

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

Key Regulatory Ratios - Capital and Liquidity

	2023 (Audited)	2022
	As at 31 December	As at 31 December
Regulatory Capital Adequacy		
Common Equity Tier 1, Rs.'Mn	85,252	62,891
Tier 1 Capital, Rs.'Mn	85,252	62,891
Total Capital, Rs.'Mn	89,332	68,462
Common Equity Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 7%)	23.43%	15.77%
Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 8.5%)	23.43%	15.77%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 12.5%)	24.55%	17.17%

Note- Audited Capital Adequacy ratio (2022) - 17.78%, Amended CAR post to the statutory audit (2022)- 17.17%

	2023	2022
	As at 31 December	As at 31 December
Regulatory Liquidity		
Statutory Liquid Assets, Rs.'Mn		
Domestic Banking unit	132,648	219,945
Off-Shore Banking Unit	188,341	184,362
Total Bank	322,416	404,212
Statutory Liquid Assets Ratio,%		
Domestic Banking Unit	49.96%	52.23%
Off-Shore Banking Unit	109.40%	121.47%
Total Bank (Minimum Requirement, 20%)	73.00%	70.54%
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement 2023- 100% , 2022 - 90%)	163.00%	297.00%
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement 2023- 100% , 2022 - 90%)	251.85%	500.40%
Net Stable Funding Ratio (%) (Minimum Requirement 2023- 100% , 2022 - 90%)	144.43%	163%
Leverage Ratio (%) (Minimum Requirement 3%)	13.14%	8.27%

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

Basel III Computation of Capital Adequacy Ratio

Item	As at 31st December 2023 Rs.'Mn
Common Equity Tier I (CETI) Capital after Adjustments	85,252
Total Common Equity Tier I (CET1) Capital	86,584
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
Total Adjustments to CET1 Capital	1,332
Revaluation losses of property, plant and equipment	49
Other intangible assets (net)	25
Deferred tax assets (net)	1,286
Defined benefit pension fund assets	86
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(114)
Tier 2 Capital after Adjustments	4,080
Total Tier 2 Capital	4,080
Revaluation gains	1,050
General provisions	3,030
Total Adjustments to Tier 2 Capital	-
Total Tier 1 Capital	85,252
Total Capital	89,332
Total Risk Weighted Assets (RWA)	363,868
RWAs for Credit Risk	310,350
RWAs for Market Risk	5,150
RWAs for Operational Risk	48,368
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	23.43%
of which: Capital Conservation Buffer (%)	
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-
Total Tier 1 Capital Ratio (%)	23.43%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	24.55%
of which: Capital Conservation Buffer (%)	
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-

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

Computation of Leverage Ratio

Item	As at 31st December	As at 31 December
	2023	2022
	Rs.'Mn	Rs.'Mn
Tier 1 Capital	85,252	62,891
Total Exposures	648,511	759,452
On Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	588,860	668,472
Derivative Exposures	2,271	929
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	57,379	90,051
Basel III Leverage Ratio	13.14%	8.27%

Basel III Computation of Liquidity Coverage Ratio (All Currency)

Item	As at 31st December 2023		As at 31 December 2022	
	Rs'Mn		Rs'Mn	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	106,206	106,206	199,645	199,645
Total Adjusted Level 1A Assets	106,206	106,206	199,645	199,645
Level 1 Assets	106,206	106,206	199,645	199,645
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	793,403	168,683	911,642	159,589
Deposits	143,387	14,339	163,377	16,338
Unsecured Wholesale Funding	256,869	120,638	313,468	125,607
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	362,080	2,640	420,107	2,955
Additional Requirements	31,066	31,066	14,690	14,690
Total Cash Inflows	201,212	179,752	224,506	164,432
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	190,362	179,087	179,292	163,160
Operational Deposits	10,184	-	43,776	-
Other Cash Inflows	665	665	1,438	1,272
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		251.85%		500.40%

