

SEYLAN BANK PLC

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

As at 31.03.2023

Template 1
Key Regulatory Ratios - Capital and Liquidity

Item	Minimum Requirement	Reporting Period 31.03.2023	Previous Reporting Period 31.12.2022
Regulatory Capital (LKR'000)			
Common Equity Tier 1 Capital		49,829,720	49,920,169
Tier 1 Capital		49,829,720	49,920,169
Total Capital		62,125,973	63,477,151
Regulatory Capital Ratios (%)			
Common Equity Tier 1 Capital Ratio	7.00%	11.17%	10.69%
Tier 1 Capital Ratio	8.50%	11.17%	10.69%
Total Capital Ratio	12.50%	13.92%	13.59%
Leverage Ratio	3.00%	7.40%	7.25%
Net Stable Funding Ratio	2023-100% 2022-90%	120.05%	117.62%
Regulatory Liquidity			
Statutory Liquid Assets			
Domestic Banking Unit (LKR 000)		178,532,144	144,094,083
Off-Shore Banking Unit (USD 000)		35,929	35,226
Statutory Liquid Assets Ratio			
Domestic Banking Unit	20.00%	29.91%	25.16%
Off-Shore Banking Unit	20.00%	27.99%	25.02%
Liquidity Coverage Ratio - Rupee	2023-100% 2022-90%	316.49%	280.14%
Liquidity Coverage Ratio - All Currency	2023-100% 2022-90%	245.73%	175.10%

Template 2
Basel III Computation of Capital Ratios

Item	Amount (LKR'000)	
	Reporting Period 31.03.2023	Previous Reporting Period 31.12.2022
Common Equity Tier I (CET1) Capital after Adjustments	49,829,720	49,920,169
Common Equity Tier I (CET1) Capital	53,592,412	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)	29,424,222	30,579,775
Published Accumulated Other Comprehensive Income (OCI)	(9,220)	(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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	3,762,692	3,845,576
Goodwill (net)		
Intangible Assets (net)	484,744	510,146
Others *	3,277,948	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	12,296,253	13,556,982
Total Tier 2 Capital	12,296,253	13,556,982
Qualifying Tier 2 Capital Instruments	6,658,788	7,603,825
Revaluation gains	698,403	698,403
Loan Loss Provisions (General Provision)	4,939,062	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	49,829,720	49,920,169
Total Capital	62,125,973	63,477,151
Total Risk Weighted Assets (RWA)	446,188,843	467,105,338
RWAs for Credit Risk	395,124,932	420,380,297
RWAs for Market Risk	5,523,951	4,116,017
RWAs for Operational Risk	45,539,960	42,609,024
CET1 Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	11.17%	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 (%)	11.17%	10.69%
Total Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	13.92%	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 31.03.2023	Previous Reporting Period 31.12.2022
Tier 1 Capital	49,829,720	49,920,169
Total Exposures	673,260,345	688,763,290
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	629,102,983	641,140,258
Derivative Exposures	1,115,447	1,282,614
Securities Financing Transaction Exposures	4,470,198	3,628,549
Other Off-Balance Sheet Exposures	38,571,717	42,711,868
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.40%	7.25%

Template 4
Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)					
	Reporting Period - 31.03.2023			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)			119,162,171			110,443,939
Total Adjusted Level 1A Assets	114,033,453		114,033,453	104,920,453		104,920,453
Level 1A Assets	114,053,983	100%	114,053,983	105,053,293	100%	105,053,293
Total Adjusted Level 2A Assets			-			-
Level 2A Assets			5,038,079			5,316,957
Total Adjusted Level 2B Assets			70,110			73,689
Level 2B Assets	140,219	50%	70,110	147,379	50%	73,689
Total Cash Outflows			105,886,073			113,258,279
Deposits	416,642,513	10%	41,664,251	413,448,212	10%	41,344,821
Unsecured Wholesale Funding	110,498,509	25% -100%	56,081,284	117,367,882	25% -100%	60,199,428
Secured Funding Transactions			-			-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	155,957,575	0% -100%	6,950,667	162,286,926	0% -100%	7,767,676
Additional Requirements	1,189,870	100%	1,189,870	3,946,354	100%	3,946,354
Total Cash Inflows			57,392,827			50,182,738
Maturing Secured Lending Transactions Backed by Collateral			-			-
Committed Facilities	-		-	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	95,898,673	50% -100%	55,915,802	92,421,761	50% -100%	48,772,625
Operational Deposits	36,289,380		-	28,939,964		-
Other Cash Inflows	2,711,619	50% -100%	1,477,025	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			245.73			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)
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	LK0182D23542	LK0182D23955 LK0182D23963 LK0182D23971	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 2023	29th March 2023, 29th March 2025 and 29th March 2028	18th April 2024	12th April 2026
Amount Recognized in Regulatory Capital (In '000 as at the Reporting Date)	12,794,663	8,114,009	163,788	1,895,000	1,000,000	3,600,000
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 - 13.75% 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.
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)				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
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 Standardized Approach -
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Description	Amount (LKR'000) as at 31st March 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	158,529,573	-	158,529,573	-	158,529,573	1,593,257	1.01%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	0.00%
Claims on Public Sector Entities	3,832,000	-	3,832,000	-	3,832,000	766,400	20.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	
Claims on Banks Exposures	49,645,856	-	49,645,856	-	49,645,856	21,225,144	42.75%
Claims on Financial Institutions	15,263,207	3,775,000	15,263,207	755,000	16,018,207	10,903,665	68.07%
Claims on Corporates	189,294,820	146,295,402	179,414,651	29,708,512	209,123,163	199,665,173	95.48%
Retail Claims	158,087,811	17,362,725	123,111,558	8,108,205	131,219,763	75,357,708	57.43%
Claims Secured by Residential Property	18,644,265	-	18,644,265	-	18,644,265	7,790,628	41.79%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	44,831,947	-	44,831,947	-	44,831,947	52,416,645	116.92%
Higher-Risk Categories	-	-	-	-	-	-	
Cash Items and Other Assets	35,829,927	-	35,829,927	-	35,829,927	25,406,313	70.91%
Total	673,959,405	167,433,127	629,102,983	38,571,717	667,674,700	395,124,932	59.18%

