

TEMPLATE 1

Key regulatory ratios - Capital and liquidity

As at June 30,	Bank		Group	
	2022	2021	2022	2021
Regulatory Capital				
Common Equity (Rs 000)	116,616,895	124,524,921	130,767,800	138,836,300
Tier 1 Capital (Rs 000)	116,616,895	124,524,921	130,767,800	138,836,300
Total Capital (Rs 000)	148,937,414	149,765,315	163,758,658	164,755,548
Regulatory Capital Ratios				
Common Equity Tier 1 Capital Ratio (<i>Minimum Requirement - 2022-8% ; 2021-7%)</i>)	11.39%	15.31%	11.62%	15.58%
Tier 1 Capital Ratio (<i>Minimum Requirement - 2022-9.5% ; 2021-8.5%</i>)	11.39%	15.31%	11.62%	15.58%
Total Capital Ratio (<i>Minimum Requirement - 2022-13.5% ; 2021-12.5%</i>)	14.54%	18.42%	14.56%	18.49%
Leverage Ratio (<i>Minimum Requirement - 3%</i>)	6.59%	8.03%	6.98%	8.52%
Regulatory Liquidity				
Statutory Liquid Assets (Rs 000)	332,255,856	466,003,154		
Statutory Liquid Assets Ratio (<i>Minimum Requirement - 20%</i>)				
Domestic Banking Unit (%)	22.94%	40.30%		
Off-Shore Banking Unit (%)	22.66%	32.17%		
Liquidity Coverage Ratio (%) – Rupee (<i>Minimum Requirement - 2022-90% ; 2021-100%</i>)	185.98%	284.26%		
Liquidity Coverage Ratio (%) – All Currency (<i>Minimum Requirement - 2022-90% ; 2021-100%</i>)	210.34%	273.71%		

TEMPLATE 2

Basel III computation of capital ratios

As at June 30,	Bank		Group	
	2022	2021	2022	2021
	(Rs 000)	(Rs 000)	(Rs 000)	(Rs 000)
Common equity Tier 1 (CET1) Capital after Adjustments	116,616,895	124,524,921	130,767,800	138,836,300
Total common equity Tier 1 (CET1) Capital	138,635,187	130,614,454	152,296,769	144,556,128
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)	32,352,685	28,656,904	40,816,606	35,797,920
Published accumulated other comprehensive income (OCI)	1,943,496	11,000	1,260,726	23,046
General and other disclosed reserves	57,100,000	56,922,306	56,397,837	58,063,928
Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-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	-	-	6,582,595	5,646,990
Total adjustments to CET1 Capital	22,018,292	6,089,532	21,528,969	5,719,828
Goodwill (net)	-	-	181,396	119,457
Intangible assets (net)	1,231,231	1,312,504	1,331,231	1,312,504
Deferred tax assets (net)	16,260,213	1,890,053	16,712,838	2,654,580
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	494,283	342,079	444,993	271,603
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	2,783,857	2,544,896	1,609,804	1,361,684
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	32,320,520	25,240,393	32,990,858	25,919,247
Total Tier 2 Capital	32,320,520	25,240,393	32,990,858	25,919,247
Qualifying Tier 2 capital instruments	18,841,873	13,892,092	18,504,421	13,845,642
Revaluation gains	2,090,479	2,090,479	2,090,479	2,090,479
General provision/eligible impairment	11,388,168	9,257,823	12,395,959	9,983,127
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	116,616,895	124,524,921	130,767,800	138,836,300
Total Tier 1 capital	116,616,895	124,524,921	130,767,800	138,836,300
Total capital	148,937,414	149,765,315	163,758,658	164,755,548
Total risk weighted amount (RWA)	1,024,038,035	813,126,364	1,124,998,579	891,034,237
RWAs for Credit Risk	911,053,474	740,625,828	991,676,707	798,650,174
RWAs for Market Risk	33,065,764	123,530	33,179,147	296,639
RWAs for Operational Risk	79,918,797	72,377,006	100,142,724	92,087,424
CET1 capital ratio (including capital conservation buffer, countercyclical capital buffer & surcharge on D-SIBs) (%)	11.39%	15.31%	11.62%	15.58%
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 (%)	11.39%	15.31%	11.62%	15.58%
Total capital ratio (including capital conservation buffer, countercyclical capital buffer & surcharge on D-SIBs) (%)	14.54%	18.42%	14.56%	18.49%
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 June 30,	Bank		Group	
	2022	2021	2022	2021
	(Rs 000)	(Rs 000)	(Rs 000)	(Rs 000)
Tier 1 capital	116,616,895	124,524,921	130,767,800	138,836,300
Total exposures	1,770,880,619	1,549,850,732	1,872,407,851	1,630,203,448
On-balance sheet items (excluding derivatives and securities financing transactions, but including collateral)	1,554,837,825	1,322,327,223	1,656,365,057	1,396,501,208
Derivative exposures	54,790,586	99,893,768	54,790,586	99,893,768
Securities financing transaction exposures	53,660,125	22,021,105	53,660,125	28,199,836
Other off-balance sheet exposures	107,592,083	105,608,636	107,592,083	105,608,636
Basel III leverage ratio (Tier 1/Total Exposure) (minimum requirement 3%)	6.59%	8.03%	6.98%	8.52%

