

Hatton National Bank PLC
Market Risk Disclosures 2020



Market Discipline-Disclosure Requirements Under Pillar III

TEMPLATE 1

Key regulatory ratios - Capital and liquidity

As at December 31	Bank		Group	
	2020	2019	2020	2019
Regulatory Capital (Rs 000)				
Common Equity Tier 1	117,243,040	115,072,496	130,836,136	126,475,924
Tier 1 Capital	117,243,040	115,072,496	130,836,136	126,475,924
Total Capital	143,171,814	144,326,073	157,269,339	155,544,360
Regulatory Capital Ratios				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020-7% ; 2019-8%)	14.73%	14.57%	14.99%	14.74%
Tier 1 Capital Ratio (Minimum Requirement - 2020-8.5% ; 2019-9.5%)	14.73%	14.57%	14.99%	14.74%
Total Capital Ratio (Minimum Requirement - 2020-12.5% ; 2019-13.5%)	17.98%	18.28%	18.02%	18.12%
Leverage Ratio (Minimum Requirement - 3%)	7.73%	8.14%	8.20%	8.51%
Regulatory Liquidity				
Statutory Liquid Assets (Rs 000)	436,153,114	281,521,339		
Statutory Liquid Assets Ratio (Minimum Requirement – 20%)				
Domestic Banking Unit	38.95%	27.09%		
Off-Shore Banking Unit	35.92%	53.01%		
Liquidity Coverage Ratio – Rupee (Minimum Requirement - 2020-90% ; 2019-100%)	285.50%	465.37%		
Liquidity Coverage Ratio – All Currency (Minimum Requirement - 2020-90% ; 2019-100%)	290.29%	251.07%		

TEMPLATE 2

Computation of Capital Ratios

As at December 31	Bank		Group	
	2020 (Rs 000)	2019 (Rs 000)	2020 (Rs 000)	2019 (Rs 000)
Common Equity Tier 1 (CET1) Capital after Adjustments	117,243,040	115,072,496	130,836,136	126,475,924
Common Equity Tier 1 (CET1) Capital	121,925,658	118,734,417	135,425,972	129,178,231
Equity Capital (Stated Capital)/Assigned Capital	37,364,244	33,820,906	37,364,244	33,820,906
Reserve Fund	7,660,000	7,060,000	7,660,000	7,060,000
Published Retained Earnings/(Accumulated Retained Losses)	19,730,429	20,001,415	26,501,436	25,185,402
Published Accumulated Other Comprehensive Income (OCI)	(150,378)	-	(179,654)	-
General and other Disclosed Reserves	57,321,363	57,852,097	58,601,235	58,147,100
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-	-	-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	-	-	5,478,711	4,964,824
Total Adjustments to CET1 Capital	4,682,618	3,661,921	4,589,836	2,702,307
Goodwill (net)	-	-	119,457	122,942
Intangible Assets (net)	1,189,715	962,851	1,289,715	1,062,851
Deferred tax assets (net)	806,539	-	1,728,958	-
Defined benefit pension fund assets	-	-	-	-
Investments in the capital of banking and financial institutions where the bank does not own more than 10 per cent of the issued ordinary share capital of the entity	194,159	199,842	137,165	164,137
Significant investments in the capital of financial institutions where the bank owns more than 10 per cent of the issued ordinary share capital of the entity	2,492,204	2,499,228	1,314,541	1,352,377
Additional Tier 1 (AT1) Capital after Adjustments	-	-	-	-
Additional Tier 1 (AT1) Capital	-	-	-	-
Qualifying Additional Tier 1 Capital Instruments	-	-	-	-
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustments to AT1 Capital	-	-	-	-
Investment in Own Shares	-	-	-	-
Others (specify)	-	-	-	-
Tier 2 Capital after Adjustments	25,928,773	29,253,576	26,433,203	29,068,436
Tier 2 Capital	25,928,773	29,253,576	26,433,203	29,068,436
Qualifying Tier 2 Capital Instruments	15,835,122	20,180,403	15,522,576	19,995,263
Revaluation Gains	2,090,479	2,090,479	2,090,479	2,090,479
General Provisions	8,003,173	6,982,695	8,820,148	6,982,695
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustments to Tier 2	-	-	-	-
Investment in Own Shares	-	-	-	-
Others (specify)	-	-	-	-
Investments in the capital of financial institutions and where the bank does not own more than 10 per cent of the issued capital carrying voting rights of the issuing entity	-	-	-	-
CET1 Capital	117,243,040	115,072,496	130,836,136	126,475,924
Total Tier 1 Capital	117,243,040	115,072,496	130,836,136	126,475,924
Total Capital	143,171,814	144,326,073	157,269,339	155,544,360
Total Risk Weighted Assets (RWA)	796,090,230	789,539,424	872,777,199	858,259,611
RWAs for Credit Risk	724,293,579	725,747,553	781,917,200	778,470,491
RWAs for Market Risk	832,706	606,406	974,642	686,302
RWAs for Operational Risk	70,963,945	63,185,465	89,885,357	79,102,817
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.73%	14.57%	14.99%	14.74%
of which: Capital Conservation Buffer (%)	1.50%	1.50%	1.50%	1.50%
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital Surcharge on D-SIBs (%)	1.00%	1.00%	1.00%	1.00%
Total Tier 1 Capital Ratio (%)	14.73%	14.57%	14.99%	14.74%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	17.98%	18.28%	18.02%	18.12%
of which: Capital Conservation Buffer (%)	1.50%	1.50%	1.50%	1.50%
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital Surcharge on D-SIBs (%)	1.00%	1.00%	1.00%	1.00%

