SEYLAN BANK PLC

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

As at 30.09.2021

Template 1

Key Regulatory Ratios - Capital and Liquidity

Item	Minimum Requirement	Reporting Period 30.09.2021	Previous Reporting Period 31.12.2020
Regulatory Capital (LKR'000)			
Common Equity Tier 1 Capital		47,458,953	45,810,093
Tier 1 Capital		47,458,953	45,810,093
Total Capital		62,344,580	57,122,556
Regulatory Capital Ratios (%)			
Common Equity Tier 1 Capital Ratio	**7.00%**	10.56%	11.46%
Tier 1 Capital Ratio	**8.50%**	10.56%	11.46%
Total Capital Ratio	**12.50%**	13.87%	14.30%
Leverage Ratio	**3.00%**	7.82%	7.94%
Net Stable Funding Ratio	**100.00%**	105.11%	110.38%
Regulatory Liquidity			
Statutory Liquid Assets			
Domestic Banking Unit (LKR 000)		113,172,336	144,503,849
Off-Shore Banking Unit (USD 000)		35,457	33,828
Statutory Liquid Assets Ratio			
Domestic Banking Unit	**20.00%**	22.88%	31.31%
Off-Shore Banking Unit	**20.00%**	22.72%	22.47%
Liquidity Coverage Ratio - Rupee	**100.00%**	160.81%	176.95%
Liquidity Coverage Ratio - All Currency	**100.00%**	125.03%	142.75%

Template 2
Basel III Computation of Capital Ratios

Item	Amount (LKR'000)	
	Reporting Period 30.09.2021	Previous Reporting Period 31.12.2020
Common Equity Tier I (CETI) Capital after Adjustments	**47,458,953**	**45,810,093**
Common Equity Tier I (CET1) Capital	**48,378,743**	**46,774,785**
Equity capital (Stated Capital)/Assigned Capital	18,323,881	17,548,347
Reserve fund	2,103,522	2,103,522
Published Retained Earnings/(Accumulated Retained Losses)	26,874,525	24,237,845
Published Accumulated Other Comprehensive Income (OCI)	943,132	1,396,833
General and Other Disclosed Reserves	1,068,885	1,488,238
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(935,203)	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to CET1 Capital	**919,790**	**964,692**
Goodwill (net)		
Intangible Assets (net)	560,546	620,530
Others *	359,244	344,162
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	**14,885,627**	**11,312,463**
Total Tier 2 Capital	**14,885,627**	**11,312,463**
Qualifying Tier 2 Capital Instruments	12,329,013	9,122,763
Revaluation gains	393,149	393,149
Loan Loss Provisions (General Provision)	2,163,465	1,796,551
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	**47,458,953**	**45,810,093**
Total Capital	**62,344,580**	**57,122,556**
Total Risk Weighted Assets (RWA)	**449,555,965**	**399,575,469**
RWAs for Credit Risk	412,575,084	369,871,446
RWAs for Market Risk	6,336,168	1,016,973
RWAs for Operational Risk	30,644,713	28,687,050
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**10.56%**	**11.46%**
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
Total Tier 1 Capital Ratio (%)	**10.56%**	**11.46%**
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**13.87%**	**14.30%**
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		

Template 3

Computation of Leverage Ratio

Item	Amount (LKR'000)	
	Reporting Period 30.09.2021	Previous Reporting Period 31.12.2020
Tier 1 Capital	**47,458,953**	**45,810,094**
Total Exposures	**607,000,574**	**577,103,922**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	555,542,772	525,893,986
Derivative Exposures	1,392,177	1,732,936
Securities Financing Transaction Exposures	1,831,450	6,142,893
Other Off-Balance Sheet Exposures	48,234,175	43,334,107
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.82%	7.94%

