

Key Regulatory Ratios - Capital and Liquidity

Item	Reporting Period as at 30th Sep 2018	Previous Reporting Period as at 30th Jun 2018
Regulatory Capital (LKR '000)		
Common Equity Tier 1	27,209,589	29,044,250
Tier 1 Capital	27,209,589	29,044,250
Total Capital	27,561,410	29,449,609
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	15.65%	18.22%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	15.65%	18.22%
Total Capital Ratio (Minimum Requirement - 11.875%)	15.85%	18.47%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000)	71,062,066	141,429,836
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	63.76%	109.01%
Off-Shore Banking Unit (%)	71.45%	57.19%
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement -90%)	294.17%	484.59%
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 90%)	495.03%	253.24%

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	Reporting Period as at 30th Sep 2018	Previous Reporting Period as at 30th Jun 2018
Common Equity Tier 1 (CET1) Capital after Adjustments	27,209,589	29,044,250
Common Equity Tier 1 (CET1) Capital	27,731,181	29,455,481
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)	20,636,240	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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	-	-
Total Adjustments to CET1 Capital	521,592	411,231
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	(122,868)	(138,038)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	361,932	266,741
Additional Tier 1 (AT1) Capital after Adjustments	-	-
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		
Others (specify)		
Tier 2 Capital after Adjustments	351,821	405,359
Tier 2 Capital	351,821	405,359
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	351,821	405,359
Total Adjustments to Tier 2	-	-
Investment in Own Shares		
Others (specify)		
CET1 Capital	27,209,589	29,044,250
Total Tier 1 Capital	27,209,589	29,044,250
Total Capital	27,561,410	29,449,609
Total Risk Weighted Assets (RWA)	173,906,472	159,414,513
RWAs for Credit Risk	155,092,160	141,782,567
RWAs for Market Risk	3,830,212	3,240,861
RWAs for Operational Risk	14,984,100	14,391,085
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.65%	18.22%
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	15.65%	18.22%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.85%	18.47%
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)			
	30.09.18		30.06.18	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	30,890,304	30,890,304	34,173,569	34,173,569
Total Adjusted Level 1A Assets	30,895,072	30,895,072	34,258,000	34,258,000
Level 1 Assets	30,890,304	30,890,304	34,173,569	34,173,569
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	282,822,456	52,992,966	259,537,907	53,978,263
Deposits	29,145,763	2,914,576	28,159,481	2,815,948
Unsecured Wholesale Funding	97,173,314	38,848,180	102,154,980	42,236,189
Secured Funding Transactions	47,358	-	663,196	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	156,305,387	11,079,576	128,560,251	8,926,126
Additional Requirements	150,634	150,634	-	-
Total Cash Inflows	66,992,074	45,352,152	79,311,230	57,181,574
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	64,529,778	44,925,935	77,248,539	56,786,462
Operational Deposits	1,609,861	-	1,323,071	-
Other Cash Inflows	852,435	426,217	739,621	395,112
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) ^ 100		233.17%		253.24%

Credit Risk under Standardised Approach – Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects						
Asset Class	Amount (LKR'000) as at 30.09.2018					
	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	43,131,693	-	5,089,758	-	-	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	26,472,221	74,539,521	26,472,221	2,685,811	9,582,099	33%
Claims on Financial Institutions	1,485,000	-	1,485,000	-	447,000	30%
Claims on Corporates	69,843,055	207,660,035	70,323,422	74,152,833	123,499,489	85%
Retail Claims	17,600,332	-	15,424,466	-	11,661,729	76%
Claims Secured by Residential Property	2,853,439	-	2,853,439	-	1,669,641	59%
Claims Secured by Commercial Real Estate	-	-	-	-	-	0%
Non-Performing Assets (NPAs)(i)	638,726	-	638,726	-	638,726	100%
Higher-risk Categories	-	-	-	-	-	0%
Cash Items and Other Assets	9,567,747	-	9,752,988	-	7,593,477	78%
Total	171,592,213	282,199,555	132,040,020	76,838,643	155,092,160	74%

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 30.09.2018 (Post CCF & CRM)								Total Credit Exposures Amount
	0%	20%	50%	60%	75%	100%	150%	>150%	
Asset Classes									
Claims on Central Government and CBSL	5,089,758	0							5,089,759
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	-	18,995,306	8,759,377	-	-	1,403,349	-	-	29,158,032
Claims on Financial Institutions	-	985,000	500,000	-	-	-	-	-	1,485,000
Claims on Corporates	-	4,961,893	34,058,590	-	-	105,411,686	44,086	-	144,476,254
Retail Claims	-	-	-	-	15,050,946	373,520	-	-	15,424,466
Claims Secured by Residential Property	-	-	2,367,596	-	-	485,843	-	-	2,853,439
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	-	-	-	-	-	638,726	-	-	638,726
Higher-risk Categories	-	-	-	-	-	-	-	-	-
Cash Items and Other Assets	872,407	1,608,880	-	-	-	7,271,701	-	-	9,752,988
Total	5,962,166	26,551,079	45,685,563		15,050,946	115,584,824	44,086		208,878,663

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.

