

SEYLAN BANK PLC

**MARKET DICIPLINE -
MINIMUM DISCLOSURE REQUIREMENTS
UNDER PILLAR III
as per Direction 01. of 2016**

As at 31.12.2023

Template 1
Key Regulatory Ratios - Capital and Liquidity

Item	Minimum Requirement	Reporting Period 31.12.2023	Previous Reporting Period 31.12.2022
Regulatory Capital (LKR'000)			
Common Equity Tier 1 Capital		55,447,660	49,920,169
Tier 1 Capital		55,447,660	49,920,169
Total Capital		70,147,267	63,477,151
Regulatory Capital Ratios (%)			
Common Equity Tier 1 Capital Ratio	7.00%	12.52%	10.69%
Tier 1 Capital Ratio	8.50%	12.52%	10.69%
Total Capital Ratio	12.50%	15.84%	13.59%
Leverage Ratio	3.00%	7.30%	7.25%
Net Stable Funding Ratio	2023-100% 2022-90%	129.67%	117.62%
Regulatory Liquidity			
Statutory Liquid Assets			
Statutory Liquid Assets Overall (LKR 000)		235,624,142	149,336,157
Domestic Banking Unit (LKR 000)		233,637,929	144,094,083
Off-Shore Banking Unit (USD 000)		23,584	35,226
Statutory Liquid Assets Ratio			
Statutory Liquid Assets Overall	20.00%	38.04%	25.51%
Domestic Banking Unit	20.00%	38.51%	25.16%
Off-Shore Banking Unit	20.00%	23.28%	25.02%
Liquidity Coverage Ratio - Rupee	2023-100% 2022-90%	355.16%	280.14%
Liquidity Coverage Ratio - All Currency	2023-100% 2022-90%	338.42%	175.10%

Template 2
Basel III Computation of Capital Ratios

Item	Amount (LKR'000)	
	Reporting Period 31.12.2023	Previous Reporting Period 31.12.2022
Common Equity Tier I (CET1) Capital after Adjustments	55,447,660	49,920,169
Common Equity Tier I (CET1) Capital	59,239,357	53,765,745
Equity capital (Stated Capital)/Assigned Capital	20,908,673	19,926,453
Reserve fund	2,880,973	2,568,162
Published Retained Earnings/(Accumulated Retained Losses)	34,361,921	30,579,775
Published Accumulated Other Comprehensive Income (OCI)	387,215	(9,220)
General and Other Disclosed Reserves	700,575	700,575
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to CET1 Capital	3,791,697	3,845,576
Goodwill (net)		
Intangible Assets (net)	536,989	510,146
Others	3,254,708	3,335,430
Additional Tier 1 (AT1) Capital after Adjustments		
Total 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	14,699,607	13,556,982
Total Tier 2 Capital	14,699,607	13,556,982
Qualifying Tier 2 Capital Instruments	8,996,400	7,603,825
Revaluation gains	698,403	698,403
Loan Loss Provisions (General Provision)	5,004,804	5,254,754
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)	-	-
Total Tier 1 Capital	55,447,660	49,920,169
Total Capital	70,147,267	63,477,151
Total Risk Weighted Assets (RWA)	442,785,741	467,105,338
RWAs for Credit Risk	400,384,298	420,380,297
RWAs for Market Risk	4,033,608	4,116,017
RWAs for Operational Risk	38,367,835	42,609,024
CET1 Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	12.52%	10.69%
of which: Capital Conservation Buffer (%)	2.50%	2.50%
of which: Counter cyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
Total Tier 1 Capital Ratio (%)	12.52%	10.69%
Total Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.84%	13.59%
of which: Capital Conservation Buffer (%)	2.50%	2.50%
of which: Counter cyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		

Template 3
Computation of Leverage Ratio

Item	Amount (LKR'000)	
	Reporting Period 31.12.2023	Previous Reporting Period 31.12.2022
Tier 1 Capital	55,447,660	49,920,169
Total Exposures	759,275,565	688,763,290
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	721,389,372	641,140,258
Derivative Exposures	437,246	1,282,614
Securities Financing Transaction Exposures	817,150	3,628,549
Other Off-Balance Sheet Exposures	36,631,796	42,711,868
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.30%	7.25%