Template 4
Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)					
	Reporting Period - 30.09.2021			Previous Reporting Period - 31.12.2020		
	Total Un-weighted Value	Factor (%)	Total Weighted Value	Total Un-weighted Value	Factor (%)	Total Weighted Value
Toatal Stock of High-Quality Liquid Assets (HQLA)			**77,376,699**			**100,209,155**
Total Adjusted Level 1A Assets	77,110,280		**77,110,280**	100,002,267		**100,002,267**
Level 1A Assets	77,294,338	**100%**	**77,294,338**	100,123,279	**100%**	100,123,279
Total Adjusted Level 2A Assets			-			
Level 2A Assets			-			-
Total Adjusted Level 2B Assets			**82,361**			**85,876**
Level 2B Assets	164,722	**50%**	82,361	171,753	**50%**	85,876
Total Cash Outflows			**91,165,463**			**98,346,660**
Deposits	356,528,244	**10%**	35,652,824	341,486,750	**10%**	34,148,675
Unsecured Wholesale Funding	88,065,430	**25% -100%**	43,106,681	90,266,536	**25% -100%**	48,186,985
Secured Funding Transactions			-			-
Undrawn Portion of Commited (Irrevocable) Facilities and Other Contingent Funding Obligations	195,904,372	**0% -100%**	9,926,896	189,540,464	**0% -100%**	9,617,217
Additional Requirements	2,479,062	**100%**	2,479,062	6,393,784	**100%**	6,393,784
Total Cash Inflows			**29,279,722**			**28,147,748**
Maturing Secured Lending Transactions Backed by Collateral			-			-
Commited Facilities	-		-	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	54,101,302	**50%-100%**	29,152,673	41,245,414	**50%-100%**	27,367,533
Operational Deposits	12,423,823		-	2,257,009		-
Other Cash Inflows	229,163	**50% -100%**	127,049	1,158,293	**50% -100%**	780,215
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100			**125.03**			**142.75**

Template 5

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	**Ordinary Voting Shares**	**Ordinary Non- Voting Shares**	**Debnture Isssue - 2016 (5 years and 7 years)**	**Debnture Isssue - 2018 (5 years, 7 years & 10 years)**	**Debnture Isssue - 2019 (5 years)**	**Debnture Isssue - 2021 (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	LK0182023559 LK0182023567 LK0182023542	LK0182023955 LK0182023963 LK0182023971	LK0182D24219 LK0182D24227	LK0182D24722 LK0182D24730
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	15th July 2016	29th March 2018	18th April 2019	12th April 2021
Par Value of Instrument	N/A	N/A	LKR 100/- each	LKR 100/- each	LKR 100/- each	LKR 100/- each
Prepetual or Dated	N/A	N/A	dated	dated	dated	dated
Original Maturity Date, If Applicable	N/A	N/A	15th July 2021	28th March 2023 28th March 2025 28th March 2028	18th April 2024	12th April 2026
Amount Recognized in Regulatory Capital (in '000 as at the Reporting Date)	11,521,262	6,802,619	1,146,513	3,282,500	2,500,000	5,400,000
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 and floating 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 - 13.0% p.a. (for 5 years), Semi-Annual Interest - 6 month T-Bill (gross) + 1.50% (for 5 years), 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. Semi-Annual Interest - 10.50% p.a	Annual Interest - 9.75% p.a., Quarterly Interest - 9.25% 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	Non-Convertible	Convertible	Convertible	Convertible
If Convertible, Conversion Trigger (s)				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	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 at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined 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'
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.

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

Description	Amount (LKR'000) as at 30th September 2021						
	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	106,799,635	-	106,799,635	-	106,799,635	1,434,763	1.34%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	0.00%
Claims on Public Sector Entities	2,820,767	-	2,820,767	-	2,820,767	564,153	20.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	
Claims on Banks Exposures	14,545,338	-	14,545,338	-	14,545,338	7,205,101	49.54%
Claims on Financial Institutions	24,262,799	-	24,262,799	-	24,262,799	17,616,726	72.61%
Claims on Corporates	214,713,233	218,277,541	207,294,011	36,455,423	243,749,434	240,992,065	98.87%
Retail Claims	160,343,846	27,685,703	131,594,808	11,778,752	143,373,560	93,042,613	64.90%
Claims Secured by Residential Property	18,736,375	-	18,736,375	-	18,736,375	9,386,839	50.10%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	16,577,975		16,577,975	-	16,577,975	17,884,890	107.88%
Higher-Risk Categories	-	-	-	-	-	-	
Cash Items and Other Assets	32,911,064	-	32,911,064	-	32,911,064	24,447,934	74.28%
Total	**591,711,032**	**245,963,244**	**555,542,772**	**48,234,175**	**603,776,947**	**412,575,084**	**68.33%**

