

Other Disclosure Requirements Under the Prescribed Format Issued by the Central Bank of Sri Lanka for Preparation of Annual Financial Statements of Licensed Specialised 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 25 to the financial statements Analysis of Financial Instruments by Measurement basis	152
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 5.2.1 - Designated fair value Please refer Integrated risk management report	136
ii. Reclassifications of financial instruments from one category to another.	Significant accounting policies: Note 5.2.2 - Reclassification of financial instruments	137
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iv. Reconciliation of the allowance account for credit losses by class of financial assets.	Notes to the financial statements: Note 32.2 - Movement in specific and collective allowance for impairment	158
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		
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ii. Fee income and expense.	Note 13 to the financial statements: Net fee and commission income	147
iii. Amount of impairment losses by class of financial assets.	Note 18 to the financial statements: Impairment for loans and other losses.	148
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1.3 Other Disclosures		
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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:		
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iv. a. Reconciliations of movements between levels of fair value measurement hierarchy.	There were no movements between levels of fair value hierarchy during the period under review.	195
b. Additional disclosures for financial instruments that fair value is determined using level 3 inputs.		
v. Information if fair value cannot be reliably measured.	Notes to the financial statements: Note 64.5 to 64.12.	199-200
2. Information about the Nature and Extent of Risks Arising from Financial Instruments		
2.1 Qualitative Disclosures		
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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.	73
2.1.3 Changes from the prior period.	Notes to the financial statements: Note 62.2 - Reclassification of comparative figures	193
2.2 Quantitative Disclosures		
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	Notes to the Financial Statements Note - 65	200
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c. Information about collateral or other credit enhancements obtained or called.	Note 65.2.2.3 Analysis of Security Values of Loans to and Receivables from other customers	202
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 65.2 Credit Risk	200
ii. Liquidity Risk		
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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 65.3 Liquidity Risk	73 202
iii. Market Risk		
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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 65.4 Market Risk	204
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 65.5 - Operational risk	207
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• Discussion of important policies covering the valuation and accounting of equity holdings in the banking book.	Note 5.2.5	137
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 33 - Financial investments - Available-for-sale Note 35 - Investments in subsidiaries Note 36 - Investments in associates Note 16 - Net gain/loss from financial investments	158 164 165 148
• 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		
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• Nature of interest rate risk in the banking book (IRRBB) and key assumptions.	Please refer the section on 'Integrated risk management'.	73
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• 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 65.4.2.12	205
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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 65.6.2	208
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<ul style="list-style-type: none"> • 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		
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3.1.2 Capital adequacy		
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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'.	84
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