

Other Disclosure Requirements Under the Prescribed Format Issued by the Central Bank of Sri Lanka for Preparation of Annual Financial Statements of Licensed Commercial Banks

Disclosure Requirements	Description	Page No.
1. Information about the Significance of Financial Instruments for Financial Position and Performance		
1.1 Statement of Financial Position		
1.1.1 Disclosures on categories of financial assets and financial liabilities.	Note 23 to the financial statements Analysis of Financial Instruments by Measurement basis	183
1.1.2 Other Disclosures	Not designated.	
i. Special disclosures about financial assets and financial liabilities designated to be measured at fair value through profit or loss, including disclosures about credit risk and market risk, changes in fair values attributable to these risks and the methods of measurement.	Note 5.3.1 – Designated fair value Please refer Integrated risk management report	166
ii. Reclassifications of financial instruments from one category to another.	Significant accounting policies: Note 5.3.3 – Reclassification of financial instruments	166
iii. Information about financial assets pledged as collateral and about financial or non-financial assets held as collateral.	Note 46.1 – Assets pledged as security	210
iv. Reconciliation of the allowance account for credit losses by class of financial assets.	Notes to the financial statements: Note 30.2 – Movement in specific and collective allowance for impairment	192
v. Information about compound financial instruments with multiple embedded derivatives.	The Bank does not have compound financial instruments with multiple embedded derivatives.	
vi. Breaches of terms of loan agreements.	None	
1.2 Statement of Comprehensive Income		
1.2.1 Disclosures on items of income, expense, gains and losses.	Notes 9 – 21 to the financial statements:	172-182
1.2.2 Other Disclosures		
i. Total interest income and total interest expense for those financial instruments that are not measured at fair value through profit and loss.	Notes to the financial statements: Note 10 – Interest income	173
ii. Fee income and expense.	Note 12 to the financial statements: Net fee and commission income	174
iii. Amount of impairment losses by class of financial assets.	Note 16 to the financial statements: Impairment for loans and other losses.	177
iv. Interest income on impaired financial assets.		
1.3 Other Disclosures		
1.3.1 Accounting policies for financial instruments.	Significant accounting policies: Note 5.3 – Financial instruments – initial recognition, classification and subsequent measurement.	166
1.3.2 Information on hedge accounting.	The Bank does not adopt hedge accounting.	
1.3.3 Information about the fair values of each class of financial asset and financial liability, along with:		
i. Comparable carrying amounts.	Notes to the financial statements: Note 59.1 to 59.4 – Fair value measurement	228-233
ii. Description of how fair value was determined.	Notes to the financial statements: Note 59.1	
iii. The level of inputs used in determining fair value.	Notes to the financial statements: Note 59.7 to 59.13	233-234
iv. a. Reconciliations of movements between levels of fair value measurement hierarchy. b. Additional disclosures for financial instruments that fair value is determined using level 3 inputs.	There were no movements between levels of fair value hierarchy during the period under review.	
v. Information if fair value cannot be reliably measured.	Notes to the financial statements: Note 59.7 to 59.13	233-234

