

Basel III - Disclosures Under Pillar 3 as per the Banking Act Direction No.01 of 2016

Disclosure 1

Key Regulatory Ratios - Capital and Liquidity

	Group		Bank	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Regulatory Capital (Rs. '000)				
Common equity	166,649,326	161,743,687	156,847,378	154,397,407
Tier 1 capital	166,649,326	161,743,687	156,847,378	154,397,407
Total capital	218,423,196	206,898,033	207,684,979	198,689,451
Regulatory Capital Ratios (%)				
Common equity Tier 1 capital ratio (minimum requirement - 8.50%)	11.513	11.341	11.442	11.389
Tier 1 capital ratio (minimum requirement - 10.00%)	11.513	11.341	11.442	11.389
Total capital ratio (minimum requirement - 14.00%)	15.090	14.507	15.151	14.657
Leverage ratio (minimum requirement - 3%)	5.29	5.66	5.10	5.56
Regulatory Liquidity				
Statutory Liquid Assets - Consolidated (Sri Lankan Operations) (Rs. '000)			843,748,779	622,692,705
Statutory Liquid Assets Ratio - Consolidated (Sri Lankan Operations) (Minimum Requirement - 20%) (%)			46.06	35.88
Liquidity coverage ratio - Rupee (minimum requirement : 2023 - 100%, 2022 - 90%) (%)			491.61	405.91
Liquidity coverage ratio - All currency (minimum requirement : 2023 - 100%, 2022 - 90%) (%)			516.27	293.91
Net stable funding ratio (minimum requirement : 2023 - 100%, 2022 - 90%) (%)			193.70	173.58

Disclosure 2

Basel III Computation of Capital Ratios

	Group		Bank	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Common Equity Tier 1 (CET 1) Capital after Adjustments	166,649,326	161,743,687	156,847,378	154,397,407
Total Common Equity Tier 1 (CET 1) Capital	204,935,930	196,146,974	198,223,532	191,849,110
Equity Capital (Stated Capital) / Assigned Capital	62,948,003	58,149,621	62,948,003	58,149,621
Reserve fund	13,586,534	12,079,670	12,375,906	11,352,858
Published retained earnings/(Accumulated retained losses)	3,576,101	5,898,150	2,250,494	4,755,271
Published Accumulated Other Comprehensive Income (OCI)	11,661,476	17,825,484	9,819,529	17,440,828
General and other disclosed reserves	110,829,600	100,150,532	110,829,600	100,150,532
Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	2,334,216	2,043,517	-	-
Total Adjustments to CET 1 Capital	38,286,604	34,403,287	41,376,154	37,451,703
Goodwill (net)	445,147	445,147	-	-
Intangible Assets (net)	3,844,254	3,668,050	3,736,504	3,563,120
Revaluation losses of property, plant and equipment	-	-	-	-
Significant investments in the capital of financial institutions where the bank owns more than 10% of the issued ordinary share capital of the entity	-	-	3,563,126	3,587,383
Deferred tax assets (net)	33,997,203	30,290,090	34,076,524	30,301,200
Additional Tier 1 (AT1) Capital after Adjustments	-	-	-	-
Total Additional Tier 1 (AT 1) 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	-	-	-	-
Reciprocal cross holdings in AT 1 capital instruments	-	-	-	-
Investments in the capital of banking and financial institutions where the bank does not own more than 10% of the issued ordinary share capital of the entity	-	-	-	-
Significant investments in the capital of banking and financial institutions where the bank own more than 10% of the issued ordinary share capital of the entity	-	-	-	-
Regulatory adjustments applied to AT 1 due to insufficient Tier 2 capital to cover adjustments	-	-	-	-
Tier 2 Capital after Adjustments	51,773,870	45,154,346	50,837,601	44,292,044
Total Tier 2 Capital	51,773,870	45,154,346	50,837,601	44,292,044
Qualifying Tier 2 Capital Instruments	30,893,843	24,457,057	30,893,843	24,457,057
Revaluation gains	4,245,025	4,245,025	4,245,025	4,245,025
Eligible Impairment	16,635,002	16,452,264	15,698,733	15,589,962
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	-	-	-	-
CET1 Capital	166,649,326	161,743,687	156,847,378	154,397,407
Total Tier 1 Capital	166,649,326	161,743,687	156,847,378	154,397,407
Total Capital	218,423,196	206,898,033	207,684,979	198,689,451
	Group		Bank	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total Risk Weighted Amount (RWA)	1,447,512,263	1,426,170,040	1,370,781,562	1,355,629,090
Risk Weighted Amount for Credit Risk	1,330,800,123	1,316,181,150	1,255,898,647	1,247,196,997
Risk Weighted Amount for Market Risk	35,042,071	34,795,507	35,024,836	34,776,000
Risk Weighted Amount for Operational Risk	81,670,069	75,193,383	79,858,079	73,656,093
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D - SIBs) (%)	11.513	11.341	11.442	11.389
Of which : Capital Conservation Buffer (%)	2.500	2.500	2.500	2.500
Of which : Countercyclical Buffer (%)				
Of which : Capital Surcharge on D -SIBs (%)	1.500	1.500	1.500	1.500
Total Tier 1 Capital Ratio (%)	11.513	11.341	11.442	11.389
Total Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.090	14.507	15.151	14.657
Of which : Capital Conservation Buffer (%)	2.500	2.500	2.500	2.500
Of which : Countercyclical Buffer (%)				
Of which : Capital Surcharge on D -SIBs (%)	1.500	1.500	1.500	1.500

