# Disclosures as per Pillar III of Banking Act No. 1 of 2016, Capital Requirements under Basel III

30th June 2019



Template 1
Key Regulatory Ratios - Capital and Liquidity

Item	As at 30.06.2019	As at 31.03.2019
Regulatory Capital (LKR'000)	50.00.2015	51.05.2015
Common Equity Tier 1	7,259,808	7,448,895
Tier 1 Capital	7,259,808	7,448,895
Total Capital	10,070,580	8,443,845
Regulatory Capital Ratio (%)		
Common Equity Tier 1 Capital Ratio		
(Minimum Requirement - 2019: 7.00%, 2018: 6.375%)	10.24	10.87
Tier 1 Capital Ratio		
(Minimum Requirement - 2019: 8.50%, 2018: 7.875% )	10.24	10.87
Total Capital Ratio		
(Minimum Requirement - 2019: 12.50%, 2018: 11.875%)	14.21	12.32
Leverage Ratio (%) ( <i>Minimum Requirement - 3%</i> )	7.38	7.74
Regulatory Liquidity		
Statutory Liquid Assets (LKR' 000)	13,962,472	13,624,249
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	20.74	20.67
Off-Shore Banking Unit (%)	-	-
Total Stock of High-Quality Liquid Assets (LKR' 000)	2,553,131	4,091,426
Liquidity Coverage Ratio (%)		
(Minimum Requirement - 2019: 100%, 2018 - 90%)		
Rupee (%)	111.56	162.90
All Currency (%)	111.56	162.90
Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	111.70	129.94

