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 30.09.2024	As at 30.06.2024
Regulatory Capital (LKR '000)		
Common Equity Tier 1 Capital	7,586,078	7,581,435
Tier 1 Capital	7,836,078	7,831,435
Total Capital	8,211,448	8,225,189
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio *(Minimum Requirement -7.00%)*	34.874	38.095
Tier 1 Capital Ratio *(Minimum Requirement - 8.50%)*	36.024	39.351
Total Capital Ratio *(Minimum Requirement -12.50%)*	37.749	41.329
Leverage Ratio *(Minimum Requirement - 3%)*	11.88	11.9
Regulatory Liquidity		
Statutory Liquid Assets (LKR '000)	-	-
Statutory Liquid Assets Ratio *(Minimum Requirement -- 20%)*		
Domestic Banking Unit (%)	-	-
Off-Shore Banking Unit (%)	-	-
Liquidity Coverage Ratio (%) - Rupee *(Minimum Requirement -100%,)*	221	225
Liquidity Coverage Ratio (%) - All Currency *(Minimum Requirement -100%)*	-	-

Disclosure 2

Basel III Computation of Capital Ratios

	Amount (LKR ' 000)	
	As at 30.09.2024	**As at 30.06.2024**
Common Equity Tire 1 (CET1) Capital Afer Adjustment	**7,586,078**	**7,581,435**
Common Equity Tire 1 (CET1) Capital	**8,138,579**	**8,138,579**
Equity Capital (Stated Capital)/Assigned Capital	962,093	962,093
Reserve Fund	357,297	357,297
Published Retained Earnings/(Accumulated Retained Losses)	6,177,773	6,177,773
Published Accumulated Other Comprehensive Income (OCI)	-	-
General and other Disclosed Reserves	641,416	641,416
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-
Ordinery Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to CET1 Capital	**552,501**	**557,144**
Goodwill (net)	-	-
Intangible Assets (net)	69,165	80,339
Others (Specify)	483,336	476,805
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	**375,370**	**393,754**
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	-	-
Loan Loss Provisions	375,370	393,754
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	**7,836,078**	**7,831,435**
Total Capital	**8,211,448**	**8,225,189**

	Amount (LKR ' 000)	
	As at 30.09.2024	**As at 30.06.2024**
Total Risk Weighted Amount	**21,752,668**	**19,901,600**
R W As for Credit Risk	16,462,364	14,998,032
R W As for Market Risk	-	-
R W As for Operational Risk	5,290,304	4,903,568
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**34.874**	**38.095**
of Which : Capital Conservation Buffer (%)	-	-
of Which : Countercyclical Buffer (%)	-	-
of Which : Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	**36.024**	**39.351**
Total Capital Ratio (including Capital Conervation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**37.749**	**41.329**
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 30.09.2024	As at 30.06.2024
Tier 1 Capital	**7,836,078**	**7,831,435**
Total Exposures	**65,958,495**	**65,818,170**
On Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	65,958,495	65,818,170
Derivative Exposures	-	-
Securities Financing Transaction Exposures	-	-
Other Off- Balance Sheet Exposures		
Basel III Leverage Ratio (%) (Tier 1/ Total Exposure)	**11.88**	**11.90**

Disclosure 4

Basel III Computation of Liquidity Coverage Ratio

	Amount (LKR '000)			
	As at 30.09.2024		As at 30.06.2024	
	Total Un - weighted Value	Total Weighted Value	Total Un - weighted Value	Total Weighted Value
Total Stock of High - Quality Liquid Assets (HQLA)	**17,080,029**	**17,080,029**	**17,055,813**	**17,055,813**
Total Adjusted Level 1A Assets	17,080,029	17,080,029	17,055,813	17,055,813
Level 1 Assets	17,080,029	17,080,029	17,055,813	17,055,813
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	**52,442,825**	**8,409,197**	**52,525,377**	**8,413,788**
Deposits	35,253,021	3,525,302	34,986,170	3,498,617
Unsecured Wholesale Funding	16,858,002	4,714,989	17,053,827	4,753,795
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	331,802	168,906	485,380	161,376
Additional Requirements	-	-	-	-
Total Cash Inflows	**3,907,677**	**697,265**	**1,192,052**	**827,777**
Maturing Secured Lending Transactions Backed by Collateral	3,684,308	535,151	572,950	572,950
Committed Facilities	-	-	300,000	-
Other Inflows by Counterparty which are Maturing within 30 Days	218,994	159,927	315,756	253,154
Operational Deposits	-	-	-	-
Other Cash Inflows	4,375	2,188	3,346	1,673
Liquidity Coverrage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Nexty 30 Callender Days) * 100		**221**		**225**

