



Key Regulatory Ratios-Capital and Liquidity				
As at	BANK		GROUP	
	30-Sep-2020	31-Dec-2019	30-Sep-2020	31-Dec-2019
Regulatory Capital (LKR '000)				
Common Equity Tier 1	15,019,492	15,286,211	15,670,190	15,810,228
Tier 1 Capital	15,019,492	15,286,211	15,670,190	15,810,228
Total Capital	15,309,250	15,413,097	16,327,746	16,050,219
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020-6.5% & 2019 -7.0%)	15.95%	16.61%	15.75%	16.12%
Tier 1 Capital Ratio (Minimum Requirement- 2020 - 8.0% & 2019 - 8.5%)	15.95%	16.61%	15.75%	16.12%
Total Capital Ratio (Minimum Requirement- 2020 - 12.0% & 2019 - 12.5%)	16.26%	16.75%	16.41%	16.36%
Leverage Ratio (Minimum Requirement - 3%)	10.98%	10.64%	10.85%	10.36%
Regulatory Liquidity				
Statutory liquid Assets				
Domestic Banking Unit (LKR'000)	29,807,975	19,095,889		
Off-Shore Banking Unit (USD'000)	16,100	13,587		
Statutory liquid Assets Ratio % (Minimum Requirement-20%)				
Domestic Banking Unit (%)	33.21%	22.95%		
Off -Shore Banking Unit (%)	21.58%	21.95%		
Liquidity Coverage Ratio (%)				
Rupee (Minimum Requirement - 2020 - 90% & 2019 - 100%)	662.00%	225.57%		
All Currency (Minimum Requirement- 2020-90% & 2019- 100%)	383.82%	154.70%		
Net Stable Funding Ratio (Minimum Requirement - 90%)	119.28%	113.08%		

Basel III Computation of Capial Ratio				
As at	30-Sep-2020		31-Dec-2019	
	BANK	GROUP	BANK	GROUP
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Common Equity Tier I (CET1) Capital after Adjustments	15,019,492	15,670,190	15,286,211	15,810,228
Total Common Equity Tier I (CET1) Capital	17,880,922	17,680,529	18,118,854	17,923,453
Equity capital or stated capital/assigned capital	16,334,782	16,334,782	16,334,782	16,334,782
Reserve fund	175,400	200,020	175,400	200,020
Published retained earnings/(Accumulated retained losses)	1,040,505	689,184	1,278,438	925,538
Published Accumulated other comprehensive income (OCI)	213,324	213,324	213,324	213,324
General and other disclosed reserves	116,910	116,910	116,910	116,910
Unpublished current year's profit/(loss) and gains reflected in OCI	-	-	-	-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	-	126,309	-	132,879
Total Adjustments to CET1 Capital	2,861,430	2,010,339	2,832,644	2,113,224
Goodwill (net)	-	113,031	-	113,031
Other intangible assets (net)	1,323,087	1,557,201	1,329,791	1,565,636
Deferred tax assets (net)	-	340,107	-	434,557
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	725,159	-	744,378	-
Shortfall of capital in financial subsidiaries	813,184	-	758,475	-
Additional Tier 1 (AT1) Capital after Adjustments	-	-	-	-
Total Additional Tier 1 (AT1) Capital	-	-	-	-
Qualifying Additional Tier 1 Capital Instruments	-	-	-	-
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to AT1 Capital	-	-	-	-
Investment in own shares	-	-	-	-
Tier 2 Capital after Adjustments	289,759	657,556	126,886	239,991
Total Tier 2 Capital	589,759	657,556	426,886	239,991
Qualifying Tier 2 Capital Instruments	-	-	-	-
Revaluation gains	-	-	-	-
General provisions	589,759	657,556	426,886	239,991
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	300,000	-	300,000	-
Investment in own shares	-	-	-	-
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	300,000	-	300,000	-
CET1 Capital	15,019,492	15,670,190	15,286,211	15,810,228
Total Tier 1 Capital	15,019,492	15,670,190	15,286,211	15,810,228
Total Capital	15,309,250	16,327,746	15,413,097	16,050,219

As at	30-Sep-20		31-Dec-2019	
	BANK	GROUP	BANK	GROUP
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total Risk Weighted Amount (RWA)	94,171,401	99,515,760	92,045,633	98,097,743
RWAs for Credit Risk	74,025,824	78,153,830	78,348,894	83,190,868
RWAs for Market Risk	13,340,858	13,415,236	7,672,787	7,751,862
RWAs for Operational Risk	6,804,719	7,946,694	6,023,952	7,155,013
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	15.95%	15.75%	16.61%	16.12%
of which : Capital Conservation Buffer (%)	2.00%	2.00%	2.50%	2.50%
of which : Countercyclical Buffer (%)	-	-	-	-
of which : Capital Surcharge on D-SIBs (%)	-	-	-	-
Total Tier 1 Capital Ratio (%)	15.95%	15.75%	16.61%	16.12%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	16.26%	16.41%	16.75%	16.36%
of which : Capital Conservation Buffer (%)	2.00%	2.00%	2.50%	2.50%
of which : Countercyclical Buffer (%)	-	-	-	-
of which : Capital Surcharge on D-SIBs (%)	-	-	-	-