Disclosure 3

Leverage Ratio

	Group		Bank	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tier 1 Capital	166,649,326	161,743,687	156,847,378	154,397,407
Total Exposures	3,152,965,394	2,856,960,615	3,073,624,948	2,777,299,175
On-balance sheet items (excluding derivatives and securities financing transactions, but including collateral)	2,576,134,591	2,452,984,237	2,497,761,245	2,376,179,949
Derivative exposures	334,113,106	190,348,706	334,113,106	190,348,706
Securities financing transaction exposures	151,689,691	105,539,671	151,689,691	103,838,277
Other off-balance sheet exposures	91,028,006	108,088,001	90,060,906	106,932,243
Basel III Leverage Ratio (minimum requirement 3%) (%)	5.29	5.66	5.10	5.56

Disclosure 4

Liquidity Coverage Ratio (LCR)

	December 31, 2023		December 31, 2022	
	Total Un-weighted Value	Total weighted Value	Total Un-weighted Value	Total weighted Value
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total stock of High Quality Liquid Assets (HQLA)	770,542,166	760,373,663	483,964,278	476,447,368
Total Adjusted Level 1 Assets	722,696,096	722,696,096	435,146,578	435,146,578
Level 1 Assets	704,528,042	704,528,042	435,146,578	435,146,578
Total Adjusted Level 2A Assets	65,253,025	55,465,071	48,262,685	41,023,282
Level 2A Assets	65,253,025	55,465,071	48,262,685	41,023,282
Total Adjusted Level 2B Assets	761,099	380,550	555,015	277,508
Level 2B Assets	761,099	380,550	555,015	277,508
Total Cash outflows	2,449,592,965	479,455,036	2,265,841,586	462,213,957
Deposits	1,469,116,533	146,911,654	1,268,623,900	126,862,390
Unsecured wholesale funding	643,914,363	289,926,471	682,874,880	300,282,024
Secured funding transaction	-	-	-	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	300,966,514	7,021,356	295,415,928	16,142,665
Additional requirements	35,595,555	35,595,555	18,926,878	18,926,878
Total Cash Inflows	496,833,149	332,174,095	458,161,587	300,105,885
Maturing secured lending transactions backed by the collateral	152,142,219	150,857,303	142,604,695	141,330,270
Committed facilities	-	-	-	-
Other inflows by counterparty which are maturing within 30 calendar days	255,940,175	176,047,187	221,927,624	154,828,065
Operational deposits	78,211,545	-	85,734,167	-
Other cash inflows	10,539,210	5,269,605	7,895,101	3,947,550
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100 (minimum requirement - 100%)		516.27		293.91

