

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	30.09.2023	
	Bank	Group
Basel III		
Regulatory Capital (LKR'000)		
Common Equity Tier 1	191,758,245	201,279,924
Tier 1 Capital	210,108,245	219,608,216
Total Capital	255,762,525	266,361,581
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement- 8.50%)	10.87	11.23
Tier 1 Capital Ratio (Minimum Requirement- 10.00%)	11.91	12.26
Total Capital Ratio (Minimum Requirement- 14.00%)	14.50	14.87
Leverage Ratio (Minimum Requirement- 3.00%)	4.63	4.78

Item	Bank	
	30.09.2023	31.12.2022
Regulatory Liquidity		
Statutory Liquid Assets - Domestic (LKR '000)	1,421,218,674	698,946,861
Statutory Liquid Assets - FCBU (USD '000)	700,408	368,308
Statutory Liquid Assets Ratio (Minimum Requirement- 20%)		
Domestic Banking Unit (%)	41.30	21.22
Off-Shore Banking Unit (%)	68.70	32.79
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement 2023-100%, 2022- 100%)	330.00	169.00
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement 2023-100%, 2022-100%)	232.08	122.77
Net Stable Funding Ratio (%) (Minimum Requirement 2023- 100%, 2022 -100%)	139.00	137.00

Disclosure 2 : Basel III Computation of Capital Ratios -30.09.2023

Item	Bank LKR'000	Group LKR'000
Common Equity Tier 1 (CET 1) Capital after Adjustments	191,758,245	201,279,924
Common Equity Tier 1 (CET 1) Capital	215,436,938	220,865,887
Equity Capital (Stated Capital) Assigned Capital Reserve Fund	25,730,000	25,730,000
Published Retained Earnings/(Accumulated Retained Losses)	15,131,000	15,131,000
Published Accumulated other Comprehensive Income(OCI)	158,443,033	159,552,738
General and other Disclosed Reserves	15,963,838	20,085,505
Unpublished current year's profit/(losses) and gains reflected in OCI	169,067	366,644
Ordinary shares issued by consolidated banking and financial subsidiaries held by third parties	-	-
Total Adjustments to CET 1 Capital	23,678,694	19,585,962
Goodwill(net)	-	-
Intangible Assets (net)	1,413,225	1,525,343
Revaluation losses of property, plant and equipment	52,913	52,913
Deferred tax assets (net)	17,727,893	17,814,273
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	240,461	193,434
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	4,244,202	-
Shortfall of capital in financial subsidiaries	-	-
Additional Tier 1 (AT 1) capital after adjustment	18,350,000	18,350,000
Additional Tier 1 (AT 1) capital	18,350,000	18,350,000
Qualifying Additional Tier 1 Capital Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	18,350,000	18,350,000
Total Adjustments to AT 1 Capital	-	-
Investment in Own Shares	-	-
others (specify)	-	-
Tier 2 Capital after Adjustments	45,654,281	46,753,365
Tier 2 Capital	45,681,267	46,753,365
Qualifying Tier 2 Capital Instruments	15,884,351	16,574,881
Revaluation Gains	9,902,177	9,902,177
General Provisions	19,894,739	20,276,307
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustment to Tier 2	26,986	-
Investment in Own Shares	-	-
Investments in the capital of financial institutions where the bank does not own more than 10 per cent of the issued capital carrying voting rights of the issuing entity	26,986	-
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 1 Capital	191,758,245	201,279,924
Total Tier 1 Capital	210,108,245	219,629,924
Total Capital	255,762,525	266,363,289

Item	Bank LKR'000	Group LKR'000
Total Risk Weighted Assets (RWA)	1,763,728,016	1,791,622,191
RWAs for Credit Risk	1,591,579,142	1,622,104,575
RWAs for Market Risk	16,506,194	16,503,602
RWAs for Operational Risk	155,642,680	153,014,014
CET 1 Capital Ratio (Including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	10.87	11.23
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(%)	11.91	12.26
Total Capital Ratio (Including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D- SIBs)(%)	14.50	14.87
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 30.09.2023

