



**NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES**

**BASEL III - Market Discipline - Minimum Disclosure Requirement Under Pillar 3 as per the Banking Act Direction No. 01 of 2016**

**September 30, 2020**

**Table 1**  
**Key Regulatory Ratios - Capital and Liquidity**

Item	Bank		Group	
	30-Sep-2020	31-Dec-2019	30-Sep-2020	31-Dec-2019
<b>Regulatory Capital (LKR '000)</b>				
Common Equity Tier 1	27,818,148	28,561,701	28,435,030	29,178,446
Tier 1 Capital	27,818,148	28,561,701	28,435,030	29,178,446
Total Capital	36,131,059	38,785,371	36,747,941	39,402,116
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.50% - 30-Sep-2020) (Minimum Requirement - 7.00% - 31-Dec-2019)	12.41%	12.99%	12.69%	13.30%
Tier 1 Capital Ratio (Minimum Requirement - 8.00% - 30-Sep-2020) (Minimum Requirement - 8.50% - 31-Dec-2019)	12.41%	12.99%	12.69%	13.30%
Total Capital Ratio (Minimum Requirement - 12.00% - 30-Sep-2020) (Minimum Requirement - 12.50% - 31-Dec-2019)	16.12%	17.64%	16.40%	17.96%
Leverage Ratio (Minimum Requirement -3%)	7.94%	8.47%	8.11%	8.64%
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit (LKR'000)	101,317,804	63,911,288		
Off-Shore Banking Unit (LKR'000)	5,172,240	5,666,387		
Statutory Liquid Assets Ratio % (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	35.32%	23.78%		
Off-Shore Banking Unit (%)	24.51%	24.34%		
Total Stock of High-Quality Liquid Assets (LKR'000)	85,940,647	47,734,687		
Liquidity Coverage Ratio (%)				
Rupee (Minimum Requirement - 90% - 30-Sep-2020) (Minimum Requirement - 100% - 31-Dec-2019)	381.36%	400.77%		
All Currency (Minimum Requirement - 90% - 30-Sep-2020) (Minimum Requirement - 100% - 31-Dec-2019)	358.00%	295.15%		
Net Stable Funding Ratio (Minimum Requirement - 90% - 30-Sep-2020) (Minimum Requirement - 100% - 31-Dec-2019)	146.86%	134.48%		

Table 2

## Basel III Computation of Capital Ratios

Item	Bank		Group	
	LKR '000		LKR '000	
	30-Sep-2020	31-Dec-2019	30-Sep-2020	31-Dec-2019
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>27,818,148</b>	<b>28,561,701</b>	<b>28,435,030</b>	<b>29,178,446</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>29,092,938</b>	<b>29,937,283</b>	<b>29,710,264</b>	<b>30,554,608</b>
Equity Capital (Stated Capital)/Assigned Capital	9,408,135	9,408,135	9,408,135	9,408,135
Reserve Fund	1,371,853	1,371,853	1,371,854	1,371,854
Published Retained Earnings/(Accumulated Retained Losses)	18,131,765	18,976,109	18,749,090	19,593,434
Published Accumulated Other Comprehensive Income (OCI)	181,185	181,185	181,185	181,185
General and other Disclosed Reserves	-	-	-	-
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	-	-	-	-
<b>Total Adjustments to CET1 Capital</b>	<b>1,274,791</b>	<b>1,375,582</b>	<b>1,275,234</b>	<b>1,376,162</b>
Goodwill (net)	-	-	-	-
Intangible Assets (net)	1,274,791	1,375,582	1,275,234	1,376,162
Shortfall of the Cumulative Impairment to Specific Provisions	-	-	-	-
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 (AT1) Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Qualifying Additional Tier 1 Capital Instruments	-	-	-	-
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
<b>Total Adjustments to AT1 Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment in Own Shares	-	-	-	-
Others (specify)	-	-	-	-
<b>Tier 2 Capital after Adjustments</b>	<b>8,312,911</b>	<b>10,223,670</b>	<b>8,312,911</b>	<b>10,223,670</b>
<b>Tier 2 Capital</b>	<b>8,312,911</b>	<b>10,223,670</b>	<b>8,312,911</b>	<b>10,223,670</b>
Qualifying Tier 2 Capital Instruments	6,793,810	8,666,667	6,793,810	8,666,667
Revaluation Gains	337,316	337,316	337,316	337,316
Loan Loss Provisions	1,181,786	1,219,688	1,181,786	1,219,688
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
<b>Total Adjustments to Tier 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment in Own Shares	-	-	-	-
Others (specify)	-	-	-	-
<b>CET1 Capital</b>	<b>27,818,148</b>	<b>28,561,701</b>	<b>28,435,030</b>	<b>29,178,446</b>
<b>Total Tier 1 Capital</b>	<b>27,818,148</b>	<b>28,561,701</b>	<b>28,435,030</b>	<b>29,178,446</b>
<b>Total Capital</b>	<b>36,131,059</b>	<b>38,785,371</b>	<b>36,747,941</b>	<b>39,402,116</b>

