



HABIB BANK
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ஹபீப் வங்கி

Habib Bank Limited - Sri Lanka Branch

**Quantitative Disclosures as per Shedule III of Banking Act Direction No. 01 of 2016, Capital
Requirements under Basel III
For Quarter Ended 30.06.2019**



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Key Regulatory Ratios - Capital and Liquidity

Item	30.06.2019	31.03.2019
Regulatory Capital (LKR '000)		
Common Equity Tier 1	5,516,661	5,572,399
Tier 1 Capital	5,516,661	5,572,399
Total Capital	5,580,836	5,636,543
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (<i>Minimum Requirement-7%</i>)	106%	85%
Tier 1 Capital Ratio (<i>Minimum Requirement - 8.5%</i>)	106%	85%
Total Capital Ratio (<i>Minimum Requirement - 12.5%</i>)	107%	86%
Leverage Ratio (<i>Minimum Requirement - 3%</i>)	65%	66%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000)	4,209,972	3,575,891
Statutory Liquid Assets Ratio (<i>Minimum Requirement -20%</i>)		
Domestic Banking Unit (%)	243.01%	164.85%
Off-Shore Banking Unit (%)	180.70%	119.97%
Liquidity Coverage Ratio (%) – Rupee (<i>Minimum Requirement - 90%</i>)	6396%	2663%
Liquidity Coverage Ratio (%) – All Currency (<i>Minimum Requirement - 90%</i>)	3418%	2248%



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Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	30.06.2019	31.03.2019
Common Equity Tier 1 (CET1) Capital after Adjustments	5,516,661	5,572,399
Common Equity Tier 1 (CET1) Capital	5,659,083	5,659,083
Equity Capital (Stated Capital)/Assigned Capital	4,938,391	4,938,391
Reserve Fund	68,122	68,122
Published Retained Earnings/(Accumulated Retained Losses)	659,275	659,275
Published Accumulated Other Comprehensive Income (OCI)	-6,705	-6,705
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI		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	142,422	86,684
Goodwill (net)		
Intangible Assets (net)		
Deferred tax assets (net)	69,273	69,273
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(821)	(547)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	73,970	17,958
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	64,175	64,144
Tier 2 Capital	64,175	64,144
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	48,311	48,311
Loan Loss Provisions	15,864	15,833
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	5,516,661	5,572,399
Total Tier 1 Capital	5,516,661	5,572,399
Total Capital	5,580,836	5,636,543



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Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	30.06.2019	31.03.2019
Total Risk Weighted Assets (RWA)	5,207,838	6,571,058
RWAs for Credit Risk	4,693,669	5,300,253
RWAs for Market Risk	59,479	711,810
RWAs for Operational Risk	454,690	558,995
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	106%	85%
of which: Capital Conservation Buffer (%)		
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)	0	0
Total Tier 1 Capital Ratio (%)	106%	85%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	107%	86%
of which: Capital Conservation Buffer (%)		
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		



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Quantitative Disclosures as per Shedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

Computation of Leverage Ratio

Item	Amount (LKR '000)	
	30.06.2019	31.03.2019
Tier 1 Capital	5,516,661	5,572,399
Total Exposures		
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	8,442,186	8,429,798
Derivative Exposures	-	-
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	18,876	32,364
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	65%	66%



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Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

Basel III Computation of Liquidity Coverage Ratio - All Currency

Item	Amount (LKR'000)			
	30.06.2019		31.03.2019	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	2,727,706	2,727,706	2,147,958	2,147,958
Total Adjusted Level 1A Assets	2,727,706	2,727,706	2,147,958	2,147,958
Level 1 Assets	2,727,706	2,727,706	2,147,958	2,147,958
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	2,740,242	319,206	2,947,328	382,262
Deposits	1,557,114	69,316	1,450,330	68,722
Unsecured Wholesale Funding	689,667	204,904	753,185	283,379
Secured Funding Transactions				
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	493,461	44,986	743,813	30,161
Additional Requirements				
Total Cash Inflows	1,721,695	1,474,084	1,669,415	1,397,984
Maturing Secured Lending Transactions Backed by Collateral	2,168	2,168	154,305	154,305
Committed Facilities				
Other Inflows by Counterparty which are maturing within 30 Days	1,492,173	1,449,652	1,255,715	1,212,137
Operational Deposits	182,825	-	196,311	-
Other Cash Inflows	44,529	22,265	63,083	31,542
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		3418%		2248%



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Quantitative Disclosures as per Schedule III of Banking Act Direction No. 01 of 2016, Capital Requirements under Basel III