	Bank LKR'000	Group LKR'000
Tier 1 Capital	210,108,245	219,608,216
Total Exposures	4,541,727,712	4,593,721,773
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	4,243,183,989	4,250,843,394
Derivative Exposures	29,908,758	29,908,758
Securities Financing Transaction Exposures	66,250,754	110,588,411
Other Off- Balance Sheet Exposures	202,384,211	202,384,211
Basel III Leverage Ratio (%) (Tier 1 Capital/Total Exposure)	4.63	4.78

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

	30.09.2023	31.12.2022
	LKR'000	LKR'000
Total Available Stable Funding	3,022,096,756	2,912,887,816
Required Stable Funding - On Balance Sheet Assets	2,168,007,275	2,110,679,438
Required Stable Funding - Off Balance Sheet Assets	12,238,989	12,201,216
Total Required Stable Funding	2,180,246,264	2,122,880,654
NSFR	139%	137%

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

Item	Amount (LKR'000)			
	30.09.2023		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)	1,405,037,173	1,397,755,589	528,321,185	522,718,279
Total Adjusted Level 1 Assets	1,365,960,394	1,365,960,394	495,276,344	495,276,344
Level 1 Assets	1,365,612,777	1,365,612,777	496,650,654	496,650,654
Total Adjusted Level 2A Assets	38,373,182	32,617,205	29,235,313	24,850,016
Level 2A Assets	38,373,182	32,617,205	29,235,313	24,850,016
Total Adjusted Level 2B Assets	3,051,213	1,525,607	2,435,217	1,217,609
Level 2B Assets	3,051,213	1,525,607	2,435,217	1,217,609
Total Cash Outflows	4,266,254,721	792,773,575	4,143,573,873	591,674,653
Deposits	2,365,624,895	236,562,489	2,549,717,356	254,971,736
Unsecured Wholesale Funding	1,230,454,171	496,419,449	689,360,350	283,199,642
Secured Funding Transactions	58,842,181	-	347,682,220	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	602,739,232	51,207,393	556,814,047	53,503,275
Additional Requirements	3,584,243	8,584,243	-	-
Total Cash Inflows	326,733,577	190,512,114	312,827,811	165,920,811
Maturing Secured Lending Transaction Backed by Collateral	44,600,000	-	-	-
Committed Facilities	5,000,000	-	5,000,000	-
Other Inflows by Counterparty which are Maturing Within 30 Days	242,840,753	181,337,134	263,185,809	165,459,409
Operational Deposits	35,117,844	-	44,180,601	-
Other Cash Inflows	9,174,980	9,174,980	461,402	461,402
Liquidity Coverage Ratio (%) [Stock of High quality Liquid Assets /Total Net Cash Outflows over the Next 30 Calendar Days]*100		232.08		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	LK0357023771	LK035702789	-	-	-
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-16	29-Dec-16	29-Dec-17	31-Jul-18	27-Jun-19
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	7,836	200	50,000,000	67,000,000	30,000,000
Issued Quantity (LKR'000)	784	20	5,000,000	6,700,000	3,000,000
Perpetual or Dated	Dated	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	28-Dec-24	28-Dec-24	28-Dec-25	30-Jul-26	26-Jun-24
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	157	4	2,000,000	3,685,000	300,000
Accounting Classification (equity/Liability)	Liability	Liability	Liability	Liability	Liability
Coupons/Dividends					
Fixed or Floating Dividend/Coupon	FIXED	FLOATING	FIXED	FIXED	FIXED
Coupon Rate and any Related Index %	12.75	20.74	12.75	12.00	11.75
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	LK0357023771	LK035702789	-	-	-
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	17-Jul-19	18-Jul-19	23-Jul-19	24-Jul-19	26-Jul-19
Par Value of Instrument -LKR	100	100	100	100	100
Issued quantity (No of Debentures)	10,488,500	22,000,000	25,000,000	4,000,000	611,500
Issued Quantity (LKR'000)	1,048,850	2,200,000	2,500,000	400,000	61,150
Perpetual or Dated	Dated	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	16-Jul-24	17-Jul-24	22-Jul-24	23-Jul-24	25-Jul-27
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	157,328	330,000	375,000	60,000	45,863
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 %	11.80	11.80	11.80	11.50	11.75
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	Bank of Ceylon	Bank of Ceylon
Issuer	Bank of Ceylon	Bank of Ceylon
Unique Identifier	-	-
Governing Laws of the Instrument	Laws of Sri Lanka	Laws of Sri Lanka
Original Date of Issuance	22-Nov-21	30-Dec-22
Par Value of Instrument -LKR	100	100
Issued quantity (No of Debentures)	64,900,000	51,500,000
Issued Quantity (LKR'000)	6,490,000	5,150,000
Perpetual or Dated	Dated	Dated
Original Maturity Date, if Applicable	22-Nov-26	29-Dec-27
Amount Recognised in Regulatory Capital (in LKR'000 as at the Reporting Date)	5,841,000	3,090,000
Accounting Classification (equity/Liability)	Liability	Liability
Coupons/Dividends		
Fixed or Floating Dividend/Coupon	FLOATING	FIXED
Coupon Rate and any Related Index %	27.72	29.00
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible	Non Convertible	Non Convertible

