

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	31.03.2023	
	Bank	Group
Basel III		
Regulatory Capital (LKR'000)		
Common Equity Tier 1	195,429,106	200,968,798
Tier 1 Capital	213,779,106	219,318,798
Total Capital	262,782,235	268,697,888
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 8.50%)	11.65	11.81
Tier 1 Capital Ratio (Minimum Requirement- 10.00%)	12.74	12.88
Total Capital Ratio (Minimum Requirement- 14.00%)	15.66	15.78
Leverage Ratio (Minimum Requirement- 3.00%)	4.80	4.87

Item	Bank	
	31.03.2023	31.12.2022
Regulatory Liquidity		
Statutory Liquid Assets - Domestic (LKR '000)	676,459,033	698,946,861
Statutory Liquid Assets - FCBU (USD '000)	744,220	368,308
Statutory Liquid Assets Ratio (Minimum Requirement- 20%)		
Domestic Banking Unit (%)	26.23	21.22
Off -Shore Banking Unit(%)	27.39	32.79
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement 2023-100%, 2022- 90%)	238.00	169.00
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement 2023-100%, 2022-90%)	162.32	122.77
Net Stable Funding Ratio (%) (Minimum Requirement 2023- 100%, 2022 -90%)	137.35	139.00

Disclosure 2 : Basel III Computation of Capital Ratios -31.12.2022

Item	Bank		Group	
	LKR'000	LKR'000	LKR'000	LKR'000
Common Equity Tier 1 (CET 1) Capital after Adjustments	195,429,106		200,968,798	
Common Equity Tier 1 (CET 1) Capital	219,610,936		221,151,838	
Equity Capital (Stated Capital)/ Assigned Capital	25,730,000		25,730,000	
Reserve Fund	15,131,000		15,131,000	
Published Retained Earnings/(Accumulated Retained Losses)	158,616,238		159,819,481	
Published Accumulated other Comprehensive Income(OCI)	19,964,631		20,104,713	
General and other Disclosed Reserves	169,067		366,644	
Unpublished current year's profit/(losses) and gains reflected in OCI	-		-	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	24,181,830		20,183,040	
Goodwill(net)	-		-	
Intangible Assets (net)	1,366,638		1,505,661	
Revaluation losses of property, plant and equipment	52,913		52,913	
Deferred tax assets (net)	18,402,430		18,474,855	
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	-		-	
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	4,210,238		-	
Shortfall of capital in financial subsidiaries	149,611		149,611	
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	49,003,129		49,379,090	
Tier 2 Capital	49,003,129		49,379,090	
Qualifying Tier 2 Capital Instruments	20,151,511		20,219,211	
Revaluation Gains	9,902,177		9,902,177	
General Provisions	18,949,441		19,257,702	
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-		-	
Total Adjustment to Tier 2	-		-	
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	-		-	
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	195,429,106		200,968,798	
Total Tier 1 Capital	213,779,106		219,318,798	
Total Capital	262,782,235		268,697,888	

Item	Bank		Group	
	LKR'000	LKR'000	LKR'000	LKR'000
Total Risk Weighted Assets (RWA)	1,678,188,587		1,702,363,711	
RWAs for Credit Risk	1,515,955,272		1,540,616,137	
RWAs for Market Risk	10,094,775		10,098,093	
RWAs for Operational Risk	152,138,539		151,649,481	
CET I Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	11.65		11.81	
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(%)	12.74		12.88	
Total Capital Ratio (including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D- SIBs)(%)	15.66		15.78	
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 31.12.2022

	Bank	Group
	LKR'000	LKR'000
Tier 1 Capital	213,779,106	219,318,798
Total Exposures	4,449,695,884	4,505,727,331
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	3,995,192,727	4,050,808,183
Derivative Exposures	20,657,858	20,657,858
Securities Financing Transaction Exposures	231,537,865	231,953,856
Other Off- Balance Sheet Exposures	202,307,433	202,307,433
Basel III Leverage Ratio (%) (Tier 1 Capital/Total Exposure)	4.80	4.87

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

	31.03.2023	31.12.2022
	LKR'000	LKR'000
Total Available Stable Funding	2,798,046,162	2,931,092,115
Required Stable Funding - On Balance Sheet Assets	2,021,989,903	2,100,576,441
Required Stable Funding - Off Balance Sheet Assets	15,121,281	12,901,216
Total Required Stable Funding	2,037,111,184	2,113,477,657
NSFR	137%	139%