Template 4
Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)					
	Reporting Period - 31.12.2023			Previous Reporting Period - 31.12.2022		
	Total Un-weighted Value	Factor (%)	Total Weighted Value	Total Un-weighted Value	Factor (%)	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)			174,012,142			110,443,939
Total Adjusted Level 1A Assets	161,568,029	100%	161,568,029	104,920,453	100%	104,920,453
Total Adjusted Level 2A Assets	14,329,118	85%	12,179,750	6,255,243	85%	5,316,957
Total Adjusted Level 2B Assets	168,362	50%	84,181	147,379	50%	73,689
Total Cash Outflows			124,505,114			113,258,279
Deposits	438,412,337	10%	43,841,234	413,448,212	10%	41,344,821
Unsecured Wholesale Funding	132,933,478	25% -100%	62,661,680	117,367,882	25% -100%	60,199,428
Secured Funding Transactions			-			-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	160,329,986	0% -100%	9,885,507	162,286,926	0% -100%	7,767,676
Additional Requirements	8,116,694	100%	8,116,694	3,946,354	100%	3,946,354
Total Cash Inflows			73,086,374			50,182,738
Maturing Secured Lending Transactions Backed by Collateral			-			-
Committed Facilities	-		-	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	112,842,328	50%-100%	72,109,665	92,421,761	50%-100%	48,772,625
Operational Deposits	36,032,439	0%	-	28,939,964	0%	-
Other Cash Inflows	1,879,815	50% -100%	976,709	2,312,148	50% -100%	1,410,113
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100			338.42			175.10

Template 5
Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Ordinary Voting Shares	Ordinary Non- Voting Shares	Debenture Issue - 2018 (7 years & 10 years)	Debenture Issue - 2019 (5 years)	Debenture Issue - 2021 (5 years)	Debenture Issue - 2023 (5 years)
Issuer	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC
Unique Identifier (e., ISIN or Bloombers Identifier for Private Placement)	LK0182N00002	LK0182X00001	LK0182D23963 LK0182D23971	LK0182D24219 LK0182D24227	LK0182D24722 LK0182D24730	LK0182D25133 LK0182D25125
Governing Law (s) of the Instrument	Provisions of the Banking Act, Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007 and the Articles of Association of the Bank	Provisions of the Banking Act, Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007 and the Articles of Association of the Bank	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed
Original Date of Issuance	April 1988	September 2003	29th March 2018	18th April 2019	12th April 2021	02nd May 2023
Par Value of Instrument	N/A	N/A	LKR 100/- each	LKR 100/- each	LKR 100/- each	LKR 100/- each
Perpetual or Dated	N/A	N/A	dated	dated	dated	dated
Original Maturity Date, if Applicable	N/A	N/A	29th March 2025 and 29th March 2028	18th April 2024	12th April 2026	01st May 2028
Amount Recognized in Regulatory Capital (in '000 as at the Reporting Date)	12,794,664	8,114,009	1,546,400	250,000	2,700,000	4,500,000
Accounting Classification (Equity /Liability)	Equity	Equity	Liability	Liability	Liability	Liability
Issuer call subject to prior Supervisory Approval						
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	N/A	N/A	N/A	N/A	N/A	N/A
Subsequent Call Dates, if Applicable	N/A	N/A	N/A	N/A	N/A	N/A
Coupons/Dividends						
Fixed or Floating Dividend /Coupon	Dividend as decided by the Board annually	Dividend as decided by the Board annually	Fixed interest rate	Fixed interest rate	Fixed interest rate	Fixed interest rate
Coupon Rate and any Related Index	As decided by the Board	As decided by the Board	Semi-Annual Interest - 13.20% (for 7 years), Semi-Annual Interest - 13.50% p.a. (for 10 years)	Semi-Annual Interest - 14.5% p.a., Annual Interest - 15.0% p.a.	Annual Interest - 9.75% p.a., Quarterly Interest - 9.25% p.a.	Annual Interest - 28.00% p.a., Quarterly Interest - 25.00% p.a.
Non-Cumulative or Cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or Non-Convertible	Non-Convertible	Non-Convertible	Convertible	Convertible	Convertible	Convertible
If Convertible, Conversion Trigger (s)			Convertible in the event of a 'Trigger Event' in terms of the Banking Act Direction No.1 of 2016	Convertible in the event of a 'Trigger Event' in terms of the Banking Act Direction No.1 of 2016	Convertible in the event of a 'Trigger Event' in terms of the Banking Act Direction No.1 of 2016	Convertible in the event of a 'Trigger Event' in terms of the Banking Act Direction No.1 of 2016
If Convertible, Fully or Partially			when determined a 'Trigger Event' at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined a 'Trigger Event' at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined a 'Trigger Event' at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined a 'Trigger Event' at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka
If Convertible, Mandatory or Optional			Mandatory in the event of a 'Trigger Event'	Mandatory in the event of a 'Trigger Event'	Mandatory in the event of a 'Trigger Event'	Mandatory in the event of a 'Trigger Event'
If Convertible, Conversion Rate			Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.	Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.	Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.	Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.

