# SEYLAN BANK PLC

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

**As at 31.12.2024**

**Template 1**
**Key Regulatory Ratios - Capital and Liquidity**

| Item | Minimum Requirement | Reporting Period 31.12.2024 | Previous Reporting Period 31.12.2023 |
|---|---|---|---|
| ***Regulatory Capital (LKR'000)*** | | | |
| Common Equity Tier 1 Capital | | 66,565,265 | 55,447,660 |
| Tier 1 Capital | | 66,565,265 | 55,447,660 |
| Total Capital | | 86,836,617 | 70,147,267 |
| ***Regulatory Capital Ratios (%)*** | | | |
| Common Equity Tier 1 Capital Ratio | **7.00%** | 14.25% | 12.52% |
| Tier 1 Capital Ratio | **8.50%** | 14.25% | 12.52% |
| Total Capital Ratio | **12.50%** | 18.59% | 15.84% |
| Leverage Ratio | **3.00%** | 8.16% | 7.30% |
| Net Stable Funding Ratio | **100.00%** | 144.76% | 129.67% |
| ***Regulatory Liquidity*** | | | |
| ***Statutory Liquid Assets**** | | | |
| Statutory Liquid Assets Overall (LKR 000) | | | 235,624,142 |
| Domestic Banking Unit ( LKR 000 ) | | | 233,637,929 |
| Off-Shore Banking Unit ( USD 000 ) | | | 23,584 |
| ***Statutory Liquid Assets Ratio**** | | | |
| Statutory Liquid Assets Overall | **20.00%** | | 38.04% |
| Domestic Banking Unit | **20.00%** | | 38.51% |
| Off-Shore Banking Unit | **20.00%** | | 23.28% |
| ***Liquidity Coverage Ratio*** | | | |
| Liquidity Coverage Ratio - Rupee | **100.00%** | 415.75% | 355.16% |
| Liquidity Coverage Ratio - All Currency | **100.00%** | 491.37% | 338.42% |

*** Discontinued as per Banking Act Determination No 01 of 2024**

## Template 2
## Basel III Computation of Capital Ratios

| Item | Amount (LKR'000) | |
|---|---|---|
| | Reporting Period 31.12.2024 | Previous Reporting Period 31.12.2023 |
| **Common Equity Tier I (CETI) Capital after Adjustments** | **66,565,265** | **55,447,660** |
| **Common Equity Tier I (CET1) Capital** | **67,540,308** | **59,239,357** |
| Equity capital (Stated Capital)/Assigned Capital | 21,693,370 | 20,908,673 |
| Reserve fund | 3,383,537 | 2,880,973 |
| Published Retained Earnings/(Accumulated Retained Losses) | 41,026,970 | 34,361,921 |
| Published Accumulated Other Comprehensive Income (OCI) | 735,856 | 387,215 |
| 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| Unpublished Current Year's Profit/Loss and Gains reflected in OCI | - | - |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** | **975,043** | **3,791,697** |
| Goodwill (net) | | |
| Intangible Assets (net) | 669,783 | 536,989 |
| Others | 305,260 | 3,254,708 |
| **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** | **20,271,352** | **14,699,607** |
| **Total Tier 2 Capital** | **20,271,352** | **14,699,607** |
| Qualifying Tier 2 Capital Instruments | 14,862,159 | 8,996,400 |
| Revaluation gains | 698,403 | 698,403 |
| Loan Loss Provisions (General Provision) | 4,710,790 | 5,004,804 |
| 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** | **66,565,265** | **55,447,660** |
| **Total Capital** | **86,836,617** | **70,147,267** |
| **Total Risk Weighted Assets (RWA)** | **467,186,255** | **442,785,741** |
| RWAs for Credit Risk | 413,638,750 | 400,384,298 |
| RWAs for Market Risk | 7,384,753 | 4,033,608 |
| RWAs for Operational Risk | 46,162,752 | 38,367,835 |
| **CET1 Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)** | **14.25%** | **12.52%** |
| 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 (%)** | **14.25%** | **12.52%** |
| **Total Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)** | **18.59%** | **15.84%** |
| 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 31.12.2024 | Previous Reporting Period 31.12.2023 |
| **Tier 1 Capital** | **66,565,265** | **55,447,660** |
| **Total Exposures** | **816,211,801** | **759,275,565** |
| On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral) | 775,112,320 | 721,389,372 |
| Derivative Exposures | 128,413 | 437,246 |
| Securities Financing Transaction Exposures | 3,684,374 | 817,150 |
| Other Off-Balance Sheet Exposures | 37,286,694 | 36,631,796 |
| **Basel III Leverage Ratio (%) (Tier 1/Total Exposure)** | 8.16% | 7.30% |