Market Discipline-Disclosure Requirements Under Pillar III

TEMPLATE 3

Leverage Ratio

As at December 31	Bank		Group	
	2020 (Rs 000)	2019 (Rs 000)	2020 (Rs 000)	2019 (Rs 000)
Tier 1 Capital	117,243,040	115,072,496	130,836,136	126,475,924
Total Exposures	1,516,923,701	1,413,843,587	1,595,042,163	1,486,302,051
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	1,282,948,314	1,119,962,503	1,358,239,726	1,190,348,485
Derivative Exposures	131,225,119	159,747,611	131,225,119	159,747,611
Securities Financing Transaction Exposures	13,549,670	18,379,746	16,376,720	20,452,228
Other Off-Balance Sheet Exposures	89,200,598	115,753,727	89,200,598	115,753,727
Basel III leverage ratio (Tier 1/Total Exposure) (minimum requirement 3%)	7.73%	8.14%	8.20%	8.51%

Net Stable Funding Ratio (NSFR)

Item	Bank	
	2020 (Rs 000)	2019 (Rs 000)
Total Available Stable Funding (ASF)	929,169,118	827,883,549
Required stable funding – On balance sheet assets	810,951,321	754,194,533
Required stable funding – Off balance sheet items	14,191,261	13,292,572
Total Required Stable Funding (RSF)	825,142,582	767,487,105
NSFR (minimum requirement - 2020 - 90%, 2019 - 100%)	112.61%	107.87%

TEMPLATE 4

Basel III Computation of Liquidity Coverage Ratio All CCY

As at December 31	2020		2019	
	Total unweighted Value (Rs 000)	Total weighted Value (Rs 000)	Total unweighted Value (Rs 000)	Total weighted Value (Rs 000)
Total stock of High-Quality Liquid Assets (HQLA)	325,892,151	314,678,021	149,011,660	140,423,389
Total adjusted level 1A assets	252,327,699	252,327,699	98,783,496	98,783,496
Level 1A assets	251,239,138	251,239,138	96,592,203	96,592,203
Total adjusted level 2A assets	74,606,790	63,415,772	50,347,022	42,794,969
Level 2A assets	74,606,790	63,415,772	50,347,022	42,794,969
Total adjusted level 2B assets	46,223	23,111	2,072,435	1,036,218
Level 2B assets	46,223	23,111	2,072,435	1,036,218
Total cash outflows	1,084,589,473	166,094,800	917,360,563	140,525,652
Deposits	762,154,997	76,215,500	647,381,008	64,738,101
Unsecured wholesale funding	161,856,305	53,062,438	116,784,932	43,416,765
Secured funding transactions	10,004,543	-	16,709,886	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	128,902,359	15,145,593	118,856,108	14,742,156
Additional requirements	21,671,269	21,671,269	17,628,629	17,628,629
Total cash inflows	116,452,064	57,693,065	167,399,558	84,594,792
Maturing secured lending transactions backed by collateral	-	-	-	-
Committed facilities	3,000,000	-	3,000,000	-
Other inflows by counterparty which are maturing within 30 days	92,526,949	50,962,224	147,957,913	76,853,957
Operational deposits	7,752,924	-	1,143,172	-
Other cash inflows	13,172,191	6,730,841	15,298,472	7,740,835
Liquidity coverage ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next 30 Calendar Days) * 100		290.29%		251.07%

