

Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

Basel III computation of liquidity coverage ratio – All currencies

BANK Item	Amount (LKR '000)			
	31 December 2020		31 December 2019	
	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
Total Stock of High-Quality Liquid Assets (HQLA)	97,633,888	97,078,314	69,787,641	69,287,520
Total Adjusted Level 1A Assets	96,522,740	96,522,740	68,787,399	68,787,399
Level 1 Assets	96,522,740	96,522,740	68,787,399	68,787,399
Total Adjusted Level 2A Assets	–	–	–	–
Level 2A Assets	–	–	–	–
Total Adjusted Level 2B Assets	1,111,148	555,574	1,000,242	500,121
Level 2B Assets	1,111,148	555,574	1,000,242	500,121
Total cash outflows	444,130,094	85,180,176	371,758,700	70,252,115
Deposits	193,543,598	17,022,136	147,120,309	12,580,009
Unsecured wholesale funding	117,377,619	59,918,367	103,187,321	49,175,375
Secured funding transactions	4,208,587	–	9,512,615	–
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	125,612,895	4,852,278	109,145,071	5,703,347
Additional requirements	3,387,395	3,387,395	2,793,384	2,793,384
Total cash inflows	56,689,326	37,695,671	32,247,053	20,948,383
Maturing secured lending transactions backed by collateral	14,053,020	9,656,405	11,019,081	10,864,930
Committed facilities	1,000,000	–	1,000,000	–
Other inflows by counterparty which are maturing within 30 days	37,772,765	26,597,052	17,265,465	8,722,163
Operational deposits	1,679,982	–	871,364	–
Other cash inflows	2,183,559	1,442,214	2,091,143	1,361,290
Liquidity Coverage Ratio (%) (Stock of High-Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)* 100		204.44		140.53

**Quantitative Disclosures as per Schedule III of Banking Act Direction
No. 01 of 2016, Capital Requirements under Basel III**

Basel III computation of liquidity coverage ratio – LKR Only

BANK Item	Amount (LKR '000)			
	31 December 2020		31 December 2019	
	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
Total Stock of High-Quality Liquid Assets (HQLA)	90,105,873	89,550,299	67,502,165	67,002,044
Total Adjusted Level 1A Assets	88,994,725	88,994,725	66,501,923	66,501,923
Level 1 Assets	88,994,725	88,994,725	66,501,923	66,501,923
Total Adjusted Level 2A Assets	–	–	–	–
Level 2A Assets	–	–	–	–
Total Adjusted Level 2B Assets	1,111,148	555,574	1,000,242	500,121
Level 2B Assets	1,111,148	555,574	1,000,242	500,121
Total cash outflows	363,621,075	65,101,383	290,363,031	47,293,395
Deposits	180,352,595	15,742,884	140,992,846	11,999,556
Unsecured wholesale funding	85,507,685	44,501,115	60,638,199	30,809,652
Secured funding transactions	4,208,587	–	9,512,615	–
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	90,298,101	1,603,277	76,944,718	2,209,534
Additional requirements	3,254,107	3,254,107	2,274,653	2,274,653
Total cash inflows	48,982,281	34,036,829	27,887,066	18,686,633
Maturing secured lending transactions backed by collateral	13,657,504	9,260,888	10,615,642	10,461,491
Committed facilities	1,000,000		1,000,000	–
Other inflows by counterparty which are maturing within 30 days	32,842,087	24,034,596	14,811,718	7,495,289
Operational deposits	–	–	–	–
Other cash inflows	1,482,690	741,345	1,459,706	729,853
Liquidity Coverage Ratio (%) (Stock of High-Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)* 100		288.27		234.22

Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

Maturity of financial assets and financial liabilities

BANK As at 31 December 2020	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Total LKR '000
Financial assets								
Cash and cash equivalents	7,724,364	-	-	-	-	-	-	7,724,364
Balances with Central Bank of Sri Lanka	4,901,753	-	-	-	-	-	-	4,901,753
Placement with banks	15,414,287	-	-	-	-	-	-	15,414,287
Derivative financial assets	835,464	-	-	-	-	-	-	835,464
Financial assets measured at fair value through profit or loss	564,837	-	-	-	-	-	44,880	609,717
Financial assets at amortised cost – Loans to and receivables from banks	4,099,700	34,092	18,925	-	-	-	-	4,152,717
Financial assets at amortised cost – Loans to and receivables from other customers	24,618,107	28,884,720	15,260,639	19,887,798	58,850,180	57,608,042	96,799,851	301,909,337
Financial assets at amortised cost – Debt and other instruments	1,088,642	4,901,488	244,559	13,114,452	10,314,056	1,940,978	-	31,604,175
Financial assets measured at fair value through other comprehensive income	3,493,167	12,312,501	4,849,806	21,022,827	17,342,423	7,691,826	22,005,452	88,718,002
Other assets	1,920,666	383	843	12,707	11,747	31,747	21,312	1,999,405
Total financial assets	64,660,987	46,133,184	20,374,772	54,037,784	86,518,406	67,272,593	118,871,495	457,869,221

BANK As at 31 December 2020	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Total LKR '000
Financial liabilities								
Due to banks	2,090,584	1,540,503	1,255,012	2,510,680	7,513,158	-	-	14,909,937
Derivative financial liabilities	267,883	-	-	-	-	-	-	267,883
Financial liabilities at amortised cost – Due to depositors	37,003,073	61,849,504	70,816,977	34,289,767	28,970,585	16,457,256	60,639,730	310,026,892
Financial liabilities at amortised cost – Due to other borrowers	5,127,704	7,514,200	6,466,310	3,657,978	12,393,268	3,553,834	8,133,782	46,847,076
Debt securities in issue	-	1,025,771	305,890	-	-	8,764,378	6,195,240	16,291,279
Other liabilities	1,805,293	493,565	340,002	384,697	383,163	421,465	955,692	4,783,877
Subordinated term debt	-	617,850	-	1,173,507	8,956,610	8,404,530	205,000	19,357,497
Total financial liabilities	46,294,537	73,041,393	79,184,191	42,016,629	58,216,784	37,601,463	76,129,444	412,484,441
Total net financial assets/(liabilities)	18,366,450	(26,908,209)	(58,809,419)	12,021,155	28,301,622	29,671,130	42,742,051	45,384,780

Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

BANK As at 31 December 2020	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Total LKR '000
Contingencies								
Guarantees	15,952,324	-	-	-	-	-	-	15,952,324
Acceptance	-	5,783,242	756,207	4,869	4,906,411	-	-	11,450,729
Forward contracts	(3,471,492)	(825,822)	672,032	932,930	3,015,758	-	-	323,406
Cross CCY SWAP	-	586,913	4,692	262,847	9,384	-	-	863,836
Documentary credit	-	8,096,276	671,414	381,827	740,055	-	-	9,889,572
Bills for collection	3,922,026	-	-	-	-	-	-	3,922,026
Total contingencies	16,402,858	13,640,609	2,104,345	1,582,473	8,671,608	-	-	42,401,893
Commitments								
Undrawn overdrafts	22,087,069	-	-	-	-	-	-	22,087,069
Undrawn loans	29,603,852	-	-	-	-	-	-	29,603,852
Undrawn credit card limits	3,679,317	-	-	-	-	-	-	3,679,317
Undrawn indirect credit facilities	31,243,712	-	-	-	-	-	-	31,243,712
Capital commitments	-	142,386	613,549	286,051	-	-	-	1,041,986
Undrawn leases	706,318	-	-	-	-	-	-	706,318
Total commitments	87,320,268	142,386	613,549	286,051	-	-	-	88,362,254
Total commitments and contingencies	103,723,126	13,782,995	2,717,894	1,868,524	8,671,608	-	-	130,764,147