TEMPLATE 4

Liquidity coverage ratio (LCR) - All currency

As at June 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)	252,843,688	241,464,440	350,741,181	336,242,412
Total adjusted level 1 assets	186,256,438	186,256,438	255,961,273	255,961,273
Level 1 assets	180,591,748	180,591,748	254,181,132	254,181,132
Total adjusted level 2A assets	70,704,919	60,099,181	96,517,872	82,040,191
Level 2A assets	70,704,919	60,099,181	96,517,872	82,040,191
Total adjusted level 2B assets	1,547,021	773,511	42,176	21,088
Level 2B assets	1,547,021	773,511	42,176	21,088
Total cash outflows	1,410,231,320	236,684,749	1,162,006,088	190,983,022
Deposits	976,987,674	97,698,767	815,566,262	81,556,626
Unsecured wholesale funding	248,895,835	98,071,826	182,091,925	70,716,490
Secured funding transactions	30,708,882	-	14,253,361	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	128,910,937	16,186,164	126,115,969	14,731,334
Additional requirements	24,727,991	24,727,991	23,978,572	23,978,572
Total cash inflows	233,038,079	121,887,246	147,252,076	68,135,314
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	173,331,812	107,236,381	98,105,438	60,918,498
Operational deposits	27,424,364	-	31,923,670	-
Other cash inflows	29,281,903	14,650,864	14,222,969	7,216,816
Liquidity coverage ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		210.34%		273.71%

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

As at June 30,	Bank	
	2022	2021
	Rs 000	Rs 000
Total available stable funding (ASF)	1,141,266,824	956,480,397
Required stable funding – On balance sheet assets	961,527,425	787,758,448
Required stable funding – Off balance sheet items	18,853,233	16,320,215
Total required stable funding (RSF)	980,380,658	804,078,663
NSFR (minimum requirement - 2022 - 100%, 2021 - 100%)	116.41%	118.95%

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 21, 2024	September 21, 2024
Amount recognized in regulatory capital (in Rs.000) as at the reporting date	38,679,005	1,010,901	1,600,000	1,151,542
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
If Convertible, Conversion Trigger (s)	Not Applicable	Not Applicable	"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: (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 Monetary Board."	"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: (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 Monetary Board."
If 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.
If 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 June 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	528,507,871	-	491,546,014	-	40,034,368	8.14%
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	56,465,357	-	56,465,357	-	25,333,469	44.87%
Claims on financial institutions	36,811,997	3,298,612	36,811,997	3,298,612	21,708,533	54.12%
Claims on corporates	408,456,172	315,760,845	399,046,542	89,659,360	436,608,718	89.34%
Retail claims	415,359,945	101,025,212	360,735,503	14,634,112	256,929,999	68.45%
Claims secured by residential property	63,656,194	-	63,656,194	-	32,129,359	50.47%
Claims secured by commercial real estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) ⁽ⁱ⁾	44,158,542	-	44,158,542	-	48,273,266	109.32%
Higher-risk categories	1,194,008	-	1,194,008	-	2,985,019	250.00%
Cash items and other assets	86,697,412	-	86,697,412	-	47,050,744	54.27%
Total	1,641,307,497	420,084,669	1,540,311,569	107,592,083	911,053,474	

TEMPLATE 7 (Contd.)

Credit risk under standardised approach

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

As at June 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	532,054,330	-	495,092,473	-	40,034,368	8.09%
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	64,108,201	-	64,108,201	-	28,362,165	44.24%
Claims on financial institutions	40,622,484	3,298,612	40,622,484	3,298,612	23,613,776	53.76%
Claims on corporates	431,168,988	315,760,845	421,321,590	89,659,360	458,464,075	89.72%
Retail claims	451,792,864	101,025,212	397,168,422	14,634,112	284,254,688	69.03%
Claims secured by residential property	63,656,194	-	63,656,194	-	32,129,359	50.47%
Claims secured by commercial real estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) ⁽ⁱ⁾	44,158,542	-	44,158,542	-	48,273,266	109.32%
Higher-risk categories	1,323,776	-	1,323,776	-	3,309,440	250.00%
Cash items and other assets	114,402,583	-	114,402,583	-	73,235,571	64.02%
Total	1,743,287,961	420,084,669	1,641,854,264	107,592,083	991,676,707	