Disclosure 5

Net Stable Funding Ratio (NSFR)

	Bank	
	December 31, 2023	December 31, 2022
	Rs. '000	Rs. '000
Total available stable funding (ASF)	1,933,461,907	1,767,993,757
Total required stable funding (RSF)	998,198,064	1,018,567,849
Required stable funding - On-balance sheet assets	992,172,206	1,013,512,135
Required stable funding - Off-balance sheet items	6,025,858	5,055,714
NSFR (minimum requirement - 100%) (%)	193.70	173.58

Disclosure 6

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Stated Capital	Basel III Compliant -Tier 2 Listed, Rated, Unsecured, Subordinated, Redeemable Debentures		Basel III Compliant -Tier 2 Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a Non - viability Conversion											
		2016 - 2026 Type B	2016 - 2026 Type B	2018 - 2028 Type B	2021 - 2026 Type A	2021 - 2028 Type B	2022 - 2027 Type A	2022 - 2029 Type B	2022 - 2032 Type C	2023 - 2028 Type A	2023 - 2028 Type B	2023 - 2030 Type C	2023 - 2030 Type D	2023 - 2033 Type E	2023 - 2033 Type F
		Commercial Bank													
Issuer		Commercial Bank													
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)															
Governing Law(s) of the Instrument		Sri Lanka													
Original Date of Issuance	N/A	09/03/2016	28/10/2016	23/07/2018	21/09/2021	21/09/2021	12/12/2022	12/12/2022	12/12/2022	20/12/2023	20/12/2023	20/12/2023	20/12/2023	20/12/2023	20/12/2023
Par Value of Instrument		Rs. 100/-													
Perpetual or Dated	Perpetual	Dated													
Original Maturity Date, if Applicable	N/A	08/03/2026	27/10/2026	22/07/2028	20/09/2026	20/09/2028	11/12/2027	11/12/2029	11/12/2032	19/12/2028	19/12/2028	19/12/2030	19/12/2030	19/12/2033	19/12/2033
Amount Recognised in Regulatory Capital (in Rs. '000 as at the Reporting Date)	62,948,003	787,091	1,156,920	1,606,160	2,330,609	4,358,000	5,379,744	3,263,820	11,500	2,132,400	7,558,090	32,980	817,760	30,840	1,427,930
Accounting Classification (Equity/Liability)	Equity	Liability													
Issuer Call subject to Prior Supervisory Approval															
Optional Call Date, Contingent Call Dates and Redemption Amount (Rs. '000)		N/A													
Subsequent Call Dates, if Applicable		N/A													
Coupons/Dividends															
Fixed or Floating Dividend/Coupon	N/A	Fixed													
Coupon Rate and any Related Index		11.25% p.a.	12.25% p.a.	12.50% p.a.	9.00% p.a.	9.50% p.a.	28.00% p.a.	27.00% p.a.	22.00% p.a.	14.50% p.a.	15.00% p.a.	13.75% p.a.	14.25% p.a.	13.50% p.a.	14.00% p.a.
Non-Cumulative or Cumulative	Non-Cumulative	Cumulative													
Convertible or Non-Convertible															
If Convertible, Conversion Trigger (s)	N/A	Not Convertible		*	*	*	*	*	*	*	*	*	*	*	*
If Convertible, Fully or Partially	N/A	Fully													
If Convertible, Mandatory or Optional	N/A	N/A	**	**	**	**	**	**	**	**	**	**	**	**	**
If Convertible, Conversion Rate	N/A	N/A	***	***	***	***	***	***	***	***	***	***	***	***	***

(*) 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 Debentures upon occurrence of the Trigger Event will be effected 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 Directions No. 1 of 2016 of Web Based Return Code 20.2.3.1.1.(10) (iii) (a&b) as a point/event being the earlier of:

- (a) "A decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Monetary Board, OR
- (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

(**) Optional. At the discretion of the monetary board of the Central Bank of Sri Lanka upon occurrence of trigger points as detailed above.

