



KEY REGULATORY RATIOS-CAPITAL AND LIQUIDITY				
As at	BANK		GROUP	
	31/Mar/21	31/Dec/20	31/Mar/21	31/Dec/20
Regulatory Capital (LKR '000)				
Common Equity Tier 1	15,384,043	15,415,491	15,975,177	16,024,248
Tier 1 Capital	15,384,043	15,415,491	15,975,177	16,024,248
Total Capital	15,647,206	15,680,987	16,621,378	16,677,537
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020- 6.5% & 2019 -7.0%)	15.62%	16.66%	15.35%	16.34%
Tier 1 Capital Ratio (Minimum Requirement- 2020 - 8.0% & 2019 -8.5%)	15.62%	16.66%	15.35%	16.34%
Total Capital Ratio (Minimum Requirement- 2020 - 12.0% & 2019 - 12.5%)	15.88%	16.95%	15.97%	17.00%
Leverage Ratio (Minimum Requirement - 3%)	10.54%	10.23%	10.42%	10.14%
Regulatory Liquidity				
Statutory liquid Assets				
Domestic Banking Unit (LKR'000)	24,868,251	26,629,637		
Foreign Currency Banking Unit (USD'000)	19,530	18,585		
Statutory liquid Assets Ratio % (Minimum Requirement-20%)				
Domestic Banking Unit (%)	27.71%	29.08%		
Foreign Currency Banking Unit (%)	23.24%	21.93%		
Liquidity Coverage Ratio (%) (Minimum Requirement - 2020 - 90% & 2019 - 100%)				
Rupee	307.04%	861.13%		
All Currency	192.95%	459.60%		
Net Stable Funding Ratio (Minimum Requirement - 90%)	110.07%	120.50%		

BASEL III COMPUTATION OF CAPITAL RATIO

As at	31/Mar/21		31/Dec/20	
	BANK	GROUP	BANK	GROUP
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Common Equity Tier I (CETI) Capital after adjustments	15,384,043	15,975,177	15,415,491	16,024,248
Total Common Equity Tier I (CET1) Capital	18,188,184	18,004,935	18,258,861	18,077,103
Equity capital or stated capital/assigned capital	16,334,782	16,334,782	16,334,782	16,334,782
Reserve fund	204,227	228,847	204,227	228,847
Published retained earnings/(Accumulated retained losses)	1,456,217	1,162,127	1,526,894	1,232,277
Published accumulated other comprehensive income (OCI)	103,974	103,646	103,974	103,646
General and other disclosed reserves	88,984	88,984	88,984	88,984
Unpublished current year's profit/(loss) and gains reflected in OCI	-	-	-	-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	-	86,549	-	88,566
Total adjustments to CET1 Capital	2,804,141	2,029,758	2,843,370	2,052,856
Goodwill (net)	-	113,031	-	113,031
Other intangible assets (net)	1,300,593	1,535,617	1,314,234	1,548,524
Deferred tax assets (net)	-	381,110	-	391,301
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	722,275	-	713,032	-
Shortfall of capital in financial subsidiaries	781,273	-	816,104	-
Additional Tier 1 (AT1) Capital after adjustments	-	-	-	-
Total Additional Tier 1 (ATI) Capital	-	-	-	-
Instruments issued by consolidated banking and financial subsidiaries of the Bank and held by third parties	-	-	-	-
Total adjustments to AT1 Capital	-	-	-	-
Regulatory adjustments applied to AT1 due to insufficient Tier 2 capital to cover adjustments	-	-	-	-
Tier 2 Capital after adjustments	263,163	646,201	265,495	653,290
Total Tier 2 Capital	563,163	646,201	565,495	653,290
General provisions	563,163	646,201	565,495	653,290
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	-
Investments in the capital of financial institutions and where the bank own more than 10 per cent of the issued capital carrying voting rights of the issuing entity	300,000	-	300,000	-
CET1 Capital	15,384,043	15,975,177	15,415,836	16,024,248
Total Tier 1 Capital	15,384,043	15,975,177	15,415,491	16,024,248
Total Capital	15,647,206	16,621,378	15,680,987	16,677,537