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 30.09.2023					
	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	2,165,125,413	24,965,987	2,165,125,413	4,993,197	113,142,997	5.21%
Claims on Foreign Sovereigns and their Central Bank	59,654,346	-	59,654,346	-	57,678,418	96.69%
Claims on Public Sector Entities	314,366,725	94,278,956	73,948,437	13,094,310	92,462,054	106.23%
Claim on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposure	183,156,318	77,680,725	183,156,318	77,680,725	155,536,555	59.63%
Claims on Financial Institutions	3,275,066	17,822	3,275,066	17,822	2,256,595	68.53%
Claims on Corporates	215,343,340	294,162,968	165,888,178	50,149,082	204,758,438	94.78%
Retail Claims	645,618,385	262,114,161	580,415,315	-	451,401,164	77.77%
Claims Secured by Gold	138,066,105	-	138,066,105	-	8,156,216	5.91%
Claims Secured by Residential Property	87,291,656	-	87,291,656	-	41,041,230	47.02%
Claims secured by Commercial Real Estate	35,531,381	-	35,531,381	-	35,531,381	100.00%
Non-Performing Assets (NPAs)	134,060,561	-	134,060,561	-	170,196,797	126.96%
Higher-risk Categories	1,962,429	-	1,962,429	-	4,906,073	250.00%
Cash Items and Other Assets	317,585,264	25,995,069	317,585,264	25,995,069	254,511,223	74.08%
Total	4,301,036,989	779,215,689	3,945,960,468	171,930,206	1,591,579,142	38.65%

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

Asset Class	Amount (LKR'000) as at 30.09.2023					
	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	2,180,916,779	24,965,987	2,180,916,779	4,993,197	113,142,997	5.18%
Claims on Foreign Sovereigns and their Central Bank	59,654,346	-	59,654,346	-	57,678,418	96.09%
Claims on Public Sector Entities	328,770,428	94,278,956	73,948,437	13,094,310	92,462,054	106.23%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	184,023,650	77,680,725	184,023,650	77,680,725	156,403,887	59.76%
Claims on Financial Institutions	3,275,066	17,822	3,275,066	17,822	2,256,595	68.53%
Claims on Corporates	236,594,044	294,162,968	187,138,882	50,149,082	226,009,142	95.25%
Retail Claims	645,618,385	262,114,161	580,415,315	-	453,401,164	77.77%
Claims Secured by Gold	138,066,105	-	138,066,105	-	8,156,216	5.91%
Claims Secured by Residential Property	87,291,656	-	87,291,656	-	41,041,230	47.02%
Claims secured by Commercial Real Estate	35,531,381	-	35,531,381	-	35,531,381	100.00%
Non-Performing Assets (NPAs)	134,060,561	-	134,060,561	-	170,196,797	126.96%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	327,430,998	25,995,069	327,430,998	25,995,069	267,824,693	75.70%
Total	4,361,233,399	779,215,689	3,901,753,175	171,830,206	1,622,104,575	38.96%