BANK As at 31 December 2019	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Total LKR '000
Financial assets								
Cash and cash equivalents	5,450,209	-	-	-	-	-	-	5,450,209
Balances with Central Bank of Sri Lanka	8,666,547	-	-	-	-	-	-	8,666,547
Placement with banks	165,030	-	-	-	-	-	-	165,030
Derivative financial assets	631,438	-	-	-	-	-	-	631,438
Financial assets measured at fair value through profit or loss	-	251,593	-	-	-	-	5,055,473	5,307,066
Financial assets at amortised cost – Loans to and receivables from banks	-	-	-	-	-	-	-	-
Financial assets at amortised cost – Loans to and receivables from other customers	23,554,701	16,679,328	17,720,749	20,296,530	52,744,363	54,181,538	87,641,101	272,818,311
Financial assets at amortised cost – Debt and other instruments	-	4,966,193	863,806	1,766,206	18,639,478	3,911,350	-	30,147,032
Financial assets measured at fair value through other comprehensive income	-	9,450,109	1,918,348	1,269,053	30,008,205	15,649,171	14,421,521	72,716,407
Other assets	1,254,323	171,102	173,457	104,608	130,296	21,491	293,290	2,148,567
Total financial assets	39,722,248	31,518,325	20,676,360	23,436,397	101,522,342	73,763,550	107,411,385	398,050,607

Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

BANK As at 31 December 2019	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Total LKR '000
Financial liabilities								
Due to banks	6,963,019	2,501,847	2,671,686	3,119,642	9,338,634	–	–	24,594,828
Derivative financial liabilities	518,731	–	–	–	–	–	–	518,731
Financial liabilities at amortised cost –								
Due to depositors	27,094,032	59,109,644	50,554,195	35,140,828	17,085,344	12,864,437	45,938,494	247,786,974
Financial liabilities at amortised cost –								
Due to other borrowers	1,231,073	7,876,894	1,473,106	7,676,607	14,000,751	6,154,080	8,895,045	47,307,556
Debt securities in issue	–	1,028,348	3,147,549	–	–	3,783,024	6,189,277	14,148,198
Other liabilities	1,158,317	1,242,411	539,089	259,657	36,775	118,536	431,660	3,786,445
Subordinated term debt	–	657,460	2,105,589	122,228	940,482	8,948,215	4,085,940	16,859,914
Total financial liabilities	36,965,172	72,416,604	60,491,214	46,318,962	41,401,986	31,868,292	65,540,416	355,002,646
Total net financial assets/ (liabilities)	2,757,076	(40,898,279)	(39,814,854)	(22,882,565)	60,120,355	41,895,258	41,870,969	43,041,961

BANK As at 31 December 2019	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Total LKR '000
Contingencies								
Guarantees	16,242,180	–	–	–	–	–	–	16,242,180
Acceptance	–	5,731,026	756,207	4,869	–	–	–	6,492,102
Forward contracts	–	–	8,920,969	5,949,976	1,389,763	–	–	16,260,708
Cross CCY SWAP	–	–	–	–	828,867	–	–	828,867
Documentary credit	–	4,009,527	1,878,510	557,776	20,428	–	–	6,466,241
Bills for collection	3,131,185	–	–	–	–	–	–	3,131,185
Total contingencies	19,373,365	9,740,553	11,555,686	6,512,621	2,239,058	–	–	49,421,283
Commitments								
Undrawn overdrafts	16,649,526	–	–	–	–	–	–	16,649,526
Undrawn loans	28,971,431	–	–	–	–	–	–	28,971,431
Undrawn credit card limits	3,626,159	–	–	–	–	–	–	3,626,159
Undrawn indirect credit facilities	28,989,551	–	–	–	–	–	–	28,989,551
Capital commitments	–	–	504,000	68,837	1,651,732	–	–	2,224,569
Undrawn leases	707,881	–	–	–	–	–	–	707,881
Total commitments	78,944,548	–	504,000	68,837	1,651,732	–	–	81,169,117
Total commitments and contingencies	98,317,913	9,740,553	12,059,686	6,581,458	3,890,790	–	–	130,590,400

**Quantitative Disclosures as per Schedule III of Banking Act Direction
No. 01 of 2016, Capital Requirements under Basel III**

Maturity gap analysis of foreign currency denominated financial assets and financial liabilities – USD

BANK As at 31 December 2020	Up to 1 month USD '000	1-3 months USD '000	3-6 months USD '000	6-12 months USD '000	1-3 years USD '000	3-5 years USD '000	Over 5 years USD '000	Total USD '000
Total assets	100,754	24,435	8,868	31,926	47,159	36,630	90,170	339,942
Total liabilities	73,022	27,858	43,022	59,953	81,443	38,345	43,201	366,844
Total net financial assets/ (liabilities)	27,732	(3,423)	(34,154)	(28,027)	(34,284)	(1,715)	46,969	(26,902)

