

Basel III Disclosure Requirements Under Pillar 3 as per Banking Act Direction No 01 of 2016

Disclosure 1 : Key Regulatory Ratios- Capital and Liquidity

Item	31.03.2022	
	Bank	Group
Basel III		
Regulatory Capital (LKR'000)		
Common Equity Tier 1	174,618,017	182,164,758
Tier 1 Capital	192,968,017	200,514,758
Total Capital	242,049,363	250,697,605
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 8.50%)	10.77	10.84
Tier 1 Capital Ratio (Minimum Requirement- 10.00%)	11.90	11.93
Total Capital Ratio (Minimum Requirement- 14.00%)	14.93	14.91
Leverage Ratio (Minimum Requirement- 3.00%)	4.26	4.40

Item	Bank	
	31.03.2022	31.12.2021
Regulatory Liquidity		
Statutory Liquid Assests - Domestic (LKR '000)	870,197,694	715,407,611
Statutory Liquid Assests - FCBU (USD '000)	623,131	701,065
Statutory Liquid Assests Ratio (Minimum Requirement- 20%)		
Domestic Banking Unit (%)	30.45	24.97
Off -Shore Banking Unit(%)	29.99	25.34
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement 2022-100%, 2021- 100%)	209.00	169.00
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement 2022-100%, 2021-100%)	122.97	111.45
Net Stable Funding Ratio (%) (Minimum Requirement 2022-100%, 2021 -100%)	129.00	124.31

Disclosure 2 : Basel III Computation of Capital Ratios -31.03.2022

Item	Bank LKR'000	Group LKR'000
Common Equity Tier 1 (CET 1) Capital after Adjustments	174,618,017	182,164,758
Common Equity Tier 1 (CET 1) Capital	181,680,048	184,853,981
Equity Capital (Stated Capital)/ Assigned Capital	25,000,000	25,000,000
Reserve Fund	14,491,000	14,491,000
Published Retained Earnings/(Accumulated Retained Losses)	136,739,177	138,104,222
Published Accumulated other Comprehensive Income(OCI)	2,104,451	2,071,971
General and other Disclosed Reserves	3,345,420	5,186,788
Unpublished current year's profit/(losses) and gains reflected in OCI	-	-
Ordinary shares issued by consolidated banking and financial subsidiaries held by third parties	-	-
Total Adjustments to CET 1 Capital	7,062,031	2,689,223
Goodwill(net)	-	-
Intangible Assests (net)	881,164	1,055,468
Revaluation losses of property, plant and equipment	52,913	52,913
Deferred tax assets (net)	1,578,188	1,440,935
Investments in the capital of banking and financial institutions where the bank does not own more than 10 per cent of the issued ordinary share capital of the entity	149,690	139,906
Significant investments in the capital of financial institutions where the bank owns more than 10 per cent of the issued ordinary share capital of the entity	4,400,075	-
Shortfall of capital in financial subsidiaries	-	-
Additional Tier 1 (AT I) capital after adjustment	18,350,000	18,350,000
Additional Tier 1 (AT I) capital	18,350,000	18,350,000
Qualifying Additional Tier 1 Capital Instruments	18,350,000	18,350,000
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to AT 1 Capital	-	-
Investment in Own Shares	-	-
others (specify)	-	-
Tier 2 Capital after Adjustments	49,081,345	50,182,847
Tier 2 Capital	49,257,275	50,347,279
Qualifying Tier 2 Capital Instruments	20,967,912	21,367,912
Revaluation Gains	9,902,177	9,902,177
General Provisions	18,387,187	19,077,190

Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustment to Tier 2	175,930	164,432
Investment in Own Shares		-
Investments in the capital of financial institutions and where the bank does not own more than 10 per cent of the issued capital carrying voting rights of the issuing entity	175,930	164,432
Significant investments in the capital of banking and financial institutions where the bank own more than 10 per cent of the issued ordinary share capital of the entity	-	-
CET I Capital	174,618,017	182,164,758
Total Tier 1 Capital	192,968,017	200,514,758
Total Capital	242,049,363	250,697,605