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

Description	Amount (LKR'000) as at 31st March 2023 (Post CCF& CRM)											Total Credit Exposures Amount
	Risk Weight	0%	10%	20%	35%	50%	60%	75%	100%	150%	>150%	
Asset Classes												
Claims on Central Government and CBSL		150,563,286		7,966,287								158,529,573
Claims on Foreign Sovereigns and their Central Banks												-
Claims on Public Sector Entities				3,832,000								3,832,000
Claims on Official Entities and Multilateral Development Banks												-
Claims on Banks Exposures				33,627,811		4,131,855			10,791,263	1,094,928		49,645,857
Claims on Financial Institutions				202,329		9,905,357			5,910,521	-		16,018,207
Claims on Corporates				3,245,381		13,819,440			191,962,271	96,070.00		209,123,162
Retail Claims							12,195,619	81,429,217	5,946,295			99,571,131
Claims Secured by Gold		26,537,988		5,110,643					-			31,648,631
Claims Secured by Residential Property					16,697,903				1,946,362			18,644,265
Claims Secured by Commercial Real Estate									-			-
Non-Performing Assets (NPAs) (i)						848,503			27,965,546	16,017,898		44,831,947
Higher-Risk Categories												-
Cash Items and Other Assets		10,391,920		39,618					25,398,389			35,829,927
Total		187,493,194	-	54,024,069	16,697,903	28,705,155	12,195,619	81,429,217	269,920,647	17,208,896.00	-	667,674,700

Template 9
Market Risk under Standardized Measurement Method

Item	RWA Amount (LKR'000) as at 31st March 2023
(a) Capital Charger Interest Rate Risk	108,711
General Interest Rate Risk	108,711
(i) Net Long or Short Position	108,711
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) Capital Charge for Equity	334,547
(i) General Equity Risk	169,107
(ii) Specific Equity Risk	165,440
(c) Capital Charge for Foreign Exchange & Gold	247,236
Total Risk Weighted Assets on Market Risk	
[(a)+(b)+(c)]*CAR	5,523,951

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 31st March 2023		
			1 st Year	2 nd Year	3 rd Year
The Basic Indicator Approach	15%		25,860,623	32,687,867	55,301,410
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	5,692,495				
Risk-Weighted Amount for operational Risk (LKR'000)					
The Basic Indicator Approach	45,539,960				

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 March 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	671,000,864	671,000,864	673,960,193	19,044,990	5,360,073
Cash and Cash Equivalents	47,068,555	47,068,555	47,068,555		
Balances with Central Bank	15,303,692	15,303,692	15,303,692		
Placements with Banks	12,270,619	12,270,619	12,270,619		
Derivative Financial Instruments	581,729	581,729	581,729		
Other Financial Assets Held-For-Trading	17,832,350	17,832,350	17,832,350	17,832,350	
Securities Purchased under Resale Agreements	4,662,216	4,470,198	4,470,198		
Loans and Receivables to Banks	-	524,093	524,093		
Loans and Receivables to Other Customers *	423,971,756	423,463,608	430,092,840		1,690,170
Financial Investments - Available-For-Sale	26,081,932	26,081,931	26,081,931	1,212,640	
Financial Investments - Held-To-Maturity	97,268,250	97,460,269	97,460,269		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures		-			
Property, Plant and Equipment	3,612,982	3,612,982	3,612,982		
Investment Properties	-	-			
Goodwill and Intangible Assets	484,744	484,744			484,744
Deferred Tax Assets	3,185,159	3,185,159			3,185,159
Other Assets	17,523,278	17,507,333	17,507,333		
Liabilities	615,228,735	-	-	-	-
Due to Banks	11,902,360				
Derivative Financial Instruments	1,133,179				
Other Financial Assets Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	549,801,433				
Other Borrowings	8,093				
Debt Securities Issued	9,927,322				
Current Tax Liabilities	4,537,854				
Deferred Tax Liabilities	-				
Other Provisions	-				
Other Liabilities	19,902,159				
Due to Subsidiaries	217,838				
Subordinated Term Debts	17,798,497				
Off-Balance Sheet Liabilities	163,351,105	174,809,398	-	-	-
Guarantees	63,837,668	63,837,668			
Performance Bonds					
Letters of Credit	5,257,503	5,257,503			
Foreign Exchange Contracts	(594,526)	11,890,074			
Other Contingent Items	15,933,636	15,933,636			
Undrawn Loan Commitments	77,890,517	77,890,517			
Other Commitments	1,026,307	-			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET1	20,908,673	21,082,006			
of which Amount Eligible for AT1		-			
Retained Earnings	31,043,439	31,043,438			
Accumulated Other Comprehensive Income	(822,939)	(822,939)			
Other Reserves	4,642,956	4,642,957			
Total Shareholders' Equity	55,772,129	55,945,462	-	-	-

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)	671,000,864
Total assets as per carrying values reported under scope of regulatory reporting (column b)	671,000,864
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)