

TEMPLATE 1

Key regulatory ratios - Capital and liquidity

As at September 30,	Bank		Group	
	2022	2021	2022	2021
Regulatory Capital				
Common Equity (Rs 000)	111,366,338	120,861,336	125,317,576	134,998,495
Tier 1 Capital (Rs 000)	111,366,338	120,861,336	125,317,576	134,998,495
Total Capital (Rs 000)	141,494,641	152,649,304	156,024,567	167,156,972
Regulatory Capital Ratios				
Common Equity Tier 1 Capital Ratio (<i>Minimum Requirement - 2022-8% ; 2021-7%)</i>)	11.31%	14.43%	11.62%	14.77%
Tier 1 Capital Ratio (<i>Minimum Requirement - 2022-9.5% ; 2021-8.5%</i>)	11.31%	14.43%	11.62%	14.77%
Total Capital Ratio (<i>Minimum Requirement - 2022-13.5% ; 2021-12.5%</i>)	14.36%	18.22%	14.47%	18.29%
Leverage Ratio (<i>Minimum Requirement - 3%</i>)	6.36%	7.86%	6.75%	8.34%
Regulatory Liquidity				
Statutory Liquid Assets (Rs 000)	430,067,633	389,094,032		
Statutory Liquid Assets Ratio (<i>Minimum Requirement - 20%</i>)				
Domestic Banking Unit (%)	29.36%	32.55%		
Off-Shore Banking Unit (%)	28.88%	28.33%		
Liquidity Coverage Ratio (%) – Rupee (<i>Minimum Requirement - 2022-90% ; 2021-100%</i>)	218.59%	218.22%		
Liquidity Coverage Ratio (%) – All Currency (<i>Minimum Requirement - 2022-90% ; 2021-100%</i>)	218.53%	196.21%		

TEMPLATE 2

Basel III computation of capital ratios

As at September 30,	Bank		Group	
	2022	2021	2022	2021
	(Rs 000)	(Rs 000)	(Rs 000)	(Rs 000)
Common equity Tier 1 (CET1) Capital after Adjustments	111,366,338	120,861,336	125,317,576	134,998,495
Total common equity Tier 1 (CET1) Capital	138,649,144	128,184,900	151,932,690	142,034,544
Equity Capital (Stated Capital)/Assigned Capital	38,679,005	37,364,244	38,679,005	37,364,244
Reserve fund	8,560,000	7,660,000	8,560,000	7,660,000
Published retained earnings/(Accumulated retained losses)	32,366,642	27,872,611	40,830,562	35,005,628
Published accumulated other comprehensive income (OCI)	1,943,496	(838,276)	1,024,782	(416,002)
General and other disclosed reserves	57,100,000	56,100,000	56,313,263	56,716,326
Unpublished current year's profit/(losses) and gains reflected in OCI	-	26,321.00	-	38,367.00
Ordinary shares issued by consolidated banking and financial subsidiaries of the Bank and held by third parties	-	-	6,525,077	5,665,982
Total adjustments to CET1 Capital	27,282,806	7,323,564	26,615,113	7,036,050
Goodwill (net)	-	-	181,396	119,457
Intangible assets (net)	1,173,566	1,332,150	1,273,566	1,432,150
Deferred tax assets (net)	21,478,935	3,055,210	21,748,974	3,788,365
Defined benefit pension fund assets	1,248,708	-	1,248,708	-
Revaluation losses of property, plant & equipment	-	-	-	-
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	545,754	366,571	498,703	307,621
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	2,835,843	2,569,633	1,663,766	1,388,457
Additional Tier 1 (AT1) capital after adjustments	-	-	-	-
Additional Tier 1 (AT1) capital	-	-	-	-
Qualifying additional Tier 1 capital instruments	-	-	-	-
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total adjustments to AT1 capital	-	-	-	-
Investment in Own Shares	-	-	-	-
Others (specify)	-	-	-	-
Tier 2 capital after adjustments	30,128,304	31,787,968	30,706,991	32,158,477
Total Tier 2 Capital	30,128,304	31,787,968	30,706,991	32,158,477
Qualifying Tier 2 capital instruments	16,872,655	20,135,249	16,546,186	19,808,780
Revaluation gains	2,090,479	2,090,479	2,090,479	2,090,479
General provision/eligible impairment	11,165,170	9,562,241	12,070,327	10,259,219
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total adjustments to Tier 2 capital	-	-	-	-
Investment in own shares	-	-	-	-
Others (specify)	-	-	-	-
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	-	-	-	-
CET1 capital	111,366,338	120,861,336	125,317,576	134,998,495
Total Tier 1 capital	111,366,338	120,861,336	125,317,576	134,998,495
Total capital	141,494,641	152,649,304	156,024,567	167,156,972
Total risk weighted amount (RWA)	985,028,952	837,719,885	1,078,551,658	913,773,347
RWAs for Credit Risk	893,213,621	764,979,256	965,626,133	820,737,526
RWAs for Market Risk	4,037,118	121,128	4,236,425	302,588
RWAs for Operational Risk	87,778,213	72,619,502	108,689,100	92,733,233
CET1 capital ratio (including capital conservation buffer, countercyclical capital buffer & surcharge on D-SIBs) (%)	11.31%	14.43%	11.62%	14.77%
Of which: capital conservation buffer (%)	1.50%	1.50%	1.50%	1.50%
Of which: countercyclical buffer (%)	-	-	-	-
Of which: capital surcharge on D-SIBs (%)	1.00%	1.00%	1.00%	1.00%
Total Tier 1 capital ratio (%)	11.31%	14.43%	11.62%	14.77%
Total capital ratio (including capital conservation buffer, countercyclical capital buffer & surcharge on D-SIBs) (%)	14.36%	18.22%	14.47%	18.29%
Of which: capital conservation buffer (%)	1.50%	1.50%	1.50%	1.50%
Of which: countercyclical buffer (%)	-	-	-	-
Of which: capital surcharge on D-SIBs (%)	1.00%	1.00%	1.00%	1.00%