Item	Bank LKR'000	Group LKR'000
Total Risk Weighted Assets (RWA)	1,621,342,281	1,681,071,996
RWAs for Credit Risk	1,470,974,959	1,526,175,239
RWAs for Market Risk	12,405,652	12,402,729
RWAs for Operational Risk	137,961,669	142,494,028
CET I Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	10.77	10.84
of which :Capital Conservation Buffer (%)	2.50	2.50
of which :Countercyclical Buffer (%)	N/A	N/A
of which:Capital Surcharge on D- SIBs (%)	1.50%	1.50%
Total Tier 1 Capital Ratio(%)	11.90	11.93
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D- SIBs)(%)	14.93	14.91
of which : Capital Conservation Buffer (%)	2.50	2.50
of which: Countercyclical Buffer (%)	N/A	N/A
of which:Capital Surcharge on D- SIBs (%)	1.50	1.50

Disclosure 3 : Leverage Ratio as at 31.03.2022

	Bank LKR'000	Group LKR'000
Tier 1 Capital	192,968,017	200,514,758
Total Exposures	4,524,462,172	4,555,051,552
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	4,186,223,247	4,215,940,843
Derivative Exposures	18,461,749	18,461,749
Securities Financing Transaction Exposures	101,101,130	101,972,915
Other Off- Balance Sheet Exposures	218,676,045	218,676,045
Basel III Leverage Ratio (%) (Tier 1 Capital/Total Exposure)	4.26	4.40

Disclosure 4 : Net Stable Funding Ratio (NSFR) & Liquidity Coverage Ratio (LCR)

	31.03.2022 LKR'000	31.12.2021 LKR'000
Total Available Stable Funding	2,739,357,702	2,487,009,142
Required Stable Funding - On Balance Sheet Assets	2,098,315,463	1,970,756,516
Required Stable Funding - Off Balance Sheet Assets	21,671,581	19,716,966
Total Required Stable Funding	2,119,987,044	1,990,473,483

NSFR	129%	125%
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Basel III computation of Liquidity Coverage Ratio -All Currency (Bank Only)

Item	Amount (LKR'000)			
	31.03.2022		31.12.2021	
	Total Un-Weighted Value	Total Weighted Value	Total Un-Weighted Value	Total Weighted Value
Total Stock of High -Quality Liquid Asset (HQLA)	681,494,469	681,494,469	531,095,154	531,095,154
Total Adjusted Level I Assets	641,225,769	641,225,769	492,156,944	492,156,944
Level 1 Assets	619,856,760	619,856,760	488,050,163	488,050,163
Total Adjusted Level 2A Assets	70,727,904	60,118,718	48,714,935	41,407,695
Level 2A Assets	70,727,904	60,118,718	48,714,935	41,407,695
Total Adjusted Level 2B Assets	3,037,981	1,518,991	3,274,592	1,637,296
Level 2B Assets	3,037,981	1,518,991	3,274,592	1,637,296
Total Cash Outflows	4,317,677,477	642,798,385	3,401,856,760	535,682,254
Deposits	2,352,564,036	235,256,404	2,101,279,219	210,127,922
Unsecured Wholesale Funding	800,976,896	363,123,800	650,380,229	289,029,451
Secured Funding Transactions	499,033,398	-	45,553,081	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	661,067,638	40,382,674	604,644,230	36,524,881
Additional Requirements	4,035,508	4,035,508	-	-
Total Cash Inflows	202,694,397	88,606,951	112,949,640	59,133,469
Maturing Secured Lending Transaction Backed by Collateral Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing Within 30 Days	5,000,000	-	5,000,000	-
Operational Deposits	163,570,017	88,606,951	107,405,810	58,589,639
Other Cash Inflows	34,124,380	-	-	-
	-	-	543,830	543,830
Liquidity Coverage Ratio (%) (Stock of High quality Liquid Assets /Total Net Cash Outflows over the Next 30 Calender Days)*100		122.97		111.45