BANK As at 31 December 2019	Up to 1 month USD '000	1-3 months USD '000	3-6 months USD '000	6-12 months USD '000	1-3 years USD '000	3-5 years USD '000	Over 5 years USD '000	Total USD '000
Total assets	21,242	36,912	15,046	6,462	71,177	16,377	89,237	256,453
Total liabilities	48,393	46,250	38,339	45,741	105,540	55,037	40,587	379,887
Total net financial assets/ (liabilities)	(27,151)	(9,338)	(23,293)	(39,279)	(34,363)	(38,660)	48,650	(123,434)

Sensitivity of financial assets and financial liabilities

BANK As at 31 December 2020	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Non-interest bearing LKR '000	Total LKR '000
Financial assets									
Cash and cash equivalents	317,034	-	-	-	-	-	-	7,407,330	7,724,364
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	-	4,901,753	4,901,753
Placements with banks	15,414,287	-	-	-	-	-	-	-	15,414,287
Derivative financial assets	-	-	-	-	-	-	-	835,464	835,464
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-	-	609,717	609,717
Financial assets at amortised cost – Loans to and receivables from banks	4,152,717	-	-	-	-	-	-	-	4,152,717
Financial assets at amortised cost – Loans to and receivables from other customers	151,094,075	24,374,012	12,864,586	16,170,593	44,565,904	23,242,601	21,834,937	7,762,629	301,909,337
Financial assets at amortised cost – Debt and other Instruments	1,305,463	4,323,283	263,484	12,984,162	10,786,805	1,940,978	-	-	31,604,175
Financial assets measured at fair value through other comprehensive income	3,555,765	12,312,501	4,849,806	21,167,642	17,197,609	7,691,826	9,428,991	12,513,862	88,718,002
Other assets	-	-	-	-	-	-	-	1,999,405	1,999,405
Total financial assets	175,839,341	41,009,796	17,977,876	50,322,397	72,550,318	32,875,405	31,263,928	36,030,160	457,869,221

Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

BANK As at 31 December 2020	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Non-interest bearing LKR '000	Total LKR '000
Financial liabilities									
Due to banks	1,792,092	7,927,554	-	-	5,000,000	-	-	190,291	14,909,937
Derivative financial liabilities	-	-	-	-	-	-	-	267,883	267,883
Financial liabilities at amortised cost –									
Due to depositors	89,795,761	58,804,855	68,468,382	53,354,008	29,458,362	1,421,012	83,265	8,641,247	310,026,892
Due to other borrowers	7,492,850	12,453,461	10,591,793	1,239,278	4,739,431	2,189,723	8,140,540	-	46,847,076
Debt Securities in issue	-	-	-	-	-	10,096,039	6,195,240	-	16,291,279
Other liabilities	-	-	-	-	-	-	-	4,783,877	4,783,877
Subordinated term debt	-	-	-	1,791,357	8,956,610	8,404,530	205,000	-	19,357,497
Total financial liabilities	99,080,703	79,185,870	79,060,175	56,384,643	48,154,403	22,111,304	14,624,045	13,883,298	412,484,441
Interest rate sensitivity gap	76,758,638	(38,176,074)	(61,082,299)	(6,062,246)	24,395,915	10,764,101	16,639,883	22,146,862	

BANK As at 31 December 2019	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Non-interest bearing LKR '000	Total LKR '000
Financial assets									
Cash and cash equivalents	333,741	-	-	-	-	-	-	5,116,468	5,450,209
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	-	8,666,547	8,666,547
Placements with banks	165,030	-	-	-	-	-	-	-	165,030
Derivative financial assets	-	-	-	-	-	-	-	631,438	631,438
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-	-	5,307,066	5,307,066
Financial assets at amortised cost –									
Loans to and receivables from banks	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost –									
Loans to and receivables from others customers	151,965,068	7,780,400	12,106,527	14,419,459	30,880,893	21,916,367	25,948,101	7,801,496	272,818,311
Financial assets at amortised cost – Debt and other Instruments	58,431	4,990,584	1,113,395	1,909,319	18,639,478	3,435,825	-	-	30,147,032
Financial assets measured at fair value through other comprehensive income	279,826	4,508,803	2,243,779	943,622	30,000,100	15,649,171	10,077,548	9,013,558	72,716,407
Other assets	-	-	-	-	-	-	-	2,148,567	2,148,567
Total financial assets	152,802,096	17,279,787	15,463,701	17,272,400	79,520,471	41,001,363	36,025,649	38,685,140	398,050,607

