



**NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES**

**Pillar III - MARKET DISCLOSURES**

**June 30, 2018**

### Key Regulatory Ratios - Capital and Liquidity

Item	Bank		Group	
	30-Jun-2018	31-Dec-2017	30-Jun-2018	31-Dec-2017
<b>Regulatory Capital (LKR '000)</b>				
Common Equity Tier 1	22,285,347	18,070,743	22,444,732	18,489,947
Tier 1 Capital	22,285,347	18,070,743	22,444,732	18,489,947
Total Capital	30,544,851	23,305,824	30,704,235	23,725,029
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	11.61%	10.58%	11.71%	10.83%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	11.61%	10.58%	11.71%	10.83%
Total Capital Ratio (Minimum Requirement - 11.875%)	15.91%	13.64%	16.02%	13.89%
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit (LKR'000)	55,687,120	46,716,976		
Off-Shore Banking Unit (LKR'000)	4,030,234	1,949,119		
Statutory Liquid Assets Ratio, % (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	22.10%	21.13%		
Off-Shore Banking Unit (%)	25.71%	21.81%		
Liquidity Coverage Ratio (%)				
Rupee (Minimum Requirement - 90%)	301.93%	437.86%		
All Currency (Minimum Requirement - 90%)	246.70%	204.73%		

**Basel III Computation of Capital Ratios**

Item	Bank		Group	
	LKR '000		LKR '000	
	30-Jun-2018	31-Dec-2017	30-Jun-2018	31-Dec-2017
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>22,285,347</b>	<b>18,070,743</b>	<b>22,444,732</b>	<b>18,489,947</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>24,380,662</b>	<b>20,050,066</b>	<b>24,543,467</b>	<b>20,474,308</b>
Equity Capital (Stated Capital)/Assigned Capital	8,865,523	5,101,369	8,865,523	5,101,369
Reserve Fund	1,010,733	1,010,732	1,010,732	1,010,732
Published Retained Earnings/(Accumulated Retained Losses)	14,445,495	13,813,405	14,608,300	14,237,647
Published Accumulated Other Comprehensive Income (OCI)	58,911	124,561	58,911	124,561
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-	-	-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>2,095,314</b>	<b>1,979,323</b>	<b>2,098,735</b>	<b>1,984,361</b>
Goodwill (net)	-	-	-	-
Intangible Assets (net)	1,100,529	1,148,648	1,103,819	1,153,557
Shortfall of the cumulative impairment to specific provisions	994,785	830,675	994,916	830,804
<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>8,259,504</b>	<b>5,235,081</b>	<b>8,259,504</b>	<b>5,235,081</b>
<b>Tier 2 Capital</b>	<b>8,259,504</b>	<b>5,235,081</b>	<b>8,259,504</b>	<b>5,235,081</b>
Qualifying Tier 2 Capital Instruments	7,016,667	4,433,333	7,016,667	4,433,333
Revaluation Gains	337,316	-	337,316	-
Loan Loss Provisions	905,521	801,748	905,521	801,748
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>22,285,347</b>	<b>18,070,743</b>	<b>22,444,732</b>	<b>18,489,947</b>
<b>Total Tier 1 Capital</b>	<b>22,285,347</b>	<b>18,070,743</b>	<b>22,444,732</b>	<b>18,489,947</b>
<b>Total Capital</b>	<b>30,544,851</b>	<b>23,305,824</b>	<b>30,704,235</b>	<b>23,725,029</b>

Item	Bank	Bank	Group	Group
	LKR '000	LKR '000	LKR '000	LKR '000
	30-Jun-2018	31-Dec-2017	30-Jun-2018	31-Dec-2017
<b>Total Risk Weighted Assets (RWA)</b>	<b>191,995,102</b>	<b>170,838,077</b>	<b>191,649,107</b>	<b>170,758,045</b>
RWAs for Credit Risk	166,079,683	148,307,874	165,899,864	148,298,015
RWAs for Market Risk	6,102,227	3,369,857	6,102,227	3,369,857
RWAs for Operational Risk	19,813,192	19,160,347	19,647,016	19,090,174
<b>CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>11.61%</b>	<b>10.58%</b>	<b>11.71%</b>	<b>10.83%</b>
of which: Capital Conservation Buffer (%)	1.25%	1.25%	1.25%	1.25%
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-	-	-
<b>Total Tier 1 Capital Ratio (%)</b>	<b>11.61%</b>	<b>10.58%</b>	<b>11.71%</b>	<b>10.83%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>15.91%</b>	<b>13.64%</b>	<b>16.02%</b>	<b>13.89%</b>
of which: Capital Conservation Buffer (%)	1.25%	1.25%	1.25%	1.25%
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-	-	3 -