Computation of Leverage Ratio		
As at	30-Sep-2020	
	BANK	GROUP
	Rs.'000	Rs.'000
Tier 1 Capital	15,019,492	15,670,190
Total Exposure	136,844,555	144,464,004
On-balance sheet items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	118,672,319	126,241
Derivative Exposures	5,494,264	5,494,264
Securities Financing Transaction Exposures	6,548,858	6,548,858
Other Off -Balance Sheet Exposures	6,129,114	6,179,700
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	10.98%	10.85%

Basel III Computation of Liquidity Coverage Ratio				
As at	30-Sep-2020		31-Dec-2019	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total stock of High -Quality Liquid Assets (HQLA)	24,908,820	24,580,684	14,356,196	14,276,051
Total Adjusted Level 1A Assets	24,908,820	24,908,820	14,356,196	14,276,051
Level 1 Assets	24,580,684	24,580,684	14,276,051	14,276,051
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	117,628,132	18,785,229	108,742,620	20,220,691
Deposits	62,741,458	5,524,811	59,714,794	5,722,068
Unsecured Wholesale Funding	20,686,183	11,393,895	21,535,751	13,291,069
Secured funding transaction	-	-	-	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	34,166,434	1,832,466	27,492,075	1,207,554
Additional requirements	34,057	34,057	-	-
Total Cash inflows	17,800,611	12,380,969	18,121,070	10,992,504
Maturing secured lending transactions backed by the following collateral	1,632,731	1,632,731	1,858,269	1,858,269
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 days	15,727,665	10,748,238	15,818,467	9,132,521
Operational deposits	440,214	-	442,620	-
Other cash inflows	-	-	1,714	1,714
Liquidity Coverage Ratio, (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100		384%		155%

Main Features of Regulatory Capital Instruments		
As at	30-Sep-20	
	BANK	GROUP
	Rs.'000	Rs.'000
Description of the Capital Instrument	-	-
Issuer	-	-
Unique Identifier	-	-
Governing Law(s) of the Instrument	-	-
Original Date of Issuance	-	-
Par Value of Instrument	-	-
Perpetual or Dated	-	-
Original Maturity Date,if Applicable	-	-
Amount Recognized in Regulatory Capital (in LKR '000 as at the Reporting Date)	15,309,205*	15,413,097**
Accounting Classification (Equity/Liability)	Equity	Equity
Issuer Call subject to Prior Supervisory Approval	-	-
Optional Call Date,Contingent Call Dates and Redemption Amount (LKR '000)	-	-
Subsequent Call Dates, if Applicable	-	-
Coupons/Dividends	-	-
Fixed or Floating Dividend/Coupon	-	-
Coupon Rate and any Related Index	-	-
Non-Cumulative or Cumulative	-	-
Convertible or Non-Convertible	-	-
If Convertible ,Conversion Trigger (s)	-	-
If Convertible ,Fully or Partially	-	-
If Convertible ,Mandatory or Optional	-	-
If Convertible ,Conversion Rate	-	-

Note :

* Tier 1 & Tier 2 Instruments not yet issued.

Current and Future Capital Requirement	
Overview of Capital planning and assessment process	The capital management plan of the Bank is integrated with the Bank's rolling strategic plan and the Internal Capital Adequacy Assessment Process (ICAAP). In the planning process, the Bank is actively realigning portfolios to optimise capital utilisation.
Material risk exposures in line with strategic plan	Strategic plan is sensitive to stability of external variables such as GDP, interest rates, exchange rate and also tax regulations.
Current and future capital needs,anticipated capital expenditure and desirable capital sources.	The Bank is sufficiently capitalised and does not see a capital requirement for the foreseeable future to comply with the minimum capital requirement of Rs. 20 Bn commencing 31.12.2020.
Internal and External capital sources	The primary source of capital is through the internally generated capital. In addition, during the financial year ended 31 December 2014, the Bank had issued 218,281,250 warrants to the main shareholder to be exercised within a period of 6 years at a price of Rs.16 per warrant. Right issue or a debenture issue could also be an option.
Assessment of the adequacy of Bank's capital commensurate with and unexpected events such as raising additional capital,restricting and unexpected events such as raising additional capital,restricting business activities or using risk mitigation techniques.	Management monitors capital adequacy ratios on a regular basis and ensure that it operates well above the regulatory limit and the Bank is sufficiently capitalised to cover the Basel III minimum capital ratios.Currently the Bank is adequately capitalised. In an unlikely event of capital requirement the above mentioned sources can be used.

