SEYLAN BANK PLC

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

As at 30.09.2022

Template 1
Key Regulatory Ratios - Capital and Liquidity

Item	Minimum Requirement		Reporting Period 30.09.2022	Previous Reporting Period 31.12.2021
Regulatory Capital (LKR'000)	**2022**	**2021**		
Common Equity Tier 1 Capital			48,301,128	49,026,742
Tier 1 Capital			48,301,128	49,026,742
Total Capital			62,840,338	64,551,489
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio	**7.00%**	**7.000%**	10.33%	10.72%
Tier 1 Capital Ratio	**8.50%**	**8.500%**	10.33%	10.72%
Total Capital Ratio	**12.50%**	**12.500%**	13.43%	14.11%
Leverage Ratio	**3.00%**	**3.00%**	7.20%	7.62%
Net Stable Funding Ratio	**90.00%**	**100.00%**	111.79%	109.34%
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit (LKR 000)			116,918,857	116,089,908
Off-Shore Banking Unit (USD 000)			33,459	36,430
Statutory Liquid Assets Ratio				
Domestic Banking Unit	**20.00%**	**20.00%**	20.60%	22.84%
Off-Shore Banking Unit	**20.00%**	**20.00%**	23.07%	23.30%
Liquidity Coverage Ratio - Rupee	**90.00%**	**100.00%**	201.26%	163.02%
Liquidity Coverage Ratio - All Currency	**90.00%**	**100.00%**	122.92%	132.70%

Template 2
Basel III Computation of Capital Ratios

Item	Amount (LKR'000)	
	Reporting Period 30.09.2022	Previous Reporting Period 31.12.2021
Common Equity Tier I (CETI) Capital after Adjustments	**48,301,128**	**49,026,742**
Common Equity Tier I (CET1) Capital	**50,521,279**	**49,931,524**
Equity capital (Stated Capital)/Assigned Capital	19,926,453	18,323,882
Reserve fund	2,332,549	2,332,549
Published Retained Earnings/(Accumulated Retained Losses)	27,770,032	28,712,398
Published Accumulated Other Comprehensive Income (OCI)	(243,795)	(413,623)
General and Other Disclosed Reserves	736,040	976,318
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	**2,220,151**	**904,782**
Goodwill (net)		
Intangible Assets (net)	517,269	592,894
Others *	1,702,882	311,888
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	**14,539,210**	**15,524,747**
Total Tier 2 Capital	**14,539,210**	**15,524,747**
Qualifying Tier 2 Capital Instruments	8,548,863	11,383,975
Revaluation gains	698,403	393,149
Loan Loss Provisions (General Provision)	5,291,944	3,747,623
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	**48,301,128**	**49,026,742**
Total Capital	**62,840,338**	**64,551,489**
Total Risk Weighted Assets (RWA)	**467,750,877**	**457,465,775**
RWAs for Credit Risk	423,522,236	418,069,178
RWAs for Market Risk	5,563,248	7,586,464
RWAs for Operational Risk	38,665,393	31,810,133
CET1 Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	**10.33%**	**10.72%**
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 (%)	**10.33%**	**10.72%**
Total Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	**13.43%**	**14.11%**
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 30.09.2022	Previous Reporting Period 31.12.2021
Tier 1 Capital	**48,301,128**	**49,026,742**
Total Exposures	**671,088,432**	**643,499,708**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	623,046,549	575,726,940
Derivative Exposures	1,789,087	1,317,130
Securities Financing Transaction Exposures	3,191,836	10,029,031
Other Off-Balance Sheet Exposures	43,060,960	56,426,607
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.20%	7.62%