Item         Amount [UK! 000]           Common Equity Tier 1 (ETT1) Capital after Adjustments         7,253,980         7,448,89           Common Equity Tier 1 (ETT1) Capital         7,475,518         7,475,518         7,475,518           Equity Capital State Capital         5,521,53         5,221,53         7,235,512         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,553         1,306,353         1,305,354         1,306,3563         1,306,353	Template 2			
Item         Av at 3 00 06 2019         Av at 3 108 2019           Common Equity Ter 1 (CT1) Capital der Adjustments         7,476,518         7,476,518           Common Equity Ter 1 (CT1) Capital         7,476,518         7,476,518           Capity Copital (Kated Capital) /Assgned Capital         5,221,538         5,921,338           Ubits der Retained Earnings //Accumulated Retained Losses)         1,305,533         1,308,553           Ubits der Retained Earnings //Accumulated Retained Losses)         3,815         30,815           Ubits der Retained Guerors         33,815         30,815         30,815           Gondard other Disclosed Reserves         -         -         -           Cardinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -           Gondwill (net)         -         -         -         -           Toral Adjustments         -         -         -         -           Additional Tier 1 (AT1) Capital after Adjustments         -         -         -         -           Additional Tier 1 (AT3) Capital after Adjustments         -         -         -         -         -           Ubits Adjustments ONT Capital         -         -         -         -         -         -	Basel III Computation of Capital Ratios			
Are at 30.06.2007	New	Amount	(LKR' 000)	
Common Equity Tier 1 (ET1) Capital         7.476:518         7.476:518           Entryle Capital Struct Capital //Assigned Capital         5.921:538         5.921:538           Breacher Fund         1.308:553         1.308.553         1.308.553           Unbilshed Accumulated Ditter Comprehensive Income (OCI)         -         -           General and other Diaclosed Reserves         30.815         30.815           Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -           Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -           Goodwill (net)         -         -           Intangible Accumulated Diter Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -           Goodwill (net)         -         -         -         -           Intangible Acsts (net)         -	item	As at 30.06.2019	As at 31.03.2019	
Equity Capital (Stated Capital)         5.921.538         5.921.538           Published Retained Earnings//Accumulated Retained Losses)         1,308.553         1,308.553           Published Accumulated Other Comprehensive income (OC)         -         -           General and Other Comprehensive income (OC)         -         -           Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -           Ordiancy Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -           Fold Adjustments to CFL Capital         2266.710         27.62           Goodwill (net)         -         -         -           Intrangible Assets (net)         -         -         -           Ordierred Tax Assets (net)         -         -         -           Qualifying Additional Tier 1 (AT1) Capital         -         -         -           Rotational Tier 1 (AT1) Capital         -         -         -         -           Qualifying Additional Tier 1 Capital Banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -         -           Total Adjustments         -         -         -         -         -           Qualifying Tier 2 Capital Atter Adjustme	Common Equity Tier 1 (CET1) Capital after Adjustments	7,259,808	7,448,895	
Reserve Fund 215.612 2	Common Equity Tier 1 (CET1) Capital	7,476,518	7,476,517	
Published Accumulated EarningL/Accumulated Statistic Income (OCI)       -         General and other Disclosed Reserves       30,815         Unpublished Accumulated Other Comprehensive Income (OCI)       -         General and other Disclosed Reserves       30,815         Unpublished Accumulated Barking and Financial Subsidiaries of the Bank and held by Third Parties       -         Total Adjustments to CETL Capital       216,710         Goodwill (net)       -         Perfered Tax Assoc (net)       474,7295         Defered Tax Assoc (net)       -         Optimizing Additional Tier 1 (ATI) Capital after Adjustments       -         Caudifying Additional Tier 1 (ATI) Capital after Adjustments       -         Caudifying Additional Tier 1 (ATI) Capital after Adjustments       -         Caudifying Additional Tier 1 (ATI) Capital after Adjustments       -         Catal Adjustments to ATI Capital Instruments       -         Tier 2 Capital after Adjustments       -         Optimizing Additional Tier 1 (ATI) Capital       -         Tier 2 Capital after Adjustments       -         Capital Tier 2 Capital after Adjustments       -         Capital Tier 2 Capital after Adjustments       -         Capital Tier 2 Capital after Adjustments       -         Catan Loss Provisions       -      <	Equity Capital (Stated Capital) /Assigned Capital	5,921,538	5,921,538	
Published Accumulated Other Comprehensive income (OCI)         -         -           Beneral and other Disolosed Reveres         30,815         30,815           Unpublished Current Year's Profit/(Losses) and Gains reflected in OCI         -         -           Ordinary Share's issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -           Ordinary Share's issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -           Total Adjustments to CETI Capital         -         -         -           Ordinary Share's issued by Consolidated Banking and Financial institutions         69,415         -         -           Investments in the capital of banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -         -           Outliving Additional Ter 1 (AT1) Capital first Adjustments         -         -         -         -           Outliving Additional Ter 1 (AT1) Capital first Adjustments         -	Reserve Fund	215,612	215,612	
General and other Disclosed Reserves       30,815       30,815         Unpublished Current Vixar's Profit/(Losses) and Gains reflected in OCI       -       -         Ordinary Share's issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -       -         Ordiary Share's issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -       -         Ordiary Share's Store (T1 Capital       26,710       27,62         Deferred Tax Assets (net)       169,415       -       -         Ordiary Share's (net)       69,415       -       -         Qualifying Additional Tier 1 (AT1) Capital       -       -       -         Qualifying Additional Tier 1 (AT1) Capital       -       -       -       -         Staff additional Tier 1 (AT1) Capital       - </td <td>Published Retained Earnings/(Accumulated Retained Losses)</td> <td>1,308,553</td> <td>1,308,552</td>	Published Retained Earnings/(Accumulated Retained Losses)	1,308,553	1,308,552	
Unpublished Current Year's Profit/(Losse) and Gains reflected in OCI	Published Accumulated Other Comprehensive Income (OCI)	-	-	
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties     -       Total Adjustments to CET1 Capital     216,710       Oxdowill (ret)     -       Intrangible Assets (net)     69,415       Deferred Tax Assets (net)     69,415       Deferred Tax Assets (net)     69,415       Deferred Tax Assets (net)     -       Defailed Assets (net)     -       Dualifying Additional Tier 1 (AT1) Capital after Adjustments     -       Additional Tier 1 (AT1) Capital Instruments     -       Dualifying Additional Tier 1 Capital Instruments     -       Instrument Sissued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties     -       Total Adjustments to AT1 Capital     -     -       Instrument Sissued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties     -       Tier 2 Capital Instruments     2,860,773     1994,94       Tier 2 Capital Instruments     2,260,773     1994,94       Revaluation Gains     -     -       Coan Loss Provisions     537,274     337,96       Instruments Is Sube dy Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties     -       Total Adjustments to Tier 2     50,000     25,000       Instruments Issue dy Consolidated Banking and Financial Subsidiaries of the Bank and held	General and other Disclosed Reserves	30,815	30,815	