## Note :

As per the Directive No. 4 of 2018 issued by Central Bank of Sri Lanka on "Adoption of Sri Lanka Accounting Standard - SLFRS 9: Financial Instruments", for the purpose of calculating capital adequacy ratio, Banks shall stagger additional credit loss provision arising from SLFRS 9 at the transition date, 01 January 2018. The Bank has charged only 68.8% of the first day impact (Rs. 702 Mn) against the retained earnings of the Bank for the purpose of calculating Capital Adequacy Ratio as at 30th September 2020. If 100% of the first day impact is considered, the Bank total Tier 1 Capital ratio and Bank Total Capital ratio would be decreased by 0.1%.

Item	Bank		Group	
	LKR '000		LKR '000	
	30-Sep-2020	31-Dec-2019	30-Sep-2020	31-Dec-2019
<b>Total Risk Weighted Assets (RWA)</b>	<b>224,204,489</b>	<b>219,814,897</b>	<b>224,013,898</b>	<b>219,397,465</b>
RWAs for Credit Risk	186,207,000	188,095,481	185,969,862	187,795,048
RWAs for Market Risk	11,084,906	7,292,301	11,084,906	7,292,301
RWAs for Operational Risk	26,912,584	24,427,115	26,959,130	24,310,115
<b>CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>12.41%</b>	<b>12.99%</b>	<b>12.69%</b>	<b>13.30%</b>
of which: Capital Conservation Buffer (%)	2.000%	2.500%	2.000%	2.500%
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-	-	-
<b>Total Tier 1 Capital Ratio (%)</b>	<b>12.41%</b>	<b>12.99%</b>	<b>12.69%</b>	<b>13.30%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>16.12%</b>	<b>17.64%</b>	<b>16.40%</b>	<b>17.96%</b>
of which: Capital Conservation Buffer (%)	2.000%	2.500%	2.000%	2.500%
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-	-	-

**Table 3**  
**Basel III Computation of Leverage Ratio**

Item	Bank		Group	
	Amount (LKR '000)		Amount (LKR '000)	
	30-Sep-2020	31-Dec-2019	30-Sep-2020	31-Dec-2019
<b>Tier 1 Capital</b>	<b>27,818,148</b>	<b>28,561,701</b>	<b>28,435,030</b>	<b>29,178,446</b>
<b>Total Exposures</b>	<b>350,374,456</b>	<b>337,243,362</b>	<b>350,740,024</b>	<b>337,572,151</b>
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	330,569,077	309,651,464	330,934,344	309,977,763
Derivative Exposures	1,113,196	819,853	1,113,196	819,853
Securities Financing Transaction Exposures	4,871,140	13,820,317	4,871,441	13,822,806
Other Off-Balance Sheet Exposures	13,821,044	12,951,728	13,821,044	12,951,728
<b>Basel III Leverage Ratio (%) (Tier 1/Total Exposure)</b>	<b>7.94%</b>	<b>8.47%</b>	<b>8.11%</b>	<b>8.64%</b>

