



| Key Regulatory Ratios-Capital and Liquidity | | | | |
|---|----------------------|--------------------|----------------------|--------------------|
| As at | BANK | | GROUP | |
| | 31-March-2019 | 31-Dec-2018 | 31-March-2019 | 31-Dec-2018 |
| Regulatory Capital (LKR '000) | | | | |
| Common Equity Tier 1 | 15,134,910 | 15,031,473 | 15,669,784 | 15,557,644 |
| Tier 1 Capital | 15,134,910 | 15,031,473 | 15,669,784 | 15,557,644 |
| Total Capital | 15,134,910 | 15,031,473 | 15,669,784 | 15,557,644 |
| Regulatory Capital Ratios (%) | | | | |
| Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2019-7.0% & 2018 -6.375%) | 16.88% | 17.41% | 16.01% | 16.47% |
| Tier 1 Capital Ratio (Minimum Requirement- 2019 - 8.5% & 2018 - 7.875%) | 16.88% | 17.41% | 16.01% | 16.47% |
| Total Capital Ratio (Minimum Requirement- 2019 - 12.5% & 2018 - 11.875%) | 16.88% | 17.41% | 16.01% | 16.47% |
| Leverage Ratio (Minimum Requirement - 3%) | 10.13% | | 9.87% | |
| Regulatory Liquidity | | | | |
| Statutory liquid Assets | | | | |
| Domestic Banking Unit (LKR'000) | 17,909,913 | 18,006,765 | | |
| Off-Shore Banking Unit (USD'000) | 13,066 | 12,791 | | |
| Statutory liquid Assets Ratio % (Minimum Requirement-20%) | | | | |
| Domestic Banking Unit (%) | 21.26% | 21.77% | | |
| Off -Shore Banking Unit (%) | 21.60% | 21.14% | | |
| Liquidity Coverage Ratio (%) | | | | |
| Rupee (Minimum Requirement - 2019 - 100% & 2018 - 90%) | 425.37% | 335.43% | | |
| All Currency (Minimum Requirement- 2019-100% & 2018- 90%) | 185.15% | 131.50% | | |
| Net Stable Funding Ratio (Minimum Requirement - 90%) | 118.40% | | | |

| Basel III Computation of Capital Ratio | | | | |
|---|----------------------|-------------------|--------------------|-------------------|
| As at | 31-March-2019 | | 31-Dec-2018 | |
| | BANK | GROUP | BANK | GROUP |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Common Equity Tier I (CETI) Capital after Adjustments | 15,134,910 | 15,669,784 | 15,031,473 | 15,557,644 |
| Total Common Equity Tier I (CET1) Capital | 17,324,907 | 17,623,794 | 17,324,907 | 17,624,126 |
| Equity capital or stated capital/assigned capital | 16,334,782 | 16,334,782 | 16,334,782 | 16,334,782 |
| Reserve fund | 139,883 | 157,569 | 139,882 | 157,569 |
| Published retained earnings/(Accumulated retained losses) | 1,193,505 | 798,077 | 1,193,505 | 798,077 |
| Published Accumulated other comprehensive income (OCI) | -461,562 | -461,562 | -461,562 | -461,562 |
| General and other disclosed reserves | 118,300 | 118,300 | 118,300 | 118,300 |
| 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 | - | 676,628 | - | 676,960 |
| Total Adjustments to CET1 Capital | 2,189,997 | 1,954,011 | 2,293,434 | 2,066,482 |
| Goodwill (net) | - | 113,031 | - | 113,031 |
| Other intangible assets (net) | 1,166,756 | 1,401,258 | 1,202,533 | 1,437,513 |
| Deferred tax assets (net) | 47,156 | 439,721 | 115,596,804 | 515,938 |
| Shortfall of the cumulative impairment to specific provisions | - | - | - | - |
| 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 | 976,085 | - | 975,305 | - |
| Additional Tier 1 (AT1) Capital after Adjustments | - | - | - | - |
| Total Additional Tier 1 (ATI) Capital | - | - | - | - |
| Total Adjustments to AT1 Capital | - | - | - | - |
| Tier 2 Capital after Adjustments | - | - | - | - |
| Total Tier 2 Capital | - | - | - | - |
| Total Adjustments to Tier 2 Capital | - | - | - | - |
| CET1 Capital | 15,134,910 | 15,669,784 | 15,031,473 | 15,557,644 |
| Total Tier 1 Capital | 15,134,910 | 15,669,784 | 15,031,473 | 15,557,644 |
| Total Capital | 15,134,910 | 15,669,784 | 15,031,473 | 15,557,644 |
| Total Risk Weighted Amount (RWA) | 89,678,541 | 97,892,753 | 86,356,645 | 94,471,678 |
| RWAs for Credit Risk | 75,715,884 | 82,761,871 | 74,058,959 | 80,939,633 |
| RWAs for Market Risk | 8,649,708 | 8,708,290 | 6,992,096 | 7,051,323 |
| RWAs for Operational Risk | 5,312,949 | 6,422,592 | 5,305,589 | 6,480,721 |
| CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%) | 16.88% | 16.01% | 17.41% | 16.47% |
| of which : Capital Conservation Buffer (%) | 1.25% | 1.25% | 1.25% | 1.25% |
| of which : Countercyclical Buffer (%) | - | - | - | - |
| of which : Capital Surcharge on D-SIBs (%) | NA | NA | NA | NA |
| Total Tier 1 Capital Ratio (%) | 16.88% | 16.01% | 17.41% | 16.47% |
| Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%) | 16.88% | 16.01% | 17.41% | 16.47% |
| of which : Capital Conservation Buffer (%) | 1.25% | 1.25% | 1.25% | 1.25% |
| of which : Countercyclical Buffer (%) | - | - | - | - |
| of which : Capital Surcharge on D-SIBs (%) | NA | NA | NA | NA |

