

SEYLAN BANK PLC

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

As at 31.12.2021

Template 1
Key Regulatory Ratios - Capital and Liquidity

Item	Minimum Requirement	Reporting Period 31.12.2021	Previous Reporting Period 31.12.2020
<i>Regulatory Capital (LKR'000)</i>			
Common Equity Tier 1 Capital		49,026,742	45,810,093
Tier 1 Capital		49,026,742	45,810,093
Total Capital		64,551,489	57,122,556
<i>Regulatory Capital Ratios (%)</i>			
Common Equity Tier 1 Capital Ratio	7.00%	10.72%	11.46%
Tier 1 Capital Ratio	8.50%	10.72%	11.46%
Total Capital Ratio	12.50%	14.11%	14.30%
Leverage Ratio	3.00%	7.62%	7.94%
Net Stable Funding Ratio	100.00%	109.34%	110.38%
<i>Regulatory Liquidity</i>			
<i>Statutory Liquid Assets</i>			
Domestic Banking Unit (LKR 000)		116,089,908	144,503,849
Off-Shore Banking Unit (USD 000)		36,430	33,828
<i>Statutory Liquid Assets Ratio</i>			
Domestic Banking Unit	20.00%	22.84%	31.31%
Off-Shore Banking Unit	20.00%	23.30%	22.47%
Liquidity Coverage Ratio - Rupee	100.00%	163.02%	176.95%
Liquidity Coverage Ratio - All Currency	100.00%	132.70%	142.75%

Template 2
Basel III Computation of Capital Ratios

Item	Amount (LKR'000)	
	Reporting Period 31.12.2021	Previous Reporting Period 31.12.2020
Common Equity Tier I (CETI) Capital after Adjustments	49,026,742	45,810,093
Common Equity Tier I (CET1) Capital	49,931,524	46,774,785
Equity capital (Stated Capital)/Assigned Capital	18,323,882	17,548,347
Reserve fund	2,332,549	2,103,522
Published Retained Earnings/(Accumulated Retained Losses)	28,712,398	24,237,845
Published Accumulated Other Comprehensive Income (OCI)	(413,623)	1,396,833
General and Other Disclosed Reserves	976,318	1,488,238
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	904,782	964,692
Goodwill (net)		
Intangible Assets (net)	592,894	620,530
Others *	311,888	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	15,524,747	11,312,463
Total Tier 2 Capital	15,524,747	11,312,463
Qualifying Tier 2 Capital Instruments	11,383,975	9,122,763
Revaluation gains	393,149	393,149
Loan Loss Provisions (General Provision)	3,747,623	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	49,026,742	45,810,093
Total Capital	64,551,489	57,122,556
Total Risk Weighted Assets (RWA)	457,465,775	399,575,469
RWAs for Credit Risk	418,069,178	369,871,446
RWAs for Market Risk	7,586,464	1,016,973
RWAs for Operational Risk	31,810,133	28,687,050
CET1 Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	10.72%	11.46%
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 (%)	10.72%	11.46%
Total Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.11%	14.30%
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 31.12.2021	Previous Reporting Period 31.12.2020
Tier 1 Capital	49,026,742	45,810,094
Total Exposures	643,499,708	577,103,922
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	575,726,940	525,893,986
Derivative Exposures	1,317,130	1,732,936
Securities Financing Transaction Exposures	10,029,031	6,142,893
Other Off-Balance Sheet Exposures	56,426,607	43,334,107
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.62%	7.94%

Template 4
Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)					
	Reporting Period - 31.12.2021			Previous Reporting Period - 31.12.2020		
	Total Un-weighted Value	Factor (%)	Total Weighted Value	Total Un-weighted Value	Factor (%)	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)			94,700,915			100,209,155
Total Adjusted Level 1A Assets	93,426,488		93,426,488	100,002,267		100,002,267
Level 1A Assets	94,618,796	100%	94,618,796	100,123,279	100%	100,123,279
Total Adjusted Level 2A Assets			-			-
Level 2A Assets			-			-
Total Adjusted Level 2B Assets			82,119			85,876
Level 2B Assets	164,239	50%	82,119	171,753	50%	85,876
Total Cash Outflows			103,280,199			98,346,660
Deposits	372,813,987	10%	37,281,399	341,486,750	10%	34,148,675
Unsecured Wholesale Funding	108,923,206	25% -100%	51,664,273	90,266,536	25% -100%	48,186,985
Secured Funding Transactions			-			-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	218,901,577	0% -100%	11,050,521	189,540,464	0% -100%	9,617,217
Additional Requirements	3,284,007	100%	3,284,007	6,393,784	100%	6,393,784
Total Cash Inflows			31,917,946			28,147,748
Maturing Secured Lending Transactions Backed by Collateral			-			-
Committed Facilities	-		-	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	48,809,632	50%-100%	31,556,533	41,245,414	50%-100%	27,367,533
Operational Deposits	6,975,880		-	2,257,009		-
Other Cash Inflows	525,579	50% -100%	361,413	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			132.70			142.75

Template 5
Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Ordinary Voting Shares	Ordinary Non- Voting Shares	Debenture Issue - 2016 (5 years and 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	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
Perpetual 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)	11,521,263	6,802,619	982,725	3,051,250	2,250,000	5,100,000
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.