## Template 4
## Basel III Computation of Liquidity Coverage Ratio

| Item | Amount (LKR'000) | | | | | |
|---|---|---|---|---|---|---|
| | Reporting Period - 31.12.2024 | | | Previous Reporting Period - 31.12.2023 | | |
| | Total Un-weighted Value | Factor (%) | Total Weighted Value | Total Un-weighted Value | Factor (%) | Total Weighted Value |
| **Total Stock of High-Quality Liquid Assets (HQLA)** | | | **223,826,704** | | | **174,012,142** |
| Total Adjusted Level 1A Assets | 206,615,131 | **100%** | 206,615,131 | 161,568,029 | **100%** | 161,568,029 |
| Total Adjusted Level 2A Assets | 19,995,546 | **85%** | 16,996,215 | 14,329,118 | **85%** | 12,179,750 |
| Total Adjusted Level 2B Assets | 229,167 | **50%** | 114,583 | 168,362 | **50%** | 84,181 |
| **Total Cash Outflows** | | | **144,582,490** | | | **124,505,114** |
| Deposits | 486,955,845 | **10%** | 48,695,584 | 438,412,337 | **10%** | 43,841,234 |
| Unsecured Wholesale Funding | 160,362,864 | **25% -100%** | 79,995,794 | 132,933,478 | **25% -100%** | 62,661,680 |
| Secured Funding Transactions | | | - | | | - |
| Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations | 176,061,660 | **0% -100%** | 11,601,387 | 160,329,986 | **0% -100%** | 9,885,507 |
| Additional Requirements | 4,289,724 | **100%** | 4,289,724 | 8,116,694 | **100%** | 8,116,694 |
| **Total Cash Inflows** | | | **99,030,851** | | | **73,086,374** |
| Maturing Secured Lending Transactions Backed by Collateral | | | - | | | - |
| Committed Facilities | - | | - | - | | - |
| Other Inflows by Counterparty which are Maturing within 30 Days | 146,891,114 | **50%-100%** | 97,772,630 | 112,842,328 | **50%-100%** | 72,109,665 |
| Operational Deposits | 2,574,786 | **0%** | - | 36,032,439 | **0%** | - |
| Other Cash Inflows | 2,504,208 | **50% -100%** | 1,258,222 | 1,879,815 | **50% -100%** | 976,709 |
| **Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100** | | | **491.37** | | | **338.42** |

**Template 5**

**Main Features of Regulatory Capital Instruments**

| **Description of the Capital Instrument** | **Ordinary Voting Shares** | **Ordinary Non- Voting Shares** | **Debenture Isssue - 2018 (7 years & 10 years)** | **Debenture Isssue - 2021 (5 years)** | **Debenture Isssue - 2023 (5 years)** | **Debenture Isssue - 2024(5 years)** |
|---|---|---|---|---|---|---|
| Issuer | Seylan Bank PLC | Seylan Bank PLC | Seylan Bank PLC | Seylan Bank PLC | Seylan Bank PLC | Seylan Bank PLC |
| Unique Identifier (e.g., ISIN or Bloombers Identifier for Private Placement) | LK0182N00002 | LK0182X00001 | LK0182D23963 | LK0182D24722 | LK0182D25133 | LK0182D25380 |
| | | | LK0182D23971 | LK0182D24730 | LK0182D25125 | LK0182D25398<br>LK0182D25406<br>LK0182D25414 |
| 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 | 12th April 2021 | 02nd May 2023 | 17th July 2024 |
| 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 | 29th March 2025 and 29th March 2028 | 12th April 2026 | 01st May 2028 | 16th July 2029 and 16th July 2031 |
| Amount Recognized in Regulatory Capital (in '000 as at the Reporting Date) | 12,794,664 | 8,114,009 | 1,081,600 | 1,500,000 | 3,250,000 | 9,030,559 |
| 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) | Annual Interest - 9.75% p.a., Quarterly Interest - 9.25% p.a. | Annual Interest - 28.00% p.a., Quarterly Interest - 25.00% p.a. | Annual Interest - 13.25% p.a.,<br>Quarterly Interest - 12.60% p.a.,<br>Annual Interest – 13.50% p.a.,<br>Bi Annual Interest – 13.05% 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 December2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 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 | 217,261,926 | - | 217,261,926 | - | 217,261,926 | 927,627 | 0.43% |
| Claims on Foreign Sovereigns and their Central Banks | 7,295,068 | - | 7,295,068 | - | 7,295,068 | - | 0.00% |
| Claims on Public Sector Entities | 4,674,823 | - | 4,674,823 | - | 4,674,823 | 4,674,823 | 100.00% |
| Claims on Official Entities and Multilateral Development Banks | - | - | - | - | - | - | |
| Claims on Banks Exposures | 45,983,895 | - | 45,983,895 | - | 45,983,895 | 10,775,653 | 23.43% |
| Claims on Financial Institutions | 21,259,718 | 1,897,174 | 21,259,718 | 379,435 | 21,639,153 | 13,877,013 | 64.13% |
| Claims on Corporates | 232,124,433 | 166,230,833 | 222,369,143 | 35,913,196 | 258,282,339 | 245,060,465 | 94.88% |
| Retail Claims | 177,120,614 | 3,454,750 | 142,128,841 | 1,688,489 | 143,817,330 | 84,487,984 | 58.75% |
| Claims Secured by Residential Property | 17,985,821 | - | 17,985,821 | - | 17,985,821 | 7,766,619 | 43.18% |
| Claims Secured by Commercial Real Estate | - | - | - | - | - | - | 0.00% |
| Non-Performing Assets (NPAs) (i) | 12,991,578 | | 12,991,578 | - | 12,991,578 | 13,263,272 | 102.09% |
| Higher-Risk Categories | - | - | - | - | - | - | |
| Cash Items and Other Assets | 46,827,006 | - | 46,827,006 | - | 46,827,006 | 32,805,294 | 70.06% |
| **Total** | **783,524,882** | **171,582,757** | **738,777,819** | **37,981,120** | **776,758,939** | **413,638,750** | **53.25%** |