TEMPLATE 3

Leverage Ratio

As at September 30,	Bank		Group	
	2022	2021	2022	2021
	(Rs 000)	(Rs 000)	(Rs 000)	(Rs 000)
Tier 1 capital	111,366,338	120,861,336	125,317,576	134,998,495
Total exposures	1,751,734,290	1,537,272,833	1,857,581,852	1,618,668,245
On-balance sheet items (excluding derivatives and securities financing transactions, but including collateral)	1,593,842,851	1,331,182,286	1,699,690,413	1,406,548,310
Derivative exposures	40,220,855	62,701,173	40,220,855	62,701,173
Securities financing transaction exposures	21,381,487	56,238,224	21,381,487	62,267,612
Other off-balance sheet exposures	96,289,098	87,151,150	96,289,098	87,151,150
Basel III leverage ratio (Tier 1/Total Exposure) (minimum requirement 3%)	6.36%	7.86%	6.75%	8.34%

TEMPLATE 4

Liquidity coverage ratio (LCR) - All currency

As at September 30,	2022		2021	
	Total	Total	Total	Total
	Unweighted Value Rs 000	Weighted Value Rs 000	Unweighted Value Rs 000	Weighted Value Rs 000
Total stock of High-Quality Liquid Assets (HQLA)	300,820,049	293,420,678	288,681,653	276,026,954
Total adjusted level 1 assets	256,225,201	256,225,201	206,865,341	206,865,341
Level 1 assets	255,185,516	255,185,516	204,453,777	204,453,777
Total adjusted level 2A assets	44,051,131	37,443,461	84,169,254	71,543,866
Level 2A assets	44,051,131	37,443,461	84,169,254	71,543,866
Total adjusted level 2B assets	1,583,402	791,701	58,622	29,311
Level 2B assets	1,583,402	791,701	58,622	29,311
Total cash outflows	1,462,718,503	244,733,437	1,180,181,100	184,485,607
Deposits	1,026,642,150	102,664,215	837,829,062	83,782,906
Unsecured wholesale funding	244,599,187	97,396,995	176,998,605	63,561,200
Secured funding transactions	12,401,180	-	21,244,782	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	150,560,276	16,156,516	120,185,984	13,218,833
Additional requirements	28,515,710	28,515,710	23,922,668	23,922,668
Total cash inflows	238,451,894	110,465,501	98,292,209	43,808,794
Maturing secured lending transactions backed by collateral	-	-	-	-
Committed facilities	3,000,000	-	3,000,000	-
Other inflows by counterparty which are maturing within 30 days	129,769,608	73,934,029	72,994,404	36,497,202
Operational deposits	32,682,299	-	7,785,361	-
Other cash inflows	72,999,987	36,531,473	14,512,444	7,311,592
Liquidity coverage ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		218.53%		196.21%