Basel III computation of Liquidity Coverage Ratio -All Currency (Bank Only)

Item	Amount (LKR'000)			
	31.03.2023		31.12.2022	
	Total Un-Weighted Value	Total Weighted Value	Total Un-Weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Asset (HQLA)	755,495,153	749,401,951	528,321,184	522,718,279
Total Adjusted Level I Assets	709,011,385	709,011,385	495,276,344	495,276,344
Level 1 Assets	722,779,426	722,779,426	496,650,654	496,650,654
Total Adjusted Level 2A Assets	29,327,602	24,928,462	29,235,313	24,850,016
Level 2A Assets	29,327,602	24,928,462	29,235,313	24,850,016
Total Adjusted Level 2B Assets	3,388,125	1,694,062	2,435,217	1,217,609
Level 2B Assets	3,388,125	1,694,062	2,435,217	1,217,609
Total Cash Outflows	3,952,951,666	650,027,968	4,143,573,873	591,674,653
Deposits	2,309,501,079	230,950,108	2,549,717,356	254,971,736
Unsecured Wholesale Funding	886,848,987	362,457,307	689,360,250	283,199,642
Secured Funding Transactions	121,549,481	-	347,682,220	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	634,907,036	56,475,470	556,814,047	53,503,275
Additional Requirements	145,083	145,083	-	-
Total Cash Inflows	322,979,170	188,358,971	312,827,811	165,920,811
Maturing Secured Lending Transaction Backed by Collateral	-	-	-	-
Committed Facilities	5,000,000	-	5,000,000	-
Other Inflows by Counterparty which are Maturing Within 30 Days	287,490,634	188,358,971	263,185,809	165,459,409
Operational Deposits	30,488,536	-	44,180,601	-
Other Cash Inflows	-	-	461,402	461,402
Liquidity Coverage Ratio (%) (Stock of High quality Liquid Assets /Total Net Cash Outflows over the Next 30 Calendar Days)*100		162.32		122.77

Disclosure 5 : Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Issuer	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
Unique Identifier	LK0357D20470	LK0357D23177	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	25-Oct-13	6-Oct-15	6-Oct-15	29-Dec-16	29-Dec-16
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	16,000,000	11,802,560	20,405,480	7,836	200
Issued Quantity (LKR'000)	1,600,000	1,180,256	2,040,548	784	20
Perpetual or Dated					
Original Maturity Date, if Applicable	24-Oct-23	5-Oct-23	5-Oct-23	28-Dec-24	28-Dec-24
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	160,000	118,026	204,055	235	6
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floating Dividend/Coupon	FIXED	FIXED	FLOATING	FIXED	FLOATING
Coupon Rate and any Related Index %	13.75	9.50	31.84	12.75	33.51
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	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
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	29-Dec-17	31-Jul-18	3-Dec-18	27-Jun-19	17-Jul-19
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	50,000,000	67,000,000	53,000,000	30,000,000	10,488,500
Issued Quantity (LKR'000)	5,000,000	6,700,000	5,300,000	3,000,000	1,048,850
Perpetual or Dated					Dated
Original Maturity Date, if Applicable	28-Dec-25	30-Jul-26	2-Dec-23	26-Jun-24	16-Jul-24
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	2,500,000	4,355,000	530,000	600,000	262,213
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floating Dividend/Coupon	FIXED	FIXED	FIXED	FIXED	FIXED
Coupon Rate and any Related Index %	12.75	12.00	12.00	11.75	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 Convertible	Non Viability write down

Description of the Capital Instrument	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon	Bank of Ceylon
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	18-Jul-19	23-Jul-19	24-Jul-19	26-Jul-19	26-Jul-19
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	22,000,000	25,000,000	4,000,000	611,500	51,500,000
Issued Quantity (LKR'000)	2,200,000	2,500,000	400,000	61,150	5,150,000
Perpetual or Dated	Dated	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	17-Jul-24	22-Jul-24	23-Jul-24	25-Jul-27	25-Jul-27
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	550,000	625,000	100,000	51,978	3,605,000
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floating Dividend/Coupon	FIXED	FIXED	FIXED	FIXED	FLOATING
Coupon Rate and any Related Index %	11.80	11.80	11.50	11.75	35.01
Non-Cumulative or Cumulative	Non-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	Non Viability write down