Disclosure Requirements	Description	Page No.
2. Information about the Nature and Extent of Risks Arising from Financial Instruments		
2.1 Qualitative Disclosures		
2.1.1 Risk exposures for each type of financial instrument.	Please refer the report on Integrated risk management.	
2.1.2 Management's objectives, policies, and processes for managing those risks.	Please refer the section relating to Integrated risk managements objectives, policies and processes.	
2.1.3 Changes from the prior period.	Notes to the financial statements: Note 57.1 – Reclassification of comparative figures	227
2.2 Quantitative Disclosures		
2.2.1 Summary of quantitative data about exposure to each risk at the reporting date.	Please refer the section relating to Integrated risk managements objectives, policies and processes. Notes to the Financial Section Note 60	
2.2.2 Disclosures about credit risk, liquidity risk, market risk, operational risk, interest rate risk and how these risks are managed.	Please refer the section relating to Integrated risk managements objectives, policies and processes. Notes to the Financial Statements Note 60	234
i. Credit Risk		
a. Maximum amount of exposure (before deducting the value of collateral), description of collateral, information about credit quality of financial assets that are neither past due nor impaired and information about credit quality of financial assets.	Note 30.1.3 on industry analysis.	191
b. For financial assets that are past due or impaired, disclosures on age, factors considered in determining as impaired and the description of collateral on each class of financial asset.	Note 30.1.3 on industry analysis. Note 60.2.2.1 & 60.2.2.3 on loans and advances and impairment analysis.	191 235-236
c. Information about collateral or other credit enhancements obtained or called.	Note 60.2.2.3 Analysis of Security Values of Loans to and Receivables from other customers	236
d. For other disclosures, please refer Banking Act Direction No. 7 of 2011 on Integrated Risk Management Framework for Licensed Banks (Section H).	The section on 'Integrated risk management'. Note 60.2 Credit Risk	235
ii. Liquidity Risk		
a. A maturity analysis of financial liabilities.	Notes to the financial statements: Note 60.3.2.1 and 60.3.2.2 Maturity analysis of financial liabilities.	238-239
b. Description of approach to risk management.	The section on "Integrated risk management".	
c. For other disclosures, please refer Banking Act Direction No. 7 of 2011 on Integrated Risk Management Framework for Licensed Banks (Section H).	Please refer the section on "Integrated risk management". Note 60.3 Liquidity Risk	237
iii. Market Risk		
a. A sensitivity analysis of each type of market risk to which the entity is exposed.	Notes to the financial statements: Note 60.4 – Market risk	239
b. Additional information, if the sensitivity analysis is not representative of the entity's risk exposure.	None	
c. For other disclosures, please refer Banking Act Direction No. 7 of 2011 on Integrated Risk Management Framework for Licensed Banks (Section H).	Please refer the section on "Integrated risk management". Note 60.4 Market Risk	239
iv. Operational Risk		
Please refer Banking Act Direction No. 7 of 2011 on Integrated Risk Management Framework for Licensed Banks (Section H).	Notes to the financial statements: Note 60.5 – Operational risk	242

Disclosure Requirements	Description	Page No.
v. Equity Risk in the Banking Book		
a. Qualitative Disclosures		
• Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons.	Notes to the financial statements: Note 60.4.2.3 – Equity price risk	241
• Discussion of important policies covering the valuation and accounting of equity holdings in the banking book.	Note 4.1, 4.2 & 4.3	164-165
b. Quantitative Disclosures		
• Value disclosed in the statement of financial position of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Notes to the financial statements: Note 31 – Financial investments – Available-for-sale Note 33 – Investments in subsidiaries Note 34 – Investments in associates Note 14 – Net gain/loss from financial investments	192 198 199 175
• The types and nature of investments. The cumulative realised gains/(losses) arising from sales and liquidations in the reporting period.		
vi. Interest Rate Risk in the Banking Book		
a. Qualitative Disclosures		
• Nature of interest rate risk in the banking book (IRRBB) and key assumptions.	Please refer the section on ‘Integrated risk management’.	
b. Quantitative Disclosures		
• The increase/(decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management’s method for measuring IRRBB, broken down by currency (as relevant).	Please refer the section on ‘Integrated risk management’ and Note 60.4.2.1.2	240
2.2.3 Information on concentrations of risk.	Please refer the section on ‘Integrated risk management’.	
3. Other Disclosures		
3.1 Capital		
3.1.1 Capital Structure		
i. Qualitative Disclosures.		
Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of innovative, complex or hybrid capital instruments.	Notes to the financial statements: Note 60.6.2	243
ii. Quantitative Disclosure		
a. The amount of Tier 1 capital, with separate disclosure of:	Notes to the financial statements: Note 60.6.2 - Financial risk management	243
• Paid-up share capital/common stock		
• Reserves		
• Non-controlling interests in the equity of subsidiaries		
• Innovative instruments		
• Other capital instruments		
• Deductions from Tier 1 capital		
b. The total amount of Tier 2 and Tier 3 capital		
c. Other deductions from capital		
d. Total eligible capital		
3.1.2 Capital adequacy		
i. Qualitative Disclosures		
A summary discussion of the Bank’s approach to assessing the adequacy of its capital to support current and future activities.	Please refer the section on ‘Integrated risk management’.	
ii. Quantitative Disclosures		
a. Capital requirements for credit risk, market risk and operational risk	Please refer the section on ‘Integrated risk management’.	
b. Total and Tier 1 capital ratio	Please refer the section on ‘Integrated risk management’.	