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

Description	Risk Weight	Amount (LKR'000) as at 30.09.2023 (Post CCF & CRM)							Total Credit Exposures Amount	
		0%	20%	50%	60%	75%	100%	150%		>150%
Claims on Central Government and Central Bank of Sri Lanka		1,603,344,384	561,781,029							2,165,125,413
Claims on Foreign Sovereigns and their Central Bank				3,951,855				55,702,491		59,654,346
Claims on public Sector Entities								63,109,824		63,109,824
Claims on Official Entities and Multilateral Development Banks										
Claims on Banks Exposures			69,520,072	25,014,033				88,622,213		183,156,318
Claims on Financial Institutions			174,547	1,793,310				695,900		2,663,757
Claims on Corporates			2,914,483	16,585,279				145,914,762	473,654	165,888,178
Retail Claims						3,779,331	510,009,675	66,626,309		580,415,315
Claims Secured by Gold	97,290,221	40,774,584						1,299		138,066,105
Claims Secured by Residential Property				71,154,503				16,137,153		87,291,656
Claims secured by Commercial Real Estate								35,531,381		35,531,381
Non-Performing Assets(NPAs)								61,788,087	72,272,473	134,060,561
Higher-risk Categories									1,962,429	1,962,429
Cash Item and Other Assets		68,012,245	26,321,081					223,251,938		317,585,264
Total		1,768,646,850	701,485,797	118,498,980	3,779,331	510,009,675	757,381,357	72,746,128	1,962,429	3,934,510,546

(11,449,922)

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

Description	Risk Weight	Amount (LKR'000) as at 30.09.2023 (Post CCF & CRM)							Total Credit Exposures Amount	
		0%	20%	50%	60%	75%	100%	150%		>150%
Claims on Central Government and Central Bank of Sri Lanka		1,619,135,750	561,781,029							2,180,916,779
Claims on Foreign Sovereigns and their Central Bank				3,951,855				55,702,491		59,654,346
Claims on public Sector Entities								63,109,824		63,109,824
Claims on Official Entities and Multilateral Development Banks										
Claims on Banks Exposures			69,520,072	25,014,033				89,489,545		184,023,650
Claims on Financial Institutions			174,547	1,793,310				695,900		2,663,757
Claims on Corporates			2,914,483	16,585,279				167,165,466	473,654	187,138,882
Retail Claims						3,779,331	510,009,675	66,626,309		580,415,315
Claims Secured by Gold	97,290,221	40,774,584						1,299		138,066,105
Claims Secured by Residential Property				71,154,503				16,137,153		87,291,656
Claims secured by Commercial Real Estate								35,531,381		35,531,381
Non-Performing Assets(NPAs)								61,788,087	72,272,473	134,060,561
Higher-risk Categories									-	-
Cash Item and Other Assets		64,544,509	26,321,081					226,565,408		327,430,998
Total		1,780,970,480	701,485,797	118,498,980	3,779,331	510,009,675	792,812,863	72,746,128	-	3,980,303,253

(11,449,922)

Disclosure 9 : Market Risk under Standardised Measurement Method

Item	30.09.2023	
	Bank (LKR'000)	Group (LKR'000)
(a) Capital Charge for Interest Rate Risk	620,208	620,208
General Interest Rate Risk	620,208	620,208
(i) Net Long or Short Position	620,208	620,208
(ii) Horizontal Disallowance	-	-
(iii) Vertical Disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	-
(b) Capital Charge for Equity	679,164	679,164
(i) General Equity Risk	357,250	357,250
(ii) Specific Equity Risk	321,914	321,914
(c) Capital Charge for Foreign Exchange & Gold	1,011,495	1,011,132
Total Capital Charge for Market Risk [(a)+(b)+(c)]	2,310,867	2,310,504
Total Risk Weighted Amount for Market Risk	16,506,194	16,509,602

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 30.09.2023		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		127,282,733	203,177,858	105,338,913
Capital Charges for Operational Risk(LKR'000)					21,789,975
Risk Weighted Amount for Operational Risk(LKR'000)					155,642,680

Operational Risk under Basic Indicator Approach -Group

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30.09.2023		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		130,860,679	198,143,643	99,434,916
Capital Charges for Operational Risk(LKR'000)					21,421,962
Risk Weighted Amount for Operational Risk(LKR'000)					153,014,014