Summary Discussion on Adequacy/Meeting Current and Future Capital Requirements

Overview of Capital Planning and Assessment Process:

The capital structure of the Bank is rigorously regulated by CBSL in view of the systemic risk that a bank's failure carries and loss it can cause to the depositors and also the consequent cost of bail-outs by the Government. Basel III focuses on risk management in the Bank and intends to link the business profile of the Bank to the risk profile and subsequently to the regulatory capital. There is thus an automatic calibration of business profile to the regulatory capital. Internal capital can, however, be different from the regulatory capital, which may require equity cushion to the risk profile of the Bank.

In practical terms, the role of capital in the Bank is to provide stakeholder protection. In other words, the role of capital is to act as a buffer against future unexpected losses, thereby protecting depositors and its other stakeholders of the Bank. The amount of capital the Bank would hold therefore depends on the Bank's risk appetite, loss distribution (whether arising from credit, market, operational or any other kinds of risk), among other things.

Risk Exposures in Line with the Budget 2022 and Profit / Balance Sheet Forecasts Thereafter.

The Bank's Board Approved Capital Augmentation Plan, based on the Budget and the revised Strategic Plan 2021- 2023 has estimated the required Tier 1 and Tier 2 capital infusion during the period till 2023.

Furthermore, the Bank's revised 3 Year Projection on the Performance has projected the capital infusion required from 2022 to 2024 and the Bank will revise the Capital Augmentation Plan based on the same and the budget for 2022 to cover the period from 2022 to 2024.

The Bank considers its future growth outlook, average industry growth, peer growth and necessary inputs from the CBSL published documents etc. in its Strategic Plan / Projections on Performance. Furthermore, the relevant macroeconomic parameters will be factored in the calculations. Currently, the Bank employs a mix of top-down and bottom-up approach to arrive at the forecasts.

Current and Future Capital Needs, Anticipated Capital Expenditure and Desirable Capital Levels:

As of 31/12/2021, the Bank was well capitalised as mentioned below.

Capital Adequacy Ratio	Regulatory Requirement	Bank's Position as at 31/12/2021
Common Equity Tier 1 Capital Ratio	7.00%	10.69%
Total Tier 1 Capital Ratio	8.50%	10.69%
Total Capital Ratio	12.50%	14.03%

Overall, the Statement of Financial Position remains strong.

Sources of Capital:

The total capital base is the summation of the Tier 1 and Tier 2 Capital after adjustments to CET1 Capital, AT1 Capital, and Tier 2 Capital as specified in the Banking Act Direction.

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.

Assessment of the adequacy of Bank's capital commensurate with all material risks and other capital needs in relation to its current position and future activities;

The risk profile assessment of the Bank includes the assessment of all material risks i.e. credit risk, market risk, operational risk, credit concentration risk, residual risk, interest rate risk in the banking book, liquidity risk, strategic risk, compliance risk and reputational risk.

The Bank has adopted the standardised approach (SA) for credit risk capital calculation under Pillar 1. Credit concentration in the corporate loan portfolio has been analysed using the Normalised 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 Bank has adopted the standardised 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 interest rate risk, equity risk and foreign exchange risk to a lesser extent.

With regard to operational risk, the Basic Indicator Approach (BIA) has been adopted under Pillar 1. The Bank is also geared to move into the Alternative Standardised approach for operational risk calculation and has already done parallel computation which has shown improved capital adequacy requirement under operational risk.

Liquidity risk is managed by Treasury, Risk Management Unit and ALCO using the gap assessment and ratios. To ascertain the current liquidity position, the Bank has conducted strong stress tests to gauge the Bank's position under liquidity crunch of different intensities. The capital charge for interest rate risk in the banking book is calculated using the Economic Value of Equity (EVE) 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 capital charge. The result of strategic risk assessment indicates that the Bank has a dedicated strategy and is well capitalized to achieve its strategic objectives going forward.

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.

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

Description	Amount (LKR'000) as at 31st December 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	115,285,276	-	115,285,276	-	115,285,276	1,434,763	1.24%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	0.00%
Claims on Public Sector Entities	2,683,913	-	2,683,913	-	2,683,913	536,783	20.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	
Claims on Banks Exposures	22,195,214	-	22,195,214	-	22,195,214	7,939,927	35.77%
Claims on Financial Institutions	23,501,080	-	23,501,080	-	23,501,080	15,409,103	65.57%
Claims on Corporates	213,123,681	243,752,945	204,867,307	42,207,645	247,074,952	243,711,578	98.64%
Retail Claims	172,365,304	33,006,369	141,039,066	14,218,962	155,258,028	101,010,591	65.06%
Claims Secured by Residential Property	19,566,832	-	19,566,832	-	19,566,832	9,525,023	48.68%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	11,350,417	-	11,350,417	-	11,350,417	12,529,712	110.39%
Higher-Risk Categories	-	-	-	-	-	-	
Cash Items and Other Assets	35,237,834	-	35,237,834	-	35,237,834	25,971,697	73.70%
Total	615,309,552	276,759,314	575,726,940	56,426,607	632,153,547	418,069,178	66.13%

