

Template 2

Basel III Computation of Capital Ratios

Item	Current Period	Previous Period
	As at 31/03/20	As at 31/12/19
	(Unaudited)	(Audited)
Common Equity Tier I (CET1) Capital after Adjustments	11,147,429	12,107,419
Total Common Equity Tier I (CET1) Capital	10,828,842	12,101,398
Equity capital or stated capital/assigned capital	1,524,250	1,524,250
Reserve fund	768,111	792,930
Published retained earnings/(Accumulated retained losses)	7,938,220	9,153,732
Accumulated other comprehensive income (OCI)	593,092	625,316
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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-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	(318,587)	(6,021)
Goodwill (net)		
Other intangible assets (net)		
Revaluation losses of property, plant and equipment		
Deferred tax assets (net)	26,546	26,546
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	(345,133)	(439,202)
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	38,580	28,098
Total Tier 2 Capital	38,580	28,098
Qualifying Tier 2 Capital Instruments		
Revaluation gains		
General provisions	38,580	28,098
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	11,147,429	12,107,419
Total Capital	11,186,009	12,135,516
Total Risk Weighted Assets (RWA)	49,087,330	39,246,474
RWAs for Credit Risk	30,547,082	22,540,351
RWAs for Market Risk	13,667,657	11,875,483
RWAs for Operational Risk	4,872,592	4,830,639
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	22.71	30.85
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	22.71	30.85
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	22.79	30.92
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 31/03/20	As at 31/12/19
Tier 1 Capital	11,147,429	10,840,738
Total Exposures	171,586,147	152,709,076
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	50,637,271	51,976,247
Derivative Exposures	115,318,602	94,672,014
Securities Financing Transaction Exposures	7,462	700,123
Other Off-Balance Sheet Exposures	5,622,812	5,360,693
Basel III Leverage Ratio (%) (Tier 1 / Exposure)	6.50%	7.10%

Template 4				
Basel III Computation of Liquidity Coverage Ratio				
Item	Amount (LKR'000)			
	Current Period As at 31/03/20		Previous Period As at 31/12/19	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	19,945,144	19,945,144	16,706,883	16,706,883
Total Adjusted Level 1A Assets	19,945,751	19,945,751	17,400,785	17,400,785
Level 1 Assets	19,945,144	19,945,144	16,706,883	16,706,883
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	128,200,433	16,616,185	132,352,861	22,054,154
Deposits	-	-	-	-
Unsecured Wholesale Funding	31,835,930	14,998,302	37,785,913	19,998,917
Secured Funding Transactions	6,855	-	-	-
Undrawn Portion of Committed (Irrevocable)	95,350,126	610,361	94,566,948	2,055,237
Facilities and Other Contingent Funding Obligations	-	-	-	-
Additional Requirements	1,007,522	1,007,522	-	-
Total Cash Inflows	32,717,987	13,740,740	30,667,227	16,865,197
Maturing Secured Lending Transactions	-	-	-	-
Backed by Collateral	-	-	-	-
Committed Facilities	5,708,700	-	5,442,600	-
Other Inflows by Counterparty which are Maturing within 30 Days	23,427,708	12,829,752	22,662,791	16,698,211
Operational Deposits	2,670,591	-	7,670,466	-
Other Cash Inflows	910,988	910,988	333,971	166,985
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash)	-	480.14%	-	303.02%

		Template 7				
Credit Risk under Standardised Approach –						
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects						
Asse Class	Amount (LKR'000) as at 31.03.2020					
	Exposures before Credit		Exposures post CCF		RWA and RWA	
	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	19,628,567	-	19,628,567	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	1,753,452	240	1,753,452	240	350,738	0.20
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	2,196,202	55,281,386	2,196,202	3,511,014	1,469,225	0.26
Claims on Financial Institutions	3,423	16,716,212	3,423	762,525	607,292	0.79
Claims on Corporates	22,289,898	22,495,951	22,289,898	3,970,667	25,704,217	0.98
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	3,419,973	-	3,419,973	-	2,415,609	0.71
Total	49,291,515	94,493,789	49,291,515	8,244,446	30,547,082	0.53

	Template 9
Market Risk under Standardised Measurement Method	
Item	RWA Amount (LKR'000) as at 31.03.2020
(a) RWA for Interest Rate Risk	150,636
General Interest Rate Risk	150,636
(i) Net Long or Short Position	150,636
(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 = (c)	1,557,821
(c) RWA for Foreign Exchange & Gold	1,708,457
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	13,667,657

	Template 10				
Operational Risk under Basic Indicator Approach					
Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		4,702,761	5,097,523	4,817,492
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	609,074				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	4,872,592				
The Standardised Approach					
The Alternative Standardised Approach					