

Key Regulatory Ratios - Capital and Liquidity

	2022	2021 (Audited)
	As at 30 June	As at 31 December
Regulatory Capital Adequacy *		
Common Equity Tier 1, Rs.'Mn	58,333	62,121
Tier 1 Capital, Rs.'Mn	58,333	62,121
Total Capital, Rs.'Mn	62,340	65,052
Common Equity Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 6.5%)	13.91%	19.68%
Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 8.0%)	13.91%	19.68%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 12.0%)	14.87%	20.61%

	2022	2021
	As at 30 June	As at 31 December
Regulatory Liquidity		
Statutory Liquid Assets, Rs.'Mn		
Domestic Banking unit	192,482	160,087
Off-Shore Banking Unit	115,530	35,053
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
Domestic Banking Unit	53.75%	58.02%
Off-Shore Banking Unit	61.83%	29.80%
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement, 100%)	269.46%	320.57%
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement, 100%)	312.56%	356.74%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	147%	149%
Leverage Ratio (%) (Minimum Requirement 3%)	7.45%	10.66%

Basel III Computation of Capital Adequacy Ratio

Item	As at 30 June 2022 Rs.'Mn
Common Equity Tier I (CET1) Capital after Adjustments	58,333
Total Common Equity Tier I (CET1) Capital	60,081
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)	5,462
General and other disclosed reserves	796
Total Adjustments to CET1 Capital	1,748
Revaluation losses of property, plant and equipment	-
Deferred tax assets (net)	-
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(44)
Tier 2 Capital after Adjustments	4,007
Total Tier 2 Capital	4,007
Revaluation gains	1,050
General provisions	2,957
Total Adjustments to Tier 2 Capital	-
Total Tier 1 Capital	58,333
Total Capital	62,340
Total Risk Weighted Assets (RWA)	419,361
RWAs for Credit Risk	385,086
RWAs for Market Risk	7,899
RWAs for Operational Risk	26,376
CET1 Capital Ratio (including Capital Conservation Buffer,	-
Countercyclical Capital Buffer & Surcharge on D-SIBs)	
(%)	13.91%
of which: Capital Conservation Buffer (%)	1.00%
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-
Total Tier 1 Capital Ratio (%)	13.91%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical	14.87%
Capital Buffer & Surcharge on D-SIBs) (%)	-
of which: Capital Conservation Buffer (%)	1.00%
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-

Computation of Leverage Ratio

Item	As at 30 June 2022 Rs.'Mn	As at 31 December 2021 Rs.'Mn
Tier 1 Capital	58,333	56,642
Total Exposures	783,226	531,105
On Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	689,002	460,437
Derivative Exposures	620	511
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	93,603	70,157
Basel III Leverage Ratio	7.45%	10.66%

Basel III Computation of Liquidity Coverage Ratio (All Currency)

Item	As at 30 June 2022 Rs'Mn		As at 31 December 2021 Rs'Mn	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	327,248	207,513	135,277	135,277
Total Adjusted Level 1A Assets	327,248	207,513	135,277	135,277
Level 1 Assets	327,248	207,513	135,277	135,277
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	938,583	171,850	661,972	100,185
Deposits	169,169	16,917	124,397	12,440
Unsecured Wholesale Funding	319,106	129,343	177,604	70,635
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	428,973	4,256	345,715	2,855
Additional Requirements	21,335	21,335	14,255	14,255
Total Cash Inflows	196,255	105,459	89,837	62,265
Maturing Secured Lending Transactions Backed by Collateral Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	129,254	101,360	74,895	60,803
Operational Deposits	62,477	-	12,630	-
Other Cash Inflows	4,523	4,099	2,311	1,462
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		312.56%		356.74%

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

Asset Class	As at 30 June 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	218,573	481	218,573	6	58	0.03%
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	91,973	114,831	91,973	26,092	26,175	22.17%
Claims on Financial Institutions	-	2,187	-	-	-	0.00%
Claims on Corporates	176,824	387,346	175,949	67,007	242,948	100.00%
Retail Claims	32,231	55,169	27,971	50	21,301	76.02%
Claims Secured by Residential Property	2,498	-	2,498	-	2,498	100.00%
Claims Secured by Commercial Real Estate	79,137	0	79,137	0	79,137	100.00%
Non-Performing Assets (NPAs)	647	109,302	647	-	708	109.34%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	15,314	-	15,314	-	12,261	80.06%
Total	617,197	669,316	612,063	93,155	385,086	-

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

Market Risk under Standardised Measurement Method

As at 30 June 2022	RWA Amount Rs.'Mn
(a) RWA for Interest Rate Risk	768
General Interest Rate Risk	-
(i) Net Long or Short Position	768
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Interest Rate Risk	-
(b) RWA for Equity	-
(i) General Equity Risk	-
(ii) Specific Equity Risk	-
(c) RWA for Foreign Exchange & Gold	219
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	7,899

Operational Risk under Basic Indicator Approach

	Capital Charge	Gross Income For the period ending 30 June 2022		
		1st Year Rs.'Mn	2nd Year Rs.'Mn	3rd Year Rs.'Mn
The Basic Indicator Approach	Factor 15%	24,879	18,858	22,203
Capital Charges for Operational Risk (LKR'Mn)				
The Basic Indicator Approach	3,297			
Risk Weighted Amount for Operational Risk (LKR'Mn)				
The Basic Indicator Approach	26,376			

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

Item	As at 30 June 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
Assets					
Cash and Cash Equivalents	100,258	100,258	59,217	-	42,944
Balances with Central Banks	97,677	97,677	97,677	-	-
Placements with Banks	36,190	36,190	36,190	-	-
Derivative Financial Instruments	169	169	-	-	-
Other Financial Assets Held-For-Trading	64	64	-	64	-
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-
Loans and Receivables to Banks	-	-	-	-	-
Loans and Receivables to Other Customers	288,353	288,353	310,895	-	3,639
Financial Investments - Fair value through other comprehensive income	94,494	94,494	94,494	-	-
Financial Investments - Amortised cost	26,378	26,378	26,378	-	-
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	5,255	5,255	5,255	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-	-
Deferred Tax Assets	1,573	1,573	-	-	1,573
Other Assets	35,286	35,286	6,955	-	-
Liabilities					
Due to Banks	58,708	58,708	-	-	-
Derivative Financial Instruments	701	701	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	469,536	469,536	-	-	-
Other Borrowings	-	-	-	-	-
Retirement Benefit Obligations	-	-	-	-	-
Current Tax Liabilities	4,380	4,380	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	48,857	48,857	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
Off-Balance Sheet Liabilities					
Guarantees	118,372	118,372	118,372	-	-
Performance Bonds	28,370	28,370	28,370	-	-
Letters of Credit	44,668	44,668	44,668	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	210,010	210,010	210,010	-	-
Other Commitments	122,214	122,214	20,974	-	-
Shareholders' Equity					
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	48,537	48,537	47,888	-	-
Accumulated Other Comprehensive Income	-	-	5,462	-	-
Statutory reserve fund	2,783	2,783	2,783	-	-
Other Reserves	49,043	49,043	796	-	-
Total Shareholders' Equity	103,515	103,515	60,081	-	-

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 30 June 2022 computed based on Banking Act Direction No. 01 of 2016 - Capital requirements under Basel III