

**Basel III - Disclosures Under Pillar 3 as per the Banking Act Direction No.01 of 2016**

**Key Regulatory Ratios - Capital and Liquidity**

	<b>2024</b>	2023
	<b>As at 31 March</b>	As at 31 December
<b>Regulatory Capital Adequacy</b>		
Common Equity Tier 1, Rs.'Mn	82,989	85,252
Tier 1 Capital, Rs.'Mn	82,989	85,252
Total Capital, Rs.'Mn	86,582	89,332
Common Equity Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 7%)	24.41%	23.43%
Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 8.5%)	24.41%	23.43%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 12.5%)	25.47%	24.55%

	<b>2024</b>	2023
	<b>As at 31 March</b>	As at 31 December
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets, Rs.'Mn		
Domestic Banking unit	129,906	132,648
Off-Shore Banking Unit	183,531	188,341
Total Bank	316,227	322,416
Statutory Liquid Assets Ratio,%		
Domestic Banking Unit	51.59%	49.96%
Off-Shore Banking Unit	105.61%	109.40%
Total Bank (Minimum Requirement, 20%)	73.00%	73.00%
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement, 100%)	337.00%	163.00%
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement, 100%)	336.77%	251.85%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	154%	144%
Leverage Ratio (%) (Minimum Requirement 3%)	13.86%	13.11%

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Basel III Computation of Capital Adequacy Ratio

Item	As at 31st March 2024 Rs.'Mn
<b>Common Equity Tier I (CETI) Capital after Adjustments</b>	<b>82,989</b>
<b>Total Common Equity Tier I (CET1) Capital</b>	<b>86,584</b>
Equity capital or stated capital/assigned capital	3,152
Reserve fund	3,152
Published retained earnings/(accumulated retained losses)	72,239
Accumulated other comprehensive income (OCI)	7,871
General and other disclosed reserves	169
<b>Total Adjustments to CET1 Capital</b>	<b>3,595</b>
Revaluation losses of property, plant and equipment	49
Defined benefit pension fund assets	102
Deferred tax assets (net)	942
Other intangible assets (net)	25
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(98)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	2,575
<b>Tier 2 Capital after Adjustments</b>	<b>3,593</b>
<b>Total Tier 2 Capital</b>	<b>3,593</b>
Revaluation gains	1,050
General provisions	2,544
<b>Total Adjustments to Tier 2 Capital</b>	<b>-</b>
<b>Total Tier 1 Capital</b>	<b>82,989</b>
<b>Total Capital</b>	<b>86,582</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>340,010</b>
RWAs for Credit Risk	281,677
RWAs for Market Risk	7,447
RWAs for Operational Risk	50,885
<b>CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>24.41%</b>
of which: Capital Conservation Buffer (%)	-
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-
<b>Total Tier 1 Capital Ratio (%)</b>	<b>24.41%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>25.47%</b>
of which: Capital Conservation Buffer (%)	-
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-

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Computation of Leverage Ratio

Item	As at 31st March	As at 31 December
	2024	2023
	Rs.'Mn	Rs.'Mn
Tier 1 Capital	82,989	85,252
Total Exposures	598,487	648,511
On Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	537,139	588,860
Derivative Exposures	3,897	2,271
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	57,450	57,379
Basel III Leverage Ratio	13.86%	13.14%

Basel III Computation of Liquidity Coverage Ratio (All Currency)

Item	As at 31st March 2024		As at 31 December 2023	
	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>111,627</b>	<b>111,627</b>	<b>106,206</b>	<b>106,206</b>
<b>Total Adjusted Level 1A Assets</b>	<b>111,627</b>	<b>111,627</b>	<b>106,206</b>	<b>106,206</b>
<b>Level 1 Assets</b>	<b>111,627</b>	<b>111,627</b>	<b>106,206</b>	<b>106,206</b>
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
<b>Total Cash Outflows</b>	<b>751,296</b>	<b>132,587</b>	<b>793,403</b>	<b>168,683</b>
Deposits	139,085	13,908	143,387	14,339
Unsecured Wholesale Funding	223,372	87,482	256,869	120,638
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	361,432	3,790	362,080	2,640
Additional Requirements	27,407	27,407	31,066	31,066
<b>Total Cash Inflows</b>	<b>208,581</b>	<b>181,355</b>	<b>201,212</b>	<b>179,752</b>
Maturing Secured Lending Transactions Backed by Collateral Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	194,176	179,433	190,362	179,087
Operational Deposits	12,483	-	10,184	-
Other Cash Inflows	1,922	1,922	665	665
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>336.77%</b>		<b>251.85%</b>