Table 4

## Basel III Computation of Liquidity Coverage Ratio (All Currency)

Item	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
	LKR '000		LKR '000	
	30-Sep-2020		31-Dec-19	
<b>Total Stock of High-Quality Liquid Assets(HQLA)</b>	<b>85,940,647</b>	<b>85,940,647</b>	<b>47,734,687</b>	<b>47,734,687</b>
<b>Total Adjusted Level 1A Assets</b>	<b>85,723,610</b>	<b>85,723,610</b>	<b>46,963,554</b>	<b>46,963,554</b>
<b>Level 1 Assets</b>	<b>85,940,647</b>	<b>85,940,647</b>	<b>47,734,687</b>	<b>47,734,687</b>
<b>Total Adjusted Level 2A Assets</b>	-	-	-	-
<b>Level 2A Assets</b>	-	-	-	-
<b>Total Adjusted Level 2B Assets</b>	-	-	-	-
<b>Level 2B Assets</b>	-	-	-	-
<b>Total Cash Outflows</b>	<b>401,435,296</b>	<b>44,673,270</b>	<b>403,299,052</b>	<b>47,419,929</b>
Deposits	219,188,015	21,918,802	210,838,658	21,083,866
Unsecured Wholesale Funding	27,536,502	11,917,113	23,495,793	10,918,949
Secured Funding Transactions	961,543	-	379,822	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	151,072,116	8,160,235	164,140,425	10,972,760
Additional Requirements	2,677,120	2,677,120	4,444,354	4,444,354
<b>Total Cash Inflows</b>	<b>45,052,621</b>	<b>20,667,188</b>	<b>63,268,225</b>	<b>31,246,760</b>
Maturing Secured Lending Transactions Backed by Collateral	4,877,177	-	13,832,999	-
Committed Facilities	1,000,000	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	39,175,145	20,666,889	47,123,353	30,064,691
Operational Deposits	-	-	-	-
Other Cash Inflows	299	299	2,311,873	1,182,070
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>358%</b>		<b>295%</b>

Table 5

## Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Ordinary Shares (Voting)	Ordinary Shares (Non Voting)	Subordinated Debt (Debentures)	Subordinated Debt (Debentures)	Subordinated Debt (Debentures)	Subordinated Debt (Debentures)	Subordinated Debt (Debentures)	Subordinated Debt (Debentures)	Subordinated Debt (Debentures)	Subordinated Debt (Debentures)
Issuer	Nations Trust Bank PLC	Nations Trust Bank PLC	Nations Trust Bank PLC	Nations Trust Bank PLC	Nations Trust Bank PLC	Nations Trust Bank PLC	Nations Trust Bank PLC	Nations Trust Bank PLC	Nations Trust Bank PLC	Nations Trust Bank PLC
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)	LK0309N00001	LK0309N00001	NTB-BD-08/11/21-C2365-12.65	NTB-BD-08/11/21-C2364-12.8	NTB-BD-08/11/21-C2363	NTB-BD-20/04/23-C2402-12.65	NTB-BD-20/04/23-C2401-13	NTB-BD-23/12/24 - C2441 - 12.8	NTB-BD-23/12/26 - C2442 - 12.9	
Governing Law(s) of the Instrument	Companies Act, No.7 of 2007	Companies Act, No.7 of 2007	Companies Act, No.7 of 2007 Monetary Law Act No. 58 of 1949	Companies Act, No.7 of 2007 Monetary Law Act No. 58 of 1949	Companies Act, No.7 of 2007 Monetary Law Act No. 58 of 1949	Companies Act, No.7 of 2007 Monetary Law Act No. 58 of 1949	Companies Act, No.7 of 2007 Monetary Law Act No. 58 of 1949	Companies Act, No.7 of 2007 Monetary Law Act No. 58 of 1949	Companies Act, No.7 of 2007 Monetary Law Act No. 58 of 1949	Companies Act, No.7 of 2007 Monetary Law Act No. 58 of 1949
Original Date of Issuance	3-May-99	20-Feb-18	8-Nov-16	8-Nov-16	8-Nov-16	20-Apr-18	20-Apr-18	23-Dec-19	23-Dec-19	23-Dec-19
Par Value of Instrument	80	100	100	100	100	100	100	100	100	100
Perpetual or Dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	N/A	N/A	8-Nov-21	8-Nov-21	8-Nov-21	20-Apr-23	20-Apr-23	23-Dec-24	23-Dec-24	23-Dec-26
Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting Date)	6,289,306	3,118,828	841,923	240,888	522	1,143,383	664,950	2,295,000	1,607,143	
Accounting Classification (Equity/Liability)	Equity	Equity	Liability	Liability	Liability	Liability	Liability	Liability	Liability	Liability
<b>Issuer Call subject to Prior Supervisory Approval</b>										
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subsequent Call Dates, if Applicable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>										
Fixed or Floating Dividend/Coupon	Discretionary dividend amount	Discretionary dividend amount	Fixed	Fixed	Floating	Fixed	Fixed	Fixed	Fixed	Fixed
Coupon Rate and any Related Index	Distributable profit that has been declared as dividend	Distributable profit that has been declared as dividend	12.65%	12.80%	8.40%	12.65%	13.00%	12.80%	12.90%	12.90%
Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
<b>Convertible or Non-Convertible</b>	<b>Non-Convertible</b>	<b>Convertible</b>	<b>Non-Convertible</b>	<b>Non-Convertible</b>	<b>Non-Convertible</b>	<b>Convertible</b>	<b>Convertible</b>	<b>Convertible</b>	<b>Convertible</b>	<b>Convertible</b>
If Convertible, Conversion Trigger (s)	Non-Convertible	Starting from last market date of quarter ending 30th June and forward	Non-Convertible	Non-Convertible	Non-Convertible	As per Banking Act Direction No. 1 of 2016	As per Banking Act Direction No. 1 of 2016	As per Banking Act Direction No. 1 of 2016	As per Banking Act Direction No. 1 of 2016	As per Banking Act Direction No. 1 of 2016
If Convertible, Fully or Partially	Non-Convertible	Fully or Partially	Non-Convertible	Non-Convertible	Non-Convertible	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially
If Convertible, Mandatory or Optional	Non-Convertible	Optional	Non-Convertible	Non-Convertible	Non-Convertible	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
If Convertible, Conversion Rate	Non-Convertible	1:1	Non-Convertible	Non-Convertible	Non-Convertible	Simple Average of Volume WA Price of ordinary voting shares published by the CSE, during the 3 months period, immediately preceding the date of the Trigger Event.	Simple Average of Volume WA Price of ordinary voting shares published by the CSE, during the 3 months period, immediately preceding the date of the Trigger Event.	Simple Average of Volume WA Price of ordinary voting shares published by the CSE, during the 3 months period, immediately preceding the date of the Trigger Event.	Simple Average of Volume WA Price of ordinary voting shares published by the CSE, during the 3 months period, immediately preceding the date of the Trigger Event.	Simple Average of Volume WA Price of ordinary voting shares published by the CSE, during the 3 months period, immediately preceding the date of the Trigger Event.