As at	31/Mar/21		31/Dec/20	
	BANK	GROUP	BANK	GROUP
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total Risk Weighted Amount (RWAs)	98,511,539	104,064,138	92,537,263	98,095,081
RWAs for Credit Risk	75,864,655	79,995,023	70,958,998	75,293,038
RWAs for Market Risk	15,605,333	15,724,250	14,700,057	14,794,113
RWAs for Operational Risk	7,041,550	8,344,865	6,878,208	8,007,930
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	15.62%	15.35%	16.66%	16.34%
of which : Capital Conservation Buffer (%)	2.00%	2.00%	2.00%	2.00%
of which : Countercyclical Buffer (%)	-	-	-	-
of which : Capital Surcharge on D-SIBs (%)	N/A	N/A	N/A	N/A
Total Tier 1 Capital Ratio (%)	15.62%	15.35%	16.66%	16.34%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	15.88%	15.97%	16.95%	17.00%
of which : Capital Conservation Buffer (%)	2.00%	2.00%	2.00%	2.00%
of which : Countercyclical Buffer (%)	-	-	-	-
of which : Capital Surcharge on D-SIBs (%)	N/A	N/A	N/A	N/A

COMPUTATION OF LEVERAGE RATIO

As at	31/Mar/21	
	BANK	GROUP
	Rs.'000	Rs.'000
Tier 1 Capital	15,384,043	15,975,177
Total Exposure	145,969,981	153,303,473
On-balance sheet items (excluding Derivatives and Securities Financing Transactions, but including collateral)	121,943	129,226
Derivative exposures	5,849	5,849
Securities Financing Transaction exposures	11,085	11,085
Other off -balance sheet exposures	7,092	7,143
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	10.54%	10.42%

BASEL III COMPUTATION OF LIQUIDITY COVERAGE RATIO - BANK				
As at	31/Mar/21		31/Dec/20	
	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)	20,604,003	19,804,307	24,769,331	23,972,769
Total Adjusted Level 1A Assets	20,604,003	20,604,003	24,769,331	24,769,331
Level 1 Assets	19,804,307	19,804,307	23,972,769	23,972,769
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	118,263,265	21,041,392	118,157,506	16,639,143
Deposits	61,703,821	5,630,480	63,208,421	5,601,902
Unsecured wholesale funding	23,935,086	12,993,547	20,220,809	10,122,629
Secured funding transaction	-	-	-	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	32,364,749	2,157,756	34,728,275	914,612
Additional requirements	259,609	259,609	-	-
Total Cash inflows	14,745,830	10,777,686	15,830,025	11,423,164
Maturing secured lending transactions backed by collateral	1,059,605	1,059,605	1,235,948	1,235,948
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 days	13,296,529	9,718,081	14,244,835	10,157,340
Operational deposits	389,696	-	319,367	-
Other cash inflows	-	-	29,876	29,876
Liquidity Coverage Ratio,(%)(Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calender Days)*100		192.95%		459.60%

MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS		
As at	31/Mar/21	
	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 recognised in regulatory capital	15,647,206*	16,621,378**
Accounting classification (equity/liability)	Equity	Equity
Issuer Call subject to prior supervisory approval	-	-
Optional call date, contingent call dates and redemption amount	-	-
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 have not being 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 utilization.
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 required to maintain Rs. 20Bn capital commencing from 31 December 2020. Culture Financial Holding Limited (CFHL), the immediate parent of the Bank confirmed that it will provide any additional capital required by the Bank to meet the said minimum capital requirement by exercising the rights with regard to the unlisted warrants currently held by CFHL or by such other appropriate means.
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.
Assesment 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 ensures that it operates well above the regulatory limit. Any shortfall to meet the above said minimum capital requirement will be generated through above mentioned sources.

CREDIT RISK UNDER STANDARDISED APPROACH-CREDIT RISK EXPOSURES AND CREDIT RISK MITIGATION (CRM) EFFECTS

As at 31 March 2021	BANK					
	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
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%
Claims on Central Government and Central Bank of Sri Lanka	13,563,446	-	13,563,446	-	549,003	4%
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	445,718	156,798	445,718	156,798	293,226	49%
Claims on financial institutions	5,777,741	65,691	5,777,741	65,691	5,143,701	88%
Claims on corporates	30,255,634	8,647,773	30,255,634	1,911,659	30,408,948	95%
Retail claims	21,132,314	28,133,056	18,096,148	4,911,944	19,537,459	85%
Claims secured by residential property	6,882,404	-	6,882,404	-	5,638,972	82%
Claims secured by commercial real estate	3,150,740	-	3,150,740	-	3,150,740	100%
Non-Performing Assets (NPAs)	5,370,931	-	5,370,931	-	6,816,470	127%
Higher-risk categories	168,876	-	168,876	-	422,190	250%
Cash Items and other assets	12,028,539	130,143	5,675,809	130,143	3,903,946	67%
Total	98,776,344	37,133,460	89,387,447	7,176,235	75,864,655	85%