Template 4
Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)					
	Reporting Period - 30.09.2022			Previous Reporting Period - 31.12.2021		
	Total Un-weighted Value	Factor (%)	Total Weighted Value	Total Un-weighted Value	Factor (%)	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)			**79,790,280**			**94,700,915**
Total Adjusted Level 1A Assets	78,254,567		**78,254,567**	93,426,488		**93,426,488**
Level 1A Assets	74,665,360	**100%**	**74,665,360**	94,618,796	**100%**	94,618,796
Total Adjusted Level 2A Assets			**-**			-
Level 2A Assets			5,040,705			-
Total Adjusted Level 2B Assets			**84,214**			**82,119**
Level 2B Assets	168,428	**50%**	84,214	164,239	**50%**	82,119
Total Cash Outflows			**109,103,843**			**103,280,199**
Deposits	397,208,796	**10%**	39,720,880	372,813,987	**10%**	37,281,399
Unsecured Wholesale Funding	116,386,655	**25% -100%**	57,368,719	108,923,206	**25% -100%**	51,664,273
Secured Funding Transactions			-			-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	166,971,073	**0% -100%**	7,659,050	218,901,577	**0% -100%**	11,050,521
Additional Requirements	4,355,194	**100%**	4,355,194	3,284,007	**100%**	3,284,007
Total Cash Inflows			**44,190,529**			**31,917,946**
Maturing Secured Lending Transactions Backed by Collateral			-			-
Committed Facilities	-		-	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	81,554,928	**50%-100%**	42,761,608	48,809,632	**50%-100%**	31,556,533
Operational Deposits	24,193,336		-	6,975,880		-
Other Cash Inflows	2,241,105	**50% -100%**	1,428,921	525,579	**50% -100%**	361,413
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100			**122.92**			**132.70**

Template 5

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	**Ordinary Voting Shares**	**Ordinary Non- Voting Shares**	**Debnture Isssue - 2016 (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	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)	12,314,065	7,612,388	491,363	2,357,500	1,500,000	4,200,000
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 30th September 2022						
	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	143,009,739	-	143,009,739	-	143,009,739	2,651,618	1.85%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	0.00%
Claims on Public Sector Entities	2,172,000	-	2,172,000	-	2,172,000	434,400	20.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	
Claims on Banks Exposures	25,159,562	-	25,159,562	-	25,159,562	15,264,625	60.67%
Claims on Financial Institutions	17,897,871	3,775,000	17,897,871	755,000	18,652,871	11,229,916	60.20%
Claims on Corporates	231,126,287	187,024,593	220,415,407	32,751,458	253,166,865	243,027,467	95.99%
Retail Claims	160,211,588	20,938,082	127,575,507	9,554,502	137,130,009	79,967,547	58.32%
Claims Secured by Residential Property	19,227,744	-	19,227,744	-	19,227,744	8,420,066	43.79%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	32,413,971		32,413,971	-	32,413,971	37,938,043	117.04%
Higher-Risk Categories	-	-	-	-	-	-	
Cash Items and Other Assets	35,174,749	-	35,174,749	-	35,174,749	24,588,555	69.90%
Total	**666,393,510**	**211,737,675**	**623,046,549**	**43,060,960**	**666,107,509**	**423,522,236**	**63.58%**

Template 8

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

Description	**Amount (LKR'000) as at 30th September 2022 (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	129,751,649		13,258,090								**143,009,739**
Claims on Foreign Sovereigns and their Central Banks											**-**
Claims on Public Sector Entities			2,172,000								**2,172,000**
Claims on Official Entities and Multilateral Development Banks											**-**
Claims on Banks Exposures			13,337,281		679,166			8,914,172	2,228,942		**25,159,561**
Claims on Financial Institutions			533,638		13,992,089			4,127,144	-		**18,652,871**
Claims on Corporates			3,197,655		15,282,211			234,567,335	119,664.00		**253,166,865**
Retail Claims						24,357,160	76,147,553	6,457,799			**106,962,512**
Claims Secured by Gold	21,243,564		8,923,932					-			**30,167,496**
Claims Secured by Residential Property				16,627,197				2,600,547			**19,227,744**
Claims Secured by Commercial Real Estate								-			**-**
Non-Performing Assets (NPAs) (i)					965,462			19,434,902	12,013,607		**32,413,971**
Higher-Risk Categories											**-**
Cash Items and Other Assets	10,554,500		39,618					24,580,631			**35,174,749**
Total	**161,549,713**	**-**	**41,462,215**	**16,627,197**	**30,918,928**	**24,357,160**	**76,147,553**	**300,682,530**	**14,362,213.00**	**-**	**666,107,509**

