

**Key Regulatory Ratios - Capital and Liquidity**

	<b>2022</b>	2021 (Audited)
	<b>As at 31 March</b>	As at 31 December
<b>Regulatory Capital Adequacy *</b>		
Common Equity Tier 1, Rs.'Mn	51,718	62,121
Tier 1 Capital, Rs.'Mn	51,718	62,121
Total Capital, Rs.'Mn	55,468	65,052
Common Equity Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 6.5%)	12.26%	19.68%
Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 8.0%)	12.26%	19.68%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 12.0%)	13.14%	20.61%

	<b>2022</b>	2021
	<b>As at 31 March</b>	As at 31 December
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets, Rs.'Mn		
Domestic Banking unit	178,726	160,087
Off-Shore Banking Unit	57,208	35,053
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
Domestic Banking Unit	68.99%	58.02%
Off-Shore Banking Unit	29.97%	29.80%
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement, 100%)	286.00%	320.57%
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement, 100%)	326.94%	356.74%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	141.92%	149.00%
Leverage Ratio (%) (Minimum Requirement 3%)	7.21%	10.66%

**Basel III Computation of Capital Adequacy Ratio**

Item	As at 31 March 2022 Rs.'Mn
<b>Common Equity Tier I (CET1) Capital after Adjustments</b>	<b>51,718</b>
<b>Total Common Equity Tier I (CET1) Capital</b>	<b>58,076</b>
Equity capital or stated capital/assigned capital	3,152
Reserve fund	2,783
Published retained earnings/(accumulated retained losses)	47,888
Accumulated other comprehensive income (OCI)	3,457
General and other disclosed reserves	796
<b>Total Adjustments to CET1 Capital</b>	<b>6,358</b>
Revaluation losses of property, plant and equipment	-
Deferred tax assets (net)	-
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(32)
<b>Tier 2 Capital after Adjustments</b>	<b>3,749</b>
<b>Total Tier 2 Capital</b>	<b>3,749</b>
Revaluation gains	1,050
General provisions	2,700
<b>Total Adjustments to Tier 2 Capital</b>	<b>-</b>
<b>Total Tier 1 Capital</b>	<b>51,718</b>
<b>Total Capital</b>	<b>55,468</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>421,992</b>
RWAs for Credit Risk	368,129
RWAs for Market Risk	28,902
RWAs for Operational Risk	24,961
<b>CET1 Capital Ratio (including Capital Conservation Buffer,</b>	<b>-</b>
<b>Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>12.26%</b>
of which: Capital Conservation Buffer (%)	1.25%
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-
<b>Total Tier 1 Capital Ratio (%)</b>	<b>12.26%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical</b>	<b>13.14%</b>
<b>Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>-</b>
of which: Capital Conservation Buffer (%)	1.25%
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-

**Computation of Leverage Ratio**

Item	As at 31 March 2022 Rs.'Mn	As at 31 December 2021 Rs.'Mn
Tier 1 Capital	51,718	56,642
Total Exposures	717,297	531,105
On Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	614,238	460,437
Derivative Exposures	5,403	511
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	97,656	70,157
<b>Basel III Leverage Ratio</b>	<b>7.21%</b>	<b>10.66%</b>

**Basel III Computation of Liquidity Coverage Ratio (All Currency)**

Item	As at 31 March 2022 Rs.'Mn		As at 31 December 2021 Rs.'Mn	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
<b>Total Stock of High-Quality Liquid Assets (HQLA)</b>	176,097	176,097	135,277	135,277
<b>Total Adjusted Level 1A Assets</b>	176,097	176,097	135,277	135,277
<b>Level 1 Assets</b>	176,097	176,097	135,277	135,277
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
<b>Total Cash Outflows</b>	<b>942,953</b>	<b>148,833</b>	<b>661,972</b>	<b>100,185</b>
Deposits	149,727	14,973	124,397	12,440
Unsecured Wholesale Funding	258,665	102,987	177,604	70,635
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	507,765	4,077	345,715	2,855
Additional Requirements	26,796	26,796	14,255	14,255
<b>Total Cash Inflows</b>	<b>135,853</b>	<b>94,971</b>	<b>89,837</b>	<b>62,265</b>
Maturing Secured Lending Transactions Backed by Collateral Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	111,496	92,572	74,895	60,803
Operational Deposits	21,923	-	12,630	-
Other Cash Inflows	2,433	2,400	2,311	1,462
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>326.94%</b>		<b>356.74%</b>