Total Adjustments to CET1 Capital       216,710       27,62         Goodwill (net)       -       -         Intangible Assets (net)       69,415       -         Deferred Tax Assets (net)       69,415       -         Investments in the capital of banking and financial institutions       69,415       -         Additional Tier 1 (AT1) Capital after Adjustments       -       -         Additional Tier 1 (AT1) Capital after Adjustments       -       -         Outlinying 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 Instruments       -       -       -         Investment in Own Shares       -       -       -         Others (specify)       -       -       -         Tier 2 Capital after Adjustments       2,280,773       1,019,94         Qualifying Tier 2 Capital Instruments       2,281,0773       1,019,94         Nachoss Provisions       537,274       357,96         Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -       -         Investment in Own Shares       -       -       -       -     <	Unpublished Current Year's Profit/(Losses) and Gains reflected in OCI	-	-	
Total Adjustments to CET1 Capital       216,710       27,62         Goodwill (net)       -       -         Intangible Assets (net)       69,415       -         Deferred Tax Assets (net)       69,415       -         Investments in the capital of banking and financial institutions       69,415       -         Additional Tier 1 (AT1) Capital after Adjustments       -       -         Additional Tier 1 (AT1) Capital after Adjustments       -       -         Outlinying 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 Instruments       -       -       -         Investment in Own Shares       -       -       -         Others (specify)       -       -       -         Tier 2 Capital after Adjustments       2,280,773       1,019,94         Qualifying Tier 2 Capital Instruments       2,281,0773       1,019,94         Nachoss Provisions       537,274       357,96         Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -       -         Investment in Own Shares       -       -       -       -     <	Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	
Goodwill (net)       -       -         Intangible Assets (net)       -       -         Divestments in the capital of banking and financial institutions       -       -         Additional Tier 1 (AT1) Capital facter Adjustments       -       -         Dualifying Additional Tier 1 (AT1) Capital facter Adjustments       -       -         Instruments is 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)       -       -       -         Can Loss Provisions       2,2800,773       994,94         Can Loss Provisions       2,323,499       661,98         Revaluation Gains       -       -         Catal Adjustments to Tier 2 Capital Instruments       -       -         Catal Adjustments to Tier 2       537,274       357,60         Catal Adjustments to Tier 2       -       -       -         Catal Adjustments to Tier 2       50,000       25,000       25,000         Catal Adjustments to Tier 2       -       -       -       -         Catal Adjusthements to Tier 2       -		216.710	27,622	
intangible Assets (net)       147,295       2,62         Defered Tax Assets (net)       69,415       -         Investments in the capital of banking and financial institutions       -       25,000         Additional Tier 1 (AT) ( Capital after Adjustments       -       -         Qualifying Additional Tier 1 Capital Instruments       -       -         Qualifying Additional Tier 1 Capital membra       -       -         Optial Adjustments to AT1 Capital       -       -         Total Adjustments to AT1 Capital       -       -         Tire 2 Capital after Adjustments       -       -         Others (specify)       -       -         Tire 2 Capital after Adjustments       2,280,773       10,19,94         Qualifying Tier 2 Capital Instruments       2,280,773       10,19,94         Qualifying Tier 2 Capital Instruments       2,323,499       661,398         Issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -       -         Total Adjustments to Tir 2       -       -       -         Unsettment in Own Shares       -       -       -         Total Adjustments to Tir 2       -       -       -         Newstinet Sto Tier 2       -       -       -				
Deferred Tax Assets (net)       69,415         Investments in the capital of banking and financial institutions       .         Additional Tier 1 (AT1) Capital       .         Qualifying Additional Tier 1 (AT1) 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       .         Qualifying Tier 7.2 Capital Instruments       .         Revaluation Cains       .         Loan Loss Provisions       .         Storal Adjustments to Tier 2       .         Other (Specify)       .         Total Adjustments to Tier 2       .         Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       .         Instruments is the capital of banking and Financial Subsidiaries of the Bank and held by Third Parties       .         Instruments in the capital of banking and Financial Subsidiaries of the Bank and held by Third Parties       .	· · ·	147 295	2 622	
Investments in the capital of banking and financial institutions 25,00 Additional Tier 1 (AT1) Capital after Adjustments			-	
Additional Tier 1 (AT1) Capital after Adjustments       .       .         Additional Tier 1 (AT1) Capital       .       .         Additional Tier 1 (AT1) Capital       .       .         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       .       .       .         Tier 2 Capital after Adjustments       2,810,773       1994,94         Tier 2 Capital after Adjustments       2,860,773       1,013,94         Qualifying Tier 2 Capital Instruments       .       .         Con Loss Provisions       .       .       .         Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       .       .         Coal Adjustments to Tier 2       .       .       .       .         Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties <td< td=""><td></td><td></td><td>25.000</td></td<>			25.000	
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       -         Unalifying Tier 2 Capital fater Adjustments       2,860,773       1994,94         Vier 2 Capital after Adjustments       2,323,499       661,98         Revaluation Gains       -       -         Loan Loss Provisions       537,274       357,96         Investment is Sued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -       -         Investment is Sued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -       -         Investments in the capital of banking and financial Subsidiaries of the Bank and held by Third Parties       -       -         Investments in the capital of banking and financial Subsidiaries of the Bank and held by Third Parties       -       -         Investment in Own Shares       -       -       -         Investments in the capital of banking and financial Subsidiaries of the Bank and held by Third Parties       -       -         Investments in the capital of banking and financial Subsidiaries of the Bank and held by Third Parties				
