BASEL III - DISCLOSURES

As at 30 September 2017

(Un -audited)

Bank of Ceylon

Key Regulatory Ratios- Capital and Liquidity

Item	30.09.2017	30.09.2016
Basel III		
Regulatory Capital (LKR'000)		
Common Equity Tier 1	75,993,273	N/A
Tier 1 Capital	75,993,273	N/A
Total Capital	106,599,348	N/A
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 6.25%)	8.63	N/A
Tier 1 Capital Ratio (Minimum Requirement- 7.75%)	8.63	N/A
Total Capital Ratio (Minimum Requirement- 11.75%)	12.11	N/A
Regulatory Liquidity		
Statutory Liquid Assests (LKR '000)	446,495,507	326,204,159
Statutory Liquid Assests Ratio (Minimum Requirement- 20%)		
Domestic Banking Unit (%)	26.02	24.09
Off - Shore Banking Unit(%)	22.29	34.95
Liquidity Coverage Ratio (%)-Rupee (Minimum Requirement 2017 -80%, 2016 - 70%)	152.26	181.00
LIquidity Coverage Ratio (%)-All Currency (Minimum Requirement 2017-80%, 2016 - 70%)	108.66	102.11

N/A - Not Applicable

Basel III new guidelines were implemented w.e.f. 01st July 2017

Basel III Computation of Capital Ratios

Item	Amount (LKR '000) 30.09.2017
Common Equity Tier 1 (CET 1) Capital after Adjustments	**75,993,273**
Common Equity Tier 1 (CET 1) Capital	**81,052,429**
Equity Capital (Stated Capital)/ Assigned Capital	15,000,000
Reserve Fund	7,996,000
Published Retained Earnings/(Accumulated Retained Losses)	54,154,685
Published Accumulated other Comprehensive Income(OCI)	2,692,309
General and other Disclosed Reserves	1,209,435
Unpublished Current Year's Profit/ Loss and Financial Subsidiaries of the Bank and held by Third Parties	
Ordinary shares issued by consoloidated banking and financial subsidaries held by third parties	
Total Adjustments to CET 1 Capital	**5,059,156**
Goodwill(net)	
Intangible Assests (net)	849,911
Investments in the capital of banking and financial institutions where the bank does not own more than 10 per cent of the issued ordinary share capital of the entity	498,730
Significant investments in the capital of financial institutions where the bank owns more than 10 per cent of the issued ordinary share capital of the entity	3,710,515
Additional Tier 1 (AT I) capital after adjustment	-
Additional Tier 1 (AT I) 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 AT 1 Capital	-
Investment in Own Shares	
others (specify)	
Tier 2 Capital after Adjustments	**30,606,075**
Tier 2 Capital	**32,141,370**
Qualifying Tier 2 Capital Instruments	24,363,084
Revaluation Gains	2,373,396
General Provisions	5,404,890
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	
Total Adjustment to Tier 2	**1,535,295**
Investment in Own Shares	
Investments in the capital of financial institutions and where the bank does not own more than 10 per cent of the issued capital carrying voting rights of the issuing entity	1,327,915
Significant investments in the capital of banking and financial institutions where the bank own more than 10 per cent of the issued ordinary share capital of the entity	207,380
CET I Capital	**75,993,273**
Total Tier 1 Capital	**75,993,273**
Total Capital	**106,599,348**

Item	Amount (LKR'000) 30.09.2017
Total Risk Weighted Assets (RWA)	**880,519,308**
RWAs for Credit Risk	779,302,534
RWAs for Market Risk	12,649,719
RWAs for Operational Risk	88,567,055
CET I Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	**8.63%**
of which :Capital Conservation Buffer (%)	1.25%
of which:Capital Surcharge on D- SIBs (%)	0.50%
Total Tier 1 Capital Ratio(%)	**8.63%**
Total Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer & Surchanrge on D- SIBs)(%)	**12.11%**
of which : Capital Conservation Buffer (%)	1.25%
of which:Capital Surcharge on D- SIBs (%)	0.50%