TEMPLATE 5**Net Stable Funding Ratio (NSFR)**

As at September 30,	Bank	
	2022	2021
	Rs 000	Rs 000
Total available stable funding (ASF)	1,198,019,796	979,078,481
Required stable funding – On balance sheet assets	945,161,786	829,763,784
Required stable funding – Off balance sheet items	18,394,429	14,778,298
Total required stable funding (RSF)	963,556,215	844,542,082
NSFR (minimum requirement - 2022 - 100%, 2021 - 100%)	124.33%	115.93%

TEMPLATE 6

Main Features of Regulatory Capital Instruments

Description of the capital instrument	Subordinated - 2006 Type F	Debtsecurities - 2016	Debtsecurities - 2019 (Based III compliant - Tier 2 listed rated unsecured subordinated redeemable debtsecurities with a non-viability conversion)	Debtsecurities - 2021 (Based III compliant - Tier 2 listed rated unsecured subordinated redeemable debtsecurities with a non-viability conversion)
Issuer	DNB PLC	DNB PLC	DNB PLC	DNB PLC
Issuer identity	DNB PLC	DNB PLC	DNB PLC	DNB PLC
Governing law of the instrument	Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka
Original date of issuance	Not Applicable	April 1, 2006	November 21, 2019	September 21, 2021
Par value of instrument	Not Applicable	LKR 100	LKR 100	LKR 100
Interest rate	Not Applicable	Fixed	Fixed	Fixed
Original maturity date, if applicable	Not Applicable	March 31, 2024	November 22, 2024	September 22, 2026
Amount recognized in regulatory capital (in Rs.000) as at the reporting date	38,679,005	1,041,083	1,600,000	709,028
Accounting classification (assets/liabilities)	Assets	Liabilities	Liabilities	Liabilities
Issuer call subject to prior supervisory approval	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Optional call date, contingent call dates and redemption amount (Rs. 000)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Subsequent call Dates, if applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Coupons/Dividends	Dividends	Coupons	Coupons	Coupons
Fixed or floating dividend/coupon	Not Applicable	Fixed	Fixed	Fixed
Coupon rate and any related index	Not Applicable	11.25% p.a.	12.5% p.a.	12.25% p.a.
Non-cumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative
Convertible or Non-Convertible	Not Applicable	Not Applicable	Convertible	Convertible
Convertible, Conversion Trigger (s)	Not Applicable	Not Applicable	<p>"A 'Trigger Event' is determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka (i.e., conversion of the said Debtsecurities upon occurrence of the Trigger Event will be affected by the Bank solely upon being instructed by the Monetary Board of the Central Bank of Sri Lanka), and is defined in the Banking Act Direction No. 1 of 2016 of Web-Based Return Code 20.2.3.1.1.1(10) (a) (a&b) as a point event being the earlier of:</p> <p>(a) "A decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Monetary Board, OR</p> <p>(b) The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the Monetary Board."</p>	<p>"A 'Trigger Event' is determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka (i.e., conversion of the said Debtsecurities upon occurrence of the Trigger Event will be affected by the Bank solely upon being instructed by the Monetary Board of the Central Bank of Sri Lanka), and is defined in the Banking Act Direction No. 1 of 2016 of Web-Based Return Code 20.2.3.1.1.1(10) (a) (a&b) as a point event being the earlier of:</p> <p>(a) "A decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Monetary Board, OR</p> <p>(b) The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the Monetary Board."</p>
Convertible, Fully or partially	Not Applicable	Not Applicable	Full	Full
If convertible, mandatory or optional	Not Applicable	Not Applicable	Optional. At the discretion of the monetary board of the Central Bank of Sri Lanka upon occurrence of trigger points as detailed above.	Optional. At the discretion of the monetary board of the Central Bank of Sri Lanka upon occurrence of trigger points as detailed above.
Convertible, conversion rate	Not Applicable	Not Applicable	The price based on the simple average of the daily volume of weighted average price (VWAP) of an ordinary voting share of the Bank during the three (03) months period, immediately preceding the date of the Trigger Event.	The price based on the simple average of the daily volume of weighted average price (VWAP) of an ordinary voting share of the Bank during the three (03) months period, immediately preceding the date of the Trigger Event.