Market Discipline-Disclosure Requirements Under Pillar III

TEMPLATE 5

Main features of regulatory capital instruments

Description of the capital instrument	Stated Capital	Debentures - 2007	Debentures - 2006 Type E	Debentures - 2006 Type F	Debentures - 2011	Debentures - 2016
Issuer	HNB PLC	HNB PLC	HNB PLC	HNB PLC	HNB PLC	HNB PLC
Unique identifier						
Governing law(s) of the instrument	Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka
Original date of issuance	Not Applicable	August 1, 2007	April 1, 2006	April 1, 2006	September 5, 2011	March 28, 2016
Par value of instrument		LKR 100/-	LKR 100/-	LKR 100/-	LKR 100/-	LKR 100/-
Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated	Dated
Original maturity date	Not Applicable	July 31, 2022	March 31, 2021	March 31, 2024	September 4, 2021	March 28, 2021
Amount recognised in regulatory capital (in Rs 000 as at the Reporting Date)	37,364,244	280,000	415,348	924,288	400,000	1,400,000
Accounting classification (Equity/Liability)	Equity	Liability	Liability	Liability	Liability	Liability
Issuer call subject to prior supervisory approval						
Optional call date, contingent call dates and redemption amount (Rs 000)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Subsequent call Dates, if applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Coupons/Dividends	Dividends	Coupons	Coupons	Coupons	Coupons	Coupons
Fixed or floating dividend/Coupon	Not Applicable	Fixed	Fixed	Fixed	Fixed	Fixed
Coupon rate and any related index		16.75% p.a.	11% p.a.	11.25% p.a.	11.5% p.a.	11.25% p.a.
Non-cumulative or Cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Convertible or Non-Convertible	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
If Convertible, Conversion Trigger (s)						
If Convertible, Fully or Partially	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
If Convertible, Mandatory or Optional	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
If Convertible, Conversion Rate	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Notes

1. A "Trigger Event" is determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka (i.e., conversion of the said Debentures upon occurrence of the Trigger Event will be affected by the Bank solely upon being instructed by the Monetary Board of the Central Bank of Sri Lanka), and is defined in the Banking Act Direction No. 1 of 2016 of Web-Based Return Code 20.2.3.1.1.1.(10) (iii) (a&b) as a point/event being the earlier of –
 - (a) A decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Monetary Board, OR
 - (b) The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the Monetary Board."
2. Optional. At the discretion of the monetary board of the Central Bank of Sri Lanka upon occurrence of trigger points as detailed above.
3. The price based on the simple average of the daily volume of weighted average price (VWAP) of an ordinary voting share of the Bank during the three (03) months period, immediately preceding the date of the Trigger Event.

Debentures - 2016	Debentures - 2016	Debentures - 2019 (Basel III compliant – Tier 2 listed rated unsecured subordinated redeemable debentures with a non-viability conversion)	Debentures - 2019 (Basel III compliant – Tier 2 listed rated unsecured subordinated redeemable debentures with a non-viability conversion)
HNB PLC	HNB PLC	HNB PLC	HNB PLC
Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka
November 1, 2016	November 1, 2016	September 23, 2019	September 23, 2019
LKR 100/-	LKR 100/-	LKR 100/-	LKR 100/-
Dated	Dated	Dated	Dated
November 1, 2021	November 1, 2023	September 22, 2024	September 22, 2026
400,000	2,400,000	1,538,056	8,077,430
Liability	Liability	Liability	Liability
Not Applicable	Not Applicable	Not Applicable	Not Applicable
Not Applicable	Not Applicable	Not Applicable	Not Applicable
Coupons	Coupons	Coupons	Coupons
Fixed	Fixed	Fixed	Fixed
11.75% p.a.	13% p.a.	12.3% p.a.	12.8% p.a.
Cumulative	Cumulative	Cumulative	Cumulative
Not Applicable	Not Applicable	Convertible	Convertible
		Refer Note 1	Refer Note 1
Not Applicable	Not Applicable	Fully	Fully
Not Applicable	Not Applicable	Refer Note 2	Refer Note 2
Not Applicable	Not Applicable	Refer Note 3	Refer Note 3

Market Discipline-Disclosure Requirements Under Pillar III

TEMPLATE 6

Capital Planning Overview

The starting point for the Bank's capital planning exercise is the strategic plan and the 3 year financial projections which are reviewed annually. Expected macro-economic conditions, strategies planned to drive business growth and the Bank's risk appetite, underpin the financial projections. Based on the financial projections, future capital requirements are assessed. Subsequently, the assessment proceeds towards gauging how much of required capital will be generated internally and the extent of which, if any is to be sourced externally.