**Table 6**  
**Credit Risk under Standardised Approach – Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects**

Asset Class	Bank											
	LKR'000 as at -30-Sep-2020						LKR'000 as at -31-Dec-2019					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)		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	RWA	RWA Density(ii)	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density(ii)
Claims on Central Government and CBSL	26,333,693	3,699,000	26,333,693	73,980	1,628,563	6%	26,489,626	-	26,489,626	-	843,054	3%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	0%	-	-	-	-	-	0%
Claims on Public Sector Entities	-	-	-	-	-	0%	-	-	-	-	-	0%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	0%	-	-	-	-	-	0%
Claims on Banks Exposures	3,193,893	26,002,134	3,193,893	542,161	2,159,099	58%	4,411,592	36,974,802	4,411,592	769,380	2,105,068	41%
Claims on Financial Institutions	9,018,576	1,915,354	9,018,576	1,074,442	6,978,978	69%	9,236,145	3,270,978	9,236,145	1,213,161	6,576,362	63%
Claims on Corporates	64,115,062	76,307,807	64,115,062	10,133,231	73,228,536	99%	65,293,748	88,212,393	65,293,748	9,038,623	72,107,571	97%
Retail Claims	99,414,529	76,087,248	99,414,529	2,637,712	78,350,909	77%	106,088,045	74,730,209	106,088,045	2,703,118	82,898,691	76%
Claims Secured by Residential Property	8,152,022	-	8,152,022	-	6,292,318	77%	8,580,908	-	8,580,908	-	6,247,199	73%
Claims Secured by Commercial Real Estate	599,564	50,282	599,564	19,384	618,948	100%	668,810	40,359	668,810	17,500	686,310	100%
Non-Performing Assets (NPAs)(i)	9,437,945	-	9,437,945	-	11,677,334	124%	8,684,090	-	8,684,090	-	10,645,923	123%
Higher-risk Categories	25,803	-	25,803	-	64,507	250%	25,803	-	25,803	-	64,507	250%
Cash Items and Other Assets	13,336,985	-	13,336,985	-	5,207,807	39%	13,252,470	-	13,252,470	-	5,920,797	45%
<b>Total</b>	<b>233,628,072</b>	<b>184,061,825</b>	<b>233,628,072</b>	<b>14,480,909</b>	<b>186,207,000</b>	<b>75%</b>	<b>242,731,236</b>	<b>203,228,741</b>	<b>242,731,236</b>	<b>13,741,782</b>	<b>188,095,481</b>	<b>73%</b>