Market Risk under Standardised Measurement Method	
Item	RWA Amount (LKR'000) as at 30th Sep 2018
(a) RWA for Interest Rate Risk	408,852
General Interest Rate Risk	408,852
(i) Net Long or Short Position	408,852
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Interest Rate Risk	-
(b) RWA for Equity	-
(i) General Equity Risk	-
(ii) Specific Equity Risk	-
c) RWA for Foreign Exchange & Gold	45,986
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	3,830,212

Operational Risk under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach					
Standardised Approach					
Gross Income (LKR'000) as at 30th Sep 2018					
Capital Charge	Capital Charge Factor	Fixed Factor	1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		10,351,471	12,140,659	13,095,107
The Standardised Approach			0	0	0
Corporate Finance	18%		0	0	0
Trading and Sales	18%		1,866,727	1,955,565	2,366,785
Payment and Settlement	18%		187,083	178,705	185,389
Agency Services	15%		50,423	34,728	51,657
Asset Management	12%		-	-	-
Retail Brokerage	12%		-	-	-
Retail Banking	12%		2,440,704	3,169,552	2,965,144
Commercial Banking	15%		5,806,534	6,802,109	7,526,131
The Alternative Standardised Approach			0	0	0
Corporate Finance	18%		0	0	0
Trading and Sales	18%		1,866,727	1,955,565	2,366,785
Payment and Settlement	18%		187,083	178,705	185,389
Agency Services	15%		50,423	34,728	51,657
Asset Management	12%		-	-	-
Retail Brokerage	12%		0	0	0
Retail Banking	12%	0.035	15,332,255	17,958,308	19,665,109
Commercial Banking	15%	0.035	97,684,080	110,057,836	120,746,608
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach			1,779,362		
The Standardised Approach			1,761,010		
The Alternative Standardised Approach			1,060,248		
Risk-Weighted Amount for operational Risk (LKR'000)					
The Basic Indicator Approach			14,984,100		
The Standardised Approach			14,829,561		
The Alternative Standardised Approach			8,928,408		

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

Item	Amount (LKR '000) as at 30.09.2018				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statement	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Assets					
Cash and Cash Equivalents	16,324,132	11,538,509	10,666,102		872,407
Balances with Central Banks	5,089,758	5,089,758			5,089,758
Placements with Banks	18,627,842	18,628,038	18,628,038		-
Derivative Financial Instruments	4,053,191	-			-
Other Financial Assets Held-For-Trading	8,010,344	38,027,126	38,027,126	38,027,126	
Financial Assets Designated at Fair Value Through Profit and Loss Account	-	-			-
Loans and Receivables to Banks	-	-			-
Loans and Receivables to Other Customers	91,750,445	92,291,058	92,291,058		-
Financial Investments - Available-For-Sale	30,033,430				-
Financial Investments - Held-To-Maturity	-	1,840	1,840		-
Investments in Subsidiaries	-	-			-
Investments in Associates and Joint Ventures	-	-			-
Property, Plant and Equipment	521,169	478,740	478,740		-
Investment Properties	-	-			-
Goodwill and Intangible Assets	-	-			-
Deferred Tax Assets	91,593				-
Other Assets	10,485,272	7,434,160	7,434,160		-
Liabilities					
Due to Banks	8,038,820	1,648,291	6,966,517		
Derivative Financial Instruments	4,086,980	-			-
Other Financial Liabilities Held-For-Trading	-	-			-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-			-
Due to Other Customers	125,564,285	125,564,285	401,960		125,162,325
Other Borrowings	47,358	47,358			47,358
Debt Securities Issued	-	-			-
Current Tax Liabilities	2,521,186	2,875,490			2,875,490
Deferred Tax Liabilities	-	(163,620)	(163,620)		-
Other Provisions	24,196				-
Other Liabilities	11,470,480	9,790,316			9,790,316
Due to Subsidiaries	-	-			-
Subordinated Term Debts	-	-			-
Off-Balance Sheet Liabilities					
Guarantees	99,984,584	99,984,584	99,984,584		
Performance Bonds					
Letters of Credit	20,471,522	20,471,522	20,471,522		
Other Contingent Items	35,177,126	35,177,126	35,177,126		
Undrawn Loan Commitments	29,431,379	29,431,379	29,431,379		
Other Commitments	135,814,797	135,814,797	135,814,797		
Shareholders' Equity					
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	23,784,530				
Accumulated Other Comprehensive Income	-	-			
Other Reserves	6,131,636	30,409,405	24,413,476		
Total Shareholders' Equity					

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.