

**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.	<i>Notes to the Financial Statements:</i> Note 24 - Classification of Financial Assets and Financial Liabilities	313-315
1.1.2 Other Disclosures		
(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.	<i>Significant Accounting Policies:</i> Note 5.3.3.1.2 - Financial Assets Designated at Fair Value through Profit or Loss Note 5.3.4.1.2 - Financial Liabilities at Designated at Fair Value through Profit or Loss	288 290
(ii) Reclassifications of financial instruments from one category to another.	<i>Significant Accounting Policies:</i> Note 5.3.5 - Reclassification of Financial Assets and Liabilities	290 & 291
(iii) Information about financial assets pledged as collateral and about financial or non-financial assets held as collateral.	<i>Notes to the Financial Statements:</i> Note 65.1.3 - Collateral Held and Other Credit Enhancements	388
(iv) Reconciliation of the allowance account for credit losses by class of financial assets.	<i>Notes to the Financial Statements:</i> Note 32.2 - Movement in Provision for Individual and Collective Impairment during the year.	325
(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.	<i>Notes to the Financial Statements:</i> Notes 11 - 21 to the Financial Statements	304-311
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.	<i>Notes to the Financial Statements:</i> Note 12 - Net Interest Income	304 & 305
(ii) Fee income and expense.	<i>Note to the Financial Statements:</i> Note 13 - Net Fees and Commission Income	306
(iii) Amount of impairment losses by class of financial assets.	<i>Notes to the Financial Statements:</i> Note 17 - Impairment Charges for Loans and Other Losses	308
(iv) Interest income on impaired financial assets.	<i>Notes to the Financial Statements:</i> Note 12.1 - Interest Income from Impaired Loans and Receivables to Other Customers	304

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.
1.3 Other Disclosures		
1.3.1 Accounting Policies for financial instruments.	<i>Significant Accounting Policies:</i> Note 5.3 - Financial Instruments – Initial Recognition, Classification and Subsequent Measurement	287-293
1.3.2 Information on hedge accounting	The Bank did not elect to follow 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.	<i>Notes to the Financial Statements:</i> Note 25 - Assets and Liabilities Measured at Fair Value and Fair Value Hierarchy	315-318
(ii) Description of how fair value was determined.	<i>Significant Accounting Policies:</i> Note 4 - Fair Value Measurement	283 & 284
(iii) The level of inputs used in determining fair value.	<i>Notes to the Financial Statements:</i> Note 25.2 - Financial Instruments Not Measured at Fair Value - Fair Value Hierarchy Note 25.5 - Valuation Techniques and Inputs Used in Measuring the Fair Values of Assets and Liabilities in the Level 2 Note 36.5 (b) - Information on Valuations of Freehold Land and Buildings of the Bank	317 & 318 318 341-346
(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. <i>Notes to the Financial Statements:</i> Note 25.3 - Significant Unobservable Inputs Used as at December 31, 2014 in measuring fair value of land and buildings categorised as Level 3	– 317
(v) Information if fair value cannot be reliably measured.	<i>Notes to the Financial Statements:</i> Note 33 - Financial Investments – Available-for-Sale	329-332
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.	<i>Significant Accounting Policies:</i> Note 3 - Financial Risk Management <i>Notes to the Financial Statements:</i> Note 65 - Financial Risk Review	281-283 280-405
2.1.2 Management's objectives, policies and processes for managing those risks.	<i>Significant Accounting Policies:</i> Note 3 - Financial Risk Management Refer the section relating to 'Managing Risk at Commercial Bank' for comprehensive disclosure of management's objectives, policies and processes.	281-283 218-245

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.
2.1.3 Changes from the prior period.	There were no major policy changes during the period under review.	–
2.2 Quantitative Disclosures		
2.2.1 Summary of quantitative data about exposure to each risk at the Reporting date.	<i>Notes to the Financial Statements:</i> Note 65 - Financial Risk Review	380-405
2.2.2 Disclosures about credit risk, liquidity risk, market risk, operational risk, interest rate risk and how these risks are managed.		–
(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.	<i>Notes to the Financial Statements:</i> Note 65.1.1 - Credit Quality Analysis Note 65.1.3 - Collateral Held and Other Credit Enhancements	381-387 388
(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.	<i>Notes to the Financial Statements:</i> Note 65.1.1 (b) - Age Analysis by Class of Financial Assets <i>Significant Accounting Policies:</i> Note 5.3.10 - Identification and Measurement of Impairment of Financial Assets for Factors Considered in Determining the Financial Assets as Impaired and for Description of Collaterals	383 291-293
(c) Information about collateral or other credit enhancements obtained or called.	<i>Notes to the Financial Statements:</i> Note 65.1.3 - Collateral Held and Other Credit Enhancements	388
(d) Other disclosures (as required by the Section H of the Banking Act Direction No. 7 of 2011 on Integrated Risk Management Framework for Licensed Banks).	Refer the section relating to 'Managing Risk at Commercial Bank'.	218-245
(ii) Liquidity Risk		
(a) A maturity analysis of financial liabilities.	<i>Notes to the Financial Statements:</i> Note 58 - Maturity Analysis - Group Note 65.2.2 - Maturity Analysis of Financial Assets and Liabilities - Bank	369-371 394-397
(b) Description of approach to risk management.	<i>Significant Accounting Policies:</i> Note 3 - Financial Risk Management Refer the section relating to 'Managing Risk at Commercial Bank'.	281-283 218-245
(c) Other disclosures (As per Section H of the Banking Act Direction No. 7 of 2011 on Integrated Risk Management Framework for Licensed Banks).	Refer the section relating to 'Managing Risk at Commercial Bank'.	218-245

