Template 2

Basel III Computation of Capital Ratios

Item	Current Period As at 30/09/20 (Unaudited)	Previous Period As at 31/12/19 (Audited)
Common Equity Tier I (CETI) Capital after Adjustments	**10,201,457**	**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Unpublished current year's profit/(losses) and gains reflected in OCI	533,842	-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	**2,433,783**	**(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	(481,744)	(439,202)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	2,876,166.03	406,634.65
Additional Tier 1 (AT1) Capital after Adjustments	-	-
Total Additional Tier 1 (ATI) 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	**54,820**	**28,098**
Total Tier 2 Capital	**54,820**	**28,098**
Qualifying Tier 2 Capital Instruments		
Revaluation gains		
General provisions	54,820	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	**10,201,457**	**12,107,419**
Total Capital	**10,256,276**	**12,135,516**
Total Risk Weighted Assets (RWA)	**41,638,698**	**39,246,474**
RWAs for Credit Risk	24,593,354	22,540,351
RWAs for Market Risk	12,257,861	11,875,483
RWAs for Operational Risk	4,787,483	4,830,639
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	24.50	30.85

of which: Capital Conservation Buffer (%)		-
of which: Countercyclical Buffer (%)		-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	24.50	30.85
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	24.63	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 30/09/20	As at 31/12/19
Tier 1 Capital	**10,201,457**	**10,840,738**
Total Exposures	**169,743,267**	**152,709,076**
On-Ba;ance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	45,796,635	51,976,247
Derivative Exposures	121,043,988	94,672,014
Securities Financing Transaction Exposures	15,767	700,123
Other Off-Balance Sheet Exposures	5,320,661	5,360,693
Basel III Leverage Ratio (%) (Tier 1 / Exposure)	**6.01%**	**7.10%**

Template 4

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000) Current Period As at 30/09/20 Total Un-weighted Value	Current Period As at 30/09/20 Total Weighted Value	Current Period As at 31/12/19 Total Un-weighted Value	Current Period As at 31/12/19 Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**20,487,349**	**20,487,349**	**16,706,883**	**16,706,883**
Total Adjusted Level 1A Assets	20,488,230	20,488,230	17,400,785	17,400,785
Level 1 Assets	20,487,349	20,487,349	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	**126,067,421**	**14,315,106**	**132,352,861**	**22,054,154**
Deposits	-	-	-	-
Unsecured Wholesale Funding	30,013,963	13,288,701	37,785,913	19,998,917
Secured Funding Transactions	14,886	-	-	-
Undrawn Portion of Committed (Irrevocable)	95,510,895	498,727	94,566,948	2,055,237
Facilities and Other Contingent Funding				
Obligations				
Additional Requirements	527,678	527,678		
Total Cash Inflows	**23,361,611**	**9,456,297**	**30,667,227**	**16,865,197**
Maturing Secured Lending Transactions				
Backed by Collateral				
Committed Facilities	5,548,200	-	5,442,600	-
Other Inflows by Counterparty which are Maturing within 30 Days	14,777,063	9,389,778	22,662,791	16,698,211
Operational Deposits	2,969,829	-	7,670,466	-
Other Cash Inflows	66,519	66,519	333,971	166,985
Liquidity Coverage Ratio (%) (Stock of				
High Quality Liquid Assets/Total Net Cash		**421.65%**		**303.02%**
Outflows over the Next 30 Calendar Days) * 100				

Template 7

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

Asset Class	Amount (LKR'000) as at 30.09.2020 — Exposures before Credit Conversion: On- Balance Sheet Amount	Exposures before Credit Conversion: Off- Balance Sheet Amount	Exposures post CCF and CRM: On- Balance Sheet Amount	Exposures post CCF and CRM: Off- Balance Sheet Amount	RWA and RWA Density: RWA	RWA and RWA Density: RWA Density
Claims on Central Government and CBSL	22,692,678	-	22,692,678	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	-	240	-	240	48	0.20
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	1,090,537	3,015,224	1,090,537	661,301	879,408	0.50
Claims on Financial Institutions	-	274,800	-	260,929	260,929	1.00
Claims on Corporates	17,761,407	4,010,151	17,761,407	3,790,714	21,552,018	1.00
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	2,836,214	-	2,836,214	-	1,900,951	0.67
Total	**44,380,836**	**7,300,415**	**44,380,836**	**4,713,184**	**24,593,354**	**0.50**

Template 9

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 30.09.2020
(a) RWA for Interest Rate Risk	**218,366**
General Interest Rate Risk	218,366
(i) Net Long or Short Position	218,366
(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)	**1,313,867**
(c) RWA for Foreign Exchange & Gold	**1,532,233**
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	**12,257,861**

Template 10

Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30.09.2020		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		4,456,676	4,904,855	5,000,917
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	598,435				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	**4,787,483**				
The Standardised Approach					
The Alternative Standardised Approach					