SEYLAN BANK PLC

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

As at 30.09.2026

Template 1

Key Regulatory Ratios - Capital and Liquidity

Item	Minimum Requirement	Reporting Period 30.09.2026	Previous Reporting Period 31.12.2025
Regulatory Capital (LKR'000)			
Common Equity Tier 1 Capital		74,904,701	73,126,173
Tier 1 Capital		74,904,701	73,126,173
Total Capital		101,989,886	105,578,460
Regulatory Capital Ratios (%)			
Common Equity Tier 1 Capital Ratio	**7.00%**	11.12%	12.39%
Tier 1 Capital Ratio	**8.50%**	11.12%	12.39%
Total Capital Ratio	**12.50%**	15.14%	17.89%
Leverage Ratio	**3.00%**	6.94%	7.47%
Net Stable Funding Ratio	**100.00%**	145.54%	127.25%
Regulatory Liquidity			
Liquidity Coverage Ratio			
Liquidity Coverage Ratio - Rupee	**100.00%**	171.69%	227.99%
Liquidity Coverage Ratio - All Currency	**100.00%**	163.01%	229.92%

Template 2
Basel III Computation of Capital Ratios

Item	Amount (LKR'000)	
	Reporting Period 30.09.2026	Previous Reporting Period 31.12.2025
Common Equity Tier I (CETI) Capital after Adjustments	**74,904,701**	**73,126,173**
Common Equity Tier I (CET1) Capital	**80,137,027**	**77,569,149**
Equity capital (Stated Capital)/Assigned Capital	21,693,370	21,693,370
Reserve fund	3,988,952	3,988,952
Published Retained Earnings/(Accumulated Retained Losses)	53,765,819	50,228,251
Published Accumulated Other Comprehensive Income (OCI)	(11,689)	958,001
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	**5,232,326**	**4,442,976**
Goodwill (net)		
Intangible Assets (net)	1,018,670	896,209
Others	4,213,656	3,546,767
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	**27,085,185**	**32,452,287**
Total Tier 2 Capital	**27,085,185**	**32,452,287**
Qualifying Tier 2 Capital Instruments	20,138,166	24,745,214
Revaluation gains	1,056,224	1,056,224
Loan Loss Provisions (General Provision)	5,890,795	6,650,849
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	**74,904,701**	**73,126,173**
Total Capital	**101,989,886**	**105,578,460**
Total Risk Weighted Assets (RWA)	**673,517,701**	**590,018,928**
RWAs for Credit Risk	609,641,173	532,067,883
RWAs for Market Risk	11,861,388	9,369,587
RWAs for Operational Risk	52,015,140	48,581,458
CET1 Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	**11.12%**	**12.39%**
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 (%)	**11.12%**	**12.39%**
Total Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	**15.14%**	**17.89%**
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 30.09.2026	Previous Reporting Period 31.12.2025
Tier 1 Capital	**74,904,701**	**73,126,173**
Total Exposures	**1,079,885,145**	**979,137,246**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	988,855,804	914,346,782
Derivative Exposures	1,907,667	3,621,553
Securities Financing Transaction Exposures	18,677,385	2,127,724
Other Off-Balance Sheet Exposures	70,444,289	59,041,187
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	6.94%	7.47%

Template 4
Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)					
	Reporting Period		30.09.2026	Previous Reporting Period		31.12.2025
	Total Un-weighted Value	Factor (%)	Total Weighted Value	Total Un-weighted Value	Factor (%)	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)			**223,453,147**			**235,916,518**
Total Adjusted Level 1A Assets	217,776,176	**100%**	217,776,176	228,717,062	**100%**	228,717,062
Total Adjusted Level 2A Assets	8,023,054	**85%**	6,819,596	7,999,816	**85%**	6,799,843
Total Adjusted Level 2B Assets	443,264	**50%**	221,632	262,358	**50%**	131,179
Total Cash Outflows			**204,892,649**			**191,866,546**
Deposits	572,371,199	**10%**	57,237,120	522,581,326	**10%**	52,258,133
Unsecured Wholesale Funding	239,206,534	**25% -100%**	116,502,820	212,368,487	**25% -100%**	107,993,592
Secured Funding Transactions			-			-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	308,132,695	**0% -100%**	16,847,401	285,300,660	**0% -100%**	20,826,809
Additional Requirements	14,305,307	**100%**	14,305,307	10,788,013	**100%**	10,788,013
Total Cash Inflows			**67,815,619**			**89,256,552**
Maturing Secured Lending Transactions Backed by Collateral			-			-
Committed Facilities	-		-	604,023		-
Other Inflows by Counterparty which are Maturing within 30 Days	113,520,981	**50%-100%**	66,934,201	128,655,378	**50%-100%**	87,368,092
Operational Deposits	3,653,783	**0%**	-	3,086,992	**0%**	-
Other Cash Inflows	1,199,538	**50% -100%**	881,418	3,694,823	**50% -100%**	1,888,461
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100			**163.01**			**229.92**