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	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;” 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 b. A reduction in the amount of interest arising from the reduction of the principal sum on which the interest rate is applied.
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 occurance 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 30.09.2024					
	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	20,127,039	-	20,127,039	-	-	-
Claims on Forign 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	468,235	-	468,235	-	208,401	44.51
Claims on Financial Institutions	342,959	-	342,959	-	131,672	38.39
Claims on Corporates	533,332	-	533,332	-	266,666	50.00
Retail Claims	6,111,318	-	6,111,318	-	4,626,089	75.70
Claims Secured by Gold	1,362,064	-	1,362,064	-	1,037,544	76.17
Claims Secured by Residential Property	8,485,661	-	8,485,661	-	3,056,648	36.02
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non - Performing Assets (NPAs) (i)	4,593,549	-	4,593,549	-	4,620,217	100.58
Higher - risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	2,055,911	-	2,055,911	-	1,889,928	91.93
Total	**44,496,868**	**-**	**44,496,868**	**-**	**16,462,365**	**37.00**

Disclosure 9

Market Risk under Standardised Measurment Method

Item	RWA Amount (LKR ' 000) As at 30.09.2024
(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 Exchnge & 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 30.09.2024		
			1st year	2nd Year	3rd year
The Basic Indicator Approach	15%		3,379,164	5,288,806	4,557,786
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	661,288				
The Standardised Approach	-				
The Alternative Standardised Approach	-				
Risk weighted Amount For Operational Risk (LKR' 000)					
The Basic Indicator Approach	5,290,304				
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 30.09.2024				
	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	**65,868,301**	**65,958,495**	**44,496,868**		**21,462,895**
Cash and Cash Equivalents	251,706	251,706	251,706	-	-
Balances with Central Banks	-	-	-	-	-
Placements with Banks	3,184,739	3,184,738	3,184,748	-	-
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	41,422,643	41,532,150	20,552,591	-	20,979,559
Financial assets at amortised cost-Debt and other financial instruments	3,414,545	3,414,536	3,415,793	-	-
Financial assets measured at fair value through other comprehensive income	15,202,101	15,202,101	15,202,101	-	-
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	202,193	202,193	202,193	-	-
Lease ROUA	259,436	244,040	244,040	-	-
Investment Property	1,284,000	1,284,000	1,284,000	-	-
Intangible assets	69,165	69,165	69,165	-	-
Deferred Tax Assets	487,650	483,336	-	-	483,336
Other Assets	90,123	90,530	90,530	-	
Liabilities	**57,613,398**	**57,650,970**	-	-	
Due to Banks	480,496	480,496	-	-	-
Derivative Financial Instruments	-	-	-	-	-
Securities sold under repurchase agreements	-	-	-	-	-
Financial Liabilities at amortised cost - due to depositors	52,057,993	52,057,993	-	-	-
Financial Liabilities at amortised cost -other borrowings	1,638,243	1,638,061	-	-	-
Debt Securities Issued	1,553,308	1,553,308	-	-	-
Retirement Benefits obligations	923,084	923,084	-	-	-
Current Tax Liabilities	70,685	130,970	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	302,283	279,753	-	-	-
Other Liabilities	587,306	587,306	-	-	-
Off-Balance Sheet Liabilities	**170,942**	**170,942**	**-**	**-**	**-**
Guarantees	10,020	10,020	10,020	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	-	-	-	-	-
Other contingent Items	-	-	-	-	-
Undrawn Loan Commitments	160,922	160,922	-	-	160,922
Other commitments	-	-	-	-	-
Shareholders' Equity	**8,254,904**	**8,307,525**	**-**	**-**	**-**
Equity Capital (stated Capital)/Assigned Capital	**962,093**	**962,093**	-	-	-
of which Amount Eligible for CETI	962,093	962,093	-	-	-
of which Amount Eligible for ATI	-	-	-	-	-
Retained Earnings	6,324,706	6,380,219	-	-	-
Accumulated Other Comprehensive Income	-30,818	-33,710	-	-	-
Other Reserves	998,923	998,923	-	-	-