If requirement for external capital is identified, the Bank could consider options such as rights Issues being the raising of capital from existing shareholders, debenture issues, divestment of capital inefficient Investments to free up capital etc. The option determined by management to be the most appropriate would then be recommended to the Board of Directors and a Board Decision would be taken on raising the sufficient amount of capital through one or more of the options identified above.

However, the Bank is extremely well placed on Capital Adequacy with Tier I and Total CAR at 14.73% and 17.98% respectively being among the best in the industry. The financial projections between 2021-2023 indicate that HNB will continue to be comfortable on Tier I and Total Capital Adequacy.

In the event that loan growth exceeds forecasts by a considerable margin and/or unforeseen events impede profitability and internal capital generation the Bank would still be well placed to raise capital from one or more of the external sources identified previously as in the past. The debenture issue planned for 2021 will also help boost Tier II capital further.

TEMPLATE 7

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

Asset Class as at December 31,	Bank - 2020 (LKR'000)					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-balance sheet amount (a)	Off-Balance Sheet Amount (b)	On-balance sheet amount (c)	Off-Balance Sheet Amount (d)	RWA (e)	RWA Density {e/(c+d)}
Claims on Central Government and CBSL	489,316,274	-	452,709,926	-	37,481,827	8.28%
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	9,310,029	-	9,310,029	-	2,789,597	29.96%
Claims on financial institutions	24,725,537	196,795	24,725,537	196,795	15,281,383	61.32%
Claims on corporates	298,489,025	322,424,984	295,303,540	73,042,803	348,066,724	94.49%
Retail claims	366,200,892	68,027,424	327,638,146	17,802,062	238,321,058	68.99%
Claims secured by residential property	48,005,902	-	48,005,902	-	27,312,655	56.89%
Claims secured by commercial real estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	19,736,395	-	19,736,395	-	21,210,354	107.47%
Higher-risk categories	1,205,418	-	1,205,418	-	3,013,545	250.00%
Cash items and other assets	56,666,339	-	56,666,339	-	30,816,436	54.38%
Total	1,313,655,812	390,649,203	1,235,301,232	91,041,660	724,293,579	

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

Asset Class as at December 31,	Group - 2020 (LKR'000)					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-Balance	Off-Balance	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density(ii)
Claims on Central Government and CBSL	493,799,083	-	457,192,735	-	37,481,827	8.20%
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	19,914,929	-	19,914,929	-	6,360,960	31.94%
Claims on financial institutions	27,835,855	196,795	27,835,855	196,795	16,836,543	60.06%
Claims on corporates	308,523,593	322,424,984	305,338,107	73,042,803	357,753,117	94.55%
Retail claims	393,773,520	68,027,424	355,210,774	17,802,062	259,000,529	69.43%
Claims secured by residential property	48,005,902	-	48,005,902	-	27,312,655	56.89%
Claims secured by commercial real estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	19,736,395	-	19,736,395	-	21,210,354	107.47%
Higher-risk categories	1,338,796	-	1,338,796	-	3,346,991	250.00%
Cash items and other assets	79,352,519	-	79,352,519	-	52,614,224	66.30%
Total	1,392,280,593	390,649,203	1,313,926,013	91,041,660	781,917,200	

Market Discipline-Disclosure Requirements Under Pillar III

TEMPLATE 8

Credit risk under standardised approach: Exposures by asset classes and risk weights - Bank