(***) The price based on the simple average of the daily volume 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.

Disclosure 7

Summary Discussion on Adequacy/Meeting Current and Future Capital Requirements

The Bank prepares the Corporate Plan and Budget for a period of 5 years which is rolled over every year and contains the forecast for key ratios mentioned under Basel III accord including the Capital Adequacy Ratios (CARs).

As part of the budgeting process the CARs are computed based on the movements in risk-weighted assets underlying the budgeted expansion of assets, including business volumes. The Bank has set up an internal threshold on minimum CARs and ensures that appropriate measures are taken to maintain the CARs above the said threshold in preparing the budget. The budget also captures the capital augmentation plan covering both internal and external capital sources. The Bank also takes initiatives well in advance to raise Tier I and Tier II capital as detailed in the Budget as well as in the Capital Augmentation plan. The Bank has a well established monitoring mechanism to periodically monitor the level of achievement against pre-determined targets to take timely corrective action in case of significant deviations.

Additionally, the Bank has a dynamic ICAAP process with rigorous stress testing embodied in addition to taking into consideration the qualitative aspects such as reputational and strategic risks. The ICAAP process also computes the concentration risk ensuring that the Bank has a well-diversified assets portfolio which is not overly exposed to any individual counterparty or sector. In addition ICAAP process also captures the residual risk to assess the amount of risk that remains after controls are accounted for. This process also proactively identifies the possible gaps in CARs in advance, allowing the Bank to take calculated decisions to optimise utilisation of capital.

Methods of improving the CARs are being evaluated on an ongoing basis and in extreme situations, the Bank will deliberate on strategically curtailing the expansion of risk weighted assets. However, prior to taking such decisions, the Bank will assess the impact on the internally developed thresholds of minimum CARs resulting from the short-term asset expansion plans. The Bank periodically analyses the impact of capital by product and by strategic business unit, to understand the extent of capital consumption to ensure the portfolio optimises the available capital. The Bank is committed to maintaining the internal CAR thresholds despite any leniency provided by Central Bank of Sri Lanka (CBSL) during adverse times.

The Bank has set up a separate Committee headed by the Managing Director to suggest improvements with regard to the Capital and CAR. The Committee deliberates on both internal and external improvements in optimising the utilization of the capital. During the year, Basel Committee met ...times and monitored the progress of the activities and suggested many initiatives to improve the utilization of the capital.

The Bank has developed a basic RAROC framework and are in the process of fine tuning it in order to make use of the model specially when taking credit decisions. RAROC could be used as the basic hurdle rate in lending decisions.

When deciding the dividend for FY 2023, the Bank carried out numerous analysis to identify the most feasible dividend payout, while ensuring a sustainable growth for FY 2024. The dividend is proposed also ensuring the Bank maintains a quarterly CAR above the minimum thresholds as per the Basel III guidelines, taking into account the capital augmentation plans for the year 2024. In the present context since the Bank has investments in the defaulted Foreign currency bonds and therefore carries out numerous computations and analysis to identify the possible impact to the profitability and the CAR due to restructuring of the government bond portfolio. In this regard, a world renowned consultant has been appointed to assist the Bank in restructuring negotiations.

A comprehensive analysis of "Managing Funding and Liquidity: Safeguarding Monetary Fluidity" given on pages 72 in Annual Report 2023.

