

Key Regulatory Ratios-Capital and Liquidity

	BANK		GROUP	
	31-Mar-2018	31-Dec-2017	31-Mar-2018	31-Dec-2017
Regulatory Capital (LKR '000)				
Common Equity Tier 1	15,276,607	15,238,496	16,360,162	16,329,120
Tier 1 Capital	15,276,607	15,238,496	16,360,162	16,329,120
Total Capital	15,276,607	15,238,496	16,360,162	16,329,120
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement-6.375%)	19.87%	18.66%	19.33%	18.08%
Tier 1 Capital Ratio (Minimum Requirement-7.875%)	19.87%	18.66%	19.33%	18.08%
Total Capital Ratio (Minimum Requirement-11.875%)	19.87%	18.66%	19.33%	18.08%
Regulatory Liquidity				
Statutory liquid Assets				
Domestic Banking Unit (LKR'000)	16,846,952	16,953,184		
Off-Shore Banking Unit (USD'000)	13,416	12,168		
Statutory liquid Assets Ratio % (Minimum Requirement-20%)				
Domestic Banking Unit (%)	21.27%	21.27%		
Off -Shore Banking Unit (%)	21.93%	21.13%		
Liquidity Coverage Ratio (%)				
Rupee (Minimum Requirement-80%)	183.66%	160.14%		
All Currency (Minimum Requirement-80%)	100.87%	83.02%		

Basel III Computation of Capital Ratio

As at 31 March	2018	
	BANK	GROUP
	Rs.'000	Rs.'000
Common Equity Tier I (CET1) Capital after Adjustments	15,276,607	16,360,162
Total Common Equity Tier I (CET1) Capital	17,839,466	18,219,057
Equity capital or stated capital/assigned capital	16,334,782	16,334,782
Reserve fund	116,255	131,519
Published retained earnings/(Accumulated retained losses)	1,045,617	714,444
Published Accumulated other comprehensive income (OCI)	241,479	241,832
General and other disclosed reserves	101,332	101,332
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	695,148
Total Adjustments to CET1 Capital	2,562,859	1,858,895
Goodwill (net)	-	113,031
Other intangible assets (net)	1,183,734	1,418,510
Deferred tax assets (net)	72,164	309,993
Shortfall of the cumulative impairment to specific provisions	1,306,961	17,361
Additional Tier 1 (AT1) Capital after Adjustments	-	-
Total Additional Tier 1 (ATI) Capital	-	-
Qualifying Additional Tier 1 Capital Instruments	-	-
Total Adjustments to AT1 Capital	-	-
Investment in own shares	-	-
Tier 2 Capital after Adjustments	-	-
Total Tier 2 Capital	-	-
Qualifying Tier 2 Capital Instruments	-	-
Total Adjustments to Tier 2 Capital	-	-
Investment in own shares	-	-
CET1 Capital	15,276,607	16,360,162
Total Tier 1 Capital	15,276,607	16,360,162
Total Capital	15,276,607	16,360,162
Total Risk Weighted Amount (RWA)	76,895,114	84,648,983
RWAs for Credit Risk	65,420,211	72,465,569
RWAs for Market Risk	6,848,286	6,920,599
RWAs for Operational Risk	4,626,616	5,262,815
CET1 Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	19.87%	19.33%
of which : Capital Conservation Buffer (%)	1.25%	1.25%
of which : Countercyclical Buffer (%)	-	-
of which : Capital Surcharge on D-SIBs (%)	NA	NA
Total Tier 1 Capital Ratio (%)	19.87%	19.33%
Total Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	19.87%	19.33%
of which : Capital Conservation Buffer (%)	1.25%	1.25%
of which : Countercyclical Buffer (%)	-	-
of which : Capital Surcharge on D-SIBs (%)	NA	NA

Basel III Computation of Liquidity Coverage Ratio

	31-Mar-2018		31-Dec-2017	
	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)	28,182,178	12,523,234	25,436,389	10,491,612
Total Adjusted Level 1A Assets	28,182,178	13,014,617	24,817,846	10,574,856
Level 1 Assets	12,523,234	12,523,234	9,965,850	9,965,850
Total Adjusted Level 2A Assets	-	-	618,544	525,762
Level 2A Assets	-	-	618,544	525,762
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	121,150,497	24,041,213	113,281,336	24,186,020
Deposits	46,632,042	4,663,204	46,370,678	4,637,068
Unsecured Wholesale Funding	29,296,296	16,023,860	32,304,044	18,400,185
Secured funding transaction	-	-	-	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	45,219,185	3,351,174	34,604,508	1,146,661
Additional requirements	2,974	2,974	2,106	2,106
Total Cash inflows	19,652,589	11,626,308	18,751,724	11,548,664
Maturing secured lending transactions backed by the following collateral	209,185	209,177	192,686	192,678
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 days	18,967,712	11,417,131	18,556,193	11,355,986
Operational deposits	475,692	-	2,845	-
Other cash inflows	-	-	-	-
Liquidity Coverage Ratio,(%)(Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calender Days)*100		100.87		83.02

Main Features of Regulatory Capital Instruments

	31-Mar-2018	
	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)	15,276,607*	16,360,162**
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.