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

Description	Amount (LKR'000) as at 30th September 2021 (Post CCF& CRM)										
Risk Weight / Asset Classes	0%	10%	20%	35%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
Claims on Central Government and CBSL	92,452,005	14,347,630	-								**106,799,635**
Claims on Foreign Sovereigns and their Central Banks											**-**
Claims on Public Sector Entities			2,820,767								**2,820,767**
Claims on Official Entities and Multilateral Development Banks											**-**
Claims on Banks Exposures			9,175,297		-			5,370,041			**14,545,338**
Claims on Financial Institutions			-		13,292,146			10,970,653	-		**24,262,799**
Claims on Corporates			-		5,514,738			238,234,696	-		**243,749,434**
Retail Claims						32,765,249	86,843,752	5,275,272			**124,884,273**
Claims Secured by Gold	3,612,399		14,876,888					-			**18,489,287**
Claims Secured by Residential Property				14,383,902				4,352,473			**18,736,375**
Claims Secured by Commercial Real Estate								-			-
Non-Performing Assets (NPAs) (i)					990,649			11,982,848	3,604,478		**16,577,975**
Higher-Risk Categories											-
Cash Items and Other Assets	8,442,816		25,392					24,442,856			**32,911,064**
Total	**104,507,220**	**14,347,630**	**26,898,344**	**14,383,902**	**19,797,533**	**32,765,249**	**86,843,752**	**300,628,839**	**3,604,478.00**	**-**	**603,776,947**

Template 9

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 30th September 2021
(a) Capital Charger Interest Rate Risk	**45,101**
General Interest Rate Risk	**45,101**
(i) Net Long or Short Position	45,101
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) Capital Charge for Equity	**515,242**
(i) General Equity Risk	259,620
(ii) Specific Equity Risk	255,622
(c) Capital Charge for Foreign Exchange & Gold	**231,678**
Total Risk Weighted Assets on Market Risk [(a)+(b)+(c)]*CAR	**6,336,168**

Template 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 30th September 2021		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		**24,202,203**	**24,593,672**	**27,815,909**
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	3,830,589				
Risk-Weighted Amount for operational Risk (LKR'000)					
The Basic Indicator Approach	30,644,713				

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 2021				
	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	**583,754,809**	**590,436,545**	**591,711,031**	**8,716,253**	**560,546**
Cash and Cash Equivalents	20,784,319	20,887,302	20,887,302		
Balances with Central Bank	15,168,846	15,168,846	15,168,846		
Placements with Banks	2,094,035	2,099,899	2,099,899		
Derivative Financial Instruments	422,506				
Other Financial Assets Held-For-Trading	6,384,252	8,797,144	8,797,144	6,384,253	
Securities Purchased under Resale Agreements	1,831,450	1,830,303	1,830,303		
Loans and Receivables to Banks	-	-			
Loans and Receivables to Other Customers	428,229,734	435,639,566	437,474,599		-
Financial Investments - Available-For-Sale	39,213,025			2,332,000	
Financial Investments - Held-To-Maturity	49,792,597	82,119,231	82,119,231		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures		-			
Property, Plant and Equipment	3,521,934	3,555,063	3,555,063		
Investment Properties	-	-			
Goodwill and Intangible Assets	560,546	560,546			560,546
Deffered Tax Assets	-				
Other Assets	14,597,963	18,625,043	18,625,042		
Liabilities	**533,147,728**	**-**	**-**	**-**	**-**
Due to Banks	29,333,300				
Derivative Financial Instruments	354,807				
Other Financial Assets Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	451,466,708				
Other Borrowings	7,763				
Debt Securities Issued	13,166,751				
Current Tax Liabilities	2,371,384				
Deferred Tax Liabilities	106,035				
Other Provisions					
Other Liabilities	15,057,713				
Due to Subsidiaries	209,916				
Subordinated Term Debts	21,073,351				
Off-Balance Sheet Liabilities	**202,399,389**	**-**	**-**	**-**	**-**
Guarantees	63,016,365	-			
Performance Bonds					
Letters of Credit	16,161,225	-			
Foreign Exchange Contracts	24,935	-			
Other Contingent Items	23,632,226	-			
Undrawn Loan Commitments	99,103,420	-			
Other Commitments	461,218	-			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET1	18,323,881	-			
of which Amount Eligible for AT1		-			
Retained Earnings	28,429,704	-			
Accumulated Other Comprehensive Income	(189,009)				
Other Reserves	4,042,505	-			
Total Shareholders' Equity	**50,607,081**	**-**	**-**	**-**	**-**

Template 12 - Explanations

Column a. presents the assets , liabilities and equity on standalone SLFRS basis. Pillar III disclosures as at 30th September presented in accordance with regulatory capital concepts and rules.

a. Explantions 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)	583,754,809
Total assets as per carrying values reported under scope of regulatory reporting (column b)	590,436,545
Difference	6,681,736

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