

**Key Regulatory Ratios - Capital and Liquidity**

Item	Reporting Period as at 31st Mar 2018	Previous Reporting Period as at 31st Dec 2017
<b>Regulatory Capital (LKR '000)</b>		
Common Equity Tier 1	27,092,874	29,805,698
Tier 1 Capital	27,092,874	29,805,698
Total Capital	27,524,440	30,166,737
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	16.40%	20.02%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	16.40%	20.02%
Total Capital Ratio (Minimum Requirement - 11.875%)	16.66%	20.26%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR'000)	77,838,124	99,850,166
Statutory Liquid Assets Ratio (Minimum Requirement -20%)		
Domestic Banking Unit (%)	64.10%	77.90%
Off-Shore Banking Unit (%)	51.80%	84.13%
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 90%)	422.13%	436.20%
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 90%)	271.18%	256.55%

**Basel III Computation of Capital Ratios**

Item	Amount (LKR '000)	
	Reporting Period as at 31st Mar 2018	Previous Reporting Period as at 31 Dec 2017
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>27,092,874</b>	<b>29,805,698</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>29,455,481</b>	<b>29,455,481</b>
Equity Capital (Stated Capital)/Assigned Capital	3,317,705	3,317,705
Reserve Fund	1,860,443	1,860,443
Published Retained Earnings/(Accumulated Retained Losses)	22,360,540	22,360,540
Published Accumulated Other Comprehensive Income (OCI)	(251,312)	(251,312)
General and other Disclosed Reserves	2,168,105	2,168,105
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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 CET1 Capital</b>	<b>2,362,607</b>	<b>(350,216)</b>
Goodwill (net)	-	-
Intangible Assets (net)	-	-
Deferred tax assets (net)	8,349	8,349
Defined benefit pension fund assets	274,179	274,179
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(103,785)	(760,755)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	2,183,864	128,011
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>	<b>-</b>	<b>-</b>
<b>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		
Others (specify)		
<b>Tier 2 Capital after Adjustments</b>	<b>431,566</b>	<b>361,039</b>
<b>Tier 2 Capital</b>	<b>431,566</b>	<b>361,039</b>
Qualifying Tier 2 Capital Instruments		
Revaluation Gains		
Loan Loss Provisions		
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
General Provisions	431,566	361,039
<b>Total Adjustments to Tier 2</b>	<b>-</b>	<b>-</b>
Investment in Own Shares		
Others (specify)		
<b>CET1 Capital</b>	<b>27,092,874</b>	<b>29,805,698</b>
<b>Total Tier 1 Capital</b>	<b>27,092,874</b>	<b>29,805,698</b>
<b>Total Capital</b>	<b>27,524,440</b>	<b>30,166,737</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>165,220,441</b>	<b>148,897,182</b>
RWAs for Credit Risk	145,858,842	131,146,424
RWAs for Market Risk	5,411,801	3,500,661
RWAs for Operational Risk	13,949,797	14,250,097
<b>CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>16.40%</b>	<b>20.02%</b>
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
<b>Total Tier 1 Capital Ratio (%)</b>	<b>16.40%</b>	<b>20.02%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>16.66%</b>	<b>20.26%</b>
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

Note: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes.

Basel III Computation of Liquidity Coverage Ratio				
Item	Amount (LKR '000)			
	31.03.18		31.12.18	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
<b>Total Stock of High-Quality Liquid Assets (HQLA)</b>	<b>31,944,319</b>	<b>31,944,319</b>	<b>28,208,135</b>	<b>28,208,135</b>
<b>Total Adjusted Level 1A Assets</b>	<b>32,013,117</b>	<b>32,013,117</b>	<b>28,267,799</b>	<b>28,267,799</b>
<b>Level 1 Assets</b>	<b>31,944,319</b>	<b>31,944,319</b>	<b>28,208,135</b>	<b>28,208,135</b>
<b>Total Adjusted Level 2A Assets</b>	-	-	-	-
<b>Level 2A Assets</b>	-	-	-	-
<b>Total Adjusted Level 2B Assets</b>	-	-	-	-
<b>Level 2B Assets</b>	-	-	-	-
<b>Total Cash Outflows</b>	<b>242,510,142</b>	<b>47,119,428</b>	<b>231,555,701</b>	<b>43,980,024</b>
Deposits	27,610,052	2,761,005	25,532,574	2,553,257
Unsecured Wholesale Funding	92,457,447	38,315,487	82,979,501	33,178,859
Secured Funding Transactions	675,232	-	503,468	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	121,767,411	6,042,936	122,540,157	8,247,908
Additional Requirements	-	-	-	-
<b>Total Cash Inflows</b>	<b>70,129,730</b>	<b>44,671,382</b>	<b>72,777,923</b>	<b>46,974,425</b>
Maturing Secured Lending Transactions Backed by Collateral	-	-	5,000,000	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	67,512,612	44,286,704	65,584,379	46,651,868
Operational Deposits	1,879,919	-	1,608,276	-
Other Cash Inflows	737,200	384,678	585,268	322,557
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>271.18%</b>		<b>256.55%</b>

Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects					
Asset Class	Amount (LKR'000) as at 31.03.2018				
	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(ii)
Claims on Central Government and CBSL	39,412,335	-	7,449,529	-	- 0%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	- 0%
Claims on Public Sector Entities	-	-	-	-	- 0%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	- 0%
Claims on Banks Exposures	15,325,841	75,818,928	15,325,841	2,264,763	6,830,190 39%
Claims on Financial Institutions	885,000	-	885,000	-	327,000 37%
Claims on Corporates	72,257,866	154,480,071	73,065,450	63,058,673	116,370,268 85%
Retail Claims	16,695,120	-	14,004,116	-	10,511,410 75%
Claims Secured by Residential Property	2,773,602	-	2,773,602	-	1,611,079 58%
Claims Secured by Commercial Real Estate	-	-	-	-	- 0%
Non-Performing Assets (NPAs)(i)	866,432	-	866,432	-	964,033 111%
Higher-risk Categories	-	-	-	-	- 0%
Cash Items and Other Assets	11,276,177	-	11,548,029	-	9,244,862 80%
<b>Total</b>	<b>159,492,372</b>	<b>230,298,999</b>	<b>125,917,998</b>	<b>65,323,435</b>	<b>145,858,842 76%</b>

**Note:**  
(i) NPAs – As per Banking Act Directions on Classification of loans and advances, income recognition and provisioning.  
(ii) RWA Density – Total RWA/Exposures post CCF and CRM.  
(iii) Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes.

Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights									
Risk Weight	Amount (LKR'000) as at 31.03.2018 (Post CCF & CRM)								
	0%	20%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
<b>Asset Classes</b>									
Claims on Central Government and CBSL	7,449,529	0							7,449,529
Claims on Foreign Sovereigns and their Central Banks	-	-	-						-
Claims on Public Sector Entities	-	-	-						-
Claims on Official Entities and Multilateral Development Banks	-	-	-						-
Claims on Banks Exposures	-	9,990,460	5,536,093			2,064,051			17,590,604
Claims on Financial Institutions	-	385,000	500,000						885,000
Claims on Corporates	-	5,449,067	32,711,436			96,041,385	1,922,234		136,124,123
Retail Claims	-	-	-		13,970,822	33,294			14,004,116
Claims Secured by Residential Property	-	-	2,325,046			448,556			2,773,602
Claims Secured by Commercial Real Estate	-	-	-			-			-
Non-Performing Assets (NPAs)(i)	-	-	-			671,229	195,203		866,432
Higher-risk Categories	-	-	-			-	-		-
Cash Items and Other Assets	802,276	1,876,114	-			8,869,639			11,548,029
<b>Total</b>	<b>8,251,804</b>	<b>17,700,641</b>	<b>41,072,575</b>		<b>13,970,822</b>	<b>108,128,154</b>	<b>2,117,438</b>		<b>191,241,434</b>

Note: Banks are expected to supplement the template with a narrative commentary to explain any significant change over the reporting period and the key drivers of such changes. (0)

Market Risk under Standardised Measurement Method	
Item	RWA Amount (LKR'000) as at 31st Mar 2018
<b>(a) RWA for Interest Rate Risk</b>	<b>468,593</b>
General Interest Rate Risk	468,593
(i) Net Long or Short Position	468,593
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Interest Rate Risk	-
<b>(b) RWA for Equity</b>	<b>-</b>
(i) General Equity Risk	-
(ii) Specific Equity Risk	-
<b>(c) RWA for Foreign Exchange &amp; Gold</b>	<b>174,058</b>
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	5,411,801

