



**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**

**June 30, 2020**

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

Item	Bank		Group	
	30-Jun-2020	31-Dec-2019	30-Jun-2020	31-Dec-2019
<b>Regulatory Capital (LKR '000)</b>				
Common Equity Tier 1	27,777,220	28,561,701	28,394,057	29,178,446
Tier 1 Capital	27,777,220	28,561,701	28,394,057	29,178,446
Total Capital	36,718,775	38,785,371	37,335,612	39,402,116
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.50% - 30-Jun-2020)	12.45%	12.99%	12.74%	13.30%
(Minimum Requirement - 7.00% - 31-Dec-2019)				
Tier 1 Capital Ratio (Minimum Requirement - 8.00% - 30-Jun-2020)	12.45%	12.99%	12.74%	13.30%
(Minimum Requirement - 8.50% - 31-Dec-2019)				
Total Capital Ratio (Minimum Requirement - 12.00% - 30-Jun-2020)	16.46%	17.64%	16.75%	17.96%
(Minimum Requirement - 12.50% - 31-Dec-2019)				
Leverage Ratio (Minimum Requirement -3%)	7.84%	8.47%	8.01%	8.64%
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit (LKR'000)	86,109,919	63,911,288		
Off-Shore Banking Unit (LKR'000)	5,680,289	5,666,387		
Statutory Liquid Assets Ratio % (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	30.82%	23.78%		
Off-Shore Banking Unit (%)	24.31%	24.34%		
Total Stock of High-Quality Liquid Assets (LKR'000)	88,044,014	47,734,687		
Liquidity Coverage Ratio (%)				
Rupee				
(Minimum Requirement - 90% - 30-Jun-2020)	405.36%	400.77%		
(Minimum Requirement - 100% - 31-Dec-2019)				
All Currency				
(Minimum Requirement - 90% - 30-Jun-2020)	345.65%	295.15%		
(Minimum Requirement - 100% - 31-Dec-2019)				
Net Stable Funding Ratio				
(Minimum Requirement - 90% - 30-Jun-2020)	145.03%	134.48%		
(Minimum Requirement - 100% - 31-Dec-2019)				

Table 2

## Basel III Computation of Capital Ratios

Item	Bank		Group	
	LKR '000		LKR '000	
	30-Jun-2020	31-Dec-2019	30-Jun-2020	31-Dec-2019
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>27,777,220</b>	<b>28,561,701</b>	<b>28,394,057</b>	<b>29,178,446</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>29,156,767</b>	<b>29,937,283</b>	<b>29,774,092</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)	18,195,594	18,976,109	18,812,918	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>1,379,546</b>	<b>1,375,582</b>	<b>1,380,036</b>	<b>1,376,162</b>
Goodwill (net)	-	-	-	-
Intangible Assets (net)	1,379,546	1,375,582	1,380,036	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>8,941,555</b>	<b>10,223,670</b>	<b>8,941,555</b>	<b>10,223,670</b>
<b>Tier 2 Capital</b>	<b>8,941,555</b>	<b>10,223,670</b>	<b>8,941,555</b>	<b>10,223,670</b>
Qualifying Tier 2 Capital Instruments	7,418,095	8,666,667	7,418,095	8,666,667
Revaluation Gains	337,316	337,316	337,316	337,316
Loan Loss Provisions	1,186,144	1,219,688	1,186,144	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>27,777,220</b>	<b>28,561,701</b>	<b>28,394,057</b>	<b>29,178,446</b>
<b>Total Tier 1 Capital</b>	<b>27,777,220</b>	<b>28,561,701</b>	<b>28,394,057</b>	<b>29,178,446</b>
<b>Total Capital</b>	<b>36,718,775</b>	<b>38,785,371</b>	<b>37,335,612</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 62.5% of the first day impact (Rs. 638 Mn) against the retained earnings of the Bank for the purpose of calculating Capital Adequacy Ratio as at 30th June 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 0.20%.

