

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 September	As at 31 December
Regulatory Capital Adequacy		
Common Equity Tier 1, Rs.'Mn	79,409	85,252
Tier 1 Capital, Rs.'Mn	79,409	85,252
Total Capital, Rs.'Mn	82,218	89,332
Common Equity Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 7%)	20.84%	23.43%
Tier 1 Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 8.5%)	20.84%	23.43%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, 12.5%)	21.58%	24.55%

	2024	2023 (Audited)
	As at 30 September	As at 31 December
Regulatory Liquidity		
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement, 100%)	217.00%	163.00%
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement, 100%)	302.87%	251.85%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	144.08%	144.43%
Leverage Ratio (%) (Minimum Requirement 3%)	12.16%	13.14%

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 30th September
	2024 Rs.'Mn
Common Equity Tier 1 (CET1) Capital after Adjustments	79,409
Total Common Equity Tier 1 (CET1) Capital	79,987
Equity capital or stated capital/assigned capital	3,152
Reserve fund	3,152
Published retained earnings/(accumulated retained losses)	66,242
Accumulated other comprehensive income (OCI)	7,272
General and other disclosed reserves	169
Total Adjustments to CET1 Capital	578
Revaluation losses of property, plant and equipment	-
Defined benefit pension fund assets	77
Deferred tax assets (net)	508
Other intangible assets (net)	19
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(27)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	-
Tier 2 Capital after Adjustments	2,809
Total Tier 2 Capital	2,809
Revaluation gains	1,050
General provisions	1,759
Total Adjustments to Tier 2 Capital	-
Total Tier 1 Capital	79,409
Total Capital	82,218
Total Risk Weighted Assets (RWA)	381,033
RWAs for Credit Risk	321,317
RWAs for Market Risk	3,655
RWAs for Operational Risk	56,061
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	20.84%
of which: Capital Conservation Buffer (%)	-
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-
Total Tier 1 Capital Ratio (%)	20.84%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	21.58%
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 30th September 2024	As at 31 December 2023
	Rs.'Mn	Rs.'Mn
Tier 1 Capital	79,409	85,252
Total Exposures	653,075	648,511
On Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	596,713	588,860
Derivative Exposures	1,699	2,271
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	55,269	57,379
Basel III Leverage Ratio	12.16%	13.14%

Basel III Computation of Liquidity Coverage Ratio (All Currency)

Item	As at 30th September 2024 Rs.'Mn		As at 31 December 2023 Rs.'Mn	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	112,819	112,819	106,206	106,206
Total Adjusted Level 1A Assets	112,819	112,819	106,206	106,206
Level 1 Assets	112,819	112,819	106,206	106,206
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	813,731	149,000	793,403	168,683
Deposits	143,501	14,350	143,387	14,339
Unsecured Wholesale Funding	264,324	100,762	256,869	120,638
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	376,398	4,380	362,080	2,640
Additional Requirements	29,507	29,507	31,066	31,066
Total Cash Inflows	236,943	201,244	201,212	179,752
Maturing Secured Lending Transactions Backed by Collateral Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	221,028	200,870	190,362	179,087
Operational Deposits	15,541	-	10,184	-
Other Cash Inflows	374	374	665	665
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		302.87%		251.85%

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 30th September 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	115,158	-	115,158	-	-	0.00%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	1,007	4	1,007	4	506	50.00%
Claims on Official Entities and Multilateral Development Bank	-	-	-	-	-	-
Claims on Banks Exposures	228,132	62,205	228,132	15,064	59,714	24.55%
Claims on Financial Institutions	2,051	2,169	2,051	-	410	20.00%
Claims on Corporates	121,674	295,580	121,674	40,895	152,729	93.95%
Retail Claims	30,106	57,402	24,363	342	18,582	75.22%
Claims Secured by Residential Property	1,481	-	1,420	-	1,420	100.00%
Claims Secured by Commercial Real Estate	34,858	-	34,858	-	34,858	100.00%
Non-Performing Assets (NPAs)	225	-	209	-	204	97.68%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	56,150	-	56,150	-	52,894	94.20%
Total	590,842	417,360	585,022	56,305	321,317	-

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

Market Risk under Standardised Measurement Method

As at 30th September 2024	RWA Amount Rs.'Mn
(a) RWA for Interest Rate Risk	139
General Interest Rate Risk	139
(i) Net Long or Short Position	139
(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	318
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	3,655

Operational Risk under Basic Indicator Approach

	Capital Charge	Gross Income For the period ending 30 September 2024		
		1st Year Rs.'Mn	2nd Year Rs.'Mn	3rd Year Rs.'Mn
The Basic Indicator Approach	Factor 15%	47,614	59,554	32,985
Capital Charges for Operational Risk (LKR'Mn)				
The Basic Indicator Approach	7,008			
Risk Weighted Amount for Operational Risk (LKR'Mn)				
The Basic Indicator Approach	56,061			

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 Rs.'Mn as at 30 September 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	115,158	-	-	-	-	-	-	115,158
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	1,011	-	-	-	-	1,011
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	-
Claims on Banks Exposures	-	207,023	35,949	-	-	223	-	243,196
Claims on Financial Institutions	-	2,051	-	-	-	-	-	2,051
Claims on Corporates	-	10,971	2,126	-	149,471	-	-	162,569
Retail Claims	-	-	-	24,490	214	-	-	24,705
Claims Secured by Residential Property	-	-	-	-	1,420	-	-	1,420
Claims Secured by Commercial Real Estate	-	-	-	-	34,858	-	-	34,858
Non-Performing Assets (NPAs)	-	-	38	-	143	29	-	209
Higher-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	1,376	2,351	-	-	52,424	-	-	56,150
Total	116,534	222,396	39,125	24,490	238,530	252	-	641,327

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 30th September 2024				
	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
	Rs'Mn	Rs'Mn	Rs'Mn	Rs'Mn	Rs'Mn
Assets					
Cash and Cash Equivalents	227,839	227,839	222,678	-	5,162
Balances with Central Banks	45,148	45,148	45,148	-	-
Placements with banks	5,925	5,925	5,925	-	-
Derivative Financial Instruments	804	804	-	804	-
Other Financial Assets Held-For-Trading	14	14	-	14	-
Loans and Receivables to Other Customers	190,611	190,611	190,611	-	-
Financial Investments - Fair value through other comprehensive income	69,879	69,879	69,879	-	-
Financial Investments - Amortised cost	94	94	94	-	-
Retirement benefit obligations surplus	77	77	-	-	77
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	5,507	5,507	5,488	-	19
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-	-
Deferred Tax Assets	355	355	-	-	355
Other Assets	48,781	48,781	48,781	-	-
Liabilities					
Due to Banks	11,418	11,418	-	-	-
Derivative Financial Instruments	161	161	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	397,406	397,406	-	-	-
Other Borrowings	-	-	-	-	-
Retirement Benefit Obligations	-	-	-	-	-
Current Tax Liabilities	2,833	2,833	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	62,941	62,941	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
Off-Balance Sheet Liabilities					
Guarantees	7,826	7,826	7,826	-	-
Performance Bonds	74,542	74,542	74,542	-	-
Letters of Credit	44,391	44,391	44,391	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	249,639	249,639	249,639	-	-
Other Commitments	90,728	90,728	71,145	-	-
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	77,283	77,283	-	-	-
Accumulated Other Comprehensive Income	-	-	-	-	-
Statutory reserve fund	3,152	3,152	-	-	-
Other Reserves	36,688	36,688	-	-	-
Total Shareholders' Equity	120,276	120,276	-	-	-