

Basel III - Disclosures Under Pillar 3 as per the Banking Act Direction No.01 of 2016**Disclosure 1****Key Regulatory Ratios - Capital and Liquidity**

	As at 30.09.2023	As at 30.06.2023
Regulatory Capital (LKR '000)		
Common Equity Tier 1 Capital	6,245,988	6,108,731
Tier 1 Capital	6,495,988	6,358,731
Total Capital	6,793,841	6,618,872
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio <i>(Minimum Requirement -7.00%)</i>	21.696	23.098
Tier 1 Capital Ratio <i>(Minimum Requirement - 8.50%)</i>	22.564	24.044
Total Capital Ratio <i>(Minimum Requirement -12.50%)</i>	23.599	25.027
Leverage Ratio <i>(Minimum Requirement - 3%)</i>	9.29	9.18
Regulatory Liquidity		
Statutory Liquid Assets (LKR '000)	25,230,410	24,959,428
Statutory Liquid Assets Ratio <i>(Minimum Requirement -- 20%)</i>		
Domestic Banking Unit (%)	45.45	45.75
Off-Shore Banking Unit (%)	-	-
Liquidity Coverage Ratio (%) - Rupee <i>(Minimum Requirement -100%,)</i>	429	440
Liquidity Coverage Ratio (%) - All Currency <i>(Minimum Requirement -100%)</i>	-	-

Disclosure 2		
Basel III Computation of Capital Ratios		
	Amount (LKR ' 000)	
	As at 30.09.2023	As at 30.06.2023
Common Equity Tire 1 (CET1) Capital Afer Adjustment	6,245,988	6,108,731
Common Equity Tire 1 (CET1) Capital	6,762,430	6,641,427
Equity Capital (Stated Capital)/Assigned Capital	962,093	962,093
Reserve Fund	288,689	288,689
Published Retained Earnings/(Accumulated Retained Losses)	5,007,868	5,007,868
Published Accumulated Other Comprehensive Income (OCI)	-	-
General and other Disclosed Reserves	503,780	503,780
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	(121,003)
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to CET1 Capital	516,442	532,696
Goodwill (net)	-	-
Intangible Assets (net)	114,241	122,212
Others (Specify)	402,201	410,484
Additional Tier 1 (AT1) Capital after Adjustments	250,000	250,000
Additional Tier 1 (AT1) Capital	250,000	250,000
Qualifying Additional Tiere 1 Capital Instruments	250,000	250,000
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		
Tier 2 Capital	297,853	260,141
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	-	-
Loan Loss Provisions	297,853.00	260,141
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to Tier 2	-	-
Investment in Own Shares	-	-
Others (Specify)	-	-
CET1 Capital		
Total Tier 1 Capital	6,495,988	6,358,731
Total Capital	6,793,841	6,618,872

	Amount (LKR ' 000)	
	As at 30.09.2023	As at 30.06.2023
Total Risk Weighted Amount	28,789,026	26,446,561
R W As for Credit Risk	24,998,034	21,685,817
R W As for Market Risk	-	-
R W As for Operational Risk	3,790,992	4,760,744
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	21.696	23.098
of Which : Capital Conservation Buffer (%)	-	-
of Which : Countercyclical Buffer (%)	-	-
of Which : Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	22.564	24.044
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	23.599	25.027
of Which : Capital Conservation Buffer (%)	-	-
of Which : Countercyclical Buffer (%)	-	-
of Which : Capital Surcharge on D-SIBs (%)	-	-

Disclosure 3

Computation of Leverage Ratio

	Amount (LKR '000)	
	As at 30.09.2023	As at 30.06.2023
Tier 1 Capital	6,495,987	6,358,730
Total Exposures	69,952,948	69,297,191
On Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	69,952,948	69,297,191
Derivative Exposures	-	-
Securities Financing Transaction Exposures	-	-
Other Off- Balance Sheet Exposures		
Basel III Leverage Ratio (%) (Tier 1/ Total Exposure)	9.29	9.18

