

Key Regulatory Ratios - Capital and Liquidity

Item	31-Mar-19	31-Mar-18
Regulatory Capital (LKR '000)		
Common Equity Tier 1	10,170,573.23	9,106,074.00
Tier 1 Capital	10,170,573.23	9,106,074.00
Total Capital	10,242,125.23	9,163,275.00
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	61.05	58.81
Tier 1 Capital Ratio (Minimum Requirement -8.5%)	61.05	58.81
Total Capital Ratio (Minimum Requirement -12.5%)	61.48	59.18
Leverage Ratio (Minimum Requirement - 3%)	31.67	N/A
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000)	5,214,117.00	7,411,066.00
Statutory Liquid Assets (USD'000)	39,461.00	30,756.00
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (20%)	83.61%	115.04
Off-Shore Banking Unit (20%)	70.54%	52.09
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 100%) (Minimum Requirement as on 31.03.2018 - 90%)	1,234.37	480.79
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 100%) (Minimum Requirement as on 31.03.2018 - 90%)	298.31	92.87%

Market Discipline Disclosures
State Bank of India – Sri Lanka Operations

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	31-Mar-19	31-Mar-18
Common Equity Tier 1 (CET1) Capital after Adjustments	10,170,573.23	9,106,074.00
Common Equity Tier 1 (CET1) Capital	10,216,161.39	9,144,391.00
Equity Capital (Stated Capital)/Assigned Capital	2,442,827.45	2,442,827.00
Reserve Fund	340,923.56	307,145.00
Published Retained Earnings/(Accumulated Retained Losses)	7,432,410.37	6,394,419.00
Published Accumulated Other Comprehensive Income (OCI)	-	-
General and other Disclosed Reserves	-	-
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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 CET1 Capital	45,588.16	38,317.00
Goodwill (net)	-	-
Intangible Assets (net)	-	-
Others	45,588.16	38,317.00
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	71,552.00	57,201.00
Tier 2 Capital	71,552.00	57,201.00
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	-	-
Loan Loss Provisions	71,552.00	57,201.00
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)	-	-
CET1 Capital	10,170,573.23	9,106,074.00
Total Tier 1 Capital	10,170,573.23	9,106,074.00
Total Capital	10,242,125.23	9,163,275.00
Total Risk Weighted Assets (RWA)	16,658,628.50	15,483,602.00
RWAs for Credit Risk	14,909,115.65	13,749,631.00
RWAs for Market Risk	26,571.33	54,611.00
RWAs for Operational Risk	1,722,941.53	1,679,360.00
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	61.05	58.81
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	61.05	58.81
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	61.48	59.18
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

Computation of Leverage Ratio*

Item	Amount (LKR '000)	
	31-Mar-19	31-Mar-18
Tier 1 Capital	10,170,573.23	N/A
Total Exposures	32,110,374.07	N/A
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	26,382,730.62	N/A
Derivative Exposures	-	N/A
Securities Financing Transaction Exposures	-	N/A
Other Off-Balance Sheet Exposures	5,727,643.45	N/A
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	31.67	N/A

Market Discipline Disclosures
State Bank of India – Sri Lanka Operations

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	31.03.2019		31.03.2018	
	Total Un-weighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	2,266,060.46	2,266,060.46	914,668.00	914,668.00
Total Adjusted Level 1A Assets	2,266,060.46	2,266,060.46	914,668.00	914,668.00
Level 1 Assets	2,266,060.46	2,266,060.46	914,668.00	914,668.00
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	32,867,006.00	3,038,485.20	33,185,842.00	3,939,730.75
Deposits	6,636,382.00	663,638.20	6,024,041.00	602,404.10
Unsecured Wholesale Funding	1,615,014.00	1,129,625.25	2,347,669.00	1,898,206.75
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	24,615,610.00	1,245,221.75	24,645,715.00	1,270,702.90
Additional Requirements	-	-	168,417.00	168,417.00
Total Cash Inflows	10,862,021.00	8,032,863.00	10,655,064.00	8,774,424.00
Maturing Secured Lending Transactions Backed by Collateral	2,034,261.00	2,034,261.00	2,680,242.00	2,680,242.00
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	8,446,108.00	5,998,602.00	6,348,327.00	6,094,182.00
Operational Deposits	381,652.00	-	1,626,495.00	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		298.31		92.87

Main Features of Regulatory Capital Instruments

Must be provided for each type of capital instrument separately

Description of the Capital Instrument	-
Issuer	-
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)	-
Governing Law(s) of the Instrument	-
Original Date of Issuance	-
Par Value of Instrument	-
Perpetual or Dated	-
Original Maturity Date, if Applicable	-
Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting Date)	-
Accounting Classification (Equity/Liability)	NIL
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	-

Market Discipline Disclosures

State Bank of India – Sri Lanka Operations

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

Asset Class	Amount (LKR'000) as at 31.03.2019					
	Exposures before Credit Conversion		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	OffBalance Sheet Amount	RWA	RWA Density(ii)
Claims on Central Government and CBSL	6,760,017.63	-	6,760,017.63	-	70,400.00	1.04
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	10,248,656.02	10,361,850.31	10,248,656.02	5,180,925.15	5,633,165.35	36.51
Claims on Financial Institutions	700,200.00	-	700,200.00	-	211,290.00	30.18
Claims on Corporates	7,593,129.68	2,550,905.70	7,479,100.65	546,718.29	8,025,818.94	100.00
Retail Claims	404,505.32	-	369,035.84	-	369,035.84	100.00
Claims Secured by Residential Property	28,968.69	-	28,968.69	-	28,968.69	100.00
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	-	-	-	-	-	-
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	635,922.82	-	635,922.82	-	570,436.68	89.70
Total	26,371,400.17	12,912,756.01	26,221,901.66	5,727,643.44	14,909,115.50	

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.