| Computation of Leverage Ratio | |
|--|--------------------------|
| Item | Amount (LKR '000) |
| | 31-March-2019 |
| Tier 1 Capital | 15,134,910 |
| Total Exposure | 149,418,765 |
| On-balance sheet items (excluding Derivatives and Securities Financing Transactions, but including Collateral) | 121,838,143 |
| Derivative Exposures | 9,046,635 |
| Securities Financing Transaction Exposures | 12,812,646 |
| Other Off -Balance Sheet Exposures | 5,721,341 |
| Basel III Leverage Ratio (%) (Tier 1/Total Exposure) | 10.13% |

Basel III Computation of Liquidity Coverage Ratio

| As at | 31-March-2019 | | 31-Dec-2018 | |
|---|-------------------------|----------------------|-------------------------|----------------------|
| | 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) | 14,484,415 | 15,704,969 | 11,392,892 | 12,762,762 |
| Total Adjusted Level 1A Assets | 14,484,415 | 14,484,415 | 11,392,892 | 11,392,892 |
| Level 1 Assets | 15,704,969 | 15,704,969 | 12,762,762 | 12,762,762 |
| Total Adjusted Level 2A Assets | - | - | - | - |
| Level 2A Assets | - | - | - | - |
| Total Adjusted Level 2B Assets | - | - | - | - |
| Level 2B Assets | - | - | - | - |
| Total Cash Outflows | 112,727,283 | 21,526,654 | 121,975,905 | 20,943,895 |
| Deposits | 56,011,923 | 5,601,192 | 51,600,198 | 5,151,164 |
| Unsecured Wholesale Funding | 24,760,422 | 14,633,135 | 29,701,572 | 13,996,571 |
| Secured funding transaction | - | - | - | - |
| Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations | 31,880,792 | 1,218,180 | 40,599,182 | 1,721,207 |
| Additional requirements | 74,146 | 74,146 | 74,953 | 74,953 |
| Total Cash inflows | 21,315,187 | 13,044,532 | 19,374,109 | 11,238,548 |
| Maturing secured lending transactions backed by the following collateral | 2,203,638 | 2,203,638 | 1,942,955 | 1,942,948 |
| Committed facilities | - | - | - | - |
| Other inflows by counterparty which are maturing within 30 days | 18,495,464 | 10,840,887 | 16,660,667 | 9,295,599 |
| Operational deposits | 616,071 | - | 770,486 | - |
| Other cash inflows | - | - | - | - |
| Liquidity Coverage Ratio,(%)(Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calender Days)*100 | | 185% | | 132% |