Asset Class	Group											
	LKR'000 as at -30-Sep-2020						LKR'000 as at -31-Dec-2019					
	Exposures before		Exposures post CCF		RWA and RWA Density		Exposures before		Exposures post CCF		RWA and RWA Density	
	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density(ii)	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density(ii)
Claims on Central Government and CBSL	26,333,693	3,699,000	26,333,693	73,980	1,628,563	6%	26,489,626	-	26,489,626	-	843,054	3%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	0%	-	-	-	-	-	0%
Claims on Public Sector Entities	-	-	-	-	-	0%	-	-	-	-	-	0%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	0%	-	-	-	-	-	0%
Claims on Banks Exposures	3,193,951	26,002,134	3,193,951	542,161	2,159,111	58%	4,411,651	36,974,802	4,411,651	769,380	2,105,080	41%
Claims on Financial Institutions	9,018,576	1,915,354	9,018,576	1,074,442	6,978,978	69%	9,236,145	3,270,978	9,236,145	1,213,161	6,576,362	63%
Claims on Corporates	64,114,342	76,308,279	64,114,342	10,133,231	73,227,816	99%	65,296,237	88,216,518	65,296,237	9,038,623	72,110,061	97%
Retail Claims	99,414,529	76,087,248	99,414,529	2,637,712	78,350,909	77%	106,088,045	74,730,209	106,088,045	2,703,118	82,898,691	76%
Claims Secured by Residential Property	8,152,022	-	8,152,022	-	6,292,318	77%	8,580,908	-	8,580,908	-	6,247,199	73%
Claims Secured by Commercial Real Estate	599,564	50,282	599,564	19,384	618,948	100%	668,810	40,359	668,810	17,500	686,310	100%
Non-Performing Assets (NPAs)(i)	9,437,945	-	9,437,945	-	11,677,334	124%	8,684,090	-	8,684,090	-	10,645,923	123%
Higher-risk Categories	-	-	-	-	-	0%	-	-	-	-	-	0%
Cash Items and Other Assets	13,165,086	-	13,165,086	-	5,035,885	38%	13,014,065	-	13,014,065	-	5,682,368	44%
<b>Total</b>	<b>233,429,708</b>	<b>184,062,297</b>	<b>233,429,708</b>	<b>14,480,909</b>	<b>185,969,862</b>	<b>75%</b>	<b>242,469,577</b>	<b>203,232,866</b>	<b>242,469,577</b>	<b>13,741,782</b>	<b>187,795,048</b>	<b>73%</b>

**Note:**  
(i) NPAs – As per Banking Act Directions on Classification of loans and advances, income recognition and provisioning.  
(ii) RWA Density – Total RWA/Exposures post CCF and CRM.

**Table 7**  
**Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights**

Description	Bank										LKR'000 as at 31-Dec-2019 (Post CCF & CRM)							
	LKR'000 as at 30-Sep-2020 (Post CCF & CRM)										0%	20%	50%	60%	75%	100%	150%	>150%
Risk Weight Asset Classes	0%	20%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount	0%	20%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
Claims on Central Government and Central Bank of Sri Lanka	18,264,856	8,142,817	-	-	-	-	-	-	26,407,673	22,274,355	4,215,271	-	-	-	-	-	-	26,489,626
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Banks Exposures	-	878,459	1,748,374	-	-	1,109,221	-	-	3,736,053	-	3,399,791	712,144	-	-	1,069,038	-	-	5,180,972
Claims on Financial Institutions	-	308,402	5,734,638	-	-	4,049,978	-	-	10,093,018	-	306,764	7,255,065	-	-	2,887,476	-	-	10,449,305
Claims on Corporates	-	135,109	2,097,514	-	-	71,741,494	274,175	-	74,248,293	-	5,551	4,722,027	-	-	69,323,483	281,310	-	74,332,371
Retail Claims	301,070	393	-	1,925,140	90,519,566	9,306,072	-	-	102,052,241	339,334	68,819	-	2,642,807	97,763,842	7,976,362	-	-	108,791,163
Claims Secured by Residential Property	-	-	3,719,409	-	-	4,432,613	-	-	8,152,022	-	-	4,667,419	-	-	3,913,489	-	-	8,580,908
Claims Secured by Commercial Real Estate	-	-	-	-	-	618,948	-	-	618,948	-	-	-	-	-	686,310	-	-	686,310
Non-Performing Assets (NPAs)	-	-	271,570	-	-	4,416,026	4,750,348	-	9,437,945	-	-	240,849	-	-	4,278,725	4,164,516	-	8,684,090
Higher-risk Categories	-	-	-	-	-	-	25,803	-	25,803	-	-	-	-	-	-	-	25,803	25,803
Cash Items and Other Assets	6,706,934	1,777,805	-	-	-	4,852,246	-	-	13,336,985	5,865,018	1,833,320	-	-	-	5,554,133	-	-	13,252,470
<b>Total</b>	<b>25,272,860</b>	<b>11,242,985</b>	<b>13,571,505</b>	<b>1,925,140</b>	<b>90,519,566</b>	<b>100,526,600</b>	<b>5,024,524</b>	<b>25,803</b>	<b>248,108,981</b>	<b>28,478,707</b>	<b>9,829,514</b>	<b>17,597,505</b>	<b>2,642,807</b>	<b>97,763,842</b>	<b>95,689,016</b>	<b>4,445,826</b>	<b>25,803</b>	<b>256,473,018</b>