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

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

Asset Class	As at 31st December 2023					
	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	107,397	-	107,397	-	-	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	201,219	64,098	201,219	11,923	43,201	20.27%
Claims on Financial Institutions	1,500	-	1,500	-	300	20.00%
Claims on Corporates	134,351	273,674	134,351	46,820	162,795	89.86%
Retail Claims	30,059	75,080	23,602	34	17,803	75.32%
Claims Secured by Residential Property	1,978	-	1,540	-	1,540	100.00%
Claims Secured by Commercial Real Estate	37,883	-	37,883	-	37,883	100.00%
Non-Performing Assets (NPAs)	7,680	-	7,668	-	10,967	143.02%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	39,337	-	39,337	-	35,861	91.16%
Total	561,403	412,852	554,497	58,776	310,350	-

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

Market Risk under Standardised Measurement Method

As at 31st December 2023	RWA Amount Rs.'Mn
(a) RWA for Interest Rate Risk	30
General Interest Rate Risk	-
(i) Net Long or Short Position	30
(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	613
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	5,150

Operational Risk under Basic Indicator Approach

	Capital Charge Factor	Gross Income For the period ending 30 September 2023		
		1st Year Rs.'Mn	2nd Year Rs.'Mn	3rd Year Rs.'Mn
The Basic Indicator Approach	15%	57,571	43,396	19,954
Capital Charges for Operational Risk (LKR'Mn)				
The Basic Indicator Approach	6,046			
Risk Weighted Amount for Operational Risk (LKR'Mn)				
The Basic Indicator Approach	48,368			

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

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

Description	Amount (LKR'000) as at 31 December 2023 (Post CCF & CRM)							Total Credit Exposures Amount
	0%	20%	50%	75%	100%	150%	>150%	
Claims on Central Government and Central Bank of Sri Lanka	107,397	-	-	-	-	-	-	107,397
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	-	212,377	421	-	-	343	-	213,142
Claims on Financial Institutions	-	1,500	-	-	-	-	-	1,500
Claims on Corporates	-	22,951	28	-	158,191	-	-	181,170
Retail Claims	-	-	-	23,334	302	-	-	23,636
Claims Secured by Residential Property	-	-	-	-	1,540	-	-	1,540
Claims Secured by Commercial Real Estate	-	-	-	-	37,883	-	-	37,883
Non-Performing Assets (NPAs)	-	-	10	-	1,051	6,607	-	7,668
Higher-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	1,792	2,106	-	-	35,439	-	-	39,337
Total	109,188	238,934	459	23,334	234,406	6,950	-	613,273

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

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

Item	As at 31st December 2023				
	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
Assets					
Cash and Cash Equivalents	218,143	218,143	191,591	-	26,551
Balances with Central Banks	88,041	88,041	88,041	-	-
Placements with banks	11,337	11,337	11,337	-	-
Derivative Financial Instruments	1,011	1,011	-	1,011	-
Other Financial Assets Held-For-Trading	24	24	-	24	-
Loans and Receivables to Other Customers	210,214	210,214	210,214	-	-
Financial Investments - Fair value through other comprehensive income	19,662	19,662	19,662	-	-
Financial Investments - Amortised cost	94	94	94	-	-
Retirement benefit obligations surplus	86	86	-	-	86
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	5,518	5,518	5,493	-	25
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-	-
Deferred Tax Assets	1,286	1,286	-	-	1,286
Other Assets	31,012	31,012	31,012	-	-
Liabilities					
Due to Banks	38,359	38,359	-	-	-
Derivative Financial Instruments	229	229	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	372,448	372,448	-	-	-
Other Borrowings	-	-	-	-	-
Retirement Benefit Obligations	-	-	-	-	-
Current Tax Liabilities	6,349	6,349	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	46,493	46,493	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
Off-Balance Sheet Liabilities					
Guarantees	8,475	8,475	8,475	-	-
Performance Bonds	84,842	84,842	84,842	-	-
Letters of Credit	30,200	30,200	30,200	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	238,564	238,564	238,564	-	-
Other Commitments	80,090	80,090	80,090	-	-
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital	3,152	3,152	-	-	-
of which Amount Eligible for CET1	-	-	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	72,239	72,239	-	-	-
Accumulated Other Comprehensive Income	-	-	-	-	-
Statutory reserve fund	3,152	3,152	-	-	-
Other Reserves	44,006	44,006	-	-	-
Total Shareholders' Equity	122,550	122,550	-	-	-