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

Asset Class	As at 31st March 2024					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	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	113,855	-	113,855	-	-	0.00%
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	187,217	65,708	187,217	17,026	41,203	20.17%
Claims on Financial Institutions	1,900	-	1,900	-	380	20.00%
Claims on Corporates	114,400	337,237	114,400	41,417	144,975	93.04%
Retail Claims	30,319	386	23,949	341	18,370	75.63%
Claims Secured by Residential Property	1,539	-	1,492	-	1,492	100.00%
Claims Secured by Commercial Real Estate	33,895	-	33,895	-	33,895	100.00%
Non-Performing Assets (NPAs)	3,721	-	3,663	-	5,003	136.57%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	40,289	-	40,289	-	36,358	90.24%
<b>Total</b>	<b>527,135</b>	<b>403,331</b>	<b>520,660</b>	<b>58,784</b>	<b>281,677</b>	<b>-</b>

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

Market Risk under Standardised Measurement Method

As at 31st March 2024	RWA Amount Rs.'Mn
<b>(a) RWA for Interest Rate Risk</b>	<b>127</b>
General Interest Rate Risk	-
(i) Net Long or Short Position	127
(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>803</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>7,447</b>

Operational Risk under Basic Indicator Approach

	Capital Charge	Gross Income For the period ending 31 March 2024		
		1st Year Rs.'Mn	2nd Year Rs.'Mn	3rd Year Rs.'Mn
The Basic Indicator Approach	Factor 15%	53,219	53,601	20,394
<b>Capital Charges for Operational Risk (LKR'Mn)</b>				
The Basic Indicator Approach	6,361			
<b>Risk Weighted Amount for Operational Risk (LKR'Mn)</b>				
The Basic Indicator Approach	50,885			

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Credit Risk under Standardised Approach  
Exposures by Asset Classes and Risk Weights (Post CCF & CRM)

Description	Amount (LKR Mn) as at 31 March 2024 (Post CCF & CRM)							Total Credit Exposures Amount
	0%	20%	50%	75%	100%	150%	>150%	
Claims on Central Government and Central Bank of Sri Lanka	113,855	-	-	-	-	-	-	113,855
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	-	203,642	390	-	73	138	-	204,243
Claims on Financial Institutions	-	1,900	-	-	-	-	-	1,900
Claims on Corporates	-	11,608	3,111	-	141,098	-	-	155,817
Retail Claims	-	-	-	23,679	611	-	-	24,290
Claims Secured by Residential Property	-	-	-	-	1,492	-	-	1,492
Claims Secured by Commercial Real Estate	-	-	-	-	33,895	-	-	33,895
Non-Performing Assets (NPAs)	-	-	7	-	970	2,686	-	3,663
Higher-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	1,464	3,084	-	-	35,741	-	-	40,289
<b>Total</b>	<b>115,319</b>	<b>220,234</b>	<b>3,507</b>	<b>23,679</b>	<b>213,882</b>	<b>2,824</b>	<b>-</b>	<b>579,444</b>

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

Item	As at 31st March 2024				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements Rs'Mn	Carrying Values under Scope of Regulatory Reporting Rs'Mn	Subject to Credit Risk Framework Rs'Mn	Subject to Market Risk Framework Rs'Mn	Not subject to Capital Requirements or Subject to Deduction from Capital Rs'Mn
<b>Assets</b>					
Cash and Cash Equivalents	198,913	198,913	188,680	-	10,233
Balances with Central Banks	57,158	57,158	57,158	-	-
Placements with banks	1,502	1,502	1,502	-	-
Derivative Financial Instruments	2,208	2,208	-	2,208	-
Other Financial Assets Held-For-Trading	24	24	-	24	-
Loans and Receivables to Other Customers	183,449	183,449	183,449	-	-
Financial Investments - Fair value through other comprehensive income	56,976	56,976	56,976	-	-
Financial Investments - Amortised cost	81	81	81	-	-
Retirement benefit obligations surplus	102	102	-	-	102
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	5,437	5,437	5,412	-	25
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-	-
Deferred Tax Assets	988	988	-	-	988
Other Assets	32,563	32,563	32,563	-	-
<b>Liabilities</b>					
Due to Banks	18,564	18,564	-	-	-
Derivative Financial Instruments	332	332	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	347,063	347,063	-	-	-
Other Borrowings	-	-	-	-	-
Retirement Benefit Obligations	-	-	-	-	-
Current Tax Liabilities	7,625	7,625	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	45,879	45,879	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
<b>Off-Balance Sheet Liabilities</b>					
Guarantees	8,169	8,169	8,169	-	-
Performance Bonds	84,654	84,654	84,654	-	-
Letters of Credit	32,119	32,119	32,119	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	236,490	236,490	236,490	-	-
Other Commitments	77,147	77,147	77,147	-	-
<b>Shareholders' Equity</b>					
Equity Capital (Stated Capital)/Assigned Capital	3,152	3,152	-	-	-
of which Amount Eligible for CET1	-	-	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	75,622	75,622	-	-	-
Accumulated Other Comprehensive Income	-	-	-	-	-
Statutory reserve fund	3,152	3,152	-	-	-
Other Reserves	38,012	38,012	-	-	-
<b>Total Shareholders' Equity</b>	<b>119,939</b>	<b>119,939</b>	-	-	-