Item	Bank		Group	
	LKR '000		LKR '000	
	30-Jun-2020	31-Dec-2019	30-Jun-2020	31-Dec-2019
<b>Total Risk Weighted Assets (RWA)</b>	<b>223,135,945</b>	<b>219,814,897</b>	<b>222,888,868</b>	<b>219,397,465</b>
RWAs for Credit Risk	181,892,475	188,095,481	181,636,338	187,795,048
RWAs for Market Risk	15,102,676	7,292,301	15,102,676	7,292,301
RWAs for Operational Risk	26,140,794	24,427,115	26,149,854	24,310,115
<b>CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>12.45%</b>	<b>12.99%</b>	<b>12.74%</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>12.45%</b>	<b>12.99%</b>	<b>12.74%</b>	<b>13.30%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>16.46%</b>	<b>17.64%</b>	<b>16.75%</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-Jun-2020	31-Dec-2019	30-Jun-2020	31-Dec-2019
<b>Tier 1 Capital</b>	<b>27,777,220</b>	<b>28,561,701</b>	<b>28,394,057</b>	<b>29,178,446</b>
<b>Total Exposures</b>	<b>354,181,854</b>	<b>337,243,362</b>	<b>354,533,987</b>	<b>337,572,151</b>
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	337,833,345	309,651,464	338,184,058	309,977,763
Derivative Exposures	884,857	819,853	884,857	819,853
Securities Financing Transaction Exposures	3,734,759	13,820,317	3,736,179	13,822,806
Other Off-Balance Sheet Exposures	11,728,893	12,951,728	11,728,893	12,951,728
<b>Basel III Leverage Ratio (%) (Tier 1/Total Exposure)</b>	<b>7.84%</b>	<b>8.47%</b>	<b>8.01%</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-Jun-2020		31-Dec-19	
<b>Total Stock of High-Quality Liquid Assets(HQLA)</b>	<b>88,044,014</b>	<b>88,044,014</b>	<b>47,734,687</b>	<b>47,734,687</b>
<b>Total Adjusted Level 1A Assets</b>	<b>89,652,745</b>	<b>89,652,745</b>	<b>46,963,554</b>	<b>46,963,554</b>
Level 1 Assets	88,044,014	88,044,014	47,734,687	47,734,687
<b>Total Adjusted Level 2A Assets</b>	-	-	-	-
Level 2A Assets	-	-	-	-
<b>Total Adjusted Level 2B Assets</b>	-	-	-	-
Level 2B Assets	-	-	-	-
<b>Total Cash Outflows</b>	<b>385,025,199</b>	<b>43,048,961</b>	<b>403,299,052</b>	<b>47,419,929</b>
Deposits	220,649,412	22,064,941	210,838,658	21,083,866
Unsecured Wholesale Funding	27,875,956	12,072,028	23,495,793	10,918,949
Secured Funding Transactions	250,620	-	379,822	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	134,351,828	7,014,608	164,140,425	10,972,760
Additional Requirements	1,897,383	1,897,383	4,444,354	4,444,354
<b>Total Cash Inflows</b>	<b>35,521,756</b>	<b>17,576,692</b>	<b>63,268,225</b>	<b>31,246,760</b>
Maturing Secured Lending Transactions Backed by Collateral	3,198,621	-	13,832,999	-
Committed Facilities	1,000,000	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	31,261,021	17,514,577	47,123,353	30,064,691
Operational Deposits	-	-	-	-
Other Cash Inflows	62,115	62,115	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>346%</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	NTB-BD-23/12/26 - C2443 - 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	Companies Act, No.7 of 2007	Companies Act, No.7 of 2007	Companies Act, No.7 of 2007	Companies Act, No.7 of 2007	Companies Act, No.7 of 2007	Companies Act, No.7 of 2007	Companies Act, No.7 of 2007
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	22.12	80	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-26	23-Dec-26
Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting Date)	6,289,306	3,118,828	1,036,213	296,477	763	1,254,033	729,300	2,430,000	1,671,429	1,671,429
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-Jun-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	23,621,055	3,724,600	23,621,055	74,492	1,048,712	4%	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	3,718,883	30,517,983	3,718,883	632,622	2,317,440	53%	4,411,592	36,974,802	4,411,592	769,380	2,105,068	41%
Claims on Financial Institutions	9,494,498	1,131,400	9,494,498	355,962	6,096,858	62%	9,236,145	3,270,978	9,236,145	1,213,161	6,576,362	63%
Claims on Corporates	62,861,739	60,361,495	62,861,739	8,659,607	70,376,699	98%	65,293,748	88,212,393	65,293,748	9,038,623	72,107,571	97%
Retail Claims	101,048,040	73,674,604	101,048,040	2,694,654	79,087,701	76%	106,088,045	74,730,209	106,088,045	2,703,118	82,898,691	76%
Claims Secured by Residential Property	8,428,065	-	8,428,065	-	6,418,275	76%	8,580,908	-	8,580,908	-	6,247,199	73%