Disclosure 8

Credit Risk under Standardised Approach
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

As at December 31, 2023	Group					
	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 (%)
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Claims on Central Government and Central Bank of Sri Lanka	906,240,426	56,743,750	906,240,426	1,134,875	17,708,600	1.95
Claims on Foreign Sovereigns and their Central Banks	170,432,030	-	170,432,030	-	138,469,248	81.25
Claims on Public Sector Entities (PSEs)	5,333,014	-	5,333,014	-	5,333,014	100.00
Claims on Official Entities and Multilateral Development Banks(MDBs)	33,654	-	33,654	-	-	-
Claims on Banks Exposures	187,063,338	118,932,891	187,063,338	6,709,008	82,902,548	42.78
Claims on Financial Institutions	18,607,530	-	18,607,530	-	9,845,044	52.91
Claims on Corporates	676,498,522	444,830,830	608,063,714	59,444,364	638,487,690	95.65
Retail Claims	371,747,646	37,536,815	317,424,801	16,430,580	243,478,692	72.93
Claims Secured by Residential Property	82,514,493	-	82,514,493	-	48,119,031	58.32
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)	85,080,030	-	85,080,030	-	98,187,153	115.41
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	110,641,023	-	110,641,023	-	48,269,103	43.63
Total	2,614,191,706	658,044,286	2,491,434,053	83,718,827	1,330,800,123	51.68

Disclosure 8

**Credit Risk under Standardised Approach
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects**

As at December 31, 2023	Bank					
	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 (%)
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Claims on Central Government and Central Bank of Sri Lanka	905,530,587	56,743,750	905,530,587	1,134,875	17,708,600	1.95
Claims on Foreign Sovereigns and their Central Banks	125,200,900	-	125,200,900	-	93,238,118	74.47
Claims on Public Sector Entities (PSEs)	5,333,014	-	5,333,014	-	5,333,014	100.00
Claims on Official Entities and Multilateral Development Banks(MDBs)	33,654	-	33,654	-	-	-
Claims on Banks Exposures	186,267,458	118,932,891	186,267,458	6,709,008	82,106,668	42.55
Claims on Financial Institutions	18,607,530	-	18,607,530	-	9,845,044	52.91
Claims on Corporates	653,690,809	443,843,440	588,180,309	58,477,264	617,637,185	95.51
Retail Claims	371,508,821	37,536,815	317,185,976	16,430,580	243,436,643	72.97
Claims Secured by Residential Property	82,514,493	-	82,514,493	-	48,119,031	58.32
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)	78,801,548	-	78,801,548	-	89,196,058	113.19
Higher-risk Categories	1,604,105	-	1,604,105	-	4,010,263	250.00
Cash Items and Other Assets	106,391,645	-	106,391,645	-	45,268,023	42.55
Total	2,535,484,564	657,056,896	2,415,651,219	82,751,727	1,255,898,647	50.27

Disclosure 9

**Credit Risk under Standardised Approach
Exposures by Asset Classes and Risk Weights (Post CCF & CRM)**

As at December 31, 2023	Group									Total Credit Exposures Amount
	0%	20%	35%	50%	60%	75%	100%	150%	>150%	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Claims on Central Government and Central Bank of Sri Lanka	818,832,299	88,543,002	-	-	-	-	-	-	-	907,375,301
Claims on Foreign Sovereigns and their Central Banks	31,962,782	-	-	-	-	-	138,469,248	-	-	170,432,030
Claims on Public Sector Entities (PSEs)	-	-	-	-	-	-	5,333,014	-	-	5,333,014
Claims on Official Entities and Multilateral Development Banks (MDBs)	33,654	-	-	-	-	-	-	-	-	33,654
Claims on Banks Exposures	-	122,271,184	-	26,219,878	-	-	45,167,111	114,173	-	193,772,346
Claims on Financial Institutions	-	-	-	17,524,972	-	-	1,082,558	-	-	18,607,530
Claims on Corporates	-	22,807,804	-	21,548,290	-	-	623,151,984	-	-	667,508,078
Retail Claims	20,985,178	14,075,340	-	-	68,725,437	122,564,258	107,505,168	-	-	333,855,381
Claims Secured by Residential Property	-	-	52,916,096	-	-	-	29,598,397	-	-	82,514,493
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)	-	-	-	45,626	-	-	58,774,532	26,259,872	-	85,080,030
Higher-risk Categories	-	-	-	-	-	-	-	-	-	-
Cash Items and Other Assets	52,197,807	12,717,641	-	-	-	-	45,725,575	-	-	110,641,023
Total	924,011,720	260,414,971	52,916,096	65,338,766	68,725,437	122,564,258	1,054,807,587	26,374,045	-	2,575,152,880