Description of the Capital Instrument	
Issuer	Bank of Ceylon
Unique Identifier	
Governing Laws of the Instrument	Laws of Sri Lanka
Original Date of Issuance	30-Dec-22
Par Value of Instrument -LKR	100
Issued quantity (No of Debentures)	64,900,000
Issued Quantity (LKR'000)	6,490,000
Perpetual or Dated	Dated
Original Maturity Date, if Applicable	29-Dec-27
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	6,490,000
Accounting Classification (equity/Liability)	Liability
Coupons/Dividends	
Fixed or Floating Dividend/Coupon	FIXED
Coupon Rate and any Related Index %	29.00
Non-Cumulative or Cumulative	Non-Cumulative
Convertible or Non-Convertible	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 31.03.2023					
	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	2,027,318,352	25,109,893	2,027,318,352	5,021,979	144,462,657	7.11%
Claims on Foreign Sovereigns and their Central Bank	64,612,815	-	64,612,815	-	62,467,822	96.68%
Claims on Public Sector Entities	292,423,108	135,013,935	53,187,561	21,898,944	75,086,506	100.00%
Claim on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	109,906,227	66,598,206	109,906,227	66,598,206	123,282,080	69.85%
Claims on Financial Institutions	2,689,077	17,892	2,689,077	17,892	2,070,424	76.48%
Claims on Corporates	257,711,314	218,763,046	207,273,997	47,368,963	247,722,368	97.28%
Retail Claims	630,611,107	209,099,771	565,102,271	-	426,812,824	75.53%
Claims Secured by Gold	109,441,048	-	109,441,048	-	150,062	0.14%
Claims Secured by Residential Property	88,471,574	-	88,471,574	-	42,275,679	47.78%
Claims secured by Commercial Real Estate	34,738,960	-	34,738,960	-	34,738,960	100.00%
Non- Performing Assets (NPAs)	120,299,457	-	120,299,457	-	153,049,562	127.22%
Higher - risk Categories	1,996,393	-	1,996,393	-	4,990,983	250.00%
Cash Items and Other Assets	261,889,245	28,711,725	261,889,245	28,711,725	198,845,347	68.43%
Total	4,002,108,678	683,314,467	3,646,926,978	169,617,708	1,515,955,272	39.72%

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

Asset Class	Amount (LKR'000) as at 31.03.2023					
	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	2,037,380,081	25,109,893	2,037,380,081	5,021,979	144,462,657	7.07%
Claims on Foreign Sovereigns and their Central Bank	64,612,815	-	64,612,815	-	62,467,822	96.68%
Claims on Public Sector Entities	305,182,715	135,013,935	53,187,561	21,898,944	75,086,506	100.00%
Claim on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	104,797,842	66,598,206	104,797,842	66,966,522	118,726,169	69.12%
Claims on Financial Institutions	2,994,700	17,892	2,994,700	17,892	2,376,047	78.87%
Claims on Corporates	277,414,137	218,763,046	226,976,820	47,368,963	267,425,191	97.48%
Retail Claims	630,611,107	209,099,771	565,102,271	-	426,812,824	75.53%
Claims Secured by Gold	109,441,048	-	109,441,048	-	150,062	0.14%
Claims Secured by Residential Property	88,471,574	-	88,471,574	-	42,275,679	47.78%
Claims secured by Commercial Real Estate	34,738,960	-	34,738,960	-	34,738,960	100.00%
Non- Performing Assets (NPAs)	120,299,457	-	120,299,457	-	153,049,562	127.22%
Higher - risk Categories	-	-	-	-	-	#DIV/0!
Cash Items and Other Assets	289,068,029	28,711,725	289,068,029	28,711,725	213,044,659	67.04%
Total	4,065,012,466	683,314,467	3,697,071,159	169,986,024	1,540,616,137	39.84%

Credit Risk under Standardised Approach : Exposures by Asset Classes and Risk Weights - Bank

Description	Amount (LKR'000) as at 31.03.2023 (Post CCF & CRM)									
	Risk Weight	0%	20%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
Claims on Central Government and Central Bank of Sri Lanka		1,309,083,358	718,234,994							2,027,318,352
Claims on Foreign Sovereigns and their Central Bank				4,289,986			60,322,829			64,612,815
Claims on public Sector Entities							53,187,561			53,187,561