As at 31 March 2021	GROUP					
	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
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%
Claims on Central Government and Central Bank of Sri Lanka	13,912,039	-	13,912,039	-	549,003	4%
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	525,048	156,798	525,048	156,798	309,092	59%
Claims on financial institutions	5,036,765	65,691	5,036,765	65,691	4,773,213	95%
Claims on corporates	30,255,797	8,647,773	30,255,797	1,911,659	30,409,111	101%
Retail claims	25,370,725	28,234,229	22,334,559	4,962,531	22,401,553	100%
Claims secured by residential property	7,762,463	-	7,762,463	-	6,163,481	79%
Claims secured by commercial real estate	3,251,116	-	3,251,116	-	3,251,116	100%
Non-Performing Assets (NPAs)	6,207,914	-	6,207,914	-	7,912,671	127%
Higher-risk categories	0	-	-	-	0	0%
Cash Items and other assets	13,118,348	130,143	6,057,737	130,143	4,225,782	70%
Total	105,440,216	37,234,633	95,343,439	7,226,821	79,995,023	84%

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

MARKET RISK UNDER STANDARDISED MEASUREMENT METHOD		
As at 31 March 2021	Risk Weighted Assets	
	BANK	GROUP
	Rs.'000	Rs.'000
(a)RWA for Interest Rate Risk	621,235	621,235
General Interest Rate Risk	621,235	621,235
(I) Net Long or Short Position	621,235	621,235
(II) Horizontal Disallowance		-
(iii) Vertical Disallowance		-
(iv) Options		-
Specific Interest Rate Risk		-
(b)RWA for Equity	1,242,077	1,256,348
(i) General Equity Risk	621,039	628,422
(ii) Specific Equity Risk	621,039	627,926
(C)RWA for Foreign Exchange & Gold	9,327	9,327
Capital Charge for Market Risk [(a)+(b)+ (c)] * CAR	15,605,333	15,724,250

DIFFERENCE BETWEEN ACCOUNTING AND REGULATORY SCOPES AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH					
As at 31 March 2021	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	Capital Requirements or Subject to Deduction from Capital
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets	124,796,463	125,146,587	86,266,635	26,886,541	11,711,765
Cash and cash equivalents	2,298,989	2,325,961	2,325,961		
Balances with Central Bank of Sri Lanka	979,044	979,044	979,044		
Placements with banks	56,022	56,022	56,022		
Derivative financial instruments	-	-	-		
Financial investments at fair value through profit or loss	49,087				
Financial assets at amortised cost - loans and advances to customers	7,257,193	7,227,149		7,227,149	
Financial assets at amortised cost - debt and other instruments	71,608,815	71,237,775	61,848,878		9,388,897
Financial investments at fair value through other comprehensive income	17,485,791	17,448,310	17,148,310		300,000
Investments in real estate	-	-	-	-	-
Investments in subsidiaries	891,151	1,172,797	168,876		722,275
Goodwill and intangible assets	1,300,593	1,300,593			1,300,593
Property, plant and equipment	1,209,101	546,316	546,316		
Deferred tax assets	-				
Other assets	1,519,600	3,190,698	3,190,698		
Liabilities	106,569,145	106,855,512	-	-	-
Due to Banks	10,578,625	9,173,905	-	-	-
Derivative financial instruments	20,750	-	-	-	-
Repurchased agreements	10,076,970	-	-	-	-
Due to other customers	83,828,517	82,099,043	-	-	-
Other borrowings	-	10,320,978	-	-	-
Current tax liabilities	199,827,158				
Deferred tax liabilities	12,836				
Other liabilities	1,851,619	5,261,586			
Off -balance sheet liabilities	36,559,900	36,559,900	36,559,900	-	-
Guarantees	5,466,309	5,466,309	5,466,309		
Performance bonds	2,690,647	2,690,647	2,690,647		
Letter of credits	4,633,691	4,633,691	4,633,691		
Other contingent items	8,510,435	8,510,435	8,510,435		
Undrawn loan commitments	6,353,211	6,353,211	6,353,211		
Other commitments	8,905,607	8,905,607	8,905,607		
Equity					
Stated capital	16,334,782	16,334,782	-	-	-
Share warrants	65,484	65,484	-	-	-
Statutory reserve fund	218,347	95,439	-	-	-
ESOP reserve	23,500	56,185	-	-	-
Fair value reserve	72,736	-	-	-	-
Retained earnings	1,512,468	1,709,920	-	-	-
Total equity attributable to equity holders of the Bank	18,227,317	18,261,809	-	-	-
Total equity and liabilities	124,796,463	125,146,587	-	-	-
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.				