Claims Secured by Commercial Real Estate	742,540	23,135	742,540	13,135	755,675	100%	668,810	40,359	668,810	17,500	686,310	100%
Non-Performing Assets (NPAs)(i)	8,455,989	-	8,455,989	-	10,041,007	119%	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	14,499,288	-	14,499,288	-	5,685,601	39%	13,252,470	-	13,252,470	-	5,920,797	45%
<b>Total</b>	<b>232,895,900</b>	<b>169,433,218</b>	<b>232,895,900</b>	<b>12,430,472</b>	<b>181,892,475</b>	<b>74%</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-Jun-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	23,621,055	3,724,600	23,621,055	74,492	1,048,712	4%	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	3,718,942	30,517,983	3,718,942	632,622	2,317,452	53%	4,411,651	36,974,802	4,411,651	769,380	2,105,080	41%
Claims on Financial Institutions	9,494,498	1,131,400	9,494,498	355,962	6,096,858	62%	9,236,145	3,270,978	9,236,145	1,213,161	6,576,362	63%
Claims on Corporates	62,858,059	60,365,138	62,858,059	8,659,607	70,373,020	98%	65,296,237	88,216,518	65,296,237	9,038,623	72,110,061	97%
Retail Claims	101,048,040	73,674,604	101,048,040	2,694,654	79,087,701	76%	106,088,045	74,730,209	106,088,045	2,703,118	82,898,691	76%
Claims Secured by Residential Property	8,428,065	-	8,428,065	-	6,418,275	76%	8,580,908	-	8,580,908	-	6,247,199	73%
Claims Secured by Commercial Real Estate	742,540	23,135	742,540	13,135	755,675	100%	668,810	40,359	668,810	17,500	686,310	100%
Non-Performing Assets (NPAs)(i)	8,455,989	-	8,455,989	-	10,041,007	119%	8,684,090	-	8,684,090	-	10,645,923	123%
Higher-risk Categories	-	-	-	-	-	0%	-	-	-	-	-	0%
Cash Items and Other Assets	14,311,349	-	14,311,349	-	5,497,639	38%	13,014,065	-	13,014,065	-	5,682,368	44%
<b>Total</b>	<b>232,678,537</b>	<b>169,436,861</b>	<b>232,678,537</b>	<b>12,430,472</b>	<b>181,636,338</b>	<b>74%</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 30-Jun-2020 (Post CCF & CRM)										LKR'000 as at 31-Dec-2019 (Post CCF & CRM)							
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	18,451,984	5,243,562	-	-	-	-	-	-	23,695,547	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	-	1,086,320	2,330,019	-	-	935,167	-	-	4,351,505	-	3,399,791	712,144	-	-	1,069,038	-	-	5,180,972
Claims on Financial Institutions	-	305,145	7,018,972	-	-	2,526,343	-	-	9,850,460	-	306,764	7,255,065	-	-	2,887,476	-	-	10,449,305
Claims on Corporates	-	2,078	2,575,965	-	-	68,653,305	289,997	-	71,521,346	-	5,551	4,722,027	-	-	69,323,483	281,310	-	74,332,371
Retail Claims	350,744	1,459	-	1,881,296	94,202,256	7,306,939	-	-	103,742,695	339,334	68,819	-	2,642,807	97,763,842	7,976,362	-	-	108,791,163
Claims Secured by Residential Property	-	-	4,019,580	-	-	4,408,486	-	-	8,428,065	-	-	4,667,419	-	-	3,913,489	-	-	8,580,908
Claims Secured by Commercial Real Estate	-	-	-	-	-	755,675	-	-	755,675	-	-	-	-	-	686,310	-	-	686,310
Non-Performing Assets (NPAs)	-	-	284,032	-	-	4,717,888	3,454,068	-	8,455,989	-	-	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	7,840,293	1,216,743	-	-	-	5,442,252	-	-	14,499,288	5,865,018	1,833,320	-	-	-	5,554,133	-	-	13,252,470
<b>Total</b>	<b>26,643,022</b>	<b>7,855,307</b>	<b>16,228,568</b>	<b>1,881,296</b>	<b>94,202,256</b>	<b>94,746,055</b>	<b>3,744,065</b>	<b>25,803</b>	<b>245,326,372</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 30-Jun-2020 (Post CCF & CRM)										LKR'000 as at 31-Dec-2019 (Post CCF & CRM)							
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	18,451,984	5,243,562	-	-	-	-	-	-	23,695,547	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	-	1,086,378	2,330,019	-	-	935,167	-	-	4,351,563	-	3,399,849	712,144	-	-	1,069,038	-	-	5,181,031
Claims on Financial Institutions	-	305,145	7,018,972	-	-	2,526,343	-	-	9,850,460	-	306,764	7,255,065	-	-	2,887,476	-	-	10,449,305
Claims on Corporates	-	2,078	2,575,965	-	-	68,649,626	289,997	-	71,517,666	-	5,551	4,722,027	-	-	69,325,973	281,310	-	74,334,860
Retail Claims	350,744	1,459	-	1,881,296	94,202,256	7,306,939	-	-	103,742,695	339,334	68,819	-	2,642,807	97,763,842	7,976,362	-	-	108,791,163
Claims Secured by Residential Property	-	-	4,019,580	-	-	4,408,486	-	-	8,428,065	-	-	4,667,419	-	-	3,913,489	-	-	8,580,908
Claims Secured by Commercial Real Estate	-	-	-	-	-	755,675	-	-	755,675	-	-	-	-	-	686,310	-	-	686,310