Disclosure 9

Credit Risk under Standardised Approach
Exposures by Asset Classes and Risk Weights (Post CCF & CRM)

As at December 31, 2023	Bank									Total Credit Exposures Amount
	0%	20%	35%	50%	60%	75%	100%	150%	>150%	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Claims on Central Government and Central Bank of Sri Lanka	818,122,460	88,543,002	-	-	-	-	-	-	-	906,665,462
Claims on Foreign Sovereigns and their Central Banks	31,962,782	-	-	-	-	-	93,238,118	-	-	125,200,900
Claims on Public Sector Entities (PSEs)	-	-	-	-	-	-	5,333,014	-	-	5,333,014
Claims on Official Entities and Multilateral Development Banks (MDBs)	33,654	-	-	-	-	-	-	-	-	33,654
Claims on Banks Exposures	-	122,271,184	-	26,219,878	-	-	44,371,231	114,173	-	192,976,466
Claims on Financial Institutions	-	-	-	17,524,972	-	-	1,082,558	-	-	18,607,530
Claims on Corporates	-	22,807,804	-	21,548,290	-	-	602,301,479	-	-	646,657,573
Retail Claims	20,956,599	13,865,094	-	-	68,725,437	122,564,258	107,505,168	-	-	333,616,556
Claims Secured by Residential Property	-	-	52,916,096	-	-	-	29,598,397	-	-	82,514,493
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)	-	-	-	45,626	-	-	57,921,277	20,834,645	-	78,801,548
Higher-risk Categories	-	-	-	-	-	-	-	-	1,604,105	1,604,105
Cash Items and Other Assets	50,949,509	12,717,641	-	-	-	-	42,724,495	-	-	106,391,645
Total	922,025,004	260,204,725	52,916,096	65,338,766	68,725,437	122,564,258	984,075,737	20,948,818	1,604,105	2,498,402,946

Disclosure 10

Market Risk under Standardised Measurement Method

	Group		Bank	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
(a) Capital charge for Interest Rate Risk	3,466,433	3,111,900	3,466,433	3,111,900
General Interest Rate Risk	291,455	423,149	291,455	423,149
i) Net Long or Short Position	291,455	423,149	291,455	423,149
ii) Horizontal Disallowance	-	-	-	-
iii) Vertical Disallowance	-	-	-	-
iv) Options	-	-	-	-
Specific Interest Rate Risk	3,174,978	2,688,751	3,174,978	2,688,751
(b) Capital charge for Equity	698,085	562,758	698,085	562,758
i) General Equity Risk	357,724	283,473	357,724	283,473
ii) Specific Equity Risk	340,361	279,285	340,361	279,285
(c) Capital charge for Foreign Exchange & Gold	741,372	1,196,713	738,959	1,193,982
(d) Capital charge for market risk [(a) + (b) + (C)]	4,905,890	4,871,371	4,903,477	4,868,640
Total risk - weighted amount for Market Risk [(d) * 100 / Minimum Total CAR]	35,042,071	34,795,507	35,024,836	34,776,000