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BANK As at 31 December 2019	Up to 1 month LKR '000	1-3 months LKR '000	3-6 months LKR '000	6-12 months LKR '000	1-3 years LKR '000	3-5 years LKR '000	Over 5 years LKR '000	Non-interest bearing LKR '000	Total LKR '000
Financial liabilities									
Due to banks	6,502,929	8,129,761	2,148,769	2,566,164	5,000,000	–	–	247,205	24,594,828
Derivative financial liabilities	–	–	–	–	–	–	–	518,731	518,731
Financial liabilities at amortised cost –									
Due to depositors	75,196,582	54,615,104	49,236,046	55,107,361	7,224,188	886,927	66,757	5,454,009	247,786,974
Due to other borrowers	9,178,922	8,835,038	10,163,228	3,435,505	4,458,154	2,149,461	8,903,657	183,591	47,307,556
Debt securities in issue	–	–	3,000,000	–	–	3,804,760	6,195,240	1,148,198	14,148,198
Other liabilities	–	–	–	–	–	–	–	3,786,445	3,786,445
Subordinated term debt	–	–	2,000,000	–	956,860	8,956,610	4,086,530	859,914	16,859,914
Total financial liabilities	90,878,433	71,579,903	66,548,043	61,109,030	17,639,202	15,797,758	19,252,184	12,198,093	355,002,646
Interest Rate Sensitivity Gap	61,923,663	(54,300,116)	(51,084,342)	(43,836,630)	61,881,269	25,203,605	16,773,465	26,487,047	

Key regulatory ratios

Item	31 December 2020		31 December 2019	
	Bank	Group	Bank	Group
Regulatory capital (LKR '000)				
Common equity Tier 1	35,041,771	35,113,117	34,824,554	34,908,304
Tier 1 capital	35,041,771	35,113,117	34,824,554	34,908,304
Total capital	51,055,165	51,126,511	48,542,925	48,626,675
Regulatory capital ratios (%)				
Common equity Tier 1 capital ratio [Minimum requirement: 2020 – 6.50% (2019 – 7.00%)]	10.820	10.816	11.342	11.327
Tier 1 capital ratio [Minimum requirement: 2020 – 8.00% (2019 – 8.50%)]	10.820	10.816	11.342	11.327
Total capital ratio [Minimum requirement: 2020 – 12.00% (2019 – 12.50%)]	15.764	15.749	15.810	15.778
Computation of leverage ratio				
Tier 1 Capital	35,041,771	35,113,117	34,824,554	34,908,304
Total Exposures	515,899,771	514,844,311	460,516,043	459,563,903
On-Balance Sheet Items (excluding Derivatives and securities financing transactions, but including Collateral)	452,474,474	451,419,014	395,302,362	394,350,222
Derivative Exposures	35,494,568	35,494,568	34,403,158	34,403,158
Securities Financing Transaction Exposures	1,385,974	1,385,974	2,419,209	2,419,209
Other Off-Balance Sheet Exposures	26,544,755	26,544,755	28,391,314	28,391,314
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	6.79	6.82	7.56	7.60
Computation of Net stable funding ratio				
Total Available Stable Funding	339,622,389	N/A	290,698,778	N/A
Required Stable Funding – On Balance Sheet Assets	273,846,147	N/A	254,049,220	N/A
Required Stable Funding – Off Balance Sheet Items	2,266,209	N/A	2,271,779	N/A
Total Required Stable Funding	276,112,356	N/A	256,320,999	N/A
Net Stable Funding Ratio (%)	123.00	N/A	113.41	N/A

**Quantitative Disclosures as per Schedule III of Banking Act Direction
No. 01 of 2016, Capital Requirements under Basel III**