Template 9

Market Risk under Standardized Measurement Method

Item	RWA Amount (LKR'000) as at 30th September 2022
(a) Capital Charger Interest Rate Risk	**37,020**
General Interest Rate Risk	**37,020**
(i) Net Long or Short Position	37,020
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) Capital Charge for Equity	**376,838**
(i) General Equity Risk	190,124
(ii) Specific Equity Risk	186,714
(c) Capital Charge for Foreign Exchange & Gold	**281,548**
Total Risk Weighted Assets on Market Risk [(a)+(b)+(c)]*CAR	**5,563,248**

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 2022		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		**24,593,672**	**27,815,910**	**44,253,902**
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	4,833,174				
Risk-Weighted Amount for operational Risk (LKR'000)					
The Basic Indicator Approach	38,665,393				

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 2022				
	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	**657,800,051**	**657,800,051**	**666,393,510**	**10,594,323**	**1,824,017**
Cash and Cash Equivalents	34,593,303	34,593,043	34,593,043		
Balances with Central Bank	15,038,940	15,038,940	15,038,940		
Placements with Banks	-	-	-		
Derivative Financial Instruments	687,144	687,144	687,144		
Other Financial Assets Held-For-Trading	9,073,335	9,073,335	9,073,335	9,073,335	
Securities Purchased under Resale Agreements	3,191,836	3,191,836	3,191,836		
Loans and Receivables to Banks	-	1,054,237	1,054,237		
Loans and Receivables to Other Customers	453,729,798	452,675,561	463,093,037		-
Financial Investments - Available-For-Sale	16,198,499	16,198,499	16,198,499	1,520,988	
Financial Investments - Held-To-Maturity	102,279,946	102,279,946	102,279,946		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures		-			
Property, Plant and Equipment	3,826,557	3,826,557	3,826,557		
Investment Properties	-	-			
Goodwill and Intangible Assets	517,269	517,269			517,269
Deferred Tax Assets	1,306,748	1,306,748			1,306,748
Other Assets	16,203,074	16,203,334	16,203,334		
Liabilities	**604,953,199**	**-**	**-**	**-**	**-**
Due to Banks	12,916,848				
Derivative Financial Instruments	1,525,039				
Other Financial Assets Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	524,439,100				
Other Borrowings	21,307,185				
Debt Securities Issued	8,350				
Current Tax Liabilities	2,631,156				
Deferred Tax Liabilities	-				
Other Provisions	-				
Other Liabilities	20,859,419				
Due to Subsidiaries	192,751				
Subordinated Term Debts	21,073,351				
Off-Balance Sheet Liabilities	**173,704,979**	**205,034,830**	**-**	**-**	**-**
Guarantees	72,495,412	72,495,412			
Performance Bonds					
Letters of Credit	7,543,631	7,543,631			
Foreign Exchange Contracts	(960,825)	31,098,521			
Other Contingent Items	20,772,740	20,772,740			
Undrawn Loan Commitments	73,124,526	73,124,526			
Other Commitments	729,495				
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET1	19,926,453	19,926,453			
of which Amount Eligible for AT1		-			
Retained Earnings	29,299,656	29,299,656			
Accumulated Other Comprehensive Income	(881,202)	(881,202)			
Other Reserves	4,501,945	4,501,945			
Total Shareholders' Equity	**52,846,852**	**52,846,852**	**-**	**-**	**-**

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)	657,800,051
Total assets as per carrying values reported under scope of regulatory reporting (column b)	657,800,051
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)