Qualifying Additional Tier 1 Capital Instruments       -         Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -         Investment to ATI Capital       -         Investment to Own Shares       -         Others (specify)       -         Investment in Own Shares       2,810,773         Unal Adjustments       2,820,773         Upalitying Tier 2 Capital Instruments       2,860,773         Qualifying Tier 2 Capital Instruments       2,323,499         Qualifying Tier 2 Capital Instruments       537,274         Qualifying Tier 2 Capital Instruments       537,274         Outal Adjustments to Tier 2       500,000         Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -         Instruments to Tier 2       500,000         Investment in Own Shares       -       -         Investments in the capital of banking and financial institutions       50,000       25,000         Investments in the capital of banking and financial institutions       50,000       25,000         Investments in the capital of banking and financial institutions       50,000       25,000         Investments in the capital of banking and financial institutions       50,000       25,000         Inv				
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties Total Adjustments to AT1 Capital Comparison of the Comparison of the Bank and held by Third Parties Comparison of the Co			_	
Total Adjustments to AT1 Capital       .         Investment In Own Shares       .         Others (specify)       .         Tier 2 Capital after Adjustments       2,810,773         Qualifying Tier 2 Capital Instruments       2,323,499         Revaluation Gains       .         Loan Loss Provisions       537,274         Instruments is used by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       .         Total Adjustments to Tier 2       .         Instruments in the capital of banking and financial institutions       50,000         Divestment in Own Shares       .         Investment in Own Shares       .         Investments in the capital of banking and financial institutions       .         Total Rais Weighted Assets (RWA)       .         Rowas for Credit Risk (Template 7 and 8)       .         RWAs for Market Risk (Template 9)       .         RWAs for Operational Risk (Template 10)       .         Cef 1 Lapital R			-	
Investment in Own SharesOthers (specify)Citre 2 Capital after Adjustments2,810,773Systep Adjustments2,810,773Qualifying Tier 2 Capital Instruments2,323,499Revaluation GainsLoan Loss Provisions537,274Insestment in Own SharesTotal Adjustments on Tier 2500,000Investment in Own SharesInvestment in the capital of banking and financial institutions50,000CET 1 Capital7,259,808Total Adjustment on SharesInvestment in the capital of banking and financial institutions50,000CET 1 Capital7,259,808Total Risk Weighted Assets (RWA)RWAs for Credit Risk (Template 7 and 8)RWAs for Operational Risk (Template 9)RWAs for Operational Risk (Template 9)RWAs for Operational Risk (Template 10)CET 1 Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-Silbs) (%)10.24Of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-Silbs) (%)10.24Of which: Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-Silbs) (%)10.24Of which: Capital Ratio (Matti Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-Silbs) (%)Of which:				
Others (specify)         -         -           Tier 2 Capital after Adjustments         2,810,773         9949,49           Qualifying Tier 2 Capital Instruments         2,860,773         1,019,94           Qualifying Tier 2 Capital Instruments         2,232,499         661,98           Revaluation Gains         -         -           Loan Loss Provisions         537,274         357,96           Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties         -         -           Total Adjustments to Tier 2         50,000         25,000         25,000           Investment in Ne capital of banking and financial institutions         50,000         25,000         25,000           CET 1 Capital         7,259,808         7,448,89         7,448,89         7,448,89           Total Capital         7,259,808         7,448,89         7,448,89         7,448,89           Total Capital         7,259,808         7,448,89         66,5135,602         63,406,51           RWAs for Credit Risk (Template 7 and 8)         66,5135,602         63,406,51         -         -           RWAs for Credit Risk (Template 10)         5,746,411         5,124,00         -         -           CET 1 Capital Ratio (including Capital Conservation Buffer, Countercycl				
Tier 2 Capital2,810,773994,94Tier 2 Capital2,860,7731,019,94Qualifying Tier 2 Capital Instruments2,323,99661,98Revaluation GainsLoan Loss Provisions537,274357,96Instruments is used by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third PartiesTotal Adjustments to Tier 250,00025,00Investments in the capital of banking and financial institutions50,00025,00Investments in the capital of banking and financial institutions50,00025,00CET 1 Capital7,259,8087,448,89Total Adjustment So Tier 27,259,8087,448,89Total Risk Weighted Assets (RWA)70,882,01368,530,51Total Risk Weighted Assets (RWA)65,135,60263,406,51RWAs for Credit Risk (Template 7 and 8)65,135,60263,406,51RVAs for Market Risk (Template 10)5,746,4115,124,000CET 1 Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87Total Ter 1 Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87Of which: Capital Surcharge on D-SIBS (%)Total Ter 1 Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87Total Ter 1 Capital Ratio (Including		-	-	
Tier 2 Capital       2,860,773       1,019,94         Qualifying Tier 2 Capital Instruments       2,323,499       661,98         Revaluation Gains       -       -         Loan Loss Provisions       537,274       357,96         Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties       -       -         Total Adjustments to Tier 2       50,000       25,000         Investment in Own Shares       -       -       -         Investments in the capital of banking and financial institutions       50,000       25,000         CET 1 Capital       7,259,808       7,448,89         Total Risk Weighted Assets (RWA)       70,882,013       68,530,51         RWAs for Credit Risk (Template 7 and 8)       65,135,502       63,406,51         RWAs for Credit Risk (Template 10)       5,746,411       5,124,002         CET 1 Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)       10.24       10.87         of which: Capital Surcharge on D-SIBS (%)       -       -       -         of which: Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)       10.24       10.87         of which: Capital Surcharge on D-SIBS (%)       -       -       -		-	-	
Qualifying Tier 2 Capital Instruments2,323,499661,98Revaluation GainsLoan Loss Provisions537,274357,96Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third PartiesTotal Adjustments to Tier 250,00025,000Investment in Own SharesInvestments in the capital of banking and financial institutions50,00025,000CET 1 Capital7,259,8087,448,89Total Risk Ureighted Assets (RWA)70,882,013665,135,602RWAs for Credit Risk (Template 7 and 8)RWAs for Operational Risk (Template 9)CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)10.2410.87Of which: Capital Conservation Buffer (%)Of which: Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)10.2410.87Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)10.2410.87Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)10.2410.87 <tr <td="">Total Tier 1 Capita</tr>				
Revaluation GainsLoan Loss Provisions537,274357,964Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third PartiesTotal Adjustments to Tier 250,00025,000Investments in Own SharesInvestments in the capital of banking and financial institutions50,00025,000CET 1 Capital7,259,8087,448,89Total Capital7,259,8087,448,89Total Adjustment So Credit Risk (Template 7 and 8)65,135,60263,406,51RWAs for Credit Risk (Template 7 and 8)65,135,60263,406,51RWAs for Operational Risk (Template 10)5,746,4115,124,00CET 1 Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SiBs) (%)10.2410.87of which: Capital Surcharge on D-SiBs (%)Total Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SiBs) (%)10.2410.87of which: Capital Surcharge on D-SiBs (%)10.2410.87-Total Capital Ratio (%)Of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SiBs) (%)10.2410.87Total Capital Ratio (%)Of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SiBs) (%)14.2112.32Of which: Capital Conservation Buffer (%)Of which: Capital Conservation Buffer (%) </td <td></td> <td></td> <td></td>				