Basel III computation of capital ratios

Item	31 December 2020		31 December 2019	
	Bank LKR '000	Group LKR '000	Bank LKR '000	Group LKR '000
Common equity Tier 1 (CET 1) capital after adjustments	35,041,771	35,113,117	38,824,554	34,908,304
Common equity Tier 1 (CET 1) capital	45,423,144	48,839,196	42,000,264	45,050,466
Equity capital (stated capital)/assigned capital	7,682,465	7,682,465	7,530,371	7,530,371
Reserve fund	2,583,968	2,583,968	2,461,968	2,461,968
Published retained earnings/(accumulated retained losses)	19,652,168	23,061,080	18,228,086	21,278,288
Published accumulated Other Comprehensive Income (OCI)	1,724,704	1,731,844	–	–
General and other disclosed reserves	13,779,839	13,779,839	13,779,839	13,779,839
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	–	–	–	–
Total adjustments to CET 1 capital	10,381,374	13,726,078	7,175,709	10,142,162
Goodwill (net)	–	156,226	–	156,226
Intangible assets (net)	1,713,052	1,728,580	1,184,659	1,205,923
Investment in capital of banks and financial institutions	8,571,286	11,838,353	5,762,829	8,648,828
Others	97,036	2,919	228,221	131,185
Additional Tier 1 (AT1) capital after adjustments				
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	–	–	–	–
Others (specify)	–	–	–	–
Tier 2 capital after adjustments	16,013,394	16,013,394	13,718,371	13,718,371
Tier 2 capital	16,013,394	16,013,394	13,718,371	13,718,371
Qualifying Tier 2 capital instruments	14,174,868	14,174,868	12,034,562	12,034,562
Revaluation gains	–	–	–	–
Loan loss provisions	1,838,526	1,838,526	1,683,809	1,683,809
Instruments issued by consolidated banking and financial subsidiaries of the Bank and held by third parties	–	–	–	–
Total adjustments to Tier 2	–	–	–	–
Investment in own shares	–	–	–	–
Others (specify)	–	–	–	–
CET 1 capital	35,041,771	35,113,117	34,824,554	34,908,304
Total Tier 1 capital	35,041,771	35,113,117	34,824,554	34,908,304
Total capital	51,055,165	51,126,511	48,542,925	48,626,675

**Quantitative Disclosures as per Schedule III of Banking Act Direction
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Item	31 December 2020		31 December 2019	
	Bank	Group	Bank	Group
Total risk weighted assets (RWA) (LKR '000)				
RWAs for credit risk	293,505,729	293,920,302	274,009,885	274,759,093
RWAs for market risk	12,956,450	12,956,450	16,956,352	16,956,352
RWAs for operational risk	17,400,093	17,751,642	16,074,112	16,479,374
CET 1 capital ratio (including capital conservation buffer, countercyclical capital buffer and surcharge on d-sibs) (%)	10.82	10.82	11.34	11.33
of which: capital conservation buffer (%)	1.20	1.20	1.25	1.25
of which: countercyclical buffer (%)	N/A	N/A	N/A	N/A
of which: capital surcharge on d-sibs (%)	N/A	N/A	N/A	N/A
Total Tier 1 capital ratio (%)	10.82	10.82	11.34	11.33
Total capital ratio (including capital conservation buffer, countercyclical capital buffer and surcharge on d-sibs) (%)	15.76	15.75	15.81	15.78
of which: capital conservation buffer (%)	1.20	1.20	1.25	1.25
of which: countercyclical buffer (%)	N/A	N/A	N/A	N/A
of which: capital surcharge on d-sibs (%)	N/A	N/A	N/A	N/A

Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

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

Asset class	As at 31 December 2020 – Bank					
	Exposures before credit conversion factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA density (%)	
	On-balance sheet amount LKR '000	Off-balance sheet amount LKR '000	On-balance sheet amount LKR '000	Off-balance sheet amount LKR '000	RWA LKR '000	RWA density (ii) %
Claims on Central Government and Central Bank of Sri Lanka	129,831,085	–	129,831,085	–	2,930,310	2
Claims on foreign sovereigns and their Central Banks	–	–	–	–	–	–
Claims on public sector entities	12,472,999	411,240	33,923	205,620	239,543	100
Claims on official entities and multilateral development banks	–	–	–	–	–	–
Claims on banks exposures	5,913,240	40,305,709	5,913,240	1,222,348	1,981,966	28
Claims on financial institutions	7,538,985	750,000	7,538,985	375,000	4,215,014	53
Claims on corporates	123,232,425	57,160,149	107,244,885	21,201,530	125,023,799	97
Retail claims	50,947,130	–	50,947,130	–	36,764,836	72
Claims secured by residential property	9,682,624	–	9,682,624	–	6,511,591	67
Claims secured by commercial real estate	90,967,884	1,774,062	90,967,884	1,774,062	92,741,946	100
Non-performing assets (NPAs) (i)	8,077,839	–	8,077,839	–	8,811,883	109
Higher-risk categories	435,524	–	435,524	–	1,088,810	250
Cash Items and other assets	14,077,029	76,465,348	14,077,029	3,990,090	13,196,031	73
Total	453,176,764	176,866,508	424,750,148	28,768,650	293,505,729	