Main Features of Regulatory Capital Instruments

| As at | 31-March-2019 | |
|---|---------------|--------------|
| | 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 Recongnized in Regulatory Capital (in LKR '000 as at the Reporting Date) | 15,134,910* | 15,669,784** |
| 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.

| Credit Risk under Standardised Approach-Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects | | | | | | |
|--|---|-------------------|------------------------------|------------------|---------------------|-------------|
| 31-March-2019 | BANK | | | | | |
| | Exposures before Credit Conversion Factor (CCF) and CRM | | Exposures post (CCF) and CRM | | RWA and RWA Density | |
| | Amount | Amount | Sheet 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 | 13,722,757 | - | 13,722,757 | - | 540,254,421 | - |
| 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 | 1,699,142 | - | 1,699,142 | - | 542,019 | 32% |
| Claims on Financial Institutions | 7,487,328 | 65,691 | 7,487,328 | 65,691 | 6,494,631 | 86% |
| Claims on Corporates | 25,107,872 | 17,484,790 | 25,107,872 | 898,944 | 22,513,521 | 87% |
| Retail Claims | 31,851,473 | 22,912,304 | 26,920,512 | 4,756,707 | 26,063,219 | 82% |
| Claims Secured by Residential Property | 8,763,974 | - | 8,763,974 | - | 7,148,898 | 82% |
| Claims Secured by Commercial Real Estate | 5,681,464 | - | 5,681,464 | - | 5,681,464 | 100% |
| Non-Performing Assets (NPAs) | 2,403,876 | - | 2,403,876 | - | 3,387,373 | 141% |
| Higher-risk Categories | 161,110 | - | 161,110 | - | 402,775 | 250% |
| Cash Items and Other Assets | 5,359,345 | - | 4,728,990 | - | 2,941,729 | 62% |
| Total | 102,238,341 | 40,462,785 | 96,677,025 | 5,721,341 | 75,715,884 | 78% |

| 31-March-2019 Asset Classes | 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 | 14,269,282 | - | 14,269,282 | - | 540,254,421 | 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 | 2,004,571 | - | 2,004,571 | - | 645,522 | 32% |
| Claims on Financial Institutions | 7,520,466 | 65,691 | 7,520,466 | 65,691 | 7,011,200 | 93% |
| Claims on Corporates | 25,107,872 | 17,484,790 | 25,107,872 | 898,944 | 22,513,521 | 90% |
| Retail Claims | 39,461,639 | 22,912,304 | 34,530,679 | 4,756,707 | 31,693,744 | 92% |
| Claims Secured by Residential Property | 8,763,974 | - | 8,763,974 | - | 7,148,898 | 82% |
| Claims Secured by Commercial Real Estate | 5,802,255 | - | 5,802,255 | - | 5,802,255 | 100% |
| Non-Performing Assets (NPAs) | 3,164,610 | - | 3,164,610 | - | 4,081,204 | 129% |
| Higher-risk Categories | - | - | - | - | - | 0% |
| Cash Items and Other Assets | 6,307,081 | - | 5,141,503 | - | 3,325,272 | 65% |
| Total | 112,401,751 | 40,462,785 | 106,305,212 | 5,721,341 | 82,761,871 | 78% |

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 | | |
|--|-----------------------------|------------------|
| 31-March-2019 | Risk Weighted Assets | |
| | BANK | GROUP |
| | Rs.'000 | Rs.'000 |
| (a)RWA for Interest Rate Risk | 582,976 | 582,976 |
| General Interest Rate Risk | 582,976 | 582,976 |
| (I) Net Long or Short Position | 582,976 | 582,976 |
| (II) Horizontal Disallowance | - | - |
| (iii) Vertical Disallowance | - | - |
| (iv) Options | - | - |
| Specific Interest Rate Risk | - | - |
| (b)RWA for Equity | 475,744 | 483,067 |
| (i) General Equity Risk | 237,872 | 241,265 |
| (ii) Specific Equity Risk | 237,872 | 241,802 |
| (C)RWA for Foreign Exchange & Gold | 22,494 | 22,494 |
| Capital Charge for Market Risk [(a)+(b)+ | | |
| (c)] * CAR | 8,649,708 | 8,708,290 |

