

## Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank Only

Item	Amount (LKR 000) as at 31 December 2018					Explanation for Differences Between Accounting and Regulatory Reporting
	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	
<b>Assets</b>						
Cash and cash equivalents	5,039,629	5,036,121	5,036,121	-	-	
Balances with Central Bank of Sri Lanka	11,841,814	11,841,814	11,841,814	-	-	
Placements with Banks	425,087	425,000	425,000	-	-	
Derivative assets held for risk management	3,414,549	-	-	-	-	Included under other asset in regulatory reporting
Financial assets measured at fair value through profit or loss (FVTPL)	6,078,862	49,371,081	43,984,192	3,532,077	1,854,812	The difference is due to the Government and equity securities held for trading which are classified as FVOCI in published Financial Statements
Financial assets designated at fair value through profit or loss	-	-	-	-	-	
Financial assets at amortised cost – Loans to and receivables from banks	12,854,880	-	-	-	-	Stated under held to maturity in regulatory reporting
Financial assets at amortised cost – Loans to and receivables from other customers	249,733,718	252,951,772	235,498,057	-	20,900,652	The impairment allowance for loans and advances on a collective and individual basis in accordance with SLFRS 9 – Financial Instruments. The general and specific provisions are made in accordance with Central Bank of Sri Lanka. The difference between the balance under SLFRS and previous GAAP.
Financial assets measured at fair value through other comprehensive income	55,313,553	-	-	-	-	Classified into held to maturity and held for trading regulatory reporting
Financial assets at amortised cost – debt and other instruments	22,874,088	39,910,074	39,423,515	-	486,559	The difference is due to the government and equity securities held for investment purposes which are classified as FVOCI in published financial statements.
Investments in subsidiaries	167,036	957,305	202,305	-	755,000	Investments in associates and joint ventures are included in regulatory reporting in addition to those in subsidiaries
Investments in associates and joint ventures	790,270	-	-	-	-	Included in Investments in subsidiaries
Property, plant and equipment	1,620,375	1,620,375	1,620,375	-	-	
Investment properties	9,879	9,879	9,879	-	-	
Goodwill and intangible assets	668,834	668,985	-	-	668,985	
Deferred tax assets	491,523	-	-	-	-	
Other assets	3,583,781	8,135,126	8,135,126	-	-	
<b>Total assets</b>	<b>374,907,878</b>	<b>370,927,532</b>	<b>346,176,384</b>	<b>3,532,077</b>	<b>24,666,008</b>	

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<b>Liabilities</b>						
Due to Banks	9,446,464	-	-	-	-	Included under Other Borrowings in regulatory reporting
Derivative liabilities held for risk management	121,373	-	-	-	-	Included under Other Liabilities in regulatory reporting
Other financial liabilities held-for-trading	-	-	-	-	-	
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	
Financial liabilities at amortised cost-due to depositors	242,237,596	233,444,804	-	-	233,444,804	Interest payable on deposits are stated under Other Liabilities in regulatory reporting
Financial liabilities at amortised cost-due to borrowers	47,413,727	64,801,097	-	-	64,801,097	Due to banks and Debt Securities Issued are included under this heading in regulatory reporting
Debt securities issued	8,898,441	-	-	-	-	Included under Other Borrowings in regulatory reporting
Current tax liabilities	1,221,117	1,221,117	-	-	1,221,117	Taxes are computed based on different profits under each reporting method.
Other provisions	-	-	-	-	-	
Other liabilities	4,867,425	16,787,039	-	-	16,787,039	Interest payable on Borrowing and deposits added to the Other Liabilities in regulatory reporting
Due to subsidiaries	-	-	-	-	-	
Subordinated term debts	16,855,352	16,000,000	14,417,256	-	1,582,744	Regulatory reporting reports only the principal amount
Total liabilities	331,061,495	332,254,057	14,417,256	-	317,836,801	
<b>Off-Balance sheet liabilities</b>						
Guarantees	12,243,925	12,243,925	12,243,925	-	-	
Performance bonds	3,893,464	3,893,464	3,893,464	-	-	
Letters of credit and acceptances	12,520,899	12,520,899	12,520,899	-	-	
Other contingent items bills on collection and capital expenditure approved by the board	4,667,786	4,667,786	-	-	4,667,786	
Undrawn loan commitments	66,860,600	66,860,600	66,860,600	-	-	
Other Commitments (FX commitments)	36,956,995	36,956,995	36,956,995	-	-	
Total Off-Balance sheet liabilities	137,143,668	137,143,668	132,475,882	-	4,667,786	
<b>Shareholders' Equity</b>						
Equity capital (stated capital)/assigned capital	4,715,814	4,715,814	-	-	-	
of which amount eligible for CET1	-	-	-	-	-	
of which amount eligible for AT1	-	-	-	-	-	
Retained earnings	17,187,262	18,067,032	-	-	-	Due to differences which arise in profits computed in previous GAAP and SLFRSs
Accumulated other comprehensive income	5,745,025	-	-	-	5,745,025	Accumulated other comprehensive income is only applicable in published Financial Statements
Other reserves	16,198,282	15,890,629	-	-	-	Due to differences which arise in profits computed in previous GAAP and SLFRSs
Total Shareholders' Equity	43,846,383	38,673,475	-	-	5,745,025	