**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-2018		31-Dec-2017	
<b>Total Stock of High-Quality Liquid Assets(HQLA)</b>	<b>53,841,308</b>	<b>53,830,113</b>	<b>44,358,142</b>	<b>44,346,947</b>
<b>Total Adjusted Level 1A Assets</b>	<b>54,048,494</b>	<b>54,048,494</b>	<b>44,653,640</b>	<b>44,653,640</b>
<b>Level 1 Assets</b>	<b>53,818,918</b>	<b>53,818,918</b>	<b>44,335,752</b>	<b>44,335,752</b>
<b>Total Adjusted Level 2A Assets</b>	-	-	-	-
<b>Level 2A Assets</b>	-	-	-	-
<b>Total Adjusted Level 2B Assets</b>	<b>22,390</b>	<b>11,195</b>	<b>22,390</b>	<b>11,195</b>
<b>Level 2B Assets</b>	<b>22,390</b>	<b>11,195</b>	<b>22,390</b>	<b>11,195</b>
<b>Total Cash Outflows</b>	<b>389,902,286</b>	<b>55,621,643</b>	<b>341,589,345</b>	<b>48,762,072</b>
Deposits	193,398,804	19,339,880	170,687,377	17,068,738
Unsecured Wholesale Funding	40,366,747	19,863,881	25,136,013	14,213,421
Secured Funding Transactions	1,156,135	-	1,552,809	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	148,147,058	9,584,340	136,084,637	9,351,406
Additional Requirements	6,833,542	6,833,542	8,128,508	8,128,508
<b>Total Cash Inflows</b>	<b>59,382,121</b>	<b>33,801,629</b>	<b>50,768,980</b>	<b>27,100,956</b>
Maturing Secured Lending Transactions Backed by Collateral	90,162	-	10,879	-
Committed Facilities	1,000,000	-	1,000,000	-
Other Inflows by Counterparty which are Maturing within 30 Days	58,285,736	33,795,407	49,679,518	27,022,374
Operational Deposits	-	-	-	-
Other Cash Inflows	6,222	6,222	78,583	78,583
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>247%</b>		<b>205%</b>

**Main Features of Regulatory Capital Instruments**

Description of the Capital Instrument	Ordinary Shares	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
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)	LK0309N00001	NTB/BC/19/12/18A13	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
Governing Law(s) of the Instrument	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
Original Date of Issuance	3-May-99	19-Dec-13	8-Nov-16	8-Nov-16	8-Nov-16	20-Apr-18	20-Apr-18
Par Value of Instrument	22.12	100	100	100	100	100	100
Perpetual or Dated	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	N/A	19-Dec-18	8-Nov-21	8-Nov-21	8-Nov-21	20-Apr-23	20-Apr-23
Amount Recognised in Regulatory Capital (in LKR '000 as at the Reporting Date)	8,865,523	300,000	2,590,533	741,193	1,607	2,139,233	1,244,100
Accounting Classification (Equity/Liability)	Equity	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
Subsequent Call Dates, if Applicable	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	Fixed	Fixed	Fixed	Floating	Fixed	Fixed
Coupon Rate and any Related Index	Distributable profit that has been declared as dividend	13.00%	12.65%	12.80%	10.97%	12.65%	13.00%
Non-Cumulative or 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>Non-Convertible</b>	<b>Non-Convertible</b>	<b>Non-Convertible</b>	<b>Non-Convertible</b>	<b>Non-Convertible</b>	<b>Non-Convertible</b>
If Convertible, Conversion Trigger (s)	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
If Convertible, Fully or Partially	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
If Convertible, Mandatory or Optional	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
If Convertible, Conversion Rate	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible

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

Asset Class	Bank											
	LKR'000 as at -30-Jun-2018						LKR'000 as at -31-Dec-2017					
	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 <sup>(ii)</sup>	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density <sup>(ii)</sup>
Claims on Central Government and CBSL	23,374,052	-	23,374,052	-	676,862	3%	25,012,852	1,535,200	25,012,852	30,704	810,733	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	4,041,207	26,076,751	4,041,207	539,379	2,111,498	46%	2,209,944	35,763,085	2,209,944	715,262	1,478,649	51%
Claims on Financial Institutions	14,375,383	4,071,168	14,375,383	1,106,099	8,113,747	52%	11,083,386	3,261,851	11,083,386	1,090,246	6,009,478	49%
Claims on Corporates	47,486,484	75,564,140	47,486,484	6,747,941	52,507,195	97%	40,210,503	70,005,792	40,210,503	6,716,499	45,681,542	97%
Retail Claims	109,240,232	73,350,907	109,240,232	2,632,723	85,921,876	77%	102,643,879	65,643,745	102,643,879	2,632,706	81,079,256	77%
Claims Secured by Residential Property	8,552,740	-	8,552,740	-	6,027,627	70%	7,827,956	-	7,827,956	-	5,577,770	71%
Claims Secured by Commercial Real Estate	968,841	92,456	968,841	18,491	987,332	100%	833,791	174,554	833,791	34,911	868,702	100%
Non-Performing Assets (NPAs) <sup>(i)</sup>	3,592,424	-	3,592,424	-	4,932,727	137%	2,117,558	-	2,117,558	-	2,847,324	134%
Higher-risk Categories	25,803	-	25,803	-	64,507	250%	25,803	-	25,803	-	64,507	250%
Cash Items and Other Assets	11,136,805	-	11,136,805	-	4,736,311	43%	10,703,170	-	10,703,170	-	3,889,914	36%
<b>Total</b>	<b>222,793,973</b>	<b>179,155,422</b>	<b>222,793,973</b>	<b>11,044,634</b>	<b>166,079,683</b>	<b>71%</b>	<b>202,668,842</b>	<b>176,384,227</b>	<b>202,668,842</b>	<b>11,220,328</b>	<b>148,307,874</b>	<b>69%</b>

Asset Class	Group											
	LKR'000 as at -30-Jun-2018						LKR'000 as at -31-Dec-2017					
	Exposures before		Exposures post CCF		RWA and RWA		Exposures before		Exposures post CCF		RWA and RWA	
	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density <sup>(ii)</sup>	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density <sup>(ii)</sup>
Claims on Central Government and CBSL	23,445,930	-	23,445,930	-	676,862	3%	25,083,896	1,535,200	25,083,896	30,704	810,733	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	4,041,239	26,076,751	4,041,239	539,379	2,111,504	46%	2,209,976	35,763,085	2,209,976	715,262	1,478,656	51%
Claims on Financial Institutions	14,375,383	4,071,168	14,375,383	1,106,099	8,113,747	52%	11,083,386	3,261,851	11,083,386	1,090,246	6,009,478	49%
Claims on Corporates	47,523,727	74,639,052	47,523,727	6,747,941	52,544,438	97%	40,419,373	68,461,963	40,419,373	6,716,499	45,890,411	97%
Retail Claims	109,240,232	73,350,907	109,240,232	2,632,723	85,921,876	77%	102,643,879	65,643,745	102,643,879	2,632,706	81,079,256	77%
Claims Secured by Residential Property	8,552,740	-	8,552,740	-	6,027,627	70%	7,827,956	-	7,827,956	-	5,577,770	71%
Claims Secured by Commercial Real Estate	968,841	92,456	968,841	18,491	987,332	100%	833,791	174,554	833,791	34,911	868,702	100%
Non-Performing Assets (NPAs) <sup>(i)</sup>	3,592,424	-	3,592,424	-	4,932,727	137%	2,117,558	-	2,117,558	-	2,847,324	134%
Higher-risk Categories	-	-	-	-	-	0%	-	-	-	-	-	0%
Cash Items and Other Assets	10,984,267	-	10,984,267	-	4,583,749	42%	10,548,964	-	10,548,964	-	3,735,685	35%
<b>Total</b>	<b>222,724,783</b>	<b>178,230,333</b>	<b>222,724,783</b>	<b>11,044,634</b>	<b>165,899,864</b>	<b>71%</b>	<b>202,768,778</b>	<b>174,840,397</b>	<b>202,768,778</b>	<b>11,220,328</b>	<b>148,298,015</b>	<b>69%</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.