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.
(iii) Market Risk		
(a) A sensitivity analysis of each type of market risk to which the Bank is exposed.	<i>Notes to the Financial Statements:</i> Note 65.3.2 - Sensitivity analysis	399-401
(b) Additional information, if the sensitivity analysis is not representative of the entity's risk exposure.	None	–
(c) Other disclosures (As required by the Section H of the Banking Act Direction No. 7 of 2011 on Integrated Risk Management Framework for Licensed Banks).	<i>Notes to the Financial Statements:</i> Note 65.4 - Operational Risk.	403
	Refer the section relating to 'Managing Risk at Commercial Bank'.	218-245
(iv) Operational Risk Disclosures as required by the Section H of the Banking Act Direction No. 7 of 2011 on Integrated Risk Management Framework for Licensed Banks.	Refer the section relating to 'Managing Risk at Commercial Bank'.	218-245
(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.	<i>Significant Accounting Policies:</i> Note 5.3.3.1.1 - Financial Assets – Held-for-Trading	287 & 288
	<i>Notes to the Financial Statements:</i> Note 5.3.3.4 - Financial Investments – Available-for-Sale	289
Discussion of important policies covering the valuation and accounting of equity holdings in the banking book.	<i>Notes to the Financial Statements:</i> Note 4 - Fair Value Measurement	283 & 284
(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. The types and nature of investments. The cumulative realised gains/(losses) arising from sales and liquidations in the reporting period.	<i>Notes to the Financial Statements:</i> Note 30.2 - Equity Securities – Group and Bank	319-321
	Note 33 - Financial Investments – Available-for-Sale	329-332
	Note 34 - Investments in Subsidiaries	333 & 334
	Note 35 - Investments in Associates	335
	Note 14 - Net Gains/(Losses) from Trading	307
Note 15 - Net Gains/(Losses) from Financial Investments	307	
(vi) Interest Rate Risk in the Banking Book		
(a) Qualitative Disclosures		
Nature of interest rate risk in the banking book (IRRBB) and key assumptions.	<i>Notes to the Financial Statements:</i> Note 65.3.1 - Exposure to Market Risk – Trading and Non-Trading Portfolios	398 & 399
	Refer the section relating to 'Managing Risk at Commercial Bank'.	218-245

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.
(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).	<i>Notes to the Financial Statements:</i> Note 65.3.2 - Exposure to Interest Rate Risk – Sensitivity Analysis	399-401
	Refer the section relating to 'Managing Risk at Commercial Bank'.	219-245
2.2.3 Information on concentrations of risk.	<i>Notes to the Financial Statements:</i> Note 65.1.4 - Concentrations of Credit Risk	389-392
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.	<i>Notes to the Financial Statements:</i> Note 65.5 - Capital Management	404 & 405
(ii) Quantitative Disclosure		
(a) The amount of Tier I capital, with separate disclosure of: - Paid-up share capital/common stock - Reserves - Non-controlling interests in the equity of subsidiaries - Innovative instruments - Other capital instruments - Deductions from Tier I capital (b) The total amount of Tier II and Tier III capital (c) Other deductions from capital (d) Total eligible capital	<i>Notes to the Financial Statements:</i> Note 65.5 - Capital Management	404 & 405
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.	<i>Notes to the Financial Statements:</i> Note 65.5 - Capital Management	404 & 405
	Refer the section relating to 'Managing Risk at Commercial Bank'	218-245
(ii) Quantitative Disclosures		
(a) Capital requirements for credit risk, market risk and operational risk (b) Total and Tier I capital ratio	Refer the section relating to 'Managing Risk at Commercial Bank'	218-245