Loan Loss Provisions537,274357,96Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third PartiesTotal Adjustments to Tier 250,00025,00Investment in Own SharesInvestments in the capital of banking and financial institutions50,00025,000CET 1 Capital7,259,8087,448,89Total Capital7,259,8087,448,89Total Risk Weighted Assets (RWA)70,882,013668,530,51RWAs for Credit Risk (Template 7 and 8)65,135,60263,406,51RWAs for Operational Risk (Template 9)CET 1 Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)10.2410.87of which: Capital Conservation Buffer (%)of which: Capital Conservation Buffer (%)		2,323,499	661,980	
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		-	-	
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Investment in Own Shares       -       -         Investments in the capital of banking and financial institutions       50,000       25,00         CET 1 Capital       7,259,808       7,448,89         Total Tier 1 Capital       7,259,808       7,448,89         Total Capital       10,070,580       8,443,84         Total Capital       10,070,580       8,443,84         Total Capital       70,882,013       68,530,51         RWAs for Credit Risk (Template 7 and 8)       65,135,602       63,406,51         RWAs for Operational Risk (Template 9)       -       -         RWAs for Operational Risk (Template 10)       5,746,411       5,124,00         CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)       10.24       10.87         of which: Capital Surcharge on D-SIBS (%)       -       -       -         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)       10.24       10.87         of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)       10.24       10.87         of which: Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBS) (%)       10.24       10.87         of which: Capital Conservation Buffer (%)       - <td></td> <td>-</td> <td>-</td>		-	-	
investments in the capital of banking and financial institutions       50,000       25,000         CET 1 Capital       7,259,808       7,448,89         Total Tier 1 Capital       7,259,808       7,448,89         Total Capital       10,070,580       8,443,84         Total Risk Weighted Assets (RWA)       70,882,013       68,530,51         RWAs for Credit Risk (Template 7 and 8)       65,135,602       63,405,15         RWAs for Market Risk (Template 9)       -       -         RWAs for Operational Risk (Template 10)       5,746,411       5,124,00         CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Ratio (%)       -       -       -         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       -       -         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical	· · · · ·	50,000	25,000	
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Total Risk Weighted Assets (RWA)       70,882,013       68,530,51         RWAs for Credit Risk (Template 7 and 8)       65,135,602       63,406,51         RWAs for Market Risk (Template 9)       -       -         RWAs for Operational Risk (Template 10)       5,746,411       5,124,00         CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -       -         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         Total Tier 1 Capital Ratio (%)       -       -       -         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Surcharge on D-SIBs (%)       -       -       -       -         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -				
RWAs for Credit Risk (Template 7 and 8)       65,135,602       63,406,51         RWAs for Market Risk (Template 9)       -       -         RWAs for Operational Risk (Template 10)       5,746,411       5,124,00         CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -       -         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         Total Tier 1 Capital Ratio (%)       -       -       -         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -	Total Capital	10,070,580	8,443,845	
RWAs for Credit Risk (Template 7 and 8)       65,135,602       63,406,51         RWAs for Market Risk (Template 9)       -       -         RWAs for Operational Risk (Template 10)       5,746,411       5,124,00         CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -       -         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         Total Tier 1 Capital Ratio (%)       -       -       -         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -				
RWAs for Market Risk (Template 9)       -       -         RWAs for Operational Risk (Template 10)       5,746,411       5,124,00         CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -       -         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         Total Tier 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -				
RWAs for Operational Risk (Template 10)       5,746,411       5,124,00         CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -       -         Total Tier 1 Capital Ratio (%)       -       -       -         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         Total Tier 1 Capital Ratio (%)       -       -       -         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -		65,135,602	63,406,512	
CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -       -         Total Tier 1 Capital Ratio (%)       10.24       10.87       -         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       10.24       10.87         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -		-	-	
of which: Capital Conservation Buffer (%)       -       -         of which: Countercyclical Buffer (%)       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -         Total Tier 1 Capital Ratio (%)       10.24       10.87         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -	RWAs for Operational Risk (Template 10)	5,746,411	5,124,006	
of which: Capital Conservation Buffer (%)       -       -         of which: Countercyclical Buffer (%)       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -         Total Tier 1 Capital Ratio (%)       10.24       10.87         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -				
of which: Countercyclical Buffer (%)       -       -         of which: Capital Surcharge on D-SIBs (%)       -       -         Total Tier 1 Capital Ratio (%)       10.24       10.87         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -	CET 1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	10.24	10.87	
of which: Capital Surcharge on D-SIBs (%)       -       -         Total Tier 1 Capital Ratio (%)       10.24       10.87         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -	of which: Capital Conservation Buffer (%)	-	-	
Total Tier 1 Capital Ratio (%)       10.24       10.87         Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -	of which: Countercyclical Buffer (%)	-	-	
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)       14.21       12.32         of which: Capital Conservation Buffer (%)       -       -       -         of which: Countercyclical Buffer (%)       -       -       -	of which: Capital Surcharge on D-SIBs (%)	-	-	
of which: Capital Conservation Buffer (%)	Total Tier 1 Capital Ratio (%)	10.24	10.87	
of which: Countercyclical Buffer (%)	Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.21	12.32	
	of which: Capital Conservation Buffer (%)	-	-	
of which: Capital Surcharge on D-SIBs (%)	of which: Countercyclical Buffer (%)	-	-	
	of which: Capital Surcharge on D-SIBs (%)	-	-	

