

SEYLAN BANK PLC

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

As at 30.09.2023

Template 1
Key Regulatory Ratios - Capital and Liquidity

Item	Minimum Requirement	Reporting Period 30.09.2023	Previous Reporting Period 31.12.2022
Regulatory Capital (LKR'000)			
Common Equity Tier 1 Capital		52,135,626	49,920,169
Tier 1 Capital		52,135,626	49,920,169
Total Capital		67,778,920	63,477,151
Regulatory Capital Ratios (%)			
Common Equity Tier 1 Capital Ratio	7.00%	11.76%	10.69%
Tier 1 Capital Ratio	8.50%	11.76%	10.69%
Total Capital Ratio	12.50%	15.29%	13.59%
Leverage Ratio	3.00%	7.03%	7.25%
Net Stable Funding Ratio	2023-100% 2022-90%	130.15%	117.62%
Regulatory Liquidity			
Statutory Liquid Assets			
Domestic Banking Unit (LKR 000)		233,986,774	144,094,083
Off-Shore Banking Unit (USD 000)		26,491	35,226
Statutory Liquid Assets Ratio			
Domestic Banking Unit	20.00%	39.16%	25.16%
Off-Shore Banking Unit	20.00%	24.19%	25.02%
Liquidity Coverage Ratio - Rupee	2023-100% 2022-90%	412.10%	280.14%
Liquidity Coverage Ratio - All Currency	2023-100% 2022-90%	308.27%	175.10%

Template 2
Basel III Computation of Capital Ratios

Item	Amount (LKR'000)	
	Reporting Period 30.09.2023	Previous Reporting Period 31.12.2022
Common Equity Tier I (CET1) Capital after Adjustments	52,135,626	49,920,169
Common Equity Tier I (CET1) Capital	56,411,016	53,765,745
Equity capital (Stated Capital)/Assigned Capital	20,908,673	19,926,453
Reserve fund	2,568,162	2,568,162
Published Retained Earnings/(Accumulated Retained Losses)	31,999,663	30,579,775
Published Accumulated Other Comprehensive Income (OCI)	233,943	(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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	4,275,390	3,845,576
Goodwill (net)		
Intangible Assets (net)	453,314	510,146
Others *	3,822,076	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	15,643,294	13,556,982
Total Tier 2 Capital	15,643,294	13,556,982
Qualifying Tier 2 Capital Instruments	9,912,600	7,603,825
Revaluation gains	698,403	698,403
Loan Loss Provisions (General Provision)	5,032,291	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	52,135,626	49,920,169
Total Capital	67,778,920	63,477,151
Total Risk Weighted Assets (RWA)	443,401,410	467,105,338
RWAs for Credit Risk	401,491,323	420,380,297
RWAs for Market Risk	4,989,291	4,116,017
RWAs for Operational Risk	36,920,796	42,609,024
CET1 Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	11.76%	10.69%
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Counter cyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
Total Tier 1 Capital Ratio (%)	11.76%	10.69%
Total Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.29%	13.59%
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Counter cyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		

Template 3
Computation of Leverage Ratio

Item	Amount (LKR'000)	
	Reporting Period 30.09.2023	Previous Reporting Period 31.12.2022
Tier 1 Capital	52,135,626	49,920,169
Total Exposures	741,162,380	688,763,290
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	700,636,983	641,140,258
Derivative Exposures	229,051	1,282,614
Securities Financing Transaction Exposures	2,506,520	3,628,549
Other Off-Balance Sheet Exposures	37,789,827	42,711,868
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.03%	7.25%