Description	Group										LKR'000 as at 31-Dec-2019 (Post CCF & CRM)							
	LKR'000 as at 30-Sep-2020 (Post CCF & CRM)										0%	20%	50%	60%	75%	100%	150%	>150%
Risk Weight Asset Classes	0%	20%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount	0%	20%	50%	60%	75%	100%	150%	>150%	Total Credit Exposures Amount
Claims on Central Government and Central Bank of Sri Lanka	18,264,856	8,142,817	-	-	-	-	-	-	26,407,673	22,274,355	4,215,271	-	-	-	-	-	-	26,489,626
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Banks Exposures	-	878,517	1,748,374	-	-	1,109,221	-	-	3,736,112	-	3,399,849	712,144	-	-	1,069,038	-	-	5,181,031
Claims on Financial Institutions	-	308,402	5,734,638	-	-	4,049,978	-	-	10,093,018	-	306,764	7,255,065	-	-	2,887,476	-	-	10,449,305
Claims on Corporates	-	135,109	2,097,514	-	-	71,740,774	274,175	-	74,247,573	-	5,551	4,722,027	-	-	69,325,973	281,310	-	74,334,860
Retail Claims	301,070	393	-	1,925,140	90,519,566	9,306,072	-	-	102,052,241	339,334	68,819	-	2,642,807	97,763,842	7,976,362	-	-	108,791,163
Claims Secured by Residential Property	-	-	3,719,409	-	-	4,432,613	-	-	8,152,022	-	-	4,667,419	-	-	3,913,489	-	-	8,580,908
Claims Secured by Commercial Real Estate	-	-	-	-	-	618,948	-	-	618,948	-	-	-	-	-	686,310	-	-	686,310
Non-Performing Assets (NPAs)	-	-	271,570	-	-	4,416,026	4,750,348	-	9,437,945	-	-	240,849	-	-	4,278,725	4,164,516	-	8,684,090
Higher-risk Categories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Items and Other Assets	6,706,957	1,777,805	-	-	-	4,680,324	-	-	13,165,086	5,865,041	1,833,320	-	-	-	5,315,705	-	-	13,014,065
<b>Total</b>	<b>25,272,883</b>	<b>11,243,043</b>	<b>13,571,505</b>	<b>1,925,140</b>	<b>90,519,566</b>	<b>100,353,957</b>	<b>5,024,524</b>	<b>-</b>	<b>247,910,618</b>	<b>28,478,730</b>	<b>9,829,573</b>	<b>17,597,505</b>	<b>2,642,807</b>	<b>97,763,842</b>	<b>95,453,077</b>	<b>4,445,826</b>	<b>-</b>	<b>256,211,359</b>



**Table 8**  
**Market Risk under Standardised Measurement Method**

Item	Bank		Group	
	RWA (LKR'000)		RWA (LKR'000)	
	30-Sep-2020	31-Dec-2019	30-Sep-2020	31-Dec-2019
<b>(a) RWA for Interest Rate Risk</b>	<b>1,318,291</b>	<b>887,576</b>	<b>1,318,291</b>	<b>887,576</b>
General Interest Rate Risk	1,318,291	887,576	1,318,291	887,576
(i) Net Long or Short Position	1,318,291	887,576	1,318,291	887,576
(ii) Horizontal Disallowance	-	-	-	-
(iii) Vertical Disallowance	-	-	-	-
(iv) Options	-	-	-	-
Specific Interest Rate Risk	-	-	-	-
<b>(b) RWA for Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(i) General Equity Risk	-	-	-	-
(ii) Specific Equity Risk	-	-	-	-
<b>(c) RWA for Foreign Exchange &amp; Gold</b>	<b>11,897</b>	<b>23,962</b>	<b>11,897</b>	<b>23,962</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>11,084,906</b>	<b>7,292,301</b>	<b>11,084,906</b>	<b>7,292,301</b>