Disclosure 11

**Operational Risk under The Alternative Standardised Approach
Group**

	Capital Charge Factor	Fixed Factor	December 31, 2023			December 31, 2022		
			Gross Income			Gross Income		
			1st Year	2nd Year	3rd Year	1st Year	2nd Year	3rd Year
			Rs. '000					
Corporate Finance	18%		285,894	385,666	910,506	160,423	285,894	385,666
Trading and Sales	18%		18,704,206	(8,868,815)	(9,297,481)	7,747,013	18,704,206	(8,868,815)
Payment and Settlement	18%		1,575,958	1,140,451	1,521,134	730,737	1,575,958	1,140,451
Agency Services	15%		-	-	-	-	-	-
Asset Management	12%		-	-	-	-	-	-
Retail Brokerage	12%		-	-	-	-	-	-
Sub Total (a)			20,566,058	(7,342,698)	(6,865,841)	8,638,173	20,566,058	(7,342,698)
Retail Banking (Loans & Advances)	12%	0.035	550,644,113	604,715,367	593,447,143	513,177,931	550,644,113	604,715,367
Commercial Banking (Loans & Advances)	15%	0.035	1,220,373,745	1,531,114,412	1,677,950,039	927,864,854	1,220,373,745	1,531,114,412
Sub Total (b)			1,771,017,858	2,135,829,779	2,271,397,182	1,441,042,785	1,771,017,858	2,135,829,779
Total (a) + (b)			1,791,583,916	2,128,487,081	2,264,531,341	1,449,680,958	1,791,583,916	2,128,487,081
Capital Charge for Operational Risk			12,421,557	10,578,156	11,301,716	8,581,508	12,421,557	10,578,156
Average Capital Charge (c)					11,433,810			10,527,074
RWA for Operational Risk [(c)*100/ Minimum Total CAR]					81,670,069			75,193,383

Disclosure 11

**Operational Risk under The Alternative Standardised Approach
Bank**

	Capital Charge Factor	Fixed Factor	December 31, 2023			December 31, 2022		
			Gross Income			Gross Income		
			1st Year	2nd Year	3rd Year	1st Year	2nd Year	3rd Year
			Rs. '000					
Corporate Finance	18%		285,894	385,666	910,506	160,423	285,894	385,666
Trading and Sales	18%		18,457,281	(9,362,315)	(9,616,643)	7,414,973	18,457,279	(9,362,313)
Payment and Settlement	18%		1,575,958	1,140,451	1,521,134	730,737	1,575,958	1,140,451
Agency Services	15%		-	-	-	-	-	-
Asset Management	12%		-	-	-	-	-	-
Retail Brokerage	12%		-	-	-	-	-	-
Sub Total (a)			20,319,133	(7,836,198)	(7,185,003)	8,306,133	20,319,131	(7,836,196)
Retail Banking (Loans & Advances)	12%	0.035	542,594,578	596,509,725	583,448,471	506,645,437	542,594,578	596,509,725
Commercial Banking (Loans & Advances)	15%	0.035	1,199,495,133	1,480,967,025	1,633,485,970	913,988,024	1,199,495,133	1,480,967,025
Sub Total (b)			1,742,089,711	2,077,476,750	2,216,934,441	1,420,633,461	1,742,089,711	2,077,476,750
Total (a) + (b)			1,762,408,844	2,069,640,552	2,209,749,438	1,428,939,594	1,762,408,842	2,069,640,554
Capital Charge for Operational Risk			12,233,690	10,280,418	11,026,285	8,421,452	12,233,689	10,280,418
Avarage Capital Charge (c)					11,180,131			10,311,853
RWA for Operational Risk [[c]*100/ Minimum Total CAR]					79,858,079			73,656,093