Non-Performing Assets (NPAs)	-	-	284,032	-	-	4,717,888	3,454,068	-	8,455,989	-	-	240,849	-	-	4,278,725	4,164,516	-	8,684,090
Higher-risk Categories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Items and Other Assets	7,840,316	1,216,743	-	-	-	5,254,290	-	-	14,311,349	5,865,041	1,833,320	-	-	-	5,315,705	-	-	13,014,065
<b>Total</b>	<b>26,643,045</b>	<b>7,855,365</b>	<b>16,228,568</b>	<b>1,881,296</b>	<b>94,202,256</b>	<b>94,554,414</b>	<b>3,744,065</b>	<b>-</b>	<b>245,109,009</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-Jun-2020	31-Dec-2019	30-Jun-2020	31-Dec-2019
<b>(a) RWA for Interest Rate Risk</b>	<b>1,804,302</b>	<b>887,576</b>	<b>1,804,302</b>	<b>887,576</b>
General Interest Rate Risk	1,804,302	887,576	1,804,302	887,576
(i) Net Long or Short Position	1,804,302	887,576	1,804,302	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>8,019</b>	<b>23,962</b>	<b>8,019</b>	<b>23,962</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>15,102,676</b>	<b>7,292,301</b>	<b>15,102,676</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-Jun-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%		19,871,005	21,566,896	21,300,004	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	3,136,895					3,053,389				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>										
The Basic Indicator Approach	26,140,794					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-Jun-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%		19,194,720	21,928,184	21,636,746	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	3,137,982					3,038,764				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>										
The Basic Indicator Approach	26,149,854					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-Jun-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>343,065,279</b>	<b>341,143,529</b>	<b>228,666,303</b>	<b>80,512,128</b>	<b>31,965,098</b>
Cash and Cash Equivalents	10,126,671	10,128,621	10,128,621	-	-
Balances with Central Banks	2,105,404	2,105,404	2,105,404	-	-
Placements with Banks	3,197,717	3,175,000	-	-	3,175,000
Derivative Financial Instruments	117,630	-	-	-	-
Financial Assets - Recognised through Profit or Loss	5,605,840	80,512,128	-	80,512,128	-
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-
Loans and Receivables to Banks	-	-	-	-	-
Financial Assets at Amortised Cost – Loans and Advances	217,510,415	216,194,582	188,788,138	-	27,406,444
Financial Assets at Fair Value through Other Comprehensive Income	75,776,904	-	-	-	-
Financial Assets at Amortised Cost - Debt Instruments	19,840,065	19,427,095	19,427,095	-	-
Investments in Subsidiaries	678,710	678,710	678,710	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	4,476,323	2,817,733	2,817,733	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	1,379,546	-	-	-	-
Other Assets	2,250,053	6,104,255	4,720,601	-	1,383,654
<b>Liabilities</b>	<b>309,868,646</b>	<b>309,340,698</b>	<b>-</b>	<b>-</b>	<b>-</b>
Due to Banks	7,808,173	9,111,398	-	-	-
Derivative Financial Instruments	361,612	-	-	-	-
Other Financial Liabilities Held-For- Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Depositors	240,913,409	236,463,656	-	-	-
Due to Other Borrowers	38,936,713	35,559,664	-	-	-
Debt Securities Issued	-	-	-	-	-
Current Tax Liabilities	1,442,697	-	-	-	-
Deferred Tax Liabilities	1,304,484	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	5,567,888	15,205,980	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	13,533,670	13,000,000	-	-	-
<b>Off-Balance Sheet Liabilities</b>	<b>167,622,042</b>	<b>178,221,790</b>	<b>174,945,809</b>	<b>-</b>	<b>-</b>
Guarantees	1,180,880	1,180,880	1,180,880	-	-
Performance Bonds	15,444,110	15,444,110	13,780,695	-	-
Letters of Credit	6,301,555	6,301,555	5,960,449	-	-
Other Contingent Items	2,591,985	2,591,985	2,591,985	-	-
Undrawn Loan Commitments	105,410,920	105,410,920	105,410,920	-	-
Other Commitments	36,692,593	47,292,341	46,020,882	-	-
<b>Shareholders' Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	19,553,866	21,022,843	-	-	(382,970)
Accumulated Other Comprehensive Income	2,066,907	-	-	-	-
Other Reserves	2,167,723	1,371,854	-	-	458,555
<b>Total Shareholders' Equity</b>	<b>33,196,631</b>	<b>31,802,830</b>	<b>-</b>	<b>-</b>	<b>75,585</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).