Template 4
Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)					
	Reporting Period - 30.09.2023			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)			153,523,025			110,443,939
Total Adjusted Level 1A Assets	149,641,563		149,641,563	104,920,453		104,920,453
Level 1A Assets	149,575,270	100%	149,575,270	105,053,293	100%	105,053,293
Total Adjusted Level 2A Assets			-			-
Level 2A Assets			3,856,170			5,316,957
Total Adjusted Level 2B Assets			91,584			73,689
Level 2B Assets	183,169	50%	91,584	147,379	50%	73,689
Total Cash Outflows			119,492,213			113,258,279
Deposits	422,948,464	10%	42,294,846	413,448,212	10%	41,344,821
Unsecured Wholesale Funding	121,276,660	25% -100%	60,887,006	117,367,882	25% -100%	60,199,428
Secured Funding Transactions			-			-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	161,525,933	0% -100%	10,892,131	162,286,926	0% -100%	7,767,676
Additional Requirements	5,418,230	100%	5,418,230	3,946,354	100%	3,946,354
Total Cash Inflows			69,690,241			50,182,738
Maturing Secured Lending Transactions Backed by Collateral Committed Facilities	-		-	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	110,517,856	50% -100%	68,860,959	92,421,761	50% -100%	48,772,625
Operational Deposits	59,016,510		-	28,939,964		-
Other Cash Inflows	1,653,613	50% -100%	829,282	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			308.27			175.10

Template 5
Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Ordinary Voting Shares	Ordinary Non-Voting Shares	Debenture Issue - 2016 (7 years)	Debenture Issue - 2018 (5 years, 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	Seylan Bank PLC
Unique Identifier (e., ISIN or Bloombers Identifier for Private Placement)	LK0182N00002	LK0182X00001	LK0182D23542	LK0182D23955 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	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	15th July 2016	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	LKR 100/- each
Perpetual or Dated	N/A	N/A	dated	dated	dated	dated	dated
Original Maturity Date, if Applicable	N/A	N/A	15th July 2023	29th March 2023, 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	-	1,662,600	500,000	3,000,000	4,750,000
Accounting Classification (Equity /Liability)	Equity	Equity	Liability	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	N/A
Subsequent Call Dates, if Applicable	N/A	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	Fixed interest rate
Coupon Rate and any Related Index	As decided by the Board	As decided by the Board	Semi-Annual Interest - 13.75% p.a. (for 7 years)	Semi-Annual Interest - 12.85% p.a. (for 5 years), 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	Non-cumulative
Convertible or Non-Convertible	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 7
Credit Risk under Standardized Approach -
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Description	Amount (LKR'000) as at 30th September 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	161,573,296	-	161,573,296	-	161,573,296	1,146,697	0.71%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	0.00%
Claims on Public Sector Entities	3,596,711	-	3,596,711	-	3,596,711	5,395,066	150.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	
Claims on Banks Exposures	80,149,825	-	80,149,825	-	80,149,825	31,751,308	39.61%
Claims on Financial Institutions	15,011,139	3,775,000	15,011,139	755,000	15,766,139	10,199,621	64.69%
Claims on Corporates	193,581,033	148,185,273	183,796,458	31,376,962	215,173,420	203,502,201	94.58%
Retail Claims	163,568,601	13,058,579	130,734,456	5,657,865	136,392,321	80,881,338	59.30%
Claims Secured by Residential Property	17,460,939	-	17,460,939	-	17,460,939	10,784,283	61.76%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	30,748,788	-	30,748,788	-	30,748,788	33,356,325	108.48%
Higher-Risk Categories	-	-	-	-	-	-	
Cash Items and Other Assets	34,946,653	-	34,946,653	-	34,946,653	24,474,485	70.03%
Total	700,636,983	165,018,852	658,018,263	37,789,827	695,808,090	401,491,323	57.70%

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

Description	Amount (LKR'000) as at 30th September 2023 (Post CCF& CRM)											
	Risk Weight	0%	10%	20%	35%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
Asset Classes												
Claims on Central Government and CBSL		155,839,812		5,733,484								161,573,296
Claims on Foreign Sovereigns and their Central Banks												-
Claims on Public Sector Entities										3,596,711		3,596,711
Claims on Official Entities and Multilateral Development Banks												-
Claims on Banks Exposures				47,691,075		20,788,938			11,372,188	297,624		80,149,825
Claims on Financial Institutions				-		11,133,036			4,633,103	-		15,766,139
Claims on Corporates				3,640,173		17,602,626			193,846,156	84,465.00		215,173,420
Retail Claims							10,175,976	89,007,984	5,394,334			104,578,294
Claims Secured by Gold		18,686,874		13,127,152					-			31,814,026
Claims Secured by Residential Property					10,271,779				7,189,160			17,460,939
Claims Secured by Commercial Real Estate									-			-
Non-Performing Assets (NPAs) (i)						653,133			24,227,446	5,868,208		30,748,787
Higher-Risk Categories												-
Cash Items and Other Assets		10,472,168		-					24,474,485			34,946,653
Total		184,998,854	-	70,191,884	10,271,779	50,177,733	10,175,976	89,007,984	271,136,872	9,847,008.00	-	695,808,090