Disclosure 12

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

As at December 31, 2023	Bank				
	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	2,580,327,879	2,580,327,879	2,535,484,564	29,449,653	41,376,156
Cash and cash equivalents	157,819,287	157,819,287	157,819,287	-	-
Balances with Central Banks	52,817,502	52,817,502	52,817,502	-	-
Placements with banks	81,344,696	81,344,696	81,344,696	-	-
Securities purchased under re-sale agreements	31,148,729	31,148,729	31,148,729	-	-
Derivative financial assets	7,226,484	7,226,484	7,226,484	-	-
Financial assets recognised through profit or loss – measured at fair value	29,449,653	29,449,653	-	29,449,653	-
Financial assets at amortised cost – Loans and advances to other customers	1,176,359,971	1,176,359,971	1,202,342,465	-	-
Financial assets at amortised cost – Debt and other financial instruments	649,740,408	649,740,408	649,740,408	-	-
Financial assets measured at fair value through other comprehensive income	287,023,009	287,023,009	287,023,009	-	-
Investments in subsidiaries	5,808,429	5,808,429	2,245,303	-	3,563,126
Investment in associate	44,331	44,331	44,331	-	-
Property, plant and equipment and right-of-use assets	26,257,902	26,257,902	26,257,902	-	-
Intangible assets	3,736,504	3,736,504	-	-	3,736,504
Deferred tax assets	34,076,526	34,076,526	-	-	34,076,526
Other assets	37,474,448	37,474,448	37,474,448	-	-
Liabilities	2,365,396,877	2,365,396,877	-	-	-
Due to banks	47,274,361	47,274,361	-	-	-
Derivative financial liabilities	2,319,209	2,319,209	-	-	-
Securities sold under repurchase agreements	111,198,516	111,198,516	-	-	-
Financial liabilities at amortised cost - due to depositors	2,085,046,149	2,085,046,149	-	-	-
Financial liabilities at amortised cost - other borrowings	12,756,021	12,756,021	-	-	-
Current tax liabilities	14,951,984	14,951,984	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other liabilities	55,050,477	55,050,477	-	-	-
Due to subsidiaries	317,221	317,221	-	-	-
Subordinated liabilities	36,482,939	36,482,939	-	-	-
Off- Balance Sheet Liabilities	668,875,778	668,875,778	657,056,896	-	-
Guarantees	58,102,936	58,102,936	52,789,698	-	-
Performance bonds	38,529,672	38,529,672	38,529,672	-	-
Letter of credit	66,399,708	66,399,708	66,399,708	-	-
Other contingent items	344,136,888	344,136,888	342,132,485	-	-
Undrawn loan commitments	157,205,333	157,205,333	157,205,333	-	-
Other commitments	4,501,241	4,501,241	-	-	-
Shareholders' Equity	214,931,002	214,931,002	-	-	-
Equity capital (stated capital)/assigned capital:					
Of which amount eligible for CET1	62,948,003	62,948,003	-	-	-
Of which amount eligible for AT1	-	-	-	-	-
Retained earnings	8,558,385	8,558,385	-	-	-
Accumulated other comprehensive income	1,963,995	1,963,995	-	-	-
Other reserves	141,460,619	141,460,619	-	-	-

Disclosure 13

Bank Risk Management Approach

Effective risk management is at the core of the Bank's value creation model as we accept risk in the normal course of business. Significant resources are devoted to this critical function to ensure that it is well articulated, communicated and understood by all employees of the Bank as it is a shared responsibility. It is a dynamic and disciplined function increasing in sophistication and subject to stringent oversight by regulators and other stakeholders. The overarching objectives are to ensure that risks accepted are in line with the Bank's risk appetite and strategic priorities and that there is an appropriate trade-off between risk and reward enabling delivery of value to key stakeholders." The risk governance structure, responsibilities attributed throughout the bank, risk management framework, objectives, strategies, policy framework, risk appetite and tolerance limits for key risk types, and the overall risk management approach of the Bank are discussed in the section on "Risk Governance and Management" on pages 232 to 258 in Annual Report 2023 .

Disclosure 14

Risk management related to key risk exposures

The quantitative disclosures relating to key risk areas such as credit, market, liquidity, operational, and interest rate risk in the banking book are presented and discussed in the Section on “Risk Governance and Management” on pages 232 to 258 and in Note 66 of the Financial Statements on Financial Risk Review on pages 390 to 420 in Annual Report 2023.