**Table 9**  
**Operational Risk under Basic Indicator Approach/ The Standardised Approach/ The Alternative Standardised Approach**

Business Lines	Bank									
	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30-Sep-2020			Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31-Dec-2019		
			1st Year	2nd Year	3rd Year			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	15%		21,022,951	22,123,267	21,443,983	15%		17,622,084	21,254,398	22,191,304
<b>The Standardised Approach</b>			-	-	-			-	-	-
Corporate Finance	18%		-	-	-	18%		-	-	-
Trading and Sales	18%		-	-	-	18%		-	-	-
Payment and Settlement	18%		-	-	-	18%		-	-	-
Agency Services	15%		-	-	-	15%		-	-	-
Asset Management	12%		-	-	-	12%		-	-	-
Retail Brokerage	12%		-	-	-	12%		-	-	-
Retail Banking	12%		-	-	-	12%		-	-	-
Commercial Banking	15%		-	-	-	15%		-	-	-
<b>The Alternative Standardised Approach</b>			-	-	-			-	-	-
Corporate Finance	18%		-	-	-	18%		-	-	-
Trading and Sales	18%		-	-	-	18%		-	-	-
Payment and Settlement	18%		-	-	-	18%		-	-	-
Agency Services	15%		-	-	-	15%		-	-	-
Asset Management	12%		-	-	-	12%		-	-	-
Retail Brokerage	12%		-	-	-	12%		-	-	-
Retail Banking	12%	0.035	-	-	-	12%	0.035	-	-	-
Commercial Banking	15%	0.035	-	-	-	15%	0.035	-	-	-
<b>Capital Charges for Operational Risk (LKR'000)</b>										
The Basic Indicator Approach	3,229,510					3,053,389				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>										
The Basic Indicator Approach	26,912,584					24,427,115				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				

Business Lines	Group									
	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30-Sep-2020			Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31-Dec-2019		
			1st Year	2nd Year	3rd Year			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	15%		20,417,370	22,484,910	21,799,633	15%		16,913,568	21,309,585	22,552,135
<b>The Standardised Approach</b>			-	-	-			-	-	-
Corporate Finance	18%		-	-	-	18%		-	-	-
Trading and Sales	18%		-	-	-	18%		-	-	-
Payment and Settlement	18%		-	-	-	18%		-	-	-
Agency Services	15%		-	-	-	15%		-	-	-
Asset Management	12%		-	-	-	12%		-	-	-
Retail Brokerage	12%		-	-	-	12%		-	-	-
Retail Banking	12%		-	-	-	12%		-	-	-
Commercial Banking	15%		-	-	-	15%		-	-	-
<b>The Alternative Standardised Approach</b>			-	-	-			-	-	-
Corporate Finance	18%		-	-	-	18%		-	-	-
Trading and Sales	18%		-	-	-	18%		-	-	-
Payment and Settlement	18%		-	-	-	18%		-	-	-
Agency Services	15%		-	-	-	15%		-	-	-
Asset Management	12%		-	-	-	12%		-	-	-
Retail Brokerage	12%		-	-	-	12%		-	-	-
Retail Banking	12%	0.035	-	-	-	12%	0.035	-	-	-
Commercial Banking	15%	0.035	-	-	-	15%	0.035	-	-	-
<b>Capital Charges for Operational Risk (LKR'000)</b>										
The Basic Indicator Approach	3,235,096					3,038,764				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>										
The Basic Indicator Approach	26,959,130					24,310,115				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				