Disclosure 5 : Main Features of Regulatory Capital Instruments

Description of the Capital Instrument					
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier	LK0357D20454	LK0357D20470	LK0357D22542	LK0357D22559	LK0357D23177
Governing Laws of the Instrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	25-Oct-13	25-Oct-13	22-Sep-14	22-Sep-14	6-Oct-15
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	12,000,000	16,000,000	18,334,950	300	11,802,560
Issued Quantity (LKR'000)	1,200,000	1,600,000	1,833,495	30	1,180,256
Perpetual or Dated					
Original Maturity Date, if Applicable	24-Oct-22	24-Oct-23	21-Sep-22	21-Sep-22	5-Oct-23
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	120,000	480,000	91,675	2	295,064
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floating Dividend/Coupon	FIXED	FIXED	FIXED	FLOATING	FIXED
Coupon Rate and any Related Index %	13.25	13.75	8.25	6.45	9.50
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible

Description of the Capital Instrument					
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier	LK0357D23219	LK0357D23771	LK0357D23789		
Governing Laws of the Instrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	6-Oct-15	29-Dec-16	29-Dec-16	29-Dec-17	29-Dec-17
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	20,405,480	7,836	200	50,000,000	10,000,000
Issued Quantity (LKR'000)	2,040,548	784	20	5,000,000	1,000,000
Perpetual or Dated					
Original Maturity Date, if Applicable	5-Oct-23	28-Dec-24	28-Dec-24	28-Dec-25	28-Dec-22
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	510,137	392	10	3,500,000	100,000
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floating Dividend/Coupon	FLOATING	FIXED	FLOATING	FIXED	FIXED
Coupon Rate and any Related Index %	6.35	12.75	9.35	12.75	12.50

Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible

Description of the Capital Instrument					
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier					
Governing Laws of the Instrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	31-Jul-18	3-Dec-18	27-Jun-19	17-Jul-19	18-Jul-19
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	67,000,000	53,000,000	30,000,000	10,488,500	22,000,000
Issued Quantity (LKR'000)	6,700,000	5,300,000	3,000,000	1,048,850	2,200,000
Perpetual or Dated				Dated	Dated
Original Maturity Date, if Applicable	30-Jul-26	2-Dec-23	26-Jun-24	16-Jul-24	17-Jul-24
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	5,360,000	1,590,000	1,200,000	471,983	990,000
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floting Dividend/Coupon	FIXED	FIXED	FIXED	FIXED	FIXED
Coupon Rate and any Related Index %	12.00	12.00	11.75	11.80	11.80
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible	Non Convertible	Non Viability write down	Non Viability write down

Description of the Capital Instrument				
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier				
Governing Laws of the Instrument	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	23-Jul-19	24-Jul-19	26-Jul-19	22-Nov-21
Par Value of Instrument -LKR	100	100	100	100
Issued quantity (No of Debentures)	25,000,000	4,000,000	611,500	51,500,000
Issued Quantity (LKR'000)	2,500,000	400,000	61,150	5,150,000
Perpetual or Dated	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	22-Jul-24	23-Jul-24	25-Jul-27	21-Nov-26
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	1,125,000	180,000	61,150	4,892,500
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability

Coupons/Dividends				
Fixed or Floting Dividend/Coupon	FIXED	FIXED	FIXED	FLOATING
Coupon Rate and any Related Index %	11.80	11.50	11.75	10.53
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Viability write down	Non Viability write down	Non Viability write down	Non Viability write down

Disclosure 7 : Credit Risk Under Standardised Approach-Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects -Bank

Asset Class	Amount (LKR'000) as at 31.03.2022					
	Exposures before Credit Conversion Factor (CCF)and CRM		Exposures Post CCF and CRM		RWA and RWA Density (%)	
	On Balance Sheet Amount	Off Balance Sheet Amount	On Balance Sheet Amount	Off Balance Sheet Amount	RWA	RWA Density (%)
Claims on Central Government and CBSL	1,823,643,029	25,737,735	1,823,643,029	5,147,547	73,225,749	4.00%
Claims on Foreign Sovereigns and their Central Bank	50,377,581	-	50,377,581	-	48,142,500	95.56%
Claims on Public Sector Entities	763,151,081	62,464,601	125,952,003	7,633,351	122,621,354	91.79%
Claim on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	61,030,440	35,379,975	61,030,440	35,379,975	53,785,718	55.79%
Claims on Financial Institutions	9,595,047	-	9,595,047	-	5,385,316	56.13%
Claims on Corporates	328,216,393	310,948,033	285,211,120	58,357,517	323,863,981	94.26%
Retail Claims	718,925,275	365,049,241	665,996,030	-	508,969,230	76.42%
Claims Secured by Gold	86,945,331	-	86,945,331	-	1,298	0.00%
Claims Secured by Residential Property	91,690,327	-	91,690,327	-	44,708,320	48.76%
Claims secured by Commercial Real Estate	43,852,287	-	43,852,287	-	43,852,287	100.00%
Non- Performing Assets (NPAs)	70,335,193	-	70,335,193	-	87,878,556	124.94%
Higher - risk Categories	1,806,557	-	1,806,557	-	4,516,391	250.00%
Cash Items and Other Assets	175,374,939	55,544,373	175,374,939	55,544,373	154,024,258	66.70%
Total	4,224,943,481	855,123,958	3,491,809,883	162,062,763	1,470,974,959	40.26%

Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects -Group

Asset Class	Amount (LKR'000) as at 31.03.2022		
	Exposures before Credit Conversion Factor (CCF)and CRM	Exposures Post CCF and CRM	RWA and RWA Density (%)

	On Balance Sheet Amount	Off Balance Sheet Amount	On Balance Sheet Amount	Off Balance Sheet Amount	RWA	RWA Density (%)
Claims on Central Government and CBSL	1,830,229,076	25,737,735	1,830,229,076	5,147,547	73,225,749	3.99%
Claims on Foreign Sovereigns and their Central Bank	50,377,581	-	50,377,581	-	48,142,500	95.56%
Claims on Public Sector Entities	775,300,004	62,464,601	125,952,003	24,639,347	139,627,351	92.72%
Claim on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	61,436,673	35,379,975	61,436,673	35,379,975	54,191,952	55.97%
Claims on Financial Institutions	9,595,047	-	9,595,047	17,790	5,394,211	56.11%
Claims on Corporates	353,105,836	310,948,033	310,100,563	58,357,517	348,753,424	94.65%
Retail Claims	718,925,275	365,049,241	665,996,030	-	508,969,230	76.42%
Claims Secured by Gold	86,945,331	-	86,945,331	-	1,298	0.00%
Claims Secured by Residential Property	91,690,327	-	91,690,327	-	44,708,320	48.76%
Claims secured by Commercial Real Estate	43,852,287	-	43,852,287	-	43,852,287	100.00%
Non- Performing Assets (NPAs)	70,335,193	-	70,335,193	-	87,878,556	124.94%
Higher - risk Categories	1,827,838	-	1,827,838	-	4,569,595	250.00%
Cash Items and Other Assets	187,886,002	55,544,373	187,886,002	55,544,373	166,860,766	68.55%
Total	4,281,506,471	855,123,958	3,536,223,951	179,086,550	1,526,175,239	41.08%

Disclosure 9 : Market Risk under Standardised Measurement Method

Item	31.03.2022	
	Bank (LKR'000)	Group (LKR'000)
(a) Capital Charge for Interest Rate Risk	402,098	402,098
General Interest Rate Risk	402,098	402,098
(i) Net Long or Short Position	402,098	402,098
(ii) Horizontal Disallowance	-	-
(iii) Vertical Disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) Capital Charge for Equity	632,154	632,154
(i) General Equity Risk	294,264	294,264
(ii) Specific Equity Risk	337,890	337,890
(c) Capital Charge for Foreign Exchange & Gold	702,539	702,130
Total Capital Charge for Market Risk [(a)+(b)+(c)]	1,736,791	1,736,382
Total Risk Weighted Amount for Market Risk	12,405,652	12,402,729

Disclosure 10 : Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000)as at 31.03.2022		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		93,317,819	102,460,844	190,514,011
Capital Charges for Operational Risk(LKR'000)					19,314,634
Risk Weighted Amount for Operational Risk(LKR'000)					137,961,669

Operational Risk under Basic Indicator Approach -Group

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000)as at 31.03.2022		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		98,845,933	104,768,909	195,368,437
Capital Charges for Operational Risk(LKR'000)					19,949,164
Risk Weighted Amount for Operational Risk(LKR'000)					142,494,028