Template 9
Market Risk under Standardized Measurement Method

Item	RWA Amount (LKR'000) as at 30th September 2023
(a) Capital Charger Interest Rate Risk	91,321
General Interest Rate Risk	91,321
(i) Net Long or Short Position	91,321
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) Capital Charge for Equity	367,582
(i) General Equity Risk	186,136
(ii) Specific Equity Risk	181,446
(c) Capital Charge for Foreign Exchange & Gold	164,759
Total Risk Weighted Assets on Market Risk	
[(a)+(b)+(c)]*CAR	4,989,291

Template 10

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

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30th September 2023		
			1 st Year	2 nd Year	3 rd Year
The Alternative Standardized Approach					
Trading and Sales	18%		1,186,779	885,719	5,584,763
Payment and Settlement	18%		5,950,191	8,330,985	7,818,315
Retail Banking	12%	0.035			231,694,814
Commercial Banking	15%	0.035			353,633,557
Capital Charges for Operational Risk (LKR'000)					
The Alternative Standardized Approach	4,615,099				
Risk-Weighted Amount for operational Risk (LKR'000)					
The Alternative Standardized Approach	36,920,796				

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 30th September 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	693,281,479	693,281,479	702,097,412	24,854,790	12,170,974
Cash and Cash Equivalents	69,861,216	69,861,216	69,861,216		
Balances with Central Bank	5,297,736	5,297,736	5,297,736		
Placements with Banks	19,875,123	19,875,123	19,875,123		
Derivative Financial Instruments	26,260	26,260	26,260		
Other Financial Assets Held-For-Trading	23,548,873	23,548,873	23,548,873	23,548,870	
Securities Purchased under Resale Agreements	2,506,520	2,506,520	2,506,520		
Loans and Receivables to Banks	-	872,848	872,848		
Loans and Receivables to Other Customers *	411,840,172	410,967,324	423,970,098		7,984,132
Financial Investments - Available-For-Sale	29,606,143	29,606,143	29,606,143	1,305,920	
Financial Investments - Held-To-Maturity	103,263,545	103,263,545	103,263,545		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures					
Property, Plant and Equipment	4,008,033	4,008,033	4,008,034		
Investment Properties	-	-			
Goodwill and Intangible Assets	453,314	453,314			453,314
Deferred Tax Assets	3,733,528	3,733,528			3,733,528
Other Assets	18,107,414	18,107,414	18,107,414		
Liabilities	633,352,527	633,352,527	-	-	-
Due to Banks	12,137,501	12,137,501			
Derivative Financial Instruments	489,637	489,637			
Other Financial Assets Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	564,658,423	564,658,423			
Other Borrowings	9,050	9,050			
Debt Securities Issued	19,539,998	19,539,998			
Current Tax Liabilities	3,532,312	3,532,312			
Deferred Tax Liabilities	-	-			
Other Provisions	-	-			
Other Liabilities	21,736,089	21,736,089			
Due to Subsidiaries	113,810	113,810			
Subordinated Term Debts	11,135,707	11,135,707			
Off-Balance Sheet Liabilities	166,821,727	166,821,727	-	-	-
Guarantees	61,178,476	61,178,476			
Performance Bonds					
Letters of Credit	6,924,238	6,924,238			
Foreign Exchange Contracts	(461,984)	(461,984)			
Other Contingent Items	12,854,342	12,854,342			
Undrawn Loan Commitments	85,698,735	85,698,735			
Other Commitments	627,920	627,920			
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	34,404,154	34,404,154			
Accumulated Other Comprehensive Income	(26,831)	(26,831)			
Other Reserves	4,642,956	4,642,956			
Total Shareholders' Equity	59,928,952	59,928,952	-	-	-

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)	693,281,479
Total assets as per carrying values reported under scope of regulatory reporting (column b)	693,281,479
Difference	-

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)