TEMPLATE 7

Credit risk under standardised approach

Credit risk exposures and credit risk mitigation (CRM) effects - Bank

As at September 30, 2022	Bank					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-balance sheet amount (a)	Off-Balance Sheet Amount (b)	On-balance sheet amount (c)	Off-Balance Sheet Amount (d)	RWA (e)	RWA Density {e/(c+d)}
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Claims on Central Government and CBSL	532,939,772	-	495,122,776	-	37,102,899	7.49%
Claims on foreign sovereigns and their central banks	-	-	-	-	-	-
Claims on public sector entities (PSEs)	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks (MDBs)	-	-	-	-	-	-
Claims on banks exposures	53,415,668	-	53,415,668	-	14,504,482	27.15%
Claims on financial institutions	36,688,800	2,746,556	36,688,800	2,746,556	23,420,308	59.39%
Claims on corporates	411,095,577	293,541,260	400,163,772	78,751,050	441,349,639	92.16%
Retail claims	413,927,504	105,549,400	355,719,343	14,791,491	249,957,662	67.46%
Claims secured by residential property	64,890,341	-	64,890,341	-	32,341,685	49.84%
Claims secured by commercial real estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) ⁽ⁱ⁾	46,605,627	-	46,605,627	-	50,298,907	107.92%
Higher-risk categories	1,142,022	-	1,142,022	-	2,855,055	250.00%
Cash items and other assets	81,067,746	-	81,067,746	-	41,382,986	51.05%
Total	1,641,773,056	401,837,216	1,534,816,093	96,289,097	893,213,621	

TEMPLATE 7 (Contd.)

Credit risk under standardised approach

Credit risk exposures and credit risk mitigation (CRM) effects - Group

As at September 30, 2022	Group					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-balance sheet amount (a)	Off-Balance Sheet Amount (b)	On-balance sheet amount (c)	Off-Balance Sheet Amount (d)	RWA (e)	RWA Density {e/(c+d)}
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Claims on Central Government and CBSL	550,235,369	-	512,418,372	-	37,102,899	7.24%
Claims on foreign sovereigns and their central banks	-	-	-	-	-	-
Claims on public sector entities (PSEs)	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks (MDBs)	-	-	-	-	-	-
Claims on banks exposures	59,902,951	-	59,902,951	-	17,132,484	28.60%
Claims on financial institutions	40,158,761	2,746,556	40,158,761	2,746,556	25,155,289	58.63%
Claims on corporates	423,812,822	293,541,260	412,881,017	78,751,050	453,652,244	92.27%
Retail claims	452,095,415	105,549,400	393,887,254	14,791,491	278,583,596	68.17%
Claims secured by residential property	64,890,341	-	64,890,341	-	32,341,685	49.84%
Claims secured by commercial real estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) ⁽ⁱ⁾	46,605,627	-	46,605,627	-	50,298,907	107.92%
Higher-risk categories	1,269,813	-	1,269,813	-	3,174,534	250.00%
Cash items and other assets	108,440,312	-	108,440,312	-	68,184,497	62.88%
Total	1,747,411,411	401,837,216	1,640,454,448	96,289,097	965,626,133	

TEMPLATE 8

Market risk under standardised measurement method

As at September 30,	Bank		Group	
	2022	2021	2022	2021
	Rs 000	Rs 000	Rs 000	Rs 000
(a) Capital charge for interest rate risk	0	0	0	0
General interest rate risk	0	0	0	0
(i) Net long or short position	0	0	0	0
(ii) Horizontal disallowance	-	0	-	0
(iii) Vertical disallowance	-	0	-	0
(iv) Options	-	0	-	0
Specific interest rate risk	-	0	-	0
(b) Capital charge for equity	19,183	10,805	46,089	33,487
(i) General equity risk	11,259	5,984	27,052	17,593
(ii) Specific equity risk	7,923	4,821	19,037	15,894
(c) Capital charge for foreign exchange & gold	525,828	4,336	525,828	4,336
Capital charge for market risk [(a) + (b) + (c)] * CAR	4,037,118	121,128	4,236,425	302,588

TEMPLATE 9

Operational Risk under basic indicator approach - Bank

As at September 30,	Capital Charge Factor	Fixed Factor	2021			2022		
			1 st Year	2 nd Year	3 rd Year	1 st Year	2 nd Year	3 rd Year
Gross Income	N/A	N/A	62,879,388	56,190,509	62,478,857	56,190,509	62,478,857	118,331,809
Capital Charges	15%	N/A	9,431,908	8,428,576	9,371,829	8,428,576	9,371,829	17,749,771
Capital Charges for Operational Risk					9,077,438			11,850,059
The Basic Indicator Approach					9,077,438			11,850,059
Risk Weighted Amount for Operational Risk					72,619,502			87,778,213