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

| Description | Amount (LKR'000) as at 31st December 2024 (Post CCF& CRM) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Risk Weight / Asset Classes | 0% | 20% | 35% | 50% | 60% | 75% | 100% | 150% | >150% | Total Credit Exposures Amount |
| Claims on Central Government and CBSL | 212,623,792 | 4,638,134 | | | | | | | | **217,261,926** |
| Claims on Foreign Sovereigns and their Central Banks | 7,295,068 | | | | | | | | | **7,295,068** |
| Claims on Public Sector Entities | | | | | | | 4,674,823 | - | | **4,674,823** |
| Claims on Official Entities and Multilateral Development Banks | | | | | | | | | | **-** |
| Claims on Banks Exposures | | 43,856,833 | | 255,061 | | | 1,862,491 | 9,510 | | **45,983,895** |
| Claims on Financial Institutions | | - | | 15,524,280 | | | 6,114,873 | - | | **21,639,153** |
| Claims on Corporates | | 9,720,975 | | 10,938,207 | | | 237,575,134 | 48,023 | | **258,282,339** |
| Retail Claims | | | | | 10,371,926 | 91,204,762 | 5,895,713 | | | **107,472,401** |
| Claims Secured by Gold | 16,517,210 | 19,827,719 | | | | | - | | | **36,344,929** |
| Claims Secured by Residential Property | | | 15,721,850 | | | | 2,263,971 | | | **17,985,821** |
| Claims Secured by Commercial Real Estate | | | | | | | - | | | **-** |
| Non-Performing Assets (NPAs) (i) | | | | 364,463 | | | 11,719,265 | 907,850 | | **12,991,578** |
| Higher-Risk Categories | | | | | | | | | | **-** |
| Cash Items and Other Assets | 14,021,712 | - | | | | | 32,805,294 | | | **46,827,006** |
| **Total** | **250,457,782** | **78,043,661** | **15,721,850** | **27,082,011** | **10,371,926** | **91,204,762** | **302,911,564** | **965,383** | **-** | **776,758,939** |

# Template 9

## Market Risk under Standardized Measurement Method

| Item | RWA Amount (LKR'000) as at 31st December 2024 |
|---|---|
| **Capital Charge for Market Risk** | **923,094** |
| **(a) Capital Charger Interest Rate Risk** | **327,616** |
| General Interest Rate Risk | **327,616** |
| (i) Net Long or Short Position | 327,616 |
| (ii) Horizontal Disallowance | |
| (iii) Vertical Disallowance | |
| (iv) Options | |
| Specific Interest Rate Risk | |
| **(b) Capital Charge for Equity** | **378,419** |
| (i) General Equity Risk | 191,886 |
| (ii) Specific Equity Risk | 186,534 |
| **( c) Capital Charge for Foreign Exchange & Gold** | **217,059** |
| **Total Risk Weighted Assets on Market Risk [(a)+(b)+(c)]*CAR** | **7,384,753** |

**Template 10**

## Operational Risk Under The Alternative Standardized Approach

| Business Lines | Capital Charge Factor | Fixed Factor | Lending Portfolio (LKR'000) | Gross Income (LKR'000) as at 31st December 2024 | | |
|---|---|---|---|---|---|---|
| | | | | 1st Year | 2nd Year | 3rd Year |
| **The Alternative Standardized Approach** | | | | | | |
| Trading and Sales | 18% | | | 2,012,892 | 6,486,783 | 8,586,899 |
| Payment and Settlement | 18% | | | 8,356,332 | 8,959,605 | 10,510,217 |
| Retail Banking | 12% | 0.035 | 251,257,135 | | | |
| Commercial Banking | 15% | 0.035 | 384,819,100 | | | |
| | | | | | | |
| **Capital Charges for Operational Risk (LKR'000)** | | | | | | |
| The Alternative Standardized Approach | 5,770,344 | | | | | |
| **Risk-Weighted Amount for operational Risk (LKR'000)** | | | | | | |
| The Alternative Standardized Approach | 46,162,752 | | | | | |