Claims on Official Entities and Multilateral Development Banks										-
Claims on Banks Exposures		21,008,978	8,500,515			80,396,734				109,906,227
Claims on Financial Institutions		257,678	860,806			1,570,593				2,689,077
Claims on Corporates		133,342	12,447,977			194,674,421	18,257			207,273,997
Retail Claims				5,163,240	544,896,605	15,042,426				565,102,271
Claims Secured by Gold	108,695,929	743,820				1,298				109,441,048
Claims Secured by Residential Property			71,070,607			17,400,967				88,471,574
Claims secured by Commercial Real Estate						34,738,960				34,738,960
Non- Performing Assests(NPAs)						54,799,248	65,500,210			120,299,457
Higher -risk Categories								1,996,393		1,996,393
Cash Item and Other Assests	86,308,834	6,808,487				168,771,925				261,889,245
Total	1,504,088,121	747,187,299	97,169,891	5,163,240	544,896,605	680,906,963	65,518,467	1,996,393		3,646,926,978

Credit Risk under Standardised Approach : Exposures by Asset Classes and Risk Weights - Group

Description	Amount (LKR'000) as at 31.03.2023 (Post CCF & CRM)									Total Credit Exposures Amount	
	Asset Classes	Risk Weight	0%	20%	50%	60%	75%	100%	150%		>150%
Claims on Central Government and Central Bank of Sri Lanka			1,319,145,087	718,234,994							2,037,380,081
Claims on Foreign Sovereigns and their Central Bank					4,289,986			60,322,829			64,612,815
Claims on public Sector Entities			-					53,187,561			53,187,561
Claims on Official Entities and Multilateral Development Banks											-
Claims on Banks Exposures			21,008,978	8,500,515				75,288,349			104,797,842
Claims on Financial Institutions			257,678	860,806				1,570,593			2,689,077
Claims on Corporates			133,342	12,447,977				214,377,244	18,257		226,976,820
Retail Claims						5,163,240	544,896,605	15,042,426			565,102,271
Claims Secured by Gold	108,695,929	743,820						1,298			109,441,048
Claims Secured by Residential Property					71,070,607			17,400,967			88,471,574
Claims secured by Commercial Real Estate								34,738,960			34,738,960
Non- Performing Assests(NPAs)								54,799,248	65,500,210		120,299,457
Higher -risk Categories										-	-
Cash Item and Other Assests			99,288,306	6,808,487				182,971,237			289,068,029
Total			1,527,129,322	747,187,299	97,169,891	5,163,240	544,896,605	709,700,713	65,518,467	-	3,696,765,536 (305,623)

Disclosure 9 : Market Risk under Standardised Measurement Method

Item	31.03.2023	
	Bank (LKR'000)	Group (LKR'000)
(a) Capital Charge for Interest Rate Risk	98,518	98,518
General Interest Rate Risk	98,518	98,518
(i) Net Long or Short Position	98,518	98,518
(ii)Horizontal Disallowance	-	-
(iii)Vertical Disallowance	-	-
(iv)Options	-	-
Specific Interest Rate Risk	-	-
(b) Capital Charge for Equity	644,630	644,630
(i) General Equity Risk	303,419	303,419
(ii)Specific Equity Risk	341,211	341,211
(c)Capital Charge for Foreign Exchange & Gold	670,120	670,585
Total Capital Charge for Market Risk [(a)+(b)+(c)]	1,413,269	1,413,733
Total Risk Weighted Amount for Market Risk	10,094,775	10,098,993

Disclosure 10 : Operational Risk under Basic Indicator Approach

Operational Risk under Basic Indicator Approach -Bank

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31.03.2023		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		102,460,844	190,514,011	133,013,055
Capital Charges for Operational Risk(LKR'000)					21,299,395
Risk Weighted Amount for Operational Risk(LKR'000)					152,138,539

Operational Risk under Basic Indicator Approach -Group

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31.03.2023		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		104,768,909	195,358,238	124,491,400
Capital Charges for Operational Risk(LKR'000)					21,230,927
Risk Weighted Amount for Operational Risk(LKR'000)					151,649,481