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

30-Sep-20	BANK					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post (CCF) and CRM		RWA and RWA Density	
	Amount	Amount	Amount	Sheet Amount	RWA	RWA Density
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%
Claims on Central Government and Central Bank of Sri Lanka	14,293,404	-	14,293,404	-	841,500	-
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	483,770	129,244	483,770	129,244	263,414	43%
Claims on Financial Institutions	6,036,139	67,937	6,036,139	67,937	5,266,855	86%
Claims on Corporates	21,565,766	5,487,813	21,565,766	1,480,908	20,968,162	91%
Retail Claims	30,208,959	31,447,870	22,980,088	4,045,956	23,431,211	87%
Claims Secured by Residential Property	9,158,953	-	9,158,953	-	7,924,757	87%
Claims Secured by Commercial Real Estate	5,431,355	-	5,431,355	-	5,431,355	100%
Non-Performing Assets (NPAs)	5,027,716	-	5,027,716	-	6,303,756	125%
Higher-risk Categories	165,578	-	165,578	-	413,946	250%
Cash Items and Other Assets	5,733,010	494,895	4,649,879	494,895	3,180,869	62%
Total	98,104,650	37,627,759	89,792,647	6,218,939	74,025,824	82%

Market Risk under Standardised Measurement Method		
30-Sep-2020	Risk Weighted Assets	
	BANK	GROUP
	Rs.'000	Rs.'000
(a)RWA for Interest Rate Risk	525,773	525,773
General Interest Rate Risk	525,773	525,773
(I) Net Long or Short Position	525,773	525,773
(II) Horizontal Disallowance		-
(iii) Vertical Disallowance		-
(iv) Options		-
Specific Interest Rate Risk		-
(b)RWA for Equity	1,068,537	1,077,462
(i) General Equity Risk	534,268	538,845
(ii) Specific Equity Risk	534,268	538,617
(C)RWA for Foreign Exchange & Gold	6,593	6,593
Capital Charge for Market Risk [(a)+(b)+(c)] * CAR	13,340,858	13,415,236

Difference between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories-Bank Only

30-Sep-2020	a	b	c	d	e
	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
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets	122,290,727	122,439,111	86,892,702	24,604,149	10,360,248
Cash and cash equivalents	2,198,420	2,212,738	2,212,738	-	-
Balances with Central Bank of Sri Lanka	1,032,190	1,034,545	1,034,545	-	-
Placements with Banks	43,555	43,555	43,555	-	-
Reverse repurchased agreements	751,545	750,000	750,000	-	-
Derivative financial instruments	6,979	-	-	-	-
Financial investments at fair value through profit or loss	5,812,772	5,797,627	-	5,797,627	-
Financial assets at amortised cost - loans and advances to customers	71,332,737	71,195,398	62,883,443	-	8,312,003
Financial assets at amortised cost - debt and other instruments	17,313,313	17,225,487	16,925,487	-	300,000
Financial investments at fair value through other comprehensive income	19,219,040	18,809,052	2,530	18,806,522	-
Investments in real estate	-	-	-	-	-
Investments in subsidiaries	890,737	1,172,797	165,578	-	425,159
Goodwill and intangible assets	1,323,087	1,323,087	-	-	1,323,087
Property, plant and equipment	1,264,435	614,527	614,527	-	-
Deferred tax assets	-	-	-	-	-
Other assets	1,101,918	2,260,298	2,260,298	-	-
Liabilities	104,115,515	104,177,301	-	-	-
Due to Banks	11,024,905	9,874,648	-	-	-
Derivative financial instruments	16,879	-	-	-	-
Repurchased agreements	6,154,527	-	-	-	-
Due to other customers	81,958,207	80,433,805	-	-	-
Other borrowings	1,284,345	7,324,266	-	-	-
Current tax liabilities	376,817,221	-	-	-	-
Deferred tax liabilities	92,136	-	-	-	-
Other liabilities	3,207,698	6,544,583	-	-	-
Off -balance sheet liabilities	40,189,383	40,189,383	40,189,383	-	-
Guarantees	5,889,303	5,889,303	5,889,303	-	-
Performance bonds	2,425,566	2,425,566	2,425,566	-	-
Letter of credits	4,685,686	4,685,686	4,685,686	-	-
Other contingent items	4,486,137	4,486,137	4,486,137	-	-
Undrawn loan commitments	5,466,549	5,466,549	5,466,549	-	-
Other commitments	17,236,143	17,236,143	17,236,143	-	-
Equity					
Stated capital	16,334,782	16,334,782	-	-	-
Share warrants	65,484	65,484	-	-	-
Statutory reserve fund	202,914	95,439	-	-	-
ESOP reserve	56,185	56,185	-	-	-
Fair value reserve	305,965	-	-	-	-
Retained earnings	1,209,883	1,709,920	-	-	-
Total equity attributable to equity holders of the bank	18,175,212	18,261,809	-	-	-
Total equity	18,175,212	18,261,809	-	-	-
Total equity and liabilities	122,290,727	122,439,111	-	-	-

Note-
The reasons for more than 1% variances between (a) and (b) are SLFRS related adjustments on the carrying value reported in Published Financial Statements.