Basel III new guidelines were implemented w.e.f. 01st July 2017

Basel III computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	30.09.2017		30.09.2016	
	Total Un-Weighted Value	Total Weighted Value	Total Un- Weighted Value	Total Weighted Value
Total Stock of High -Quality Liquid Asset (HQLA)	**294,546,202**	**292,747,406**	**258,697,899**	**256,878,727**
Total Adjusted Level I Assets	292,492,165	292,492,165	257,349,619	257,349,619
Level 1 Assets	290,878,609	290,878,609	254,978,599	254,978,599
Total Adjusted Level 2A Assets	100,000	85,000	115,650	98,303
Level 2 Assets	100,000	85,000	115,650	98,303
Total Adjusted Level 2B Assets	3,567,593	1,783,797	3,603,650	1,801,825
Level 2B Assets	3,567,593	1,783,797	3,603,650	1,801,825
Total Cash Outflows	**1,858,722,429**	**312,939,116**	**1,662,326,316**	**295,702,312**
Deposits	1,054,572,532	105,457,253	895,030,539	89,503,054
Unsecured Wholesale Funding	383,973,712	160,018,778	331,169,810	182,188,873
Secured Funding Transactions	25,753,448	-	28,465,638	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	374,422,737	27,463,085	407,634,609	23,984,664
Additional Requirements	20,000,000	20,000,000	25,720	25,720
Total Cash Inflows	**76,206,321**	**43,510,798**	**69,297,908**	**44,132,852**
Maturing Secured Lending Transaction Backed by Collateral	15,971,000	-	9,312,380	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing Within 30 Days	52,402,775	43,510,798	50,481,767	44,132,852
Operational Deposits	7,832,546	-	9,503,761	-
Other Cash Inflows	-	-		
Liquidity Coverage Ratio (%) (Stock of High quality Liquid Assets /Total Net Cash Outflows over the Next 30 Calender Days)*100		**108.66%**		**102.11%**

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument					
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier	LK0357D20405	LK0357D20421	LK0357D20447	LK0357D20462	LK0357D20439
Governing Laws of the Intrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	25-Oct-13	25-Oct-13	25-Oct-13	25-Oct-13	25-Oct-13
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	37,843,000	2,155,000	2,000	11,990,000	10,000
Issued Quantity (LKR'000)	3,784,300	215,500	200	1,199,000	1,000
Perpetual or Dated					
Original Maturity Date, if Applicable	24-Oct-18	25-Oct-18	26-Oct-18	24-Oct-21	24-Oct-21
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	1,135,290	64,650	60	1,079,100	900
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floting Dividend/Coupon	FIXED	FIXED	FLOATING	FIXED	FLOATING
Coupon Rate and any Related Index	13.00	12.60	12.99	13.25	12.99
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible

Description of the Capital Instrument					
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier	LK0357D20454	LK0357D20470	LK0357D18525	LK0357D18517	LK0357D18533
Governing Laws of the Intrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	25-Oct-13	25-Oct-13	30-Nov-12	30-Nov-12	30-Nov-12
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	12,000,000	16,000,000	59,598,800	4,200	397,000
Issued Quantity (LKR'000)	1,200,000	1,600,000	5,959,880	420	39,700
Perpetual or Dated					
Original Maturity Date, if Applicable	24-Oct-22	24-Oct-23	29-Nov-17	29-Nov-17	29-Nov-17
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	1,200,000	1,600,000	595,988	42	3,970
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floting Dividend/Coupon	FIXED	FIXED	FIXED	FLOATING	FIXED
Coupon Rate and any Related Index	13.25	13.25	16.00	12.81	15.25
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible

Description of the Capital Instrument					
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier	LK0357D22500	LK0357D22534	LK0357D22526	LK0357D22542	LK0357D22559
Governing Laws of the Intrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	22-Sep-14	22-Sep-14	22-Sep-14	22-Sep-14	22-Sep-14
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	51,256,350	2,157,800	8,250,600	18,334,950	300
Issued Quantity (LKR'000)	5,125,635	215,780	825,060	1,833,495	30
Perpetual or Dated					
Original Maturity Date, if Applicable	21-Sep-19	21-Sep-19	21-Sep-19	21-Sep-22	22-Sep-22
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	2,562,818	107,890	412,530	1,833,495	30
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floting Dividend/Coupon	FIXED	FIXED	FLOATING	FIXED	FLOATING
Coupon Rate and any Related Index	8.00	7.75	10.43	8.25	10.43
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument					
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier	LK0357D23201	LK0357D23185	LK0357D23193	LK0357D23177	LK0357D23219
Governing Laws of the Intrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	6-Oct-15	6-Oct-15	6-Oct-15	6-Oct-15	6-Oct-15
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	2,885,900	122,200	44,783,860	11,802,560	20,405,480
Issued Quantity (LKR'000)	288,590	12,220	4,478,386	1,180,256	2,040,548
Perpetual or Dated					
Original Maturity Date, if Applicable	5-Oct-20	5-Oct-20	5-Oct-20	5-Oct-23	5-Oct-23
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	202,013	8,554	3,134,870	1,180,256	2,040,548
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floting Dividend/Coupon	FIXED	FIXED	FLOATING	FIXED	FLOATING
Coupon Rate and any Related Index	8.25	8.00	13.05	9.50	13.05
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible

Description of the Capital Instrument				
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier	LK0357D23763	LK0357D23797	LK0357D23771	LK0357D23789
Governing Laws of the Intrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	29-Dec-16	29-Dec-16	29-Dec-16	29-Dec-16
Par Value of Instrument -LKR	100	100	100	100
Issued quantity (No of Debentures)	79,981,764	10,200	7,836	200
Issued Quantity (LKR'000)	7,998,176	1,020	784	20
Perpetual or Dated				
Original Maturity Date, if Applicable	28-Dec-21	28-Dec-21	28-Dec-24	28-Dec-24
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	7,198,359	918	784	20
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability
Coupons/Dividends				
Fixed or Floting Dividend/Coupon	FIXED	FLOATING	FIXED	FLOATING
Coupon Rate and any Related Index	13.25	12.68	12.75	12.68
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible

Credit Risk Under Standardised Approach
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Asset Class	Amount (LKR'000) as at 30.09.2017					
	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 (%)
Claims on Central Goverment and CBSL	705,435,344	67,924,806	705,435,344	3,184,385	-	0.00%
Claims on Foreign Sovereigns and their Central Bank	14,547,044	-	14,547,044	-	13,318,535	91.55%
Claims on Public Sector Entities	238,600,313	118,548,873	37,299,102	19,541,415	56,840,517	100.00%
Claims on Banks Exposures	39,659,124	20,007,161	39,659,124	19,985,839	37,211,351	62.39%
Claims on Financial Institutions	19,026,424	-	19,026,424	-	11,719,595	61.60%
Claims on Corporates	239,454,111	106,791,879	184,448,344	40,601,230	220,525,757	97.99%
Retail Claims	442,107,485	48,496,948	434,046,083		321,397,420	74.05%
Claims Secured by Residential Property	60,168,661	-	60,168,661	-	39,816,087	66.17%
Non- Performing Assets (NPAs)(i)	6,361,504	-	6,361,504	-	8,542,247	134.28%
Higher - risk Categories	810,524	-	810,524		2,026,310	250.00%
Cash Items and Other Assets	113,935,551	94,777,174	113,935,551	12,311,508	67,904,716	53.79%
Total	**1,880,106,085**	**456,546,841**	**1,615,737,704**	**95,624,377**	**779,302,534**	**45.54%**

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 30.09.2017
(a) Capital Charge for Interest Rate Risk	**182,922**
General Interest Rate Risk	182,922
(i) Net Long or Short Position	182,922
(ii)Horizontal Disallowance	-
(iii)Vertical Disallowance	-
(iv)Options	-
Specific Interest Rate Risk	-
(b) Capital Charge for Equity	**528,735**
(i) General Equity Risk	292,068
(ii)Specific Equity Risk	236,667
(c)Capital Charge for Foreign Exchange & Gold	**774,685**
Total Capital Charge for Market Risk [(a)+(b)+(c)]	**1,486,342**
Total Risk Weighted Amount for Market Risk	**12,649,719**