Operational Risk under basic indicator approach - Group

As at September 30,	Capital Charge Factor	Fixed Factor	2021			2022		
			1 st Year	2 nd Year	3 rd Year	1 st Year	2 nd Year	3 rd Year
Gross Income	N/A	N/A	78,904,122	72,540,058	80,388,902	72,540,058	80,388,902	140,531,609
Capital Charges	15%	N/A	11,835,618	10,881,009	12,058,335	10,881,009	12,058,335	21,079,741
Capital Charges for Operational Risk					11,591,654			14,673,028
The Basic Indicator Approach					11,591,654			14,673,028
Risk Weighted Amount for Operational Risk					92,733,233			108,689,100

TEMPLATE 10

Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank only

Amount as at September 30 ,2022	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 000	Rs 000	Rs 000	Rs 000	Rs 000
Assets	1,632,094,229	1,706,775,065	1,593,196,998	118,111	113,767,689
Cash and cash equivalents	82,943,687	82,966,866	82,966,866	-	-
Placements with banks	9,818,043	9,820,314	9,820,314	-	-
Balances with Central Bank of Sri Lanka	29,682,154	29,682,154	37,259,746	-	-
Reverse repurchase agreements	-	-	-	-	-
Derivative financial instruments	5,144,682	-	-	-	-
Financial assets measured at fair value through profit or loss	118,111	118,111	-	118,111	-
Financial assets at amortised cost - Loans and advances to banks	-	-	-	-	-
Financial assets measured at amortised cost - loans and advances to customers	973,929,491	1,019,068,995	912,112,033	-	106,956,963
Financial assets measured at amortised cost - debt and other instruments	447,129,288	506,788,441	506,788,441	-	-
Financial assets measured at fair value through other comprehensive income	2,695,589	4,265,714	427,839	-	3,837,875
Investment in joint venture	755,000	755,000	-	-	755,000
Investments in subsidiaries	3,017,285	3,017,285	1,973,000	-	1,044,285
Investments in associates	-	-	-	-	-
Investment properties	465,773	465,773	465,773	-	-
Property, plant and equipment	24,557,060	24,557,060	24,557,060	-	-
Right-of-use assets	5,364,281	5,364,281	-	-	-
Intangible assets and goodwill	1,288,064	1,288,064	-	-	1,173,566
Deferred tax assets	21,478,935	-	-	-	-
Other assets	23,706,786	18,617,007	16,825,926	-	-
Liabilities	1,477,226,042	1,464,367,484	-	-	-
Due to banks	5,955,144	5,955,144	-	-	-
Derivative financial instruments	18,868	-	-	-	-
Securities sold under repurchase agreements	15,557,597	15,557,597	-	-	-
Financial liabilities measured at amortised cost - due to depositors	1,346,075,937	1,347,252,774	-	-	-
Dividends payable	1,009,919	1,009,919	-	-	-
Financial liabilities measured at amortised cost - other borrowings	33,769,005	33,878,959	-	-	-
Debt securities issued	1,999,394	1,999,394	-	-	-
Current tax liabilities	24,242,645	5,792,387	-	-	-
Deferred tax liabilities	-	7,359,259	-	-	-
Other provisions	6,015,175	7,625,908	-	-	-
Other liabilities	19,798,572	15,152,357	-	-	-
Due to subsidiaries	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-
Subordinated term debts	22,783,786	22,783,786	-	-	-
Off-Balance Sheet Liabilities	833,302,738	833,302,738	-	-	-
Guarantees	73,349,981	73,349,981	73,349,981	-	-
Performance Bonds	38,102,942	38,102,942	38,102,942	-	-
Letters of Credit	22,948,244	22,948,244	22,948,244	-	-
Other Contingent Items	73,223,906	73,223,906	73,223,906	-	-
Undrawn Loan Commitments	625,677,665	625,677,665	625,677,665	-	-
Other Commitments	-	-	-	-	-
Shareholders' Equity	-	-	-	-	-
Equity Capital (Stated Capital)/Assigned Capital of which Amount Eligible for CET1	38,679,005	38,343,053	-	-	-
Of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	37,053,108	123,319,972	-	-	-
Accumulated Other Comprehensive Income	(1,608,482)	-	-	-	-
Other Reserves	80,744,556	80,744,556	-	-	-
Total Shareholders' Equity	154,868,187	242,407,581	-	-	-