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

Description	Amount (LKR'000) as at 31.03.2019 (Post CCF & CRM)								
	Risk Weight	0%	20%	50%	75%	100%	150%	>150%	Total Credit Exposures Amount
Claims on Central Government and Central Bank of Sri Lanka		6,408,017.63	352,000.00	-	-	-	-	-	6,760,017.63
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			6,938,750.35	8,490,830.82					15,429,581.17
Claims on Financial Institutions			462,700.00	237,500.00					700,200.00
Claims on Corporates						8,025,818.94			8,025,818.94
Retail Claims						369,035.84			369,035.84
Claims Secured by Residential Property						28,968.69			28,968.69
Claims Secured by Commercial Real Estate									-
Non-Performing Assets (NPAs)									-
Higher-risk Categories									-
Cash Items and Other Assets		65,486.14				570,436.68			635,922.82
Total		6,473,503.77	7,753,450.35	8,728,330.82	-	8,994,260.16	-	-	31,949,545.10

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 31.03.2019
(a) RWA for Interest Rate Risk	
General Interest Rate Risk	
(i) Net Long or Short Position	
(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	3,321.00
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	26,571.33

Operational Risk under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach

Business Lines	Capital Charge	Fixed Factor	Gross Income (LKR'000) as at 31.03.2019		
			1 st Year	2 nd Year	3 rd Year
The Basic Indicator Approach	15%		1,405,835.47	1,427,769.22	1,473,749.13
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					215,367.69
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for					
The Basic Indicator Approach					1,722,941.53
The Standardised Approach					
The Alternative Standardised Approach					

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

Item	Amount (LKR '000) as at 31.03.2019				
	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 Capital
Assets	26,447,186	26,428,318	26,221,901	-	149,498.51
Cash and Cash Equivalents	447,134	447,134	447,134		
Balances with Central Banks	972,979	972,443	972,443		
Placements with Banks	4,965,355	4,950,223	4,950,223		
Derivative Financial Instruments	-	-	-		
Financial assets recognized through profit or loss	-	-	-		
- measured at fair value	-	-	-		
- designated at fair value	-	-	-		
Financial assets at amortised cost - Loans and Receivables to Other Customers	14,032,076	13,995,055	13,845,556		149,498.51
Financial assets at amortised cost -debt and other instruments	4,301,652	4,248,000	4,248,000		
Financial assets measured at fair value through other comprehensive income	1,388,104	1,388,104	1,388,104		
Investments in Subsidiaries	-	-	-		
Investments in Associates and Joint Ventures	-	-	-		
Property, Plant and Equipment	189,427	189,427	189,427		
Investment Properties	-	-	-		
Goodwill and Intangible Assets	-	-	-		
Deferred Tax Assets	56,603	56,919	-		
Other Assets	93,856	181,014	181,014		
Liabilities	16,231,025	16,142,077			
Due to Banks	9,150,098	9,095,185			
Derivative Financial Instruments	-	-			
Financial liabilities recognized through profit or loss	-	-			
- measured at fair value					
- designated at fair value					
Financial liabilities at amortised cost					
- due to depositors	6,633,937	6,610,880			
- due to debt security holders					
- Other Borrowers	-	-			
Debt Securities Issued	-	-			
Current Tax Liabilities	124,753	66,644			
Deferred Tax Liabilities	-	-			
Other Provisions	204,092	204,092			
Other Liabilities	118,145	165,276			
Due to Subsidiaries	-				
Subordinated Term Debts	-				
Off-Balance Sheet Liabilities	22,578,902	22,578,902	16,622,371		
Guarantees	10,577,852	10,577,852	10,577,852		
Performance Bonds	-	-			
Letters of Credit	1,917,433	1,917,433	1,917,433		
Other Contingent Items	6,374,002	6,374,002	417,471		
Undrawn Loan Commitments	3,709,615	3,709,615	3,709,615		
Other Commitments					
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital	2,442,827	2,879,161			
of which Amount Eligible for CET1	-	-			
of which Amount Eligible for AT1	-	-			
Retained Earnings	7,432,410	7,020,488			
Accumulated Other Comprehensive Income	-	-			
Other Reserves	340,924	386,593			
Total Shareholders' Equity	10,216,161	10,286,241			

Explanations of Differences between Accounting and Regulatory Exposure Amounts

Explanation of Significant Differences between Accounting and Regulatory Exposure Amounts

a) Placements with Banks

The placements with Banks considered for regulatory reporting differs with published financial statements since the interest receivable on placements were reported under other assets in regulatory reporting and it is reported with the placements with Banks in the published financial statements. Further the impairment allowances based on expected losses were netted off for publication purposes.

b) Loans and Receivables to other customers

The loans and advances to customers considered in regulatory reporting differs with The published financial statements since CBSL time based provisions were netted off when arriving at loans and receivables for regulatory reporting purposes, while impairment allowances based on expected losses have been netted off in loans and advances for publication purposes.

c) Debt and Other Instruments

The Debt and other instruments considered for regulatory reporting differs with published financial statements since the interest receivable on Debt instruments were reported under other assets in regulatory reporting and it is reported with the Debt and other instruments in the published financial statements. The details of Debt and Other Instruments have been disclosed in Note 29 to the financial statements.

d) Other Assets

The other assets considered for regulatory reporting differs with published financial statements since interest receivable on placements and debt instruments were reported under other assets in regulatory reporting whereas it is reported with the relevant financial assets in the published financial statements.

The methodologies and measurement basis have been disclosed in detail in Note 06 to the financial statements.