Template 3				
Computation of Leverage Ratio				
Item	Amount (LKR' 000)			
	As at 30.06.2019			
Tier 1 Capital	7,259,808			
Total Exposures	98,378,968			
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	97,612,530			
Derivative Exposures	-			
Securities Financing Transaction Exposures	-			
Other Off-balance Sheet Exposures	766,439			
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.38			

Template 4
Basel III Computation of Liquidity Coverage Ratio

	Amount (LKR' 000)						
	As at 30	.06.2019	As at 31	.03.2019			
Item	Total Un-	Total	Total Un-	Total			
	weighted	Weighted	weighted	Weighted			
	Value	Value	Value	Value			
Total Stock of High-Quality Liquid Assets (HQLA)	2,650,049	2,553,131	4,235,844	4,091,426			
Total Adjusted Level 1 Assets	1,460,270	1,460,270	3,273,056	3,273,056			
Level 1 Assets	1,579,617	1,579,617	3,273,056	3,273,056			
Total Adjusted Level 2A Assets	1,189,778	1,011,311	962,788	818,370			
Level 2A Assets	1,189,778	1,011,311	962,788	818,370			
Total Adjusted Level 2B Assets	-	-	-	-			
Level 2B Assets	-	-	-	-			
Total Cash Outflows	65,713,799	9,153,953	70,751,165	10,046,723			
Deposits	49,781,015	4,978,102	52,219,891	5,221,989			
Unsecured Wholesale Funding	14,702,680	3,675,670	17,406,266	4,351,567			
Secured Funding Transactions	43,286	43,286	43,428	43,428			
Undrawn Portion of Committed (Irrevocable) Facilities	1,186,818	456,895	1,081,579	429,739			
and Other Contingent Funding Obligations							
Additional Requirements	-	-	-	-			
Total Cash Inflows	13,047,215	7,496,096	19,825,063	9,274,858			
Maturing Secured Lending Transactions backed by							
Collateral	2,639,900	178,467	4,235,844	144,418			
Committed Facilities	1,250,000	-	1,250,000	-			
Other Inflows by Counterparty which are Maturing							
within 30 days	9,157,315	7,317,629	14,189,219	9,130,439			
Operational Deposits	-	-	-	-			
Other Cash Inflows	-	-	150,000	75,000			
Liquidity Coverage Ratio (%) (Stock of High Quality							
Liquid Assets/Total Net Cash outflows over the Next		111.56		162.90			
30 Calendar Days) * 100							

Template 5							
Main Features of Regulatory Capital Instruments							
Description of the capital Instrument	Stated Capital	Subordinated Term Debt (2016)	Subordinated Term Debt (2016)	Subordinated Term Debt (2019)			
lssuer	Sanasa Development Bank PLC	SBI FMO Emerging Asia Financial Sector Fund PTE. LTD	Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V. (FMO)	Stichting Fondsbeheer DGGF Lokaal MKB			
Unique Identifier	LK0412N00003	N/A	N/A	N/A			
Governing Law of the Instrument	Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations	Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations	Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations	Companies Act, No. 07 of 2007, Colombo Stock Exchange Regulations			
Original date of Issuance	May 2012 to May 2018	December 2016	December 2016	March 2019			
Par value of Instrument (LKR)	100	N/A	N/A	N/A			
Perpetual or Dated	Perpetual	Dated	Dated	Dated			
Original Maturity Date, if Applicable	N/A	December 2021	December 2021	March 2024			
Amount Recognized in Regulatory Capital (in LKR '000 as at 30.06.2019)	5,921,538	411,738	184,044	1,727,717			
Accounting Classification (Equity/Liability)	Equity	Liability	Liability	Liability			
Issuer Call subject to Prior Supervisory							
Approval							
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	N/A	N/A	N/A	N/A			
Subsequent Call Dates, if Applicable	N/A	N/A	N/A	N/A			
Coupons/Dividends							
Fixed or Floating Dividend/Coupon	Floating Dividend	Floating Cupon	Floating Cupon	Floating Cupon			
Coupon Rate and any Related Index (%)	N/A	6 Months T-Bill Rate+450bps	6 Months T-Bill Rate+550bps	6 Months T-Bill Rate+700bps			
Non-Cumulative or Cumulative	Non-Cumulative	Cumulative	Cumulative	Cumulative			
Convertible or Non-Convertible	Non-Convertible	Convertible	Convertible	Convertible or Write off			
If Convertible, Conversion Trigger (s)	N/A	N/A	N/A	Conversion trigger (s) applicable as per Banking Act Direction No 1 of 2016			
If Convertible, Fully or Partially	N/A	Fully or Partially subject to a maximum of 15% of the issued share capital	Fully or Partially subject to a maximum of 15% of the issued share capital	Fully or Partially subject to a maximum of 15% of the issued share capital			
If Convertible, Mandatory or Optional	N/A	Optional	Optional	Mandatory upon the occurrence of a Trigger Event			
If Convertible, Conversion Rate	N/A	Rs.140 or 1.1x of Book value per share which ever is lower in the event if Bank issues new shares to any new investor	Rs.140 or 1.1x of Book value per share which ever is lower in the event if Bank issues new shares to any new investor	Simple average of the daily volume weighted average price (VWAP) of an ordinary voting share as published by the Colombo Stock Exchange during the three months (03) period, immediately preceding the date of the Trigger Event			