TEMPLATE 8

Market risk under standardised measurement method

As at June 30,	Bank		Group	
	2022	2021	2022	2021
	Rs 000	Rs 000	Rs 000	Rs 000
(a) Capital charge for interest rate risk	13	0	13	0
General interest rate risk	13	0	13	0
(i) Net long or short position	13	0	13	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	10,815	7,607	26,122	29,245
(i) General equity risk	6,348	4,218	15,332	15,263
(ii) Specific equity risk	4,467	3,389	10,789	13,983
(c) Capital charge for foreign exchange & gold	4,453,050	7,835	4,453,050	7,835
Capital charge for market risk [(a) + (b) + (c)] * CAR	33,065,764	123,530	33,179,147	296,639

TEMPLATE 9

Operational Risk under basic indicator approach - Bank

As at June 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	62,947,407	57,681,353	60,313,756	57,681,353	60,313,756	97,785,643
Capital Charges	15%	N/A	9,292,672	8,977,995	8,558,518	8,652,203	9,047,063	14,667,846
Capital Charges for Operational Risk					9,047,126			10,789,038
The Basic Indicator Approach					9,047,126			10,789,038
Risk Weighted Amount for Operational Risk					72,377,006			79,918,797

Operational Risk under basic indicator approach - Group

As at June 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	78,550,124	74,210,482	77,457,955	74,210,482	77,457,955	118,716,919
Capital Charges	15%	N/A	11,552,608	11,553,114	10,968,152	11,131,572	11,618,693	17,807,538
Capital Charges for Operational Risk					11,510,928			13,519,268
The Basic Indicator Approach					11,510,928			13,519,268
Risk Weighted Amount for Operational Risk					92,087,424			100,142,724

TEMPLATE 10

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

Amount as at June 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	1,597,327,757	1,659,808,345	1,542,462,615	90,994	108,302,088
Cash and cash equivalents	71,394,852	71,399,447	71,399,447		
Placements with banks	5,912,145	6,238,250	6,238,250		
Balances with Central Bank of Sri Lanka	26,290,332	26,289,991	32,767,812		
Reverse repurchase agreements	-	-	-		
Derivative financial instruments	10,946,707				
Financial assets measured at fair value through profit or loss	90,994	90,994		90,994	
Financial assets at amortised cost - Loans and advances to banks	-	-	-	-	-
Financial assets measured at amortised cost - loans and advances to customers	991,283,929	1,034,892,592	933,458,894		101,433,697
Financial assets measured at amortised cost - debt and other instruments	418,562,091	448,679,522	448,679,522		
Financial assets measured at fair value through other comprehensive income	2,693,695	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	467,106	467,106	467,106		
Property, plant and equipment	24,719,039	24,719,039	24,719,039		
Right-of-use assets	5,370,127	5,370,127			
Intangible assets and goodwill	1,345,729	1,345,729			1,231,231
Deferred tax assets	16,260,213				
Other assets	18,218,513	32,277,549	22,331,705		
Liabilities	1,447,457,331	1,442,147,636	-	-	-
Due to banks	5,944,381	5,923,888			
Derivative financial instruments	476,589				
Securities sold under repurchase agreements	44,135,192	43,419,763			
Financial liabilities measured at amortised cost - due to depositors	1,292,899,683	1,293,578,263			
Dividends payable	1,030,607	1,030,607			
Financial liabilities measured at amortised cost - other borrowings	33,048,857	33,223,113			
Debt securities issued	2,091,001	1,957,302			
Current tax liabilities	22,976,435	11,138,426			
Deferred tax liabilities	-	7,359,259			
Other provisions	3,961,550	6,843,421			
Other liabilities	16,123,536	14,842,695			
Due to subsidiaries	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-
Subordinated term debts	24,769,500	22,830,901			
Off-Balance Sheet Liabilities	854,880,566	854,880,566	-	-	-
Guarantees	80,100,796	80,100,796	80,100,796		
Performance Bonds	39,353,965	39,353,965	39,353,965		
Letters of Credit	35,739,700	35,739,700	35,739,700		
Other Contingent Items	88,982,867	88,982,867	88,982,867		
Undrawn Loan Commitments	610,703,237	610,703,237	610,703,237		
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	32,057,241	98,573,100			
Accumulated Other Comprehensive Income	(1,610,376)	-			
Other Reserves	80,744,556	80,744,556			
Total Shareholders' Equity	149,870,426	217,660,709	-	-	-