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

| 31-March-2019 | 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 | 124,887,254 | 125,327,532 | 96,677,025 | 20,610,748 | 7,704,157 |
| Cash and cash equivalents | 2,633,630 | 2,715,736 | 2,715,736 | - | - |
| Balances with Central Bank of Sri Lanka | 3,229,591 | 3,229,591 | 3,229,591 | - | - |
| Placements with Banks | 167,540 | 168,212 | 168,212 | - | - |
| Reverse repurchased agreements | 1,302,679 | 1,299,392 | 1,299,392 | - | - |
| Derivative financial instruments | 27,431 | - | - | - | - |
| Financial investments at fair value through profit or loss | 3,541,920 | 20,610,748 | - | 20,610,748 | - |
| Financial assets at amortised cost - loans and advances to customers | 76,282,329 | 76,682,905 | 71,121,590 | - | 5,561,316 |
| Financial assets at amortised cost - debt and other instruments | 15,820,570 | 15,653,599 | 15,353,599 | - | 300,000 |
| Financial investments at fair value through other comprehensive income | 17,466,063 | - | - | - | - |
| Current tax assets | 518,320 | - | - | - | - |
| Investments in real estate | - | - | - | - | - |
| Investments in subsidiaries | 837,195 | 1,172,797 | 161,110 | - | 676,085 |
| Goodwill and intangible assets | 1,166,756 | 1,166,756 | - | - | 1,166,756 |
| Property, plant and equipment | 754,270 | 754,270 | 754,270 | - | - |
| Deferred tax assets | 47,156 | - | - | - | - |
| Other assets | 1,091,804 | 1,873,526 | 1,873,526 | - | - |
| Liabilities | 107,965,370 | 107,687,614 | - | - | - |
| Due to Banks | 12,244,540 | 12,070,024 | - | - | - |
| Derivative financial instruments | 101,578 | - | - | - | - |
| Repurchased agreements | 14,107,538 | - | - | - | - |
| Due to other customers | 77,897,163 | 75,685,192 | - | - | - |
| Other borrowings | 1,272,988 | 15,300,949 | - | - | - |
| Current tax liabilities | 263,533 | - | - | - | - |
| Deferred tax liabilities | - | - | - | - | - |
| Other liabilities | 2,078,031 | 4,631,450 | - | - | - |
| Off -balance sheet liabilities | 39,697,744 | 40,462,785 | 39,452,914 | - | 1,009,871 |
| Guarantees | 5,439,156 | 5,439,156 | 4,831,657 | - | 607,499 |
| Performance bonds | 2,751,025 | 2,751,025 | 2,593,454 | - | 157,571 |
| Letter of credits | 2,222,575 | 2,222,575 | 1,977,774 | - | 244,801 |
| Other contingent items | 8,130,972 | 8,130,972 | 8,130,972 | - | - |
| Undrawn loan commitments | 16,668,153 | 16,668,153 | 16,668,153 | - | - |
| Other commitments | 4,485,863 | 5,250,904 | 5,250,904 | - | - |
| Equity | | | | | |
| Stated capital | 16,334,782 | 16,334,782 | - | - | - |
| Share warrants | 65,484 | 65,484 | - | - | - |
| Statutory reserve fund | 145,145 | 95,439 | - | - | - |
| ESOP reserve | 53,880 | 52,816 | - | - | - |
| Fair value reserve | -137,365 | - | - | - | - |
| Retained earnings | 459,959 | 849,959 | - | - | - |
| Total equity attributable to equity holders of the bank | 16,921,885 | 17,398,479 | - | - | - |
| Total equity | 16,921,885 | 17,639,918 | - | - | - |
| Total equity and liabilities | 124,887,254 | 125,327,532 | - | - | - |

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.