N/A – Not applicable

#### **Template 6**

## Summary Discussion on Adequacy/Meeting Current and Future Capital Requirements

#### Overview

A proper "Capital management process" is vital in ensuring the long-term stability of the business, SANASA Development Bank has continued to maintain Capital Adequacy Ratios at healthy levels by keeping a significant margin over and above the regulatory minimum requirements. The Basel III Capital Standards introduced by the CBSL with effect from 1st July 2017 provides stringent framework for Banks to enhance the quality, consistency and the transparency of their "capital" through the introduction of new capital buffers, new mandatory disclosure requirements and revised definitions for capital instruments. Under the new directive, minimum Regulatory Requirements for Tier I Capital Ratio (5%) and Total Capital Ratio (10%) have been increased significantly to 8.50% and 12.50% respectively, with Banks required to comply with these requirements over a period of 18 months, to meet the 01st January 2019 international time line for the implementation of Basel III.

## **Capital Management Process**

In order to comply with the new Basel III guidelines, SANASA Development Bank's Capital Management Process is under supervision of Board Strategic Planning committee. The three year (2018-2020) capital management plan rolled out has been integrated with the Internal Capital Adequacy Assessment Process (ICAAP) as well as the Bank's Strategic Plan, taking cognizance of the estimated negative impact to the Bank's capital structure arising from changes in new regulations such as SLFRS 9, Inland Revenue Act, etc. Efforts taken to comply with the Basel III regulations saw the Bank increases its capital levels by issuing Basel III compliant debt instruments. Steps were also taken to optimize the capital ratios by rebalancing the Risk Weighted Assets (RWA).

#### **Moving Forward**

Moving forward with the Capital Management plan, the Bank will execute specific medium term and long term strategies to raise both Tier I and Tier II capital in line with Basel III minimum regulatory requirements. In addition, timely actions have been identified and will be executed during the coming years to optimize the Risk Weighted Assets for the purpose of improving the capital allocation of the Bank.

Template 7							
Credit Risk under Standardized Approach - Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects							
	Amount (LKR' 000) as at 30.06.2019						
	Exposures before Credit Conversion Factor (CCF) and	Exposures post CCF and CRM	RWA and RWA Density (%)				

Asset Class		Conversion Factor (CCF) and Expos		and 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 (%)		
Claims on Central Government and CBSL	2,737,812	-	2,737,812	-	-	0%		
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	9,503,046	-	9,503,046	-	1,912,213	20%		
Claims on Financial Institutions	-	-	-	-	-	-		
Claims on Corporates	2,349,926	-	2,349,926	-	1,148,104	49%		
Retail Claims	73,905,338		68,283,685	-	54,613,101	80%		
Claims Secured by Residential Property	4,802,816	-	4,802,816	-	2,997,210	62%		
Claims Secured by Commercial Real Estate	-	-	-	-	-	-		
Non-Performing Assets (NPAs)	1,323,010	-	1,323,010	-	1,329,351	100%		
Higher-risk Categories	-	-	-	-	-	-		
Cash items and Other Assets	3,155,758	766,439	3,155,758	332,263	3,135,623	90%		
Total	97,777,707	766,439	92,156,054	332,263	65,135,602	71%		

# 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.

Template 8
Credit Risk under Standardized Approach - Exposures by asset Classes and Risk Weights

Description	Amount (LKR' 000) as at 30.06.2019 (Post CCF & CRM)								
Asset Classes Risk Weight	0%	20%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
Claims on Central Government and CBSL	2,737,812	-	-	-	-	-	-	-	2,737,812
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	-	9,464,366	38,680	-	-	-	-	-	9,503,046
Claims on Financial Institutions	-	-	-	-	-	-	-	-	-
Claims on Corporates	-	1,189,778	500,000	-	-	660,148	-	-	2,349,926
Retail Claims	82,116	925,179	-	-	51,393,297	15,883,092			68,283,685
Claims Secured by Residential Property	-	-	3,611,211	-	-	1,191,605	-	-	4,802,816
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)	-	-	76,034	-	-	1,158,262	88,714	-	1,323,010
Higher-risk Categories	-	-	-	-	-	-	-	-	-
Cash items and Other Assets	317,153	44,056		-		3,126,812			3,488,022
Total	3,137,081	11,623,380	4,225,925	-	51,393,297	22,019,919	88,714	-	92,488,317