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.

**Quantitative Disclosures as per Schedule III of Banking Act Direction
No. 01 of 2016, Capital Requirements under Basel III**

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

Asset Class	As at 31 December 2020 – 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 (ii)
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	%
Claims on Central Government and Central Bank of Sri Lanka	129,831,085	–	129,831,085	–	2,930,310	2
Claims on foreign sovereigns and their Central Banks	–	–	–	–	–	–
Claims on public sector entities	12,472,999	411,240	33,923	205,620	239,543	100
Claims on official entities and multilateral development banks	–	–	–	–	–	–
Claims on banks exposures	5,964,328	40,305,709	5,964,328	1,222,348	2,002,207	28
Claims on financial institutions	7,538,985	750,000	7,538,985	375,000	4,215,014	53
Claims on corporates	123,108,455	57,160,149	107,120,915	21,201,530	124,899,829	97
Retail claims	50,947,130	–	50,947,130	–	36,764,836	72
Claims secured by residential property	9,682,624	–	9,682,624	–	6,511,591	67
Claims secured by commercial real estate	90,967,884	1,774,062	90,967,884	1,774,062	92,741,946	100
Non-performing assets (NPAs) (i)	8,077,839	–	8,077,839	–	8,811,883	109
Higher-risk categories	469,272	–	469,272	–	1,173,179	250
Cash items and other assets	14,515,567	76,465,348	14,515,567	3,990,090	13,629,964	74
Total	453,576,168	176,866,508	425,149,552	28,768,650	293,920,302	

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.

Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

Credit Risk Under Standardised Approach: Exposures by Asset Classes and Risk Weights

Description	Amount (LKR '000) as at 31 December 2020 (Post CCF and CRM) – Bank							Total credit exposures amount
Risk weight asset classes	0%	20%	50%	75%	100%	150%	>150%	
Claims on Central Government and Central Bank of Sri Lanka	115,179,537	14,651,548	–	–	–	–	–	129,831,085
Claims on foreign sovereigns and their Central Banks	–	–	–	–	–	–	–	–
Claims on public sector entities	–	–	–	–	239,543	–	–	239,543
Claims on official entities and multilateral development banks	–	–	–	–	–	–	–	–
Claims on banks exposures	–	5,575,722	1,386,089	–	173,777	–	–	7,135,588
Claims on financial institutions	–	254,846	6,990,189	–	668,950	–	–	7,913,985
Claims on corporates	–	2,365,045	3,061,160	–	123,020,210	–	–	128,446,415
Retail claims	4,562,216	–	–	38,480,311	7,904,603	–	–	50,947,130
Claims secured by residential property	–	–	6,342,067	–	3,340,557	–	–	9,682,624
Claims secured by commercial real estate	–	–	–	–	92,741,946	–	–	92,741,946
Non-performing assets (NPAs)	–	–	280,154	–	6,049,441	1,748,244	–	8,077,839
Higher-risk categories	–	–	–	–	–	–	435,524	435,524
Cash items and other assets	4,865,291	7,247	–	–	13,194,581	–	–	18,067,119
Total	124,607,044	22,854,408	18,059,659	38,480,311	247,333,608	1,748,244	435,524	453,518,798

Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

Description	Amount (LKR '000) as at 31 December 2020 (Post CCF and CRM) – Group							Total credit exposures amount
Risk weight asset classes	0%	20%	50%	75%	100%	150%	>150%	
Claims on Central Government and Central Bank of Sri Lanka	115,179,537	14,651,548	-	-	-	-	-	129,831,085
Claims on foreign sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on public sector entities	-	-	-	-	239,543	-	-	239,543
Claims on official entities and multilateral development banks	-	-	-	-	-	-	-	-
Claims on banks exposures	-	5,593,397	1,419,502	-	173,777	-	-	7,186,676
Claims on financial institutions	-	254,846	6,990,189	-	668,950	-	-	7,913,985
Claims on corporates	-	2,365,045	3,061,160	-	122,896,240	-	-	128,322,445
Retail claims	4,562,216	-	-	38,480,311	7,904,603	-	-	50,947,130
Claims secured by residential property	-	-	6,342,067	-	3,340,557	-	-	9,682,624
Claims secured by commercial real estate	-	-	-	-	92,741,946	-	-	92,741,946
Non-performing assets (NPAs)	-	-	280,154	-	6,049,441	1,748,244	-	8,077,839
Higher-risk categories	-	-	-	-	-	-	469,272	469,272
Cash items and other assets	4,869,896	7,247	-	-	13,628,514	-	-	18,505,657
Total	124,611,649	22,872,083	18,093,072	38,480,311	247,643,571	1,748,244	469,272	453,918,202

Market Risk under Standardised Measurement Method

Item	31 December 2020 RWA amount	
	Bank LKR '000	Group LKR '000
(a) RWA for interest rate risk	1,554,774	1,554,774
General interest rate risk	1,506,569	1,506,569
(i) Net long or short position	1,506,569	1,506,569
(ii) Horizontal disallowance	-	-
(iii) Vertical disallowance	-	-
(iv) Options	-	-
Specific interest rate risk	-	-
(b) RWA for equity	2,214	2,214
(i) General equity risk	1,329	1,329
(ii) Specific equity risk	885	885
(c) RWA for Foreign exchange and gold	45,991	45,991
Capital charge for market risk [(a)+(b)+(c)]* CAR	12,956,450	12,956,450

**Quantitative Disclosures as per Schedule III of Banking Act Direction
No. 01 of 2016, Capital Requirements under Basel III**

**Operational risk under basic indicator approach/the standardised approach/
the alternative standardised approach**

BANK Business lines	Capital charge factor %	Fixed factor	Gross income year ended 31 December		
			1st year LKR '000	2nd year LKR '000	3rd year LKR '000
The basic indicator approach	15		14,533,979	13,857,925	13,368,318
The standardised approach					
Corporate finance	18				
Trading and Sales	18				
Payment and settlement	18				
Agency services	15				
Asset management	12				
Retail brokerage	12				
Retail banking	12				
Commercial banking	15				
The alternative standardised approach					
Corporate finance	18				
Trading and sales	18				
Payment and settlement	18				
Agency services	15				
Asset management	12				
Retail brokerage	12				
Retail banking	12	0.035			
Commercial banking	15	0.035			
Capital charges for operational risk (LKR '000)					
The basic indicator approach	2,088,011				
The standardised approach					
The alternative standardised approach					
Risk weighted amount for operational risk (LKR '000)					
The basic indicator approach	17,400,093				
The standardised approach					
The alternative standardised approach					

**Quantitative Disclosures as per Schedule III of Banking Act Direction
No. 01 of 2016, Capital Requirements under Basel III**

**Operational risk under basic indicator approach/the standardised approach/
the alternative standardised approach**

GROUP Business lines	Capital charge factor	Fixed factor	Gross income as at 31 December		
	%		1st year LKR '000	2nd year LKR '000	3rd year LKR '000
The basic indicator approach	15		14,869,527	14,032,378	13,702,036
The standardised approach					
Corporate finance	18				
Trading and sales	18				
Payment and settlement	18				
Agency services	15				
Asset management	12				
Retail brokerage	12				
Retail banking	12				
Commercial banking	15				
The alternative standardised approach					
Corporate finance	18				
Trading and sales	18				
Payment and settlement	18				
Agency services	15				
Asset management	12				
Retail brokerage	12				
Retail banking	12	0.035			
Commercial banking	15	0.035			
Capital charges for operational risk (LKR '000)					
The basic indicator approach	2,130,197				
The standardised approach					
The alternative standardised approach					
Risk weighted amount for operational risk (LKR '000)					
The basic indicator approach	17,751,642				
The standardised approach					
The alternative standardised approach					