**Market Risk under Standardised Measurement Method**

Item	Bank		Group	
	RWA (LKR'000)		RWA (LKR'000)	
	30-Jun-2018	31-Dec-2017	30-Jun-2018	31-Dec-2017
<b>(a) RWA for Interest Rate Risk</b>	<b>711,439</b>	<b>357,831</b>	<b>711,439</b>	<b>357,831</b>
General Interest Rate Risk	711,439	357,831	711,439	357,831
(i) Net Long or Short Position	711,439	357,831	711,439	357,831
(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>13,201</b>	<b>21,278</b>	<b>13,201</b>	<b>21,278</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>6,102,227</b>	<b>3,369,857</b>	<b>6,102,227</b>	<b>3,369,857</b>

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-2018			Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31-Dec-2017		
			1st Year	2nd Year	3rd Year			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	15%		12,400,371	14,784,954	19,871,005	15%		12,271,650	13,217,046	17,622,084
<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	2,352,817					2,155,539				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>										
The Basic Indicator Approach	19,813,192					19,160,347				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				

Business Lines	Group									
	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30-Jun-2018			Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31-Dec-2017		
			1st Year	2nd Year	3rd Year			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	15%		12,648,498	14,818,444	19,194,720	15%		12,519,408	13,519,915	16,913,568
<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	2,333,083					2,147,645				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>										
The Basic Indicator Approach	19,647,016					19,090,174				
The Standardised Approach	-					-				
The Alternative Standardised Approach	-					-				



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

Bank	LKR '000 as at 30-Jun-2018				
	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>300,579,769</b>	<b>300,613,013</b>	<b>224,934,061</b>	<b>47,833,493</b>	<b>28,750,980</b>
Cash and Cash Equivalents	7,939,157	7,939,157	7,939,157	-	-
Balances with Central Banks	12,709,728	12,709,728	12,709,728	-	-
Placements with Banks	133,392	-	-	-	-
Derivative Financial Instruments	63,252	-	-	-	-
Other Financial Assets Held-For- Trading	1,946,800	47,833,493	-	47,833,493	-
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-
Loans and Receivables to Banks	-	-	-	-	-
Loans and Receivables to Other Customers	209,899,117	209,697,899	182,952,970	-	27,650,451
Financial Investments - Available- For-Sale	46,392,811	-	-	-	-
Financial Investments - Held-To- Maturity	14,493,483	14,090,553	14,090,553	-	-
Investments in Subsidiaries	678,710	678,710	678,710	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,542,361	2,542,361	2,542,361	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	1,100,529	-	-	-	-
Deferred Tax Assets	597,579	-	-	-	-
Other Assets	2,082,849	5,121,111	4,020,582	-	1,100,529
<b>Liabilities</b>	<b>274,596,389</b>	<b>275,383,877</b>	<b>-</b>	<b>-</b>	<b>-</b>
Due to Banks	7,066,969	8,908,349	-	-	-
Derivative Financial Instruments	221,618	-	-	-	-
Other Financial Liabilities Held-For- Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	225,261,798	220,845,144	-	-	-
Other Borrowings	19,970,274	17,938,556	-	-	-
Debt Securities Issued	-	-	-	-	-
Current Tax Liabilities	1,540,947	-	-	-	-
Deferred Tax Liabilities	2,189,708	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	6,688,513	16,191,828	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	11,656,562	11,500,000	-	-	-
<b>Off-Balance Sheet Liabilities</b>	<b>178,725,201</b>	<b>188,384,039</b>	<b>185,890,197</b>	<b>-</b>	<b>2,493,842</b>
Guarantees	1,600,311	533,437	533,437	-	-
Performance Bonds	12,982,572	12,982,572	11,544,922	-	1,437,650
Letters of Credit	9,185,613	9,185,613	8,528,536	-	657,077
Other Contingent Items	2,692,285	2,692,285	2,692,285	-	-
Undrawn Loan Commitments	119,551,567	119,551,567	119,551,567	-	-
Other Commitments	32,712,853	43,438,565	43,039,449	-	399,115
<b>Shareholders' Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Equity Capital (Stated Capital)/Assigned Capital	8,865,523	8,865,523	-	-	-
of which Amount Eligible for CET1	8,865,523	8,865,523	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	15,317,509	15,352,881	-	-	-
Accumulated Other Comprehensive Income	114,986	-	-	-	45,994
Other Reserves	1,685,363	1,010,732	-	-	337,316
<b>Total Shareholders' Equity</b>	<b>25,983,380</b>	<b>25,229,136</b>	<b>-</b>	<b>-</b>	<b>383,310</b>

**Notes:**

- 1) Differences in Held for Trading, Available for Sale, Intangible Assets, Other Assets, Due to Banks, Due to Customers, Other Borrowings, Current Tax Liabilities, Deferred Tax Liabilities and Other Liabilities is due to Classification differences.
- 2) Difference in Retained Earnings is due to profit difference in SLAS and SLFRS accounting standards.
- 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).