Table 10

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

Bank	LKR '000 as at 30-Sep-2020				
	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
<b>Assets</b>	<b>336,790,683</b>	<b>335,876,837</b>	<b>228,852,036</b>	<b>74,552,851</b>	<b>32,471,950</b>
Cash and Cash Equivalents	8,019,606	8,020,124	8,020,124	-	-
Balances with Central Banks	2,198,266	2,198,266	2,198,266	-	-
Placements with Banks	4,873,658	4,851,100	-	-	4,851,100
Derivative Financial Instruments	75,675	-	-	-	-
Financial Assets - Recognised through Profit or Loss	5,002,583	75,158,519	605,668	74,552,851	-
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-
Loans and Receivables to Banks	-	-	-	-	-
Financial Assets at Amortised Cost – Loans and Advances	214,793,374	213,613,245	187,273,291	-	26,339,954
Financial Assets at Fair Value through Other Comprehensive Income	70,852,398	-	-	-	-
Financial Assets at Amortised Cost - Debt Instruments	22,653,571	22,478,531	22,478,531	-	-
Investments in Subsidiaries	678,710	678,710	678,710	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	4,349,191	2,742,218	2,742,218	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	1,274,791	-	-	-	-
Other Assets	2,018,859	6,136,124	4,855,228	-	1,280,896
<b>Liabilities</b>	<b>303,085,862</b>	<b>303,060,256</b>	<b>-</b>	<b>-</b>	<b>-</b>
Due to Banks	3,380,243	6,990,438	-	-	-
Derivative Financial Instruments	481,015	-	-	-	-
Other Financial Liabilities Held-For- Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Depositors	239,811,472	235,747,829	-	-	-
Due to Other Borrowers	36,901,750	31,239,381	-	-	-
Debt Securities Issued	-	-	-	-	-
Current Tax Liabilities	1,268,227	-	-	-	-
Deferred Tax Liabilities	1,313,465	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	5,975,556	16,082,607	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	13,954,134	13,000,000	-	-	-
<b>Off-Balance Sheet Liabilities</b>	<b>184,713,594</b>	<b>195,641,876</b>	<b>190,769,837</b>	<b>-</b>	<b>-</b>
Guarantees	2,561,045	2,561,045	2,561,045	-	-
Performance Bonds	16,513,981	16,513,981	14,526,784	-	-
Letters of Credit	8,543,564	8,543,564	7,548,116	-	-
Other Contingent Items	6,071,813	6,071,813	6,071,813	-	-
Undrawn Loan Commitments	113,267,207	113,267,207	113,267,207	-	-
Other Commitments	37,755,984	48,684,266	46,794,871	-	-
<b>Shareholders' Equity</b>					
Equity Capital (Stated Capital)/Assigned Capital	9,408,135	9,408,134	-	-	-
of which Amount Eligible for CET1	9,408,135	9,408,135	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	20,550,590	22,036,594	-	-	(319,142)
Accumulated Other Comprehensive Income	1,578,373	-	-	-	-
Other Reserves	2,167,723	1,371,854	-	-	458,555
<b>Total Shareholders' Equity</b>	<b>33,704,821</b>	<b>32,816,582</b>	<b>-</b>	<b>-</b>	<b>139,413</b>

## Notes:

1) Differences in Cash and Cash Equivalents, Financial Assets - Recognised through Profit or Loss, Financial Assets at Amortised Cost – Loans and Advances, Financial Assets at Amortised Cost - Debt Instruments, Property, Plant and Equipment, Other Assets, Due to Banks, Due to Depositors, Due to Other Borrowers, Subordinated Term Debts and Other Liabilities is due to Classification differences and adjustments to published financial statements subsequently.

2) Difference in Retained Earnings is due to profit difference in SLAS and SLFRS accounting standards and Revaluation Reserve classification differences.

3) Accumulated Other Comprehensive Income is not considered in (b) as it is based on SLAS accounting standards.

4) Differences in Other Commitments is due to Notional Value of Derivative contracts reported in Published Financial Statements (a) and Carrying Value reported in Regulatory Reporting (b).

**Table 11**  
**Net Stable Funding Ratio**

Item	Bank	
	Amount (LKR'000)	
	30-Sep-2020	31-Dec-2019
<b>Total Available Stable Funding</b>	<b>260,571,830</b>	<b>248,105,462</b>
Required Stable Funding – On Balance Sheet Assets	173,092,902	179,139,798
Required Stable Funding – Off Balance Sheet Items	4,334,564	5,349,917
<b>Total Required Stable Funding</b>	<b>177,427,465</b>	<b>184,489,715</b>
<b>Net Stable Funding Ratio</b> (Minimum Requirement - 90% - 30-Jun-2020)	<b>146.86%</b>	<b>134.48%</b>
(Minimum Requirement - 100% - 31-Dec-2019)		