## 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 2024 | | | | |
|---|---|---|---|---|---|
| | 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** | **779,689,839** | **779,689,839** | **783,524,883** | **22,760,018** | **875,746** |
| Cash and Cash Equivalents | 17,384,396 | 17,384,396 | 17,384,396 | | |
| Balances with Central Bank | 8,719,115 | 8,719,115 | 8,719,115 | | |
| Placements with Banks | 50,156,002 | 50,156,002 | 50,156,002 | | |
| Derivative Financial Instruments | 17,398 | 17,398 | 17,398 | | |
| Other Financial Assets Held-For-Trading | 21,454,098 | 21,454,098 | 21,454,098 | 21,454,098 | |
| Securities Purchased under Resale Agreements | 3,684,374 | 3,684,374 | 3,684,374 | | |
| Loans and Receivables to Banks | - | 1,501,010 | 1,501,010 | | |
| Loans and Receivables to Other Customers * | 462,950,751 | 461,449,741 | 466,160,531 | | - |
| Financial Investments - Available-For-Sale | 56,248,530 | 56,248,530 | 56,248,530 | 1,305,920 | |
| Financial Investments - Held-To-Maturity | 132,540,556 | 132,540,556 | 132,540,556 | | |
| Investments in Subsidiaries | 1,153,602 | 1,153,602 | 1,153,602 | | |
| Investments in Associates and Joint Ventures | - | - | | | |
| Property, Plant and Equipment | 5,100,594 | 5,100,594 | 5,100,594 | | |
| Investment Properties | - | - | | | |
| Goodwill and Intangible Assets | 669,783 | 669,783 | | | 669,783 |
| Deferred Tax Assets | 205,963 | 205,963 | | | 205,963 |
| Other Assets | 19,404,677 | 19,404,677 | 19,404,677 | | |
| | | | | | |
| | | | | | |
| **Liabilities** | **709,201,367** | **709,201,367** | **-** | **-** | **-** |
| Due to Banks | 8,141,795 | 8,141,795 | | | |
| Derivative Financial Instruments | 809 | 809 | | | |
| Other Financial Assets Held-For-Trading | | - | | | |
| Financial Liabilities Designated at Fair Value Through Profit or Loss | | - | | | |
| Due to Other Customers | 646,817,333 | 646,817,333 | | | |
| Other Borrowings | 23,731 | 23,731 | | | |
| Debt Securities Issued | 1,461,944 | 1,461,944 | | | |
| Current Tax Liabilities | 1,489,697 | 1,489,697 | | | |
| Deferred Tax Liabilities | - | - | | | |
| Other Provisions | - | - | | | |
| Other Liabilities | 22,438,092 | 22,438,092 | | | |
| Due to Subsidiaries | 98,942 | 98,942 | | | |
| Subordinated Term Debts | 28,729,024 | 28,729,024 | | | |
| **Off-Balance Sheet Liabilities** | **185,399,534** | **185,399,534** | **-** | **-** | **-** |
| Guarantees | 57,381,283 | 57,381,283 | | | |
| Performance Bonds | | | | | |
| Letters of Credit | 10,620,611 | 10,620,611 | | | |
| Foreign Exchange Contracts | 4,598,239 | 4,598,239 | | | |
| Other Contingent Items | 16,248,723 | 16,248,723 | | | |
| Undrawn Loan Commitments | 95,846,040 | 95,846,040 | | | |
| Other Commitments | 704,638 | 704,638 | | | |
| **Shareholders' Equity** | | | | | |
| Equity Capital (Stated Capital)/Assigned Capital | | | | | |
| of which Amount Eligible for CET1 | 21,693,370 | 21,693,370 | | | |
| of which Amount Eligible for AT1 | | - | | | |
| Retained Earnings | 41,525,916 | 42,109,413 | | | |
| Accumulated Other Comprehensive Income | 530,760 | 530,760 | | | |
| Other Reserves | 6,738,426 | 6,154,929 | | | |
| **Total Shareholders' Equity** | **70,488,472** | **70,488,472** | **-** | **-** | **-** |
| | - | - | | | |

* 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 4.7 Bn).

## Template 12 - Explanations

Column a. presents the assets , liabilities and equity on standalone SLFRS basis. Pillar III disclosures as at 30th June 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) | 779,689,839 |
| Total assets as per carrying values reported under scope of regulatory reporting (column b) | 779,689,839 |
| 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) |