Disclosure 4

Basel III Computation of Liquidity Coverage Ratio

	Amount (LKR '000)			
	As at 30.09.2023		As at 30.06.2023	
	Total Un - weighted Value	Total Weighted Value	Total Un - weighted Value	Total Weighted Value
Total Stock of High - Quality Liquid Assets (HQLA)	24,752,971	24,752,971	25,079,626	25,079,626
Total Adjusted Level 1A Assets	24,752,971	24,752,971	25,079,626	25,079,626
Level 1 Assets	24,752,971	24,752,971	25,079,626	25,079,626
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	55,882,375	6,847,503	56,462,137	6,824,499
Deposits	51,183,992	5,118,399	52,187,402	5,218,740
Unsecured Wholesale Funding	4,242,975	1,502,559	3,923,047	1,392,709
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	455,408	226,545	351,688	213,049
Additional Requirements	-	-	-	-
Total Cash Inflows	2,250,693	1,081,436	2,300,280	1,124,267
Maturing Secured Lending Transactions Backed by Collateral	630,952	630,952	673,320	673,320
Committed Facilities	1,100,000	-	1,100,000	-
Other Inflows by Counterparty which are Maturing within 30 Days	514,377	447,802	517,432	446,183
Operational Deposits	-	-	-	-
Other Cash Inflows	5,364	2,682	9,528	4,764
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Nexty 30 Callender Days) * 100		429		440

Disclosure 5

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Stated Capital	Basel III Compliant -Tier 1 Perpetual Bond with a Non - viability Conversion
Issuer	HDFC Bank	General Treasury
CSE Security Code	HDFC N0000	Unlisted
Governing Law (s) of the Instrument	Sri Lanka	Sri Lanka
Original Date of Issuance	Multiple	Multiple
Par Value of Instrument	N/A	100
Perpetual or Dated	Perpetual	Perpetual
Original Maturity Date, if Applicable	N/A	N/A
Amount Recognized in Regulatory Capital (in LKR '000 as at the Reporting Date)	962,093	250,000
Accounting Classification (Equity/Liability)	Equity	Liability
Issuer Call Subject to Prior Supervisory Approval		
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	N/A	N/A
Subsequent Call Dates, if Applicable	N/A	N/A
Coupons/ Dividends		
Fixed or Floating Dividend/Coupon	N/A	Fixed
Coupon Rate and any Related Index		12.5
Non - Cumulative or Cumulative	Non - Cumulative	Non - Cumulative
Convertible or Non-Convertible		
If Convertible, Conversion Trigger (s)	N/A	<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 Perpetual Bond 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), Upon the occurrence of a Trigger Event / point which would make the bank non-viable as determined by the Monetary Board as contemplated by section 11(iii) of item 20.2.2.1.1.1 of the Web Based Return Code of the Banking Direction there would be an allocation of losses to the instrument and the par value of the instrument would be reduced which would result in;"</p> <p>a. The claims of the AT1 Bond holder being reduced on a liquidation or upon a call option being exercised in terms of (1) above ; and</p> <p>b. A reduction in the amount of interest arising from the reduction of the principal sum on which the interest rate is applied.</p>
If Convertible, Fully or Partially	N/A	Fully
If Convertible, Mandatory or Optional	N/A	Optional. At the discretion of the monetary board of the Central Bank of Sri Lanka up on occurrence of trigger points as detailed above.
If Convertible, Conversion Rate	N/A	As per the Bond Certificate

Disclosure 7
Credit Risk under Standardised Approach
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Asset Class	Amount (LKR ' 000) as at 30.09.2023					
	Exposure 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 (ii)
Claims on Central Govrnment and CBSL	24,745,891	-	24,745,891	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	416,800	-	416,800	-	625,200	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	442,088	-	442,088	-	202,230	45.74
Claims on Financial Institutions	494,358	-	494,358	-	264,003	53.40
Claims on Corporates	745,808	-	745,808	-	480,574	64.44
Retail Claims	6,416,553	4,820	6,421,373	4,820	4,663,468	72.62
Claims Secured by Gold	935,123	-	935,123	-	408,922	43.73
Claims Secured by Residential Property	9,298,817	-	9,298,817	-	3,408,956	36.66
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non - Performing Assets (NPAs) (i)	10,275,178	-	10,275,178	-	12,811,510	124.68
Higher - risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	2,300,667	-	2,300,667	-	2,133,172	92.72
Total	56,071,283	4,820	56,076,103	4,820	24,998,035	44.58

Disclosure 9

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR ' 000) As at 30.09.2023
(a) RWA for Interest Rate Risk	-
General Interest Rate Risk	-
(i) Net Long or Short Position	-
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Interest Rate Risk	-
(b) RWA for Equity	-
(i) General Equity Risk	-
(ii) Specific Equity Risk	-
(c) RWA for Foreign Exchange & Risk	-
Capital Charges For Market Risk [(a) + (b) + (c)] * CAR	-