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

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30.09.2017		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		64,733,607	69,511,613	73,887,351
The Standardised Approach	18%				
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	15%				
Agency Services	12%				
Asset Management	12%				
Retail Brokerage	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)					**10,406,629**
The Basic Indicator Approach					10,406,629
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk(LKR'000)					**88,567,055**
The Basic Indicator Approach					88,567,055
The Standardised Approach					
The Alternative Standardised Approach					

Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Catergories-Bank only

Item	Amount (LKR'000) as at 30.09.2017				
	a	b	c	d	e
	Carrying Values Reported in Published Financial Statement	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 Deducation from Capital
Assets	**1,882,236,234**	**1,907,434,150**	**1,892,778,604**	**21,525,448**	**8,008,120**
Cash and Cash Equivalents	67,846,722	47,067,333	40,399,471	6,667,862	-
Balances With Central Bank	68,852,206	69,244,256	69,244,256	11,937,291	-
Placements with Banks	12,183,368	40,616,534	40,616,534	-	-
Derivative Financial Instruments	1,738,843	1,411,838	1,411,838	-	-
Other Financial Assets Held-For -Trading	9,963,046	93,754,577	93,754,577	2,920,295	20,436
Loan and Receivables to Banks	225,727,072	18,636,000	18,636,000	-	-
Loan and Receivables to other customers	1,114,793,598	1,130,003,688	1,130,003,688	-	-
Financial Investment-Held -to-Maturity	278,431,699	415,544,565	412,765,532	-	2,779,033
Financial Investment-Available for Sale	23,209,105	-			
Investments in Subsidiaries	6,213,048	6,188,048	1,829,308	-	4,358,740
investments in Associates and Joint Ventures	92,988	117,988	117,988	-	-
Property,plant and Equipment	16,749,599	16,749,599	16,749,599	-	-
Investment Properties	2,989,025	3,000,000	3,000,000	-	-
Goodwill and Intangible Assets	849,911	849,911	-	-	849,911
Deferred Tax Assets		-	-	-	-
Other Assets	52,596,007	64,249,814	64,249,814	-	-
On Balance Sheet Liabilities	**1,776,578,260**	**1,802,859,394**	**-**	**-**	**-**
Due to banks	2,236,780	103,531,227	-	-	-
Derivative Financial Instruments	15,065	174,897	-	-	-
Due to Other Customers	1,475,048,660	1,440,001,623	-	-	-
Other Borrowings	235,599,023	132,424,361	-	-	-
Debt Securities Issued	2,384,970	-	-	-	-
Current Tax Liabilities	1,117,400	23,236,132	-	-	-
Deferred Tax Liabilities	1,513,985	2,171,512	-	-	-
Other Liabilities	17,560,449	61,199,642	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	41,101,927	40,120,000	-	-	-
Off-Balance Sheet Liabilities	**440,517,925**	**515,450,932**	**-**	-	-
Guarantees	78,122,143	65,908,532	65,908,532	-	-
Performance Bonds	16,404,659	16,404,659	16,404,659	-	-
Letters of Credit	80,801,826	80,801,826	80,801,826	-	-
Other Contingent Items	54,934,117	67,147,728	67,147,728	-	-
Undrawn Loan Commitment	134,600,854	134,600,854	134,600,854	-	-
Other Commitments	75,654,325	150,587,333	150,587,333	-	-
Shareholder's Equity	**15,000,000**	**15,000,000**	**-**	-	-
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET 1	15,000,000	15,000,000	-	-	-
of which Amount Eligible FOR AT1		-	-	-	-
Retained Earnings	67,183,575	69,644,510	-	-	-
Accumulated Other Comprehensive Income	3,971,008	439,166	-	-	-
Other Reserves	19,503,391	19,491,080	-	-	-
Total Shareholder's Equity	**105,657,974**	**104,574,756**	**-**	-	-
Total On -Balance Sheet Liabilities & Equity Capital and Reserves	**1,882,236,234**	**1,907,434,150**	**-**	**-**	**-**