# Template 9 Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR' 000) as at 30.06.2019
(a) RWA for Interest Rate Risk	-
General Interest Rate Risk	-
(i) Net Long or Short Position	-
(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	-
Capital Charge for Market Risk {(a) +(b) + (c) } * CAR	-

Template 10									
Operational Risk under Basic Indicator Approach									
Business Lines	Capital Charge	Gross Incom	Amount						
	Factor	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year					
The Basic Indicator Approach	15%	5,651,369	4,784,504	3,930,154					
Capital Charges for Operational Risk (LKR' 000)									
The Basic Indicator Approach					718,301				
Risk-Weighted Amount for Operational Risk (LKR' 000)									
The Basic Indicator Approach					5,746,411				

Template 11						Tomalete 12
Differences between Accounting and		Template 12 Explanation for Differences between Accounting and Regulatory Reporting				
Differences between Accounting and	a Regulatory Scopes and W	Explanation for Differences between Accounting and Regulatory Reporting				
Amount (LKR '000 as at 30.06.2019)						
	a b c d e					
Item	Carrying Values as Reported in Published Financial Statements	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	
A						
Assets	1,272,123	1,350,076	1,350,076			lananian and of financial access up day CLEDC 0
Cash and cash equivalents	1,272,123	1,350,076	1,350,076	-	-	Impairment of financial assets under SLFRS 9.
Placements with banks	8,611,523	8,475,500	8,475,500	-	-	Interest receivable on placements with banks is classified as other assets in regulatory reporting. Impairment of financial assets under SLFRS 9.
Financial assets fair value through profit or loss	1,189,778	1,189,778	1,189,778	-	-	In regulatory reporting these investments are classified as investments - trading account. Interest receivable on these investments is classified as other assets in regulatory reporting.
Financial assets at amortised cost						
- loans and receivables to other customers	80,144,253	81,166,946	81,704,220	-	(537,274)	In regulatory reporting loans and receivables to customers arrived after netting off CBSL time based provisions. However, in published financial statements loans and receivables to customers arrived after netting off impairment allowances as per SLFRS 9.
- debt and other instruments	3,941,249	3,926,492	3,876,492	-	50,000	Interest receivable on debt and other instruments is classified as other assets in regulatory reporting. Impairment of financial assets under SLFRS 9.
Financial assets measured at fair value through other comprehensive income	60,148	60,148	60,148	-	-	
Property, plant and equipment	696.174	696.174	696,174			
Investment properties	21,807	21.807	21.807			
Intangible assets	147,295	147.295	21,007	-	147,295	
Differed tax assets	69,415	69,415		-	,	In regulatory reporting differed tax assets are recorded in other assets.
Other assets	1,597,772	1,050,369	1,050,369	-	-	The difference is due to recognition of interest receivable on investments in regulatory reporting and SLFRS 9 adjustments.
Total assets	97,751,538	98,154,000	98,424,564	-	(270,564)	
Liabilities						
Due to banks	-	-	-	-	-	
Due to other customers	69,658,325	66,710,583	-	-	-	Interest payable on deposits are stated under other liabilities in regulatory reporting
Other borrowings	15,395,546	15,101,282	-	-	-	Interest payable on borrowings are stated under other liabilities in regulatory reporting
Debt securities issued	1,013,228	964,560	-	-	-	Interest payable on borrowings are stated under other liabilities in regulatory reporting
		,	-	-	-	Interest payable on borrowings are stated under other liabilities in regulatory reporting
Subordinated term debts	2,761,720 391.778	2,749,970 391.778	-	-		
Retirement Benefit Obligations Current tax liabilities	391,778	<u> </u>	-		-	Taxes are computed based on different profits under each reporting method.
					-	Interest payable on borrowing and deposits added to the other liabilities in regulator
Other liabilities	866,749	4,346,603				reporting.
Total liabilities	90,193,455	90,372,745	-	-	-	

Off-balance sheet liabilities						
Guarantees	169,854	169,854	169,854	-	-	
Undrawn loan commitments	-	596,585	596,585	-	-	
Shareholders' equity						
Equity capital (stated capital)/ assigned Capital	5,921,538	5,921,538	-	-	-	
of which amount eligible for CET 1	5,921,538	5,921,538	-	-	-	
of which amount eligible for AT 1	-	-	-	-	-	
						Due to differences which arise in profits computed in previous GAAP and SLFRSs.
Retained earnings	1,390,119	1,613,291	-	-	-	
Accumulated other comprehensive income	(15,842)	-	-	-	-	
Other reserves	262,268	246,426	-	-	-	
Total shareholders' equity	7,558,083	7,781,256	-	-	-	