Template 6
Summary discussion on adequacy/meeting current and future capital requirements

Managing Capital Risk

Basel III minimum capital requirements and buffers

Every licensed bank shall maintain, at all times, the minimum capital ratios prescribed in the table below and shall ensure compliance with Schedule I of the Banking Act Directions No 01 of 2016 on Capital Requirements under Basel III for licensed banks.

Components of Capital	Capital Adequacy Ratio to be maintained by Non-D-SIBs	Capital Adequacy Ratio to be maintained by D-SIBs
Common Equity Tier 1 including Capital Conservation Buffer	7.00%	7.00% + HLA
Total Tier 1 including Capital Conservation Buffer	8.50%	8.50% + HLA
Total Capital Ratio including Capital Conservation Buffer	12.50%	12.50% + HLA

Further, as per the CBSL letter dated 27 March 2020 issued by the Governor on “Extraordinary Regulatory Measures taken by the Central Bank of Sri Lanka to provide flexibility to the Licensed Banks to support Businesses and Individuals affected by the outbreak of Corona Virus Disease (COVID-19). The Non- DSIBs were permitted to draw down their Capital Conservation Buffer by 50 basis points out of total 250 basis points.

However, the Bank acknowledges the challenges associated with increasing demand on capital as per the roadmap given by CBSL and is mindful about the contributory factors that require in recording a healthy CAR in the ensuing period.

The Internal Capital Adequacy Assessment Process (ICAAP) of the Bank is established based on the CBSL regulations in order to determine the level of capital to be maintained against all risks and to ensure that banks have adequate capital to support all risks.

The Bank has adopted the Standardised Approach (SA) for credit risk capital calculation under Pillar 1. By nature of Bank’s operations the capital charge for the credit risk remains high.

The Bank has adopted the Standardized Measurement Approach (SMA) for calculation of the market risk capital charge. The capital charge for market risk continues to remain low, considering the limited market operations of the Bank and due to the exposure to interest rate risk, equity risk and foreign exchange risk to a lesser extent.

The Bank received the approval from Central Bank of Sri Lanka to move into Alternate Standardized Approach (ASA) for quantifying the capital charge under operational risk.

Under Pillar II, Credit concentration in the corporate loan portfolio has been analyzed using the Normalized Herfindahl–Hirschman Index (HHI) method and an adjustment to the capital charge is administered in the light of concentration of the Bank’s business in large size borrowers.

The capital charge for interest rate risk in the banking book is calculated using the Economic Value of Equity (EVE) approach and the Earnings at Risk (EAR) approach. Overall, the ALM process in the Bank is well- managed and monitored using various indicators of liquidity and interest rate risks.

For reputational and strategic risk, detailed scorecards have been developed and the scorecard results have been calibrated to the capital charge.

The Board and Senior Management critically review the strategic direction of the Bank at the time the Strategic Plan is prepared and approved. Risk management is an integral part of the strategic planning process.

In order to assess the capital, the bank additionally prepares the Capital Augmentation Plan by considering the budget and financial forecasts.

