

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

Key Regulatory Ratios - Capital and Liquidity

	2024	2023 (Audited)
	As at 30 June	As at 31 December
Regulatory Capital Adequacy		
Common Equity Tier 1, Rs.'Mn	84,931	85,252
Tier 1 Capital, Rs.'Mn	84,931	85,252
Total Capital, Rs.'Mn	88,164	89,332
Common Equity Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 7%)	25.52%	23.43%
Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 8.5%)	25.52%	23.43%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 12.5%)	26.50%	24.55%

	2024	2023 (Audited)
	As at 30 June	As at 31 December
Regulatory Liquidity		
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement, 100%)	239.00%	163.00%
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement, 100%)	432.60%	251.85%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	161%	144.43%
Leverage Ratio (%) (Minimum Requirement 3%)	14.17%	13.14%

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Basel III Computation of Capital Adequacy Ratio

Item	As at 30th June 2024
	Rs.'Mn
Common Equity Tier I (CET1) Capital after Adjustments	84,931
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	1,653
Revaluation losses of property, plant and equipment	-
Defined benefit pension fund assets	87
Deferred tax assets (net)	548
Other intangible assets (net)	21
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(113)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	1,110
Tier 2 Capital after Adjustments	3,233
Total Tier 2 Capital	3,233
Revaluation gains	1,050
General provisions	2,183
Total Adjustments to Tier 2 Capital	-
Total Tier 1 Capital	84,931
Total Capital	88,164
Total Risk Weighted Assets (RWA)	332,762
RWAs for Credit Risk	274,377
RWAs for Market Risk	4,770
RWAs for Operational Risk	53,614
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	25.52%
of which: Capital Conservation Buffer (%)	-
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-
Total Tier 1 Capital Ratio (%)	25.52%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical	
Capital Buffer & Surcharge on D-SIBs) (%)	26.50%
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 2024	As at 31 December 2023
	Rs.'Mn	Rs.'Mn
Tier 1 Capital	84,931	85,252
Total Exposures	599,510	648,511
On Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	542,723	588,860
Derivative Exposures	847	2,271
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	55,941	57,379
Basel III Leverage Ratio	14.17%	13.14%

Basel III Computation of Liquidity Coverage Ratio (All Currency)

Item	As at 30th June 2024		As at 31 December 2023	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	136,513	136,513	106,206	106,206
Total Adjusted Level 1A Assets	136,513	136,513	106,206	106,206
Level 1 Assets	136,513	136,513	106,206	106,206
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	762,981	126,226	793,403	168,683
Deposits	143,300	14,330	143,387	14,339
Unsecured Wholesale Funding	229,286	86,638	256,869	120,638
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	369,334	4,196	362,080	2,640
Additional Requirements	21,061	21,061	31,066	31,066
Total Cash Inflows	197,376	163,052	201,212	179,752
Maturing Secured Lending Transactions Backed by Collateral Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	182,472	161,034	190,362	179,087
Operational Deposits	12,886	-	10,184	-
Other Cash Inflows	2,018	2,018	665	665
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		432.60%		251.85%

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

Asset Class	As at 30th June 2024					
	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	139,103	-	139,103	-	-	0.00%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	1,996	8	1,996	8	1,002	50.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	176,836	51,648	176,836	12,969	38,437	20.25%
Claims on Financial Institutions	800	1,420	800	-	160	20.00%
Claims on Corporates	114,007	297,300	114,007	42,634	142,204	90.78%
Retail Claims	30,156	55,526	23,902	357	18,491	76.23%
Claims Secured by Residential Property	1,539	-	1,437	-	1,437	100.00%
Claims Secured by Commercial Real Estate	36,954	-	36,954	-	36,954	100.00%
Non-Performing Assets (NPAs)	180	-	165	-	179	108.52%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	38,046	-	38,046	-	35,514	93.35%
Total	539,615	405,902	533,244	55,968	274,377	-

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

Market Risk under Standardised Measurement Method

As at 30th June 2024	RWA Amount Rs.'Mn
(a) RWA for Interest Rate Risk	185
General Interest Rate Risk	-
(i) Net Long or Short Position	185
(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	412
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	4,770

Operational Risk under Basic Indicator Approach

	Capital Charge	Gross Income For the period ending 30 June 2024		
		1st Year Rs.'Mn	2nd Year Rs.'Mn	3rd Year Rs.'Mn
The Basic Indicator Approach	15%	52,528	56,871	24,637
Capital Charges for Operational Risk (LKR'Mn)				
The Basic Indicator Approach	6,702			
Risk Weighted Amount for Operational Risk (LKR'Mn)				
The Basic Indicator Approach	53,614			

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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 30 June 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	139,103	-	-	-	-	-	-	139,103
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	2,003	-	-	-	-	2,003
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	-
Claims on Banks Exposures	-	189,082	465	-	0	259	-	189,805
Claims on Financial Institutions	-	800	-	-	-	-	-	800
Claims on Corporates	-	15,479	4,107	-	137,055	-	-	156,641
Retail Claims	-	-	-	23,068	1,190	-	-	24,258
Claims Secured by Residential Property	-	-	-	-	1,437	-	-	1,437
Claims Secured by Commercial Real Estate	-	-	-	-	36,954	-	-	36,954
Non-Performing Assets (NPAs)	-	-	4	-	129	32	-	165
Higher-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	1,266	1,583	-	-	35,197	-	-	38,046
Total	140,369	206,943	6,578	23,068	211,963	290	-	589,212

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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 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
Assets					
Cash and Cash Equivalents	165,910	165,910	162,765	-	2,036
Balances with Central Banks	64,083	64,083	64,083	-	-
Placements with banks	15,305	15,305	15,305	-	-
Derivative Financial Instruments	225	225	-	225	-
Other Financial Assets Held-For-Trading	19	19	-	19	-
Loans and Receivables to Other Customers	184,286	184,286	184,286	-	-
Financial Investments - Fair value through other comprehensive income	74,879	74,879	74,879	-	-
Financial Investments - Amortised cost	93	93	93	-	-
Retirement benefit obligations surplus	87	87	-	-	87
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	5,451	5,451	5,430	-	21
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-	-
Deferred Tax Assets	633	633	-	-	548
Other Assets	30,429	30,429	30,429	-	-
Liabilities					
Due to Banks	9,949	9,949	-	-	-
Derivative Financial Instruments	129	129	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	363,620	363,620	-	-	-
Other Borrowings	-	-	-	-	-
Retirement Benefit Obligations	-	-	-	-	-
Current Tax Liabilities	4,728	4,728	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	38,542	38,542	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
Off-Balance Sheet Liabilities					
Guarantees	7,693	7,693	7,693	-	-
Performance Bonds	76,095	76,095	76,095	-	-
Letters of Credit	33,926	33,926	33,926	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	251,620	251,620	251,620	-	-
Other Commitments	58,071	58,071	37,995	-	-
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	78,592	78,592	-	-	-
Accumulated Other Comprehensive Income	-	-	-	-	-
Statutory reserve fund	3,152	3,152	-	-	-
Other Reserves	39,534	39,534	-	-	-
Total Shareholders' Equity	124,431	124,431	-	-	-