** Debenture worth of Rs. 300 Mn was issued by UB Finance Company Ltd.,and it was invested by Union Bank of Colombo PLC

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

As at 31 March 2018	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	27,576,427	-	27,576,427	-	-	-
Claims on Banks Exposures	1,946,684	-	1,946,684	-	554,189	28%
Claims on Financial Institutions	13,340,799	842,599	13,340,799	82,287	9,192,030	68%
Claims on Corporates	16,438,334	20,551,267	16,438,334	409,743	16,797,305	100%
Retail Claims	32,931,363	25,164,490	30,375,685	4,318,722	29,902,501	86%
Claims Secured by Residential Property	4,082,599	-	4,082,599	-	3,111,032	76%
Claims Secured by Commercial Real Estate	1,123,842	-	1,123,842	-	1,123,842	100%
Non-Performing Assets (NPAs)	1,370,700	-	1,370,700	-	1,647,267	120%
Higher-risk Categories	165,836	-	165,836	-	414,589	250%
Cash Items and Other Assets	9,837,546	90,591	4,568,069	90,591	2,677,455	57%
Total	108,814,130	46,648,947	100,988,976	4,901,343	65,420,211	65%

As at 31 March 2018	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	28,032,080	-	28,032,080	-	-	0%
Claims on Banks Exposures	2,268,451	-	2,268,451	-	644,847	28%
Claims on Financial Institutions	12,887,237	842,599	12,969,524	82,287	8,920,249	69%
Claims on Corporates	16,454,228	20,551,267	16,863,970	409,743	16,813,199	100%
Retail Claims	41,629,032	25,164,490	43,392,077	4,318,722	36,425,752	84%
Claims Secured by Residential Property	4,083,794	-	4,083,794	-	3,111,630	76%
Claims Secured by Commercial Real Estate	1,287,665	-	1,287,665	-	1,287,665	100%
Non-Performing Assets (NPAs)	2,111,732	-	2,111,732	-	2,283,901	108%
Higher-risk Categories	-	-	-	-	-	0%
Cash Items and Other Assets	10,141,501	90,591	4,962,615	90,591	2,978,326	60%
Total	118,895,718	46,648,947	115,971,907	4,901,343	72,465,569	62%

Market Risk under Standardised Measurement Method

As at 31 March 2018	Risk Weighted Assets	
	BANK	GROUP
	Rs.'000	Rs.'000
(a) RWA for Interest Rate Risk	417,054	417,054
General Interest Rate Risk	417,054	417,054
(i) Net Long or Short Position	417,054	417,054
(ii) Horizontal Disallowance	-	-
(iii) Vertical Disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) RWA for Equity	355,495	364,082
(i) General Equity Risk	177,747	181,774
(ii) Specific Equity Risk	177,747	182,308
RWA for Foreign Exchange & Gold	40,685	40,685
Capital Charge for Market Risk [(a)+(b)+		
(c)] * CAR	6,848,286	6,920,599

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

As at 31 March 2018	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	114,947,452	114,190,922	100,988,976	2,886,097	10,315,849
Cash and cash equivalents	2,533,963	2,570,382	2,570,382	-	-
Balances with the Central Bank of Sri Lanka	3,891,957	3,891,957	3,891,957	-	-
Placements with banks	83,135	83,135	83,135	-	-
Derivative financial instruments	2,174	-	-	-	-
Other Financial Assets Held -For -Trading	2,915,204	18,575,478	15,689,381	2,886,097	-
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-
Loans and receivables to Banks	-	-	-	-	-
Loans and receivables to Other Customers	81,530,144	70,940,300	63,115,146	-	7,825,154
Financial Investments - Available For Sale	15,948,247	-	-	-	-
Financial Investments - Held To Maturity	3,388,760	13,340,251	13,040,251	-	300,000
Investments in Subsidiaries	1,237,626	1,172,797	165,836	-	1,006,961
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	847,835	847,835	847,835	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	1,183,734	1,183,734	-	-	1,183,734
Deferred Tax Assets	-	-	-	-	-
Other Assets	1,384,674	1,585,054	1,585,054	-	-
Liabilities	97,149,863	97,077,222	-	-	-
Due to banks	15,313,159	-	-	-	-
Derivative financial instruments	5,148	-	-	-	-
Other Financial Liabilities Held -For -Trading	-	-	-	-	-
Due to Other Customers	78,751,858	67,795,269	-	-	-
Other Borrowings	1,286,037	25,478,070	-	-	-
Current Tax Liabilities	-	-	-	-	-
Deferred Tax Liabilities	115,922	-	-	-	-
Other Liabilities	1,677,739	3,803,883	-	-	-
Due to Subsidiaries	-	-	-	-	-
Off -Balance Sheet Liabilities	46,334,686	46,334,686	46,334,686	-	-
Guarantees	6,107,852	2,621,699	2,621,699	-	-
Performance Bonds	1,846,091	1,846,091	1,846,091	-	-
Letter of Credits	2,786,444	2,786,444	2,786,444	-	-
Other Contingent Items	3,627,997	11,778,902	11,778,902	-	-
Undrawn Loan Commitments	27,301,550	27,301,550	27,301,550	-	-
Other Commitments	4,664,752	314,261	314,261	-	-
Shareholders' Equity	-	-	-	-	-
Equity Capital (Stated Capital)/Assigned Capital	16,334,782	16,334,782	-	-	-
of which Amount Eligible for CET 1	16,334,782	16,334,782	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	1,169,326	634,972	-	-	-
Accumulated Other Comprehensive Income	68,002	-	-	-	-
Other Reserves	225,480	143,946	-	-	-
Total Shareholders' Equity	17,797,589	17,113,700	-	-	-