Asset Classes	Risk Weight	Amount (LKR'000) as at December 31, 2020 (Post CCF & CRM)									Total Credit Exposures Amount	
		0%	20%	35%	50%	60%	75%	100%	150%	>150%		
Claims on central government and central bank of sri lanka		265,300,790	187,409,136	-	-	-	-	-	-	-	-	452,709,926
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		-	7,274,385	-	1,638,878	-	-	159,736	237,030	-	-	9,310,029
Claims on financial institutions		-	-	-	19,281,898	-	-	5,640,435	-	-	-	24,922,332
Claims on corporates		-	8,687,285	-	27,173,291	-	-	331,972,058	513,709	-	-	368,346,343
Retail claims		-	-	-	-	105,914,382	167,359,898	49,252,505	-	-	-	322,526,785
Claims secured by gold		22,913,422	-	-	-	-	-	-	-	-	-	22,913,422
Claims secured by residential property		-	-	31,835,764	-	-	-	16,170,137	-	-	-	48,005,902
Claims secured by commercial real estate		-	-	-	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)		-	-	-	46,425	-	-	16,695,627	2,994,343	-	-	19,736,395
Higher-risk categories		-	-	-	-	-	-	-	-	1,205,418	-	1,205,418
Cash items and other assets		25,849,903	-	-	-	-	-	30,816,436	-	-	-	56,666,339
Total		314,064,116	203,370,805	31,835,764	48,140,492	105,914,382	167,359,898	450,706,934	3,745,082	1,205,418	-	1,326,342,891

Credit risk under standardised approach: Exposures by asset classes and risk weights - Group

Description	Risk Weight	Amount (LKR'000) as at December 31, 2020 (Post CCF & CRM)									Total Credit Exposures Amount	
		0%	20%	35%	50%	60%	75%	100%	150%	>150%		
Claims on central government and central bank of sri lanka		269,783,600	187,409,136	-	-	-	-	-	-	-	-	457,192,735
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		-	13,044,676	-	6,473,487	-	-	159,736	237,030	-	-	19,914,929
Claims on financial institutions		-	-	-	22,392,216	-	-	5,640,435	-	-	-	28,032,650
Claims on corporates		-	8,835,397	-	27,632,660	-	-	341,399,145	513,709	-	-	378,380,910
Retail claims		-	-	-	-	105,914,382	194,932,526	49,252,505	-	-	-	350,099,413
Claims secured by gold		22,913,422	-	-	-	-	-	-	-	-	-	22,913,422
Claims secured by residential property		-	-	31,835,764	-	-	-	16,170,137	-	-	-	48,005,902
Claims secured by commercial real estate		-	-	-	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)		-	-	-	46,425	-	-	16,695,627	2,994,343	-	-	19,736,395
Higher-risk categories		-	-	-	-	-	-	-	-	1,338,796	-	1,338,796
Cash items and other assets		26,738,294	-	-	-	-	-	52,614,224	-	-	-	79,352,519
Total		319,435,316	209,289,208	31,835,764	56,544,789	105,914,382	194,932,526	481,931,809	3,745,082	1,338,796	-	1,404,967,672

TEMPLATE 9

Market Risk under Standardised Measurement Method

As at December 31	Bank		Group	
	(Rs 000)	(Rs 000)	(Rs 000)	(Rs 000)
	2020	2019	2020	2019
(a) RWA for interest rate risk	-	1,904	-	1,904
General interest rate risk	-	1,904	-	1,904
(i) Net long or short position	-	1,904	-	1,904
(ii) Horizontal disallowance	-	-	-	-
(iii) Vertical disallowance	-	-	-	-
(iv) Options	-	-	-	-
Specific interest rate risk	-	-	-	-
(b) RWA for Equity	8,439	13,839	26,181	24,625
(i) General equity risk	4,622	7,244	13,745	12,879
(ii) Specific equity risk	3,817	6,596	12,437	11,746
(c) RWA for foreign exchange & gold	95,649	66,121	95,649	66,121
Capital charge for market risk [(a) + (b) + (c)] * CAR	832,706	606,406	974,642	686,302

Market Discipline-Disclosure Requirements Under Pillar III

TEMPLATE 10

Operational Risk under basic indicator approach

As at December 31			Bank					
Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at, 2020			Gross Income (LKR'000) as at, 2019		
			1st Year	2nd Year	3rd Year	1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		60,830,747	60,000,953	56,578,162	49,769,056	60,830,747	60,000,953
Capital Charges for Operational Risk					8,870,493			8,530,038
Risk Weighted Amount for Operational Risk					70,963,945			63,185,465

As at December 31			Group					
Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at, 2020			Gross Income (LKR'000) as at, 2019		
			1st Year	2nd Year	3rd Year	1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		75,398,127	76,867,302	72,447,964	61,312,178	75,398,127	76,867,302
Capital Charges for Operational Risk					11,235,670			10,678,880
Risk Weighted Amount for Operational Risk					89,885,357			79,102,817

