

Template 2

Basel III Computation of Capital Ratios

Item	Current Period	Previous Period
	As at 30/06/20	As at 31/12/19
	(Unaudited)	(Audited)
Common Equity Tier I (CETI) Capital after Adjustments	12,795,414	12,107,419
Total Common Equity Tier I (CET1) Capital	12,635,240	12,101,398
Equity capital or stated capital/assigned capital	1,524,250	1,524,250
Reserve fund	792,930	792,930
Published retained earnings/(Accumulated retained losses)	9,153,732	9,153,732
Accumulated other comprehensive income (OCI)	625,316	625,316
General and other disclosed reserves	5,170	5,170
Unpublished current year's profit/(losses) and gains reflected in OCI	533,842	-
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties		
Total Adjustments to CET1 Capital	(160,174)	(6,021)
Goodwill (net)		
Other intangible assets (net)		
Revaluation losses of property, plant and equipment		
Deferred tax assets (net)	39,361	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	(452,018)	(439,202)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	252,482.65	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	33,371	28,098
Total Tier 2 Capital	33,371	28,098
Qualifying Tier 2 Capital Instruments		
Revaluation gains		
General provisions	33,371	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	12,795,414	12,107,419
Total Capital	12,828,785	12,135,516
Total Risk Weighted Assets (RWA)	50,623,584	39,246,474
RWAs for Credit Risk	32,856,342	22,540,351
RWAs for Market Risk	12,945,592	11,875,483
RWAs for Operational Risk	4,821,651	4,830,639
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	25.28	30.85
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	25.28	30.85
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	25.34	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 30/06/20	As at 31/12/19
Tier 1 Capital	12,795,414	10,840,738
Total Exposures	155,332,213	152,709,076
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	47,248,495	51,976,247
Derivative Exposures	102,771,565	94,672,014
Securities Financing Transaction Exposures	60,250	700,123
Other Off-Balance Sheet Exposures	5,251,903	5,360,693
Basel III Leverage Ratio (%) (Tier 1 / Exposure)	8.24%	7.10%

Template 4				
Basel III Computation of Liquidity Coverage Ratio				
Item	Amount (LKR'000)			
	Current Period As at 30/06/20		Current 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)	18,545,632	18,545,632	16,706,883	16,706,883
Total Adjusted Level 1A Assets	18,553,943	18,553,943	17,400,785	17,400,785
Level 1 Assets	18,545,632	18,545,632	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	121,663,324	15,842,411	132,352,861	22,054,154
Deposits	-	-	-	-
Unsecured Wholesale Funding	32,210,527	14,568,886	37,785,913	19,998,917
Secured Funding Transactions	51,940	-	-	-
Undrawn Portion of Committed (Irrevocable)	88,669,629	542,298	94,566,948	2,055,237
Facilities and Other Contingent Funding Obligations	-	-	-	-
Additional Requirements	731,228	731,228	-	-
Total Cash Inflows	25,571,654	10,164,844	30,667,227	16,865,197
Maturing Secured Lending Transactions	-	-	-	-
Backed by Collateral	-	-	-	-
Committed Facilities	5,587,200	-	5,442,600	-
Other Inflows by Counterparty which are Maturing within 30 Days	19,631,392	9,811,783	22,662,791	16,698,211
Operational Deposits	394,202	-	7,670,466	-
Other Cash Inflows	353,062	353,062	333,971	166,985
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		326.65%		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 30.06.2020					
	Exposures before Credit		Exposures post CCF and		RWA and RWA	
	On- Balance Sheet Amount	Sheet Amount	On- Balance Sheet Amount	Sheet Amount	RWA	RWA Density
Claims on Central Government and CBSL	18,164,875	-	18,164,875	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	1,751,546	240	1,751,546	48	350,357	0.20
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	104,901	2,886,725	104,901	665,118	686,099	0.89
Claims on Financial Institutions	526,714	778,234	526,714	613,840	885,195	0.78
Claims on Corporates	25,701,824	3,965,609	25,701,824	3,718,566	29,256,962	0.99
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	2,317,250	-	2,317,250	-	1,677,729	0.72
Total	48,567,110	7,630,808	48,567,110	4,997,572	32,856,342	0.61

Template 9

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 30.06.2020
(a) RWA for Interest Rate Risk	193,478
General Interest Rate Risk	193,478
(i) Net Long or Short Position	193,478
(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)	1,424,721
(c) RWA for Foreign Exchange & Gold	1,618,199
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	12,945,592

Operational Risk under Basic Indicator Approach		Template 10				
Business Lines	Charge Factor	Fixed Factor	Gross Income (LKR'000) as at			
			1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%		3,840,929	4,055,609	4,157,588	
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	602,706					
The Standardised Approach						
The Alternative Standardised Approach						
Risk Weighted Amount for Operational Risk (LKR'000)						
The Basic Indicator Approach	4,821,651					
The Standardised Approach						
The Alternative Standardised Approach						