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

Asset Class	Amount (LKR'000) as at 30.06.2019					
	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 ⁽ⁱⁱ⁾
Claims on Central Government and CBSL	2,872,237	-	2,872,237	-	-	0%
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	1,297,108	-	1,297,108	-	588,880	45%
Claims on Financial Institutions	767,733	-	767,733	-	223,547	29%
Claims on Corporates	2,319,631	378,674	2,316,501	378,674	2,695,175	100%
Retail Claims	238,452	-	99,876	-	99,857	100%
Claims Secured by Residential Property	19,012	-	19,012	-	10,772	57%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	384,062	-	384,062	-	555,491	145%
Higher-risk Categories	-	-	-	-	-	0%
Cash Items and Other Assets	564,955	-	564,955	-	519,947	92%
Total	8,463,190	-	8,321,484	-	4,693,669	56%



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

Description	Amount (LKR'000) as at 30.06.2019 (Post CCF & CRM)									
	Risk Weight	0%	20%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
Asset Classes										
Claims on Central Government and Central Bank of Sri Lanka		2,872,237								2,872,237
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			729,035	250,000			318,073			1,297,108
Claims on Financial Institutions			534,400	233,333						767,733
Claims on Corporates		3,130					2,316,501			2,319,631
Retail Claims		138,576				75	99,801			238,452
Claims Secured by Residential Property				16,480			2,532			19,012
Claims Secured by Commercial Real Estate										-
Non-Performing Assets (NPAs)				1,312			38,580	344,170		384,062
Higher-risk Categories										-
Cash Items and Other Assets		45,008					519,947			564,955
Total		3,058,951	1,263,435	501,125		75	3,295,434	344,170	-	8,463,190



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Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 30.06.2019
(a) RWA for Interest Rate Risk	7,435
General Interest Rate Risk	7,435
(i) Net Long or Short Position	7,435
(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	
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	59,479



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 30.06.2019		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		187,427	360,319	588,980
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	56,836				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	454,690				
The Standardised Approach					
The Alternative Standardised Approach					



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

Item	Amount (LKR '000) as at 30.06.2019					Explanation on significant differences on (a) and (b)
	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	8,536,831	8,584,610	8,379,592	-	278,988	
Cash and Cash Equivalents	229,342	229,342	229,342	-	73,970	
Balances with Central Banks	399,101	399,101	399,101	-	-	
Placements with Banks	1,188,253	1,188,253	1,188,253	-	-	
Financial Assets at Amortised Cost				-	-	
Loans & Advances to customers	3,118,988	3,172,669	3,036,924	-	135,745	SLFRS 09 impairment provision & Staff Loan market interest rate adjustment
Debt & other instruments	2,625,184	2,631,312	2,631,312	-	-	SLFRS 09 Impairment Provision
Financial Assets measured at fair value through other comprehensive income	376,804	376,804	376,804	-	-	
Other Assets	175,911	163,881	163,881	-	-	Staff Loan market interest rate adjustment classified to Loans & Advances to customers in Published Financial Reports
Income Tax Receivable	86,062	86,062	86,062	-	-	
Property, Plant and Equipment	267,913	267,913	267,913	-	-	
Deferred Tax Assets	69,273	69,273	-	-	69,273	
Liabilities	2,363,714	2,362,479	-	-	2,361,657	
Due to Banks	45,322	45,322	-	-	44,501	
Due to Other Customers	1,846,113	1,846,113	-	-	1,846,113	
Other Borrowings	353,200	353,200	-	-	353,200	
Other Liabilities	119,079	117,844	-	-	117,844	SLFRS 09 impairment provision on off balance sheet obligation is recognised in Published financial statements
Off-Balance Sheet Liabilities	929,387	929,387	929,387	-	929,387	
Guarantees	435,926	435,926	435,926	-	435,926	
Letters of Credit	-	-	-	-	-	
Other Contingent Items	-	-	-	-	-	
Undrawn Loan Commitments	450,499	450,499	450,499	-	450,499	
Other Commitments	42,962	42,962	42,962	-	42,962	
Shareholders' Equity						
Equity Capital (Stated Capital)/Assigned Capital	4,938,390	4,938,390	-	-	-	
of which Amount Eligible for CET1	4,938,390	4,938,390	-	-	-	
of which Amount Eligible for AT1			-	-	-	
Retained Earnings	828,756	877,769	-	-	-	SLFRS 9 impairment provision
Statutory Reserve Fund	68,122	68,122	-	-	-	
Other Reserves	337,850	337,850	-	-	108,289	
Total Shareholders' Equity	6,173,117	6,222,131	-	-	108,289	