Template 7
Credit Risk under Standardized Approach -
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Description	Amount (LKR'000) as at 31st December 2023						
	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	Total	RWA	RWA Density (ii)
Claims on Central Government and CBSL	166,960,429	-	166,960,429	-	166,960,429	1,161,112	0.70%
Claims on Foreign Sovereigns and their Central Banks	9,670,956	-	9,670,956	-	9,670,956	-	0.00%
Claims on Public Sector Entities	3,391,648	-	3,391,648	-	3,391,648	3,391,648	100.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-
Claims on Banks Exposures	61,437,644	-	61,437,644	-	61,437,644	22,993,229	37.43%
Claims on Financial Institutions	14,816,411	3,775,000	14,816,411	755,000	15,571,411	7,844,760	50.38%
Claims on Corporates	212,715,460	156,335,428	202,038,012	29,210,457	231,248,469	220,407,920	95.31%
Retail Claims	171,225,860	14,829,659	137,065,335	6,666,339	143,731,674	84,041,880	58.47%
Claims Secured by Residential Property	17,130,821	-	17,130,821	-	17,130,821	7,581,556	44.26%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	22,550,005	-	22,550,005	-	22,550,005	23,770,605	105.41%
Higher-Risk Categories	-	-	-	-	-	-	-
Cash Items and Other Assets	41,490,138	-	41,490,138	-	41,490,138	29,191,587	70.36%
Total	721,389,372	174,940,087	676,551,399	36,631,796	713,183,194	400,384,298	56.14%

Template 8
Credit Risk under Standardized Approach: Exposures by Asset Classes and Risk Weights

Description	Amount (LKR'000) as at 31st December 2023 (Post CCF& CRM)										
	Risk Weight	0%	20%	35%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
Asset Classes											
Claims on Central Government and CBSL		161,154,868	5,805,561								166,960,429
Claims on Foreign Sovereigns and their Central Banks		9,670,956									9,670,956
Claims on Public Sector Entities								3,391,648	-		3,391,648
Claims on Official Entities and Multilateral Development Banks											-
Claims on Banks Exposures			37,422,675		17,097,299			6,832,920	84,749		61,437,643
Claims on Financial Institutions			-		15,453,301			118,110	-		15,571,411
Claims on Corporates			3,292,922		16,486,290			211,395,391	73,866.00		231,248,469
Retail Claims						10,847,083	94,379,760	5,473,435			110,700,278
Claims Secured by Gold		26,654,522	6,376,874					-			33,031,396
Claims Secured by Residential Property				14,691,176				2,439,645			17,130,821
Claims Secured by Commercial Real Estate								-			-
Non-Performing Assets (NPAs) (i)					566,998			18,974,808	3,008,199		22,550,005
Higher-Risk Categories											-
Cash Items and Other Assets		12,298,551	-					29,191,587			41,490,138
Total		209,778,897	52,898,032	14,691,176	49,603,888	10,847,083	94,379,760	277,817,544	3,166,814.00	-	713,183,194

Template 9
Market Risk under Standardized Measurement Method

Item	RWA Amount (LKR'000) as at 31st December 2023
(a) Capital Charger Interest Rate Risk	119,861
General Interest Rate Risk	119,861
(i) Net Long or Short Position	119,861
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) Capital Charge for Equity	312,023
(i) General Equity Risk	158,327
(ii) Specific Equity Risk	153,696
(c) Capital Charge for Foreign Exchange & Gold	72,317
Total Risk Weighted Assets on Market Risk	
[(a)+(b)+(c)]*CAR	4,033,608

Template 10

Operational Risk Under Basic Indicator Approach/The Standardized Approach/The Alternative Standardized Approach

Business Lines	Capital Charge Factor	Fixed Factor	Lending Portfolio (LKR'000)	Gross Income (LKR'000) as at 31st December 2023		
				1 st Year	2 nd Year	3 rd Year
The Alternative Standardized Approach						
Trading and Sales	18%			294,847	2,012,892	6,194,145
Payment and Settlement	18%			6,125,274	8,166,981	8,947,338
Retail Banking	12%	0.035	238,252,422			
Commercial Banking	15%	0.035	360,158,193			
Capital Charges for Operational Risk (LKR'000)						
The Alternative Standardized Approach	4,795,979					
Risk-Weighted Amount for operational Risk (LKR'000)						
The Alternative Standardized Approach	38,367,835					