Disclosure 10

Operational Risk under Basic Indicator Approach/ The standardised Approach/The Alternative Standardised Approach

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%		3,470,467	3,379,164	2,627,846
The Standardised Approach					
Corporate Finance	18%		-	-	-
Trading and Sales	18%		-	-	-
Payment and Settlement	18%		-	-	-
Agency services	15%		-	-	-
Asset Management	12%		-	-	-
Retail Brokerage	12%		-	-	-
Retail Banking	12%		-	-	-
Commercial Banking	15%		-	-	-
The Alternative Standardised Approach					
Corporate Finance	18%		-	-	-
Trading and Sales	18%		-	-	-
Payment and Settlement	18%		-	-	-
Agency services	15%		-	-	-
Asset Management	12%		-	-	-
Retail Brokerage	12%		-	-	-
Retail Banking	12%	0.035	-	-	-
Commercial Banking	15%	0.035	-	-	-
Capital Charges For Operational Risk (LKR'000)					
The Basic Indicator Approach	473,874				
The Standardised Approach	-				
The Alternative Standardised Approach	-				
Risk weighted Amount For Operational Risk (LKR' 000)					
The Basic Indicator Approach	3,790,992				
The Standardised Approach	-				
The Alternative Standardised Approach	-				

Disclosure 11

**Differences between Accounting and Regulatory Scopes and
Mapping of Financial Statement Categories with Regulatory Risk Categories - Bank Only**

Item	Amount (LKR ' 000) as at 30.09.2023				
	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
Assets	70,144,718	70,150,779	56,071,283		15,721,793
Cash and Cash Equivalents	230,209	230,209	230,209	-	-
Balances with Central Banks	-	-	-	-	-
Placements with Banks	32,380	32,371	32,453	-	-
Securities purchased under re - sale agreements	-	-	-	-	-
Derivative Financial Assets	-	-	-	-	-
Financial assets recognized through profit or loss- measured at fair value	-	-	-	-	-
Financial Assets at amortised cost - Loans and advance to Banks	-	-	-	-	-
Financial Assets at amortised cost-Loans and advances to other customers	40,865,130	40,879,638	27,214,379	-	15,208,306
Financial assets at amortised cost-Debt and other financial instruments	12,160,095	12,145,596	12,247,720	-	-
Financial assets measured at fair value through other comprehensive income	14,213,351	14,213,351	14,213,351	-	-
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	231,910	235,156	232,201	-	-
Lease ROUA	310,525	310,525	310,525	-	-
Investment Property	1,164,500	1,164,500	1,164,500	-	-
Intangible assets	114,532	111,286	-	-	111,286
Deferred Tax Assets	396,140	402,201	-	-	402,201
Other Assets	425,946	425,946	425,946	-	-
Liabilities	62,130,116	62,142,960	-	-	-
Due to Banks	784,624	784,624	-	-	-
Derivative Financial Instruments	-	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-	-
Financial Liabilities at amortised cost - due to depositors	55,367,927	55,367,927	-	-	-
Financial Liabilities at amortised cost -other borrowings	1,491,162	1,491,162	-	-	-
Debt Securities Issued	1,551,368	1,551,368	-	-	-
Retirement Benefits obligations	897,181	897,181	-	-	-
Current Tax Liabilities	986,127	998,970	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	335,465	335,465	-	-	-
Other Liabilities	716,263	716,263	-	-	-
Off-Balance Sheet Liabilities	240,655	240,655	-	-	-
Guarantees	4,820	4,820	4,820	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	-	-	-	-	-
Other contingent Items	-	-	-	-	-
Undrawn Loan Commitments	235,835	235,835	-	-	235,835
Other commitments	-	-	-	-	-
Shareholders' Equity	8,014,602	8,007,819	-	-	-
Equity Capital (stated Capital)/Assigned Capital	962,093		-	-	-
of which Amount Eligible for CET1	962,093	962,093	-	-	-
of which Amount Eligible for ATI	-	-	-	-	-
Retained Earnings	6,290,020	6,276,361	-	-	-
Accumulated Other Comprehensive Income	-29,980	-23,104	-	-	-
Other Reserves	792,469	792,469	-	-	-