

**Key Regulatory Ratios - Capital and Liquidity**

	<b>2022</b>	2021 (Audited)
	<b>As at 30 September</b>	As at 31 December
<b>Regulatory Capital Adequacy *</b>		
Common Equity Tier 1, Rs.'Mn	55,597	62,121
Tier 1 Capital, Rs.'Mn	55,597	62,121
Total Capital, Rs.'Mn	61,134	65,052
Common Equity Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 6.5%)	14.09%	19.68%
Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 8.0%)	14.09%	19.68%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 12.0%)	15.49%	20.61%

	<b>2022</b>	2021
	<b>As at 30 September</b>	As at 31 December
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets, Rs.'Mn		
Domestic Banking unit	225,821	160,087
Off-Shore Banking Unit	151,424	35,053
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit	58.05%	58.02%
Off-Shore Banking Unit	83.11%	29.80%
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement, 90%)	287.00%	320.57%
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement, 90%)	509.77%	356.74%
Net Stable Funding Ratio (%) (Minimum Requirement 90%)	161%	149%
Leverage Ratio (%) (Minimum Requirement 3%)	7.09%	10.66%

**Basel III Computation of Capital Adequacy Ratio**

Item	As at 30 September 2022 Rs.'Mn
<b>Common Equity Tier I (CET1) Capital after Adjustments</b>	<b>55,597</b>
<b>Total Common Equity Tier I (CET1) Capital</b>	<b>60,081</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)	5,462
General and other disclosed reserves	796
<b>Total Adjustments to CET1 Capital</b>	<b>4,484</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	(69)
<b>Tier 2 Capital after Adjustments</b>	<b>5,537</b>
<b>Total Tier 2 Capital</b>	<b>5,537</b>
Revaluation gains	1,050
General provisions	4,487
<b>Total Adjustments to Tier 2 Capital</b>	<b>-</b>
<b>Total Tier 1 Capital</b>	<b>55,597</b>
<b>Total Capital</b>	<b>61,134</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>394,592</b>
RWAs for Credit Risk	358,966
RWAs for Market Risk	6,145
RWAs for Operational Risk	29,481
<b>CET1 Capital Ratio (including Capital Conservation Buffer,</b>	<b>-</b>
<b>Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>14.09%</b>
of which: Capital Conservation Buffer (%)	1.00%
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-
<b>Total Tier 1 Capital Ratio (%)</b>	<b>14.09%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical</b>	<b>15.49%</b>
<b>Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>-</b>
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 September 2022 Rs.'Mn	As at 31 December 2021 Rs.'Mn
Tier 1 Capital	55,597	56,642
Total Exposures	783,944	531,105
On Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	690,724	460,437
Derivative Exposures	817	511
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	92,403	70,157
<b>Basel III Leverage Ratio</b>	<b>7.09%</b>	<b>10.66%</b>

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

Item	As at 30 September 2022		As at 31 December 2021	
	Rs'Mn		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>	<b>158,838</b>	<b>213,040</b>	<b>135,277</b>	<b>135,277</b>
<b>Total Adjusted Level 1A Assets</b>	<b>158,838</b>	<b>213,040</b>	<b>135,277</b>	<b>135,277</b>
<b>Level 1 Assets</b>	<b>158,838</b>	<b>213,040</b>	<b>135,277</b>	<b>135,277</b>
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
<b>Total Cash Outflows</b>	<b>940,602</b>	<b>167,164</b>	<b>661,972</b>	<b>100,185</b>
Deposits	168,607	16,861	124,397	12,440
Unsecured Wholesale Funding	335,130	132,795	177,604	70,635
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	422,661	3,305	345,715	2,855
Additional Requirements	14,203	14,203	14,255	14,255
<b>Total Cash Inflows</b>	<b>186,672</b>	<b>139,184</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	157,346	136,317	74,895	60,803
Operational Deposits	26,303	-	12,630	-
Other Cash Inflows	3,022	2,866	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>509.77%</b>		<b>356.74%</b>

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

Asset Class	As at 30 September 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	223,022	481	223,022	5	-	0.00%
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	132,606	114,831	132,606	22,075	31,828	20.58%
Claims on Financial Institutions	-	2,187	-	-	-	0.00%
Claims on Corporates	168,225	387,346	167,660	64,836	232,297	99.91%
Retail Claims	30,555	55,169	26,671	324	20,555	76.15%
Claims Secured by Residential Property	2,444	-	2,444	-	2,444	100.00%
Claims Secured by Commercial Real Estate	63,194	-	63,194	-	63,194	100.00%
Non-Performing Assets (NPAs)	632	109,302	632	-	700	110.78%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	10,825	-	10,825	-	7,948	73.42%
<b>Total</b>	<b>631,503</b>	<b>669,316</b>	<b>627,053</b>	<b>87,240</b>	<b>358,966</b>	-

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

**Market Risk under Standardised Measurement Method**

As at 30 September 2022	RWA Amount Rs.'Mn
<b>(a) RWA for Interest Rate Risk</b>	<b>562</b>
General Interest Rate Risk	-
(i) Net Long or Short Position	562
(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>206</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>6,145</b>

**Operational Risk under Basic Indicator Approach**

	Capital Charge	Gross Income For the period ending 30 September 2022		
		1st Year Rs.'Mn	2nd Year Rs.'Mn	3rd Year Rs.'Mn
The Basic Indicator Approach	Factor 15%	33,244	18,966	21,493
<b>Capital Charges for Operational Risk (LKR'Mn)</b>				
The Basic Indicator Approach	3,685			
<b>Risk Weighted Amount for Operational Risk (LKR'Mn)</b>				
The Basic Indicator Approach	29,481			

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

Item	As at 30 September 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	26,469	26,469	18,672	-	7,796
Balances with Central Banks	168,711	168,711	168,711	-	-
Placements with Banks	140,989	140,989	140,989	-	-
Derivative Financial Instruments	376	376	-	-	-
Other Financial Assets Held-For-Trading	52	52	-	52	-
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-
Loans and Receivables to Banks	-	-	-	-	-
Loans and Receivables to Other Customers	255,851	255,851	285,251	-	3,681
Financial Investments - Fair value through other comprehensive income	54,684	54,684	54,684	-	-
Financial Investments - Amortised cost	104	104	104	-	-
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	3,825	3,825	-	-	3,825
Other Assets	28,721	28,721	390	-	-
<b>Liabilities</b>					
Due to Banks	44,860	44,860	-	-	-
Derivative Financial Instruments	575	575	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	492,416	492,416	-	-	-
Other Borrowings	-	-	-	-	-
Retirement Benefit Obligations	-	-	-	-	-
Current Tax Liabilities	8,043	8,043	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	33,778	33,778	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
<b>Off-Balance Sheet Liabilities</b>					
Guarantees	117,607	117,607	117,607	-	-
Performance Bonds	29,354	29,354	29,354	-	-
Letters of Credit	38,370	38,370	38,370	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	217,666	217,666	217,666	-	-
Other Commitments	92,772	92,772	7,684	-	-
<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	52,958	52,958	47,888	-	-
Accumulated Other Comprehensive Income	-	-	5,462	-	-
Statutory reserve fund	2,783	2,783	2,783	-	-
Other Reserves	46,471	46,471	796	-	-
<b>Total Shareholders' Equity</b>	<b>105,364</b>	<b>105,364</b>	<b>60,081</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 30 September 2022 computed based on Banking Act Direction No. 01 of 2016 - Capital requirements under Basel III