Template 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 31st December 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	717,985,435	717,985,435	721,389,372	28,966,507	5,816,717
Cash and Cash Equivalents	48,851,143	48,851,143	48,851,143		
Balances with Central Bank	7,028,281	7,028,281	7,028,281		
Placements with Banks	22,064,672	22,064,672	22,064,672		
Derivative Financial Instruments	88,022	88,022	88,022		
Other Financial Assets Held-For-Trading	27,753,867	27,753,867	27,753,867	27,753,867	
Securities Purchased under Resale Agreements	817,150	817,150	817,150		
Loans and Receivables to Banks	-	2,807,623	2,807,623		
Loans and Receivables to Other Customers *	437,532,470	434,724,847	441,837,579		2,107,922
Financial Investments - Available-For-Sale	40,048,711	40,048,711	40,048,711	1,212,640	
Financial Investments - Held-To-Maturity	103,537,360	103,537,360	103,537,360		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures	-	-	-		
Property, Plant and Equipment	3,874,650	3,874,650	3,874,650		
Investment Properties	-	-	-		
Goodwill and Intangible Assets	536,989	536,989			536,989
Deferred Tax Assets	3,171,806	3,171,806			3,171,806
Other Assets	21,526,712	21,526,712	21,526,712		
Liabilities	657,478,854	657,478,854	-	-	-
Due to Banks	12,096,756	12,096,756			
Derivative Financial Instruments	32,269	32,269			
Other Financial Assets Held-For-Trading	-	-			
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-			
Due to Other Customers	590,698,330	590,698,330			
Other Borrowings	16,151	16,151			
Debt Securities Issued	6,862,998	6,862,998			
Current Tax Liabilities	2,688,253	2,688,253			
Deferred Tax Liabilities	-	-			
Other Provisions	-	-			
Other Liabilities	25,000,573	25,000,573			
Due to Subsidiaries	115,823	115,823			
Subordinated Term Debts	19,967,701	19,967,701			
Off-Balance Sheet Liabilities	184,715,853	184,715,853	-	-	-
Guarantees	55,805,472	55,805,472			
Performance Bonds					
Letters of Credit	7,245,749	7,245,749			
Foreign Exchange Contracts	18,928,740	18,928,740			
Other Contingent Items	13,010,975	13,010,975			
Undrawn Loan Commitments	89,057,981	89,057,981			
Other Commitments	666,936	666,936			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET1	20,908,673	20,908,673			
of which Amount Eligible for AT1					
Retained Earnings	34,846,141	34,846,141			
Accumulated Other Comprehensive Income	(203,999)	(203,999)			
Other Reserves	4,955,766	4,955,766			
Total Shareholders' Equity	60,506,581	60,506,581	-	-	-

* Loans and Receivables to Other Customers in subject to Credit Risk Framework (C) is reported as the gross of Stage 1 and 2 ECL Provision (LKR 7.1 Bn) and of which LKR 2.1 Bn excluded from Tier II Capital.

Template 12 - Explanations

Column a. presents the assets , liabilities and equity on standalone SLFRS basis. Pillar III disclosures as at 31st December presented in accordance with regulatory capital concepts and rules.

a. Explanations of Differences between accounting and regulatory exposure amounts.

Total assets shown in column a and b in Template 11	
Total assets as per carrying values reported in published Financial Statements (column a)	717,985,435
Total assets as per carrying values reported under scope of regulatory reporting (column b)	717,985,435
Difference	0

Financial Assets-Instrument Type	Valuation Technique	Inputs used for valuation
Treasury Bills	Price Formula	Based on market yield published by CBSL
Treasury Bonds	Price Formula	Based on market yield published by CBSL
Srilanka Development Bonds	Price Formula	Similar instrument's rate (LIBOR)
Quoted Equities	Closing share price	Closing share price (CSE)
Unquoted Equities	Net assets per share	Net assets per share as per latest Audited Financial Statements
Debentures	Price Formula	Similar instrument's yield (Treasury bond yield)