Operational Risk under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach					
Capital Charge	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31st Mar 2018		
			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	<b>15%</b>		<b>8,676,147</b>	<b>11,562,950</b>	<b>12,891,672</b>
<b>The Standardised Approach</b>			<b>0</b>	<b>0</b>	<b>0</b>
Corporate Finance	18%		0	0	0
Trading and Sales	18%		1,564,608	1,862,510	2,330,017
Payment and Settlement	18%		156,805	170,201	182,509
Agency Services	15%		42,262	33,075	50,855
Asset Management	12%		-	-	-
Retail Brokerage	12%		-	-	-
Retail Banking	12%		2,045,691	3,018,730	2,919,080
Commercial Banking	15%		4,866,781	6,478,433	7,409,211
<b>The Alternative Standardised Approach</b>			<b>0</b>	<b>0</b>	<b>0</b>
Corporate Finance	18%		0	0	0
Trading and Sales	18%		1,564,608	1,862,510	2,330,017
Payment and Settlement	18%		156,805	170,201	182,509
Agency Services	15%		42,262	33,075	50,855
Asset Management	12%		0	0	0
Retail Brokerage	12%		0	0	0
Retail Banking	12%	0.035	14,985,602	16,985,617	19,072,253
Commercial Banking	15%	0.035	98,519,744	105,072,918	115,473,807
<b>Capital Charges for Operational Risk (LKR'000)</b>					
The Basic Indicator Approach			<b>1,656,538</b>		
The Standardised Approach			<b>1,639,370</b>		
The Alternative Standardised Approach			<b>1,012,136</b>		
<b>Risk-Weighted Amount for operational Risk (LKR'000)</b>					
The Basic Indicator Approach			<b>13,949,797</b>		
The Standardised Approach			<b>13,805,221</b>		
The Alternative Standardised Approach			<b>8,523,249</b>		

**Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank Only**

Item	Amount (LKR '000) as at 31.03.2018				
	a Carrying Values as Reported in Published Financial Statement	b Carrying Values under Scope of Regulatory Reporting	c Subject to Credit Risk Framework	d Subject to Market Risk Framework	e Not subject to Capital Requirements or Subject to Deduction from Capital
<b>Assets</b>					
Cash and Cash Equivalents	10,807,276	6,554,780	5,752,504		802,276
Balances with Central Banks	3,919,529	3,919,529			3,919,529
Placements with Banks	17,519,880	18,223,899	18,223,899		-
Derivative Financial Instruments	1,882,935	-			-
Other Financial Assets Held-For-Trading	8,443,460	31,962,807	31,962,807	31,962,807	
Financial Assets Designated at Fair Value Through Profit and Loss Account	-	-			-
Loans and Receivables to Banks	1,085,307	-	-		-
Loans and Receivables to Other Customers	92,421,527	93,393,644	93,393,644		-
Financial Investments - Available-For-Sale	23,519,346	-			-
Financial Investments - Held-To-Maturity	-	1,840	1,840		-
Investments in Subsidiaries	-	-			-
Investments in Associates and Joint Ventures	-	-			-
Property, Plant and Equipment	555,384	534,779	534,779		-
Investment Properties	-	-			-
Goodwill and Intangible Assets	-	-			-
Deferred Tax Assets	156,307	-			-
Other Assets	13,114,190	8,490,243	8,490,243		-
<b>Liabilities</b>					
Due to Banks	7,252,047	1,477,346	6,555,632		-
Derivative Financial Instruments	1,747,070	-			-
Other Financial Liabilities Held-For-Trading	-	-			-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-			-
Due to Other Customers	119,423,686	119,423,686	345,869		119,077,817
Other Borrowings	744,322	744,322			744,322
Debt Securities Issued	-	-			-
Current Tax Liabilities	2,068,839	2,293,793			2,293,793
Deferred Tax Liabilities	-	(380,967)	(380,967)		-
Other Provisions	22,265	-			-
Other Liabilities	10,574,955	7,205,611			7,205,611
Due to Subsidiaries	-	-			-
Subordinated Term Debts	-	-			-
<b>Off-Balance Sheet Liabilities</b>					
Guarantees	80,199,510	80,199,510	80,199,510		-
Performance Bonds	-	-			-
Letters of Credit	10,091,453	10,091,453	10,091,453		-
Other Contingent Items	28,718,612	28,718,612	28,718,612		-
Undrawn Loan Commitments	23,849,736	23,849,736	23,849,736		-
Other Commitments	126,526,954	126,526,954	126,526,954		-
<b>Shareholders' Equity</b>					
Equity Capital (Stated Capital)/Assigned Capital	3,317,705	3,317,706	3,317,706		-
of which Amount Eligible for CET1	3,317,705	3,317,706	3,317,706		-
of which Amount Eligible for AT1	-	-	-		-
Retained Earnings	22,841,048	-			-
Accumulated Other Comprehensive Income	-	-			-
Other Reserves	5,233,206	29,000,025	26,137,775		-
<b>Total Shareholders' Equity</b>					

Notes:  
(1) Other Financial Assets Held-For-Trading represent Government securities classified as "Trading Portfolio", which is treated as zero risk weighted for credit risk and separately treated under market risk (general interest rate risk). Hence, classified under both categories of risk.