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)**	**Debenture Isssue - 2025(5 years & 10 years)**
Issuer	Seylan Bank PLC	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	LK0182D23963 LK0182D23971	LK0182D24722 LK0182D24730	LK0182D25133 LK0182D25125	LK0182D25380 LK0182D25398 LK0182D25406 LK0182D25414	LK0182D25802 LK0182D25810 LK0182D25828 LK0182D25836
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	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	18th July 2025
Par Value of Instrument	0	0	LKR 100/- each	LKR 100/- each	LKR 100/- each	LKR 100/- each	LKR 100/- each
Prepetual or Dated	0	0	dated	dated	dated	dated	dated
Original Maturity Date, If Applicable	0	0	29th March 2025 and 29th March 2028	12th April 2026	01st May 2028	16th July 2029 and 16th July 2031	18th July 2030 and 18th July 2035
Amount Recognized in Regulatory Capital (in '000 as at the Reporting Date)	13,172,977	8,520,393	482,700	-	1,500,000	5,637,514	12,517,952
Accounting Classification (Equity /Liability)	Equity	Equity	Liability	Liability	Liability	Liability	Liability
Issuer call subject to prior Supervisory Approval							
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	0	0	0	0	0	0	0
Subsequent Call Dates, If Applicable	0	0	0	0	0	0	0
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	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., Quarterly Interest - 12.60% p.a., Annual Interest – 13.50% p.a., Bi Annual Interest – 13.05% p.a.	Annual Interest - 11.25% p.a., Quarterly Interest - 10.80% p.a., Annual Interest – 11.75% p.a., Bi Annual Interest – 11.40% p.a.
Non-Cumulative or Cumulative	Non-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	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	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	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'	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.	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 2026						
	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	208,639,178	-	208,639,178	-	208,639,178	1,406,758	0.67%
Claims on Foreign Sovereigns and their Central Banks	39,493,464	-	39,493,464	-	39,493,464	-	0.00%
Claims on Public Sector Entities	5,043,075	-	5,043,075	-	5,043,075	5,043,075	100.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	
Claims on Banks Exposures	26,324,239	-	26,324,239	-	26,324,239	5,380,630	20.44%
Claims on Financial Institutions	98,506,203	2,861,346	98,506,203	542,269	99,048,472	65,800,340	66.43%
Claims on Corporates	298,993,359	387,865,003	280,190,700	63,135,096	343,325,797	334,011,283	97.29%
Retail Claims	262,615,841	22,033,064	221,833,335	9,687,806	231,521,141	147,113,408	63.54%
Claims Secured by Residential Property	20,156,046	-	20,156,046	-	20,156,046	9,584,344	47.55%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	9,496,211		9,496,211	-	9,496,211	9,420,538	99.20%
Higher-Risk Categories	-	-	-	-	-	-	
Cash Items and Other Assets	44,369,562	-	44,369,562	-	44,369,562	31,880,796	71.85%
Total	**1,013,637,178**	**412,759,413**	**954,052,013**	**73,365,171**	**1,027,417,185**	**609,641,172**	**59.34%**

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

Description	Amount (LKR'000) as at 30th September 2026 (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	201,605,386	7,033,791								**208,639,177**
Claims on Foreign Sovereigns and their Central Banks	39,493,464									**39,493,464**
Claims on Public Sector Entities				-						**-**
Claims on Official Entities and Multilateral Development Banks										**-**
Claims on Banks Exposures		26,217,284		-			46,520	60,435		**26,324,239**
Claims on Financial Institutions		1,200,781		64,575,013			33,272,681	-		**99,048,475**
Claims on Corporates		6,237,511		8,649,010			333,482,351	-		**348,368,872**
Retail Claims					11,032,002	113,180,097	39,200,376			**163,412,475**
Claims Secured by Gold	36,048,303	31,959,275					-			**68,007,578**
Claims guaranteed by National Credit Guarantee Institution Limited		101,086								**101,086**
Claims Secured by Residential Property			16,264,157				3,891,889			**20,156,046**
Claims Secured by Commercial Real Estate							-			**-**
Non-Performing Assets (NPAs) (i)				278,918			9,089,721	127,572		**9,496,211**
Higher-Risk Categories										**-**
Cash Items and Other Assets	12,488,766	-					31,880,796			**44,369,562**
Total	**289,635,919**	**72,749,728**	**16,264,157**	**73,502,941**	**11,032,002**	**113,180,097**	**450,864,334**	**188,007**	**-**	**1,027,417,185**