TEMPLATE 11

Differences between accounting and regulatory scopes and mapping of financial statement categories with regulatory risk categories – Bank only

As at December 31	2020 (Rs 000)				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Assets	1,291,851,536	1,306,169,433	1,216,949,016	84,499	84,609,498
Cash and cash equivalents	34,123,562	34,141,138	34,141,138	-	-
Placements with banks	-	-	-	-	-
Balances with Central Bank of Sri Lanka	7,212,395	7,212,395	9,078,728	-	-
Reverse repurchase agreements	-	-	-	-	-
Derivative financial instruments	1,032,318	-	-	-	-
Financial assets measured at fair value through profit or loss	84,499	84,499	-	84,499	-
Financial assets measured at amortised cost - loans and advances to customers	772,580,720	788,379,703	710,025,123	-	78,354,580
Financial assets measured at amortised cost - debt and other instruments	186,605,516	187,591,740	187,591,740	-	-
Financial assets measured at fair value through other comprehensive income	249,271,658	246,113,660	242,847,742	-	3,265,918
Investment in joint venture	755,000	755,000	-	-	755,000
Investments in subsidiaries	3,017,285	3,017,285	1,973,000	-	1,044,285
Investment properties	475,109	475,109	475,109	-	-

As at December 31	2020 (Rs 000)				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Property, plant and equipment	20,705,056	20,705,056	20,705,056	-	-
Right-of-use assets	5,356,868	5,356,868	-	-	-
Intangible assets and goodwill	1,309,172	1,309,172	-	-	1,189,715
Deferred tax assets	806,539	-	-	-	-
Other assets	8,515,839	11,027,808	10,111,380	-	-
Liabilities	1,157,849,911	1,164,552,651	-	-	-
Due to banks	89,746,709	88,812,093	-	-	-
Derivative financial instruments	337,014	-	-	-	-
Securities sold under repurchase agreements	10,361,383	10,352,629	-	-	-
Financial liabilities measured at amortised cost - due to depositors	967,821,404	947,778,748	-	-	-
Dividends payable	962,185	962,185	-	-	-
Financial liabilities measured at amortised cost - other borrowings	30,526,261	30,548,403	-	-	-
Debt securities issued	1,875,042	1,820,686	-	-	-
Current tax liabilities	7,725,731	8,138,876	-	-	-
Deferred tax liabilities	-	7,238,140	-	-	-
Other provisions	3,917,784	5,031,439	-	-	-
Other liabilities	16,278,033	36,703,738	-	-	-
Subordinated term debts	28,298,365	27,165,716	-	-	-
Off-Balance Sheet Liabilities	631,948,229	631,948,229	-	-	-
Guarantees	64,980,482	64,980,482	64,980,482	-	-
Performance Bonds	39,489,881	39,489,881	39,489,881	-	-
Letters of Credit	28,334,448	28,334,448	28,334,448	-	-
Other Contingent Items	138,246,005	138,246,005	138,246,005	-	-
Undrawn Loan Commitments	360,897,413	360,897,413	360,897,413	-	-
Other Commitments	-	-	-	-	-
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital of which Amount Eligible for CET1	35,572,329	35,236,376	-	-	-
Of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	22,665,227	31,837,700	-	-	-
Accumulated Other Comprehensive Income	1,221,363	-	-	-	-
Other Reserves	74,542,706	74,542,706	-	-	-
Total Shareholders' Equity	134,001,625	141,616,782	-	-	-

Market Discipline-Disclosure Requirements Under Pillar III

TEMPLATE 12

Explanation of Significant Differences between Accounting and Regulatory Exposure Amounts

(a) Derivative financial instruments

Derivatives are financial instruments which derive values in response to changes in interest rates, financial instrument prices, commodity prices, foreign exchange rates, credit risk and indices.

The fair value of these derivative financial instruments are determined using forward pricing models. The positive fair value changes of these financial instruments as at the balance sheet date are reported as assets while the negative fair value changes are reported as liabilities. The details of derivative financial instruments have been disclosed in Note 28 to the financial statements.

(b) Loans and receivables to other customers

The loans and receivables to customers considered in regulatory reporting differs with the published financial statements since CBSL time based provisions were netted off when arriving at loans and receivables for regulatory reporting purposes, while impairment allowances based on incurred losses have been netted off in loans and receivables for publication purposes. The impairment allowance has been computed using established processes with judgments being exercised when determining the presence of objective evidences of impairment. The process used in determining the impairment provision has been described in detail in Note 31 (b) to the financial statements.