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

Asset Class	As at 31 March 2022					
	Exposures before		Exposures post CCF		RWA and RWA	
	On-Balance Sheet Amount Rs.'Mn	Off-Balance Sheet Amount Rs.'Mn	On-Balance Sheet Amount Rs.'Mn	Off-Balance Sheet Amount Rs.'Mn	RWA Rs.'Mn	RWA Density(ii) Rs.'Mn
Claims on Central Government and CBSL	210,804	481	210,804	10	102	0.05%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Bank	-	-	-	-	-	-
Claims on Banks Exposures	13,978	114,831	13,978	32,933	11,749	25.05%
Claims on Financial Institutions	3,550	2,187	3,550	0	1,775	50.00%
Claims on Corporates	217,615	387,346	217,290	64,488	281,694	99.97%
Retail Claims	34,506	55,169	29,949	76	23,023	76.68%
Claims Secured by Residential Property	2,567	-	2,567	-	2,567	100.00%
Claims Secured by Commercial Real Estate	34,755	0	34,755	0	34,755	100.00%
Non-Performing Assets (NPAs)	622	109,302	622	-	689	110.70%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	14,369	-	14,369	-	11,775	81.95%
<b>Total</b>	<b>532,766</b>	<b>669,316</b>	<b>527,884</b>	<b>97,506</b>	<b>368,129</b>	-

Note : RWA Density – Total RWA/Exposures post CCF and CRM.

**Market Risk under Standardised Measurement Method**

As at 31 March 2022	RWA Amount Rs.'Mn
<b>(a) RWA for Interest Rate Risk</b>	<b>2,147</b>
General Interest Rate Risk	-
(i) Net Long or Short Position	2,147
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Interest Rate Risk	-
<b>(b) RWA for Equity</b>	<b>-</b>
(i) General Equity Risk	-
(ii) Specific Equity Risk	-
<b>(c) RWA for Foreign Exchange &amp; Gold</b>	<b>1,466</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>28,902</b>

**Operational Risk under Basic Indicator Approach**

	Capital Charge	Gross Income For the period ending 31 March 2022		
		1st Year Rs.'Mn	2nd Year Rs.'Mn	3rd Year Rs.'Mn
The Basic Indicator Approach	Factor 15%	20,151	20,006	22,245
<b>Capital Charges for Operational Risk (LKR'Mn)</b>				
The Basic Indicator Approach	3,120			
<b>Risk Weighted Amount for Operational Risk (LKR'Mn)</b>				
The Basic Indicator Approach	24,961			

Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank Only

Item	As at 31 March 2022				
	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 Capital
	Rs'Mn	Rs'Mn	Rs'Mn	Rs'Mn	Rs'Mn
<b>Assets</b>					
Cash and Cash Equivalents	67,571	67,571	15,049	-	52,522
Balances with Central Banks	35,233	35,233	35,233	-	-
Placements with Banks	-	-	-	-	-
Derivative Financial Instruments	3,234	3,234	-	-	-
Other Financial Assets Held-For-Trading	71	71	-	71	-
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-
Loans and Receivables to Banks	-	-	-	-	-
Loans and Receivables to Other Customers	290,989	290,989	288,290	-	2,700
Financial Investments - Fair value through other comprehensive income	175,946	175,946	175,946	-	-
Financial Investments - Amortised cost	564	564	564	-	-
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	5,262	5,262	5,262	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-	-
Deferred Tax Assets	1,112	1,112	-	-	1,112
Other Assets	35,254	35,254	6,922	-	-
<b>Liabilities</b>					
Due to Banks	62,713	62,713	-	-	-
Derivative Financial Instruments	671	671	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	396,424	396,424	-	-	-
Other Borrowings	-	-	-	-	-
Retirement Benefit Obligations	-	-	-	-	-
Current Tax Liabilities	3,000	3,000	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	57,424	57,424	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
<b>Off-Balance Sheet Liabilities</b>					
Guarantees	115,506	115,506	115,506	-	-
Performance Bonds	32,749	32,749	32,749	-	-
Letters of Credit	41,958	41,958	41,958	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	289,085	289,085	289,085	-	-
Other Commitments	93,404	93,404	55,771	-	-
<b>Shareholders' Equity</b>					
Equity Capital (Stated Capital)/Assigned Capital	3,152	3,152	3,152	-	-
of which Amount Eligible for CET1	-	-	3,152	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	49,616	49,616	47,888	-	-
Accumulated Other Comprehensive Income	-	-	3,457	-	-
Statutory reserve fund	2,783	2,783	2,783	-	-
Other Reserves	39,455	39,455	796	-	-
<b>Total Shareholders' Equity</b>	<b>95,006</b>	<b>95,006</b>	<b>58,076</b>	-	-

Notes :

- Items subject to both credit risk and market risk are reported in both columns, therefore in such instances sum of column c to e may be greater than column b

- Amounts reported in column 'Subject to credit risk framework' under Shareholders' Equity represent the position of regulatory capital as at 31 March 2022 computed based on Banking Act Direction No. 01 of 2016 - Capital requirements under Basel III