Template 9

Market Risk under Standardized Measurement Method

Item	RWA Amount (LKR'000) as at 30th September 2026
Capital Charge for Market Risk	**1,482,674**
(a) Capital Charger Interest Rate Risk	**501,597**
General Interest Rate Risk	**501,597**
(i) Net Long or Short Position	501,597
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) Capital Charge for Equity	**810,629**
(i) General Equity Risk	416,742
(ii) Specific Equity Risk	393,887
(c) Capital Charge for Foreign Exchange & Gold	**170,447**
Total Risk Weighted Assets on Market Risk [(a)+(b)+(c)]*CAR	**11,861,388**

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 30th September 2026		
				1st Year	2nd Year	3rd Year
The Alternative Standardized Approach						
Trading and Sales	18%			7,566,720	5,839,136	(387,637)
Payment and Settlement	18%			9,911,467	10,978,060	10,272,233
Retail Banking	12%	0.035	296,379,610			
Commercial Banking	15%	0.035	496,437,997			
Capital Charges for Operational Risk (LKR'000)						
The Alternative Standardized Approach	6,501,893					
Risk-Weighted Amount for operational Risk (LKR'000)						
The Alternative Standardized Approach	52,015,140					

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 2026				
	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	**1,012,868,214**	**1,012,868,214**	**1,013,637,166**	**16,824,025**	**5,121,843**
Cash and Cash Equivalents	16,143,856	16,143,856	16,143,856		
Balances with Central Bank	16,034,555	16,034,555	16,034,555		
Placements with Banks	22,239,819	22,239,819	22,239,819		
Derivative Financial Instruments	213,193	213,193	213,193		
Financial Assets recognised through Profit or Loss - Measure at Fair Value	16,824,025	16,824,025	16,824,025	16,824,025	
Securities Purchased under Resale Agreements	400,049	400,049	400,049		
Loans and Receivables to Banks	-	-	-		
Loans and Receivables to Other Customers *	688,919,940	688,919,940	694,810,735		-
Financial Assets measured at Fair Value through Other Comprehensive Income	88,085,608	88,085,608	88,085,608	-	
Financial Assets at Amortised Cost - Debt and Other Instruments	131,794,093	131,794,093	131,794,093		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures	-	-			
Property, Plant and Equipment	5,739,054	5,739,054	5,739,054		
Investment Properties	-	-			
Goodwill and Intangible Assets	1,018,670	1,018,670			1,018,670
Deferred Tax Assets	4,103,173	4,103,173			4,103,173
Other Assets	20,198,577	20,198,577	20,198,577		
Total Liabilities and Shareholders' Equity	**1,012,868,214**	**1,012,868,214**	**-**	**-**	**-**
Due to Banks	30,060,556	30,060,556			
Derivative Financial Instruments	783,604	783,604			
Other Financial Assets Held-For-Trading		-			
Financial Liabilities Designated at Fair Value Through Profit or Loss		-			
Financial Liabilities at Amortised Cost - Due to Depositors	810,998,303	810,998,303			
Financial Liabilities at Amortised Cost - Due to Other Borrowers	21,054	21,054			
Financial Liabilities at Amortised Cost - Due to Debt Securities Holders	15,479,389	15,479,389			
Current Tax Liabilities	5,857,193	5,857,193			
Deferred Tax Liabilities	-	-			
Other Provisions	8,904,112	8,904,112			
Other Liabilities	20,791,116	20,791,116			
Due to Subsidiaries	362,616	362,616			
Subordinated Term Debts	32,731,052	32,731,052			
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	4,754	4,754			
Accumulated Other Comprehensive Income	3,988,952	3,988,952			
Other Reserves	61,192,143	61,192,143			
Off-Balance Sheet Liabilities	**307,398,569**	**307,398,569**	**-**	**-**	**-**
Guarantees	90,166,908	90,166,908			
Documentary Credit	22,242,237	22,242,237			
Letters of Credit	149,365	149,365			
Foreign Exchange Contracts	(792,406)	(792,406)			
Bills for Collection	7,007,076	7,007,076			
Undrawn Loan Commitments	172,515,619	172,515,619			
Other Commitments	16,109,770	16,109,770			
	-	-			

* 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 5.8 Bn).

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. 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)	1,012,868,214
Total assets as per carrying values reported under scope of regulatory reporting (column b)	1,012,868,214
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)