

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

Key Regulatory Ratios - Capital and Liquidity

	2025 As at 30 June	2024 (Audited) As at 31 December
<b>Regulatory Capital Adequacy</b>		
Common Equity Tier 1, Rs.'Mn	94,210	94,220
Tier 1 Capital, Rs.'Mn	94,210	94,220
Total Capital, Rs.'Mn	96,644	96,739
Common Equity Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 7%)	21.96%	23.20%
Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 8.5%)	21.96%	23.20%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 12.5%)	22.53%	23.81%

	2025 As at 30 June	2024(Audited) As at 31 December
<b>Regulatory Liquidity</b>		
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement, 100%)	190.00%	211.74%
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement, 100%)	448.23%	335.50%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	137.67%	134.71%
Leverage Ratio (%) (Minimum Requirement 3%)	13.21%	14.24%

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Basel III Computation of Capital Adequacy Ratio

Item	As at 30th June 2025
	Rs.'Mn
<b>Common Equity Tier I (CETI) Capital after Adjustments</b>	<b>94,210</b>
<b>Total Common Equity Tier I (CETI) Capital</b>	<b>94,168</b>
Equity capital or stated capital/assigned capital	3,152
Reserve fund	3,152
Published retained earnings/(Accumulated retained losses)	79,150
Accumulated other comprehensive income (OCI)	8,561
General and other disclosed reserves	153
<b>Total Adjustments to CETI Capital</b>	<b>(42)</b>
Revaluation losses of property, plant and equipment	-
Defined benefit pension fund assets	-
Deferred tax assets (net)	-
Other intangible assets (net)	13
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(56)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	-
<b>Tier 2 Capital after Adjustments</b>	<b>2,434</b>
<b>Total Tier 2 Capital</b>	<b>-</b>
Revaluation gains	1,050
General provisions	1,384
<b>Total Adjustments to Tier 2 Capital</b>	<b>-</b>
<b>Total Tier 1 Capital</b>	<b>94,210</b>
<b>Total Capital</b>	<b>96,644</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>428,951</b>
RWAs for Credit Risk	347,648
RWAs for Market Risk	25,397
RWAs for Operational Risk	55,906
<b>CETI Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>21.96%</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>21.96%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>22.53%</b>
<b>Capital Buffer &amp; Surcharge on D-SIBs (%)</b>	<b>-</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 30th June 2025	As at 31 December 2024
	Rs.'Mn	Rs.'Mn
Tier I Capital	94,210	94,220
Total Exposures	713,301	661,624
On Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	666,600	612,159
Derivative Exposures	2,068	1,042
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	44,590	48,370
Basel III Leverage Ratio	13.21%	14.24%

**Basel III Computation of Liquidity Coverage Ratio (All Currency)**

Item	As at 30th June 2025		As at 31 December 2024	
	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>184,897</b>	<b>184,897</b>	<b>117,804</b>	<b>117,804</b>
<b>Total Adjusted Level 1A Assets</b>	<b>184,897</b>	<b>184,897</b>	<b>117,804</b>	<b>117,804</b>
<b>Level 1 Assets</b>	<b>184,897</b>	<b>184,897</b>	<b>117,804</b>	<b>117,804</b>
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
<b>Total Cash Outflows</b>	<b>837,634</b>	<b>165,001</b>	<b>800,328</b>	<b>140,451</b>
Deposits	145,301	14,530	141,968	14,197
Unsecured Wholesale Funding	298,889	114,840	262,210	99,842
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	360,447	2,634	373,882	4,145
Additional Requirements	32,996	32,996	22,267	22,267
<b>Total Cash Inflows</b>	<b>203,033</b>	<b>158,582</b>	<b>204,791</b>	<b>169,562</b>
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	184,733	158,365	186,355	169,490
Operational Deposits	18,083	-	18,364	-
Other Cash Inflows	217	217	72	72
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>448.23%</b>		<b>335.50%</b>

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

Asset Class	As at 30th June 2025					
	Exposures before		Exposures post CCF		RWA and RWA	
	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	129,655	-	129,655	-	-	0.00%
Claims on Foreign Sovereigns and their Central Banks	58,055	-	58,055	-	-	-
Claims on Public Sector Entities	-	4	-	4	2	50.00%
Claims on Official Entities and Multilateral Development Bank	-	-	-	-	-	-
Claims on Banks Exposures	186,177	89,128	186,177	9,884	46,234	23.58%
Claims on Financial Institutions	2,042	2,179	2,042	-	408	20.00%
Claims on Corporates	134,966	304,596	134,966	36,310	163,917	95.70%
Retail Claims	30,334	58,343	24,414	260	18,555	75.20%
Claims Secured by Residential Property	936	-	870	-	870	100.00%
Claims Secured by Commercial Real Estate	36,356	-	36,356	-	36,356	100.00%
Non-Performing Assets (NPAs)	155	-	155	-	148	95.48%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	84,394	-	84,394	-	81,159	96.17%
<b>Total</b>	<b>663,069</b>	<b>454,250</b>	<b>657,083</b>	<b>46,458</b>	<b>347,648</b>	<b>-</b>