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

Description	Amount (LKR'000) as at 30th September 2021 (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		100,937,647	14,347,629	-								115,285,276
Claims on Foreign Sovereigns and their Central Banks												-
Claims on Public Sector Entities				2,683,913								2,683,913
Claims on Official Entities and Multilateral Development Banks												-
Claims on Banks Exposures				14,391,385		5,484,359			2,319,470			22,195,214
Claims on Financial Institutions				721,830		15,029,027			7,750,223	-		23,501,080
Claims on Corporates				-		6,726,748			240,348,205	-		247,074,953
Retail Claims							33,671,435	88,916,152	10,347,861			132,935,448
Claims Secured by Gold		3,459,973		18,862,314					292			22,322,579
Claims Secured by Residential Property					15,448,937				4,117,896			19,566,833
Claims Secured by Commercial Real Estate									-			-
Non-Performing Assets (NPAs) (i)						772,860			7,446,106	3,131,451		11,350,417
Higher-Risk Categories												-
Cash Items and Other Assets		9,194,839		89,122					25,953,873			35,237,834
Total		113,592,459	14,347,629	36,748,564	15,448,937	28,012,994	33,671,435	88,916,152	298,283,926	3,131,451.00	-	632,153,547

Template 9
Market Risk under Standardized Measurement Method

Item	RWA Amount (LKR'000) as at 30th September 2021
(a) Capital Charger Interest Rate Risk	59,869
General Interest Rate Risk	59,869
(i) Net Long or Short Position	59,869
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) Capital Charge for Equity	597,033
(i) General Equity Risk	300,370
(ii) Specific Equity Risk	296,663
(c) Capital Charge for Foreign Exchange & Gold	291,406
Total Risk Weighted Assets on Market Risk	
[(a)+(b)+(c)]*CAR	7,586,464

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 2021		
			1 st Year	2 nd Year	3 rd Year
The Basic Indicator Approach	15%		24,023,031	24,623,812	30,878,490
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	3,976,267				
Risk-Weighted Amount for operational Risk (LKR'000)					
The Basic Indicator Approach	31,810,133				

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 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	607,576,911	614,007,612	615,309,551	7,301,913	592,894
Cash and Cash Equivalents	16,079,054	16,199,537	16,199,537		
Balances with Central Bank	8,725,834	8,725,834	8,725,834		
Placements with Banks	8,246,909	8,287,000	8,287,000		
Derivative Financial Instruments	290,141				
Other Financial Assets Held-For-Trading	4,969,913	4,947,530	4,947,530	4,969,913	
Securities Purchased under Resale Agreements	10,029,031	10,027,060	10,027,060		
Loans and Receivables to Banks	-	-			
Loans and Receivables to Other Customers	441,976,662	447,992,238	449,887,072		-
Financial Investments - Available-For-Sale	39,104,536			2,332,000	
Financial Investments - Held-To-Maturity	57,963,418	92,335,219	92,335,219		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures		-			
Property, Plant and Equipment	4,289,917	4,322,561	4,322,561		
Investment Properties	-	-			
Goodwill and Intangible Assets	592,894	592,894			592,894
Deferred Tax Assets	-				
Other Assets	14,155,000	19,424,137	19,424,136		
Liabilities	555,523,902	-	-	-	-
Due to Banks	24,504,387				
Derivative Financial Instruments	217,179				
Other Financial Assets Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	488,653,328				
Other Borrowings	7,295				
Debt Securities Issued	2,662,377				
Current Tax Liabilities	1,623,966				
Deferred Tax Liabilities	257,574				
Other Provisions					
Other Liabilities	15,788,531				
Due to Subsidiaries	191,810				
Subordinated Term Debts	21,617,455				
Off-Balance Sheet Liabilities	224,389,878	-	-	-	-
Guarantees	74,432,958	-			
Performance Bonds					
Letters of Credit	17,368,687	-			
Foreign Exchange Contracts	197,248	-			
Other Contingent Items	24,498,951	-			
Undrawn Loan Commitments	107,427,402	-			
Other Commitments	464,632	-			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET1	18,323,882	-			
of which Amount Eligible for AT1		-			
Retained Earnings	29,196,617	-			
Accumulated Other Comprehensive Income	(245,179)				
Other Reserves	4,777,689	-			
Total Shareholders' Equity	52,053,009	-	-	-	-

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)	607,576,911
Total assets as per carrying values reported under scope of regulatory reporting (column b)	614,007,612
Difference	6,430,701

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)