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

**Market Risk under Standardised Measurement Method**

As at 30th June 2025	RWA Amount Rs.'Mn
<b>(a) RWA for Interest Rate Risk</b>	<b>3,175</b>
General Interest Rate Risk	1,580
(i) Net Long or Short Position	1,580
(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>1,595</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>25,397</b>

**Operational Risk under Basic Indicator Approach**

	Capital Charge	Gross Income		
		For the period ending 30 th June 2025		
	Factor	1st Year Rs.'Mn	2nd Year Rs.'Mn	3rd Year Rs.'Mn
The Basic Indicator Approach	15%	40,035	45,183	54,546
<b>Capital Charges for Operational Risk (LKR'Mn)</b>				
The Basic Indicator Approach	6,988			
<b>Risk Weighted Amount for Operational Risk (LKR'Mn)</b>				
The Basic Indicator Approach	55,906			

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

Description	Amount Rs.'Mn as at 30th June 2025 (Post CCF & CRM)							Total Credit Exposures Amount
Asset classes\ Risk Weight	0%	20%	50%	75%	100%	150%	>150%	
Claims on Central Government and Central Bank of Sri Lanka	129,655	-	-	-	-	-	-	129,655
Claims on Foreign Sovereigns and their Central Banks	58,055	-	-	-	-	-	-	58,055
Claims on Public Sector Entities	-	-	4	-	-	-	-	4
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	-
Claims on Banks Exposures	-	173,676	22,070	-	16	298	-	196,061
Claims on Financial Institutions	-	2,042	-	-	-	-	-	2,042
Claims on Corporates	-	7,939	2,014	-	161,322	-	-	171,276
Retail Claims	-	-	-	24,480	195	-	-	24,674
Claims Secured by Residential Property	-	-	-	-	870	-	-	870
Claims Secured by Commercial Real Estate	-	-	-	-	36,356	-	-	36,356
Non-Performing Assets (NPAs)	-	-	25	-	119	11	-	155
Higher-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	1,101	2,668	-	-	80,625	-	-	84,394
<b>Total</b>	<b>188,811</b>	<b>186,325</b>	<b>24,113</b>	<b>24,480</b>	<b>279,504</b>	<b>309</b>	<b>-</b>	<b>703,541</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 30th June 2025				
	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	175,430	175,430	172,249	-	3,181
Balances with Central Banks	42,572	42,572	42,572	-	-
Placements with banks	14,995	14,995	14,995	-	-
Derivative Financial Instruments	539	539	-	539	-
Other Financial Assets Held-For-Trading	120	120	-	120	-
Loans and Receivables to Other Customers	204,172	204,172	204,172	-	-
Financial Investments - Fair value through other comprehensive income	144,907	144,907	144,907	-	-
Financial Investments - Amortised cost	103	103	103	-	-
Retirement benefit obligations surplus	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	5,564	5,564	5,551	-	13
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-	-
Deferred Tax Assets	-	-	-	-	-
Other Assets	76,995	76,995	76,995	-	-
<b>Liabilities</b>					
Due to Banks	18,407	18,407	-	-	-
Derivative Financial Instruments	233	233	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	429,769	429,769	-	-	-
Other Borrowings	-	-	-	-	-
Retirement Benefit Obligations	215	215	-	-	-
Current Tax Liabilities	5,306	5,306	-	-	-
Deferred Tax Liabilities	301	301	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	83,973	83,974	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
<b>Off-Balance Sheet Liabilities</b>					
Guarantees	15,231	15,231	15,231	-	-
Performance Bonds	49,421	49,421	49,421	-	-
Letters of Credit	44,340	44,340	44,340	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	251,456	251,456	251,456	-	-
Other Commitments	245,043	245,043	93,803	-	-
<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	83,451	83,451	-	-	-
Accumulated Other Comprehensive Income	-	-	-	-	-
Statutory reserve fund	3,152	3,152	-	-	-
Other Reserves	37,438	37,437	-	-	-
<b>Total Shareholders' Equity</b>	<b>127,192</b>	<b>127,192</b>	<b>-</b>	<b>-</b>	<b>-</b>