(c) Financial investments - Available for sale

Financial investments - Available for sale have been measured at fair value in published financial statements while these investments have been measured at cost for regulatory reporting purpose. The details of financial investments - available for sale have been disclosed in Note 33 to the financial statements.

(d) Financial assets at fair value through OCI

Financial assets at fair value through OCI have been measured at fair value in published financial statements while these investments have been measured at cost for regulatory reporting purpose. The details of financial investments - available for sale have been disclosed in Note 33 to the financial statements.

TEMPLATE 13 : BANK RISK MANAGEMENT APPROACH

The Risk Report from pages 41 to 87 in CG&RR sets out the Bank's approach to risk management including governance structures, policies, processes, limits and the current risk profile of the Bank.

TEMPLATE 14 : RISK MANAGEMENT RELATED TO KEY RISK EXPOSURES

Risk	Compliance
Section I -Credit Risk	Refer Note 5 to the Financial Statements on pages 172 to 201 in IR
Section II Market Risk	Refer Note 5 to the Financial Statements on pages 172 to 201 in IR
Section II (a) IRR	Refer Pages 101 to 102 in CG&RR
Section II (b) Equity Position Risk	Refer Page 102 in CG&RR
Section II (c) Foreign Exchange	Refer Page 103 in CG&RR
Section III Liquidity Risk	
Section III (a)	Refer Page 104 in CG&RR
Section III (b)	Refer Pages 105 to 106 in CG&RR
Section III (c) & (d)	Refer Pages 75 to 76 in CG&RR Refer Note 5 to the Financial Statements on pages 172 to 201 in IR
Section IV Operational Risk	Major Financial Losses incurred by Bank on page 63 in CG&RR Details of activities that have been outsourced together with parties and basis for payment for such services on page 65 in CG&RR. Details of due diligence tests of third party service providers on page 65 in CG&RR.
Section V Interest Rate Risk in Banking Book (IRRBB)	Refer page 107 in CG&RR

TEMPLATE 14 - SECTION II MARKET RISK -(A) INTEREST RATE RISK

Interest Rate Sensitivity Gap Analysis as at 31-Dec-2020-LKR

(Values are in Millions LKR)

			1M	3M	6M	1Y	3Y	5Y	>5Y
Account Type	Product	Product Name Level18							
Rate Sensitive Assets	Inflows	Balances due from Head Office, Affiliates and Own Branches	0	0	0	0	0	0	3,772
		Bills of Exchange	240	2	0	0	0	0	0
		Cash on hand	25,850	0	0	125	0	0	0
		Deposits with CBSL	354	354	354	708	1,769	1,769	1,769
		Investments (Net of provisions)	15,840	48,726	60,629	92,481	10,233	10,716	5,494
		Loans and Advances	277,037	38,410	36,754	54,485	98,144	55,592	38,925
		NPLs	1	1	0	2,778	0	0	8,335
		Net Inter-Branch Transactions	0	0	0	0	0	0	0
		Other Assets	51	550	64	5,140	0	0	9,356
		Overdraft	53,185	6,655	3,932	5,818	3,400	3,255	3,192
		Accrued Interest	1,551	728	632	730	156	0	0
		Balances due from Other Banks	0	0	0	0	0	0	0
		Fixed Assets L1	0	0	0	0	0	0	22,469
			374,107	95,424	102,365	162,265	113,702	71,333	93,313
Rate Sensitive Liabilities	Outflows	Balances due to Other Banks	0	0	0	0	0	0	768
		Bills Payable	1,324	0	0	0	0	0	0
		Demand Deposits	12,085	12,085	9,064	12,085	13	13	15,116
		Interest Payable	2,402	4,567	3,617	2,992	2,191	1,602	0
		Other Liabilities	188	0	232	5,855	21,715	1,437	8,007
		Savings Deposits	18,417	38,811	12,631	16,824	63,155	63,153	63,153
		Time Deposits	56,063	115,665	103,258	137,143	15,432	4,351	0
		Bonds Issued	0	501	0	8,000	2,437	2,971	8,077
		Borrowings	598	587	646	1,511	5,120	3,871	201
		Capital & Reserves	0	0	0	0	0	0	35,236
		Repo	10,005	163	42	144	0	0	0
		Reserves	0	0	0	0	0	0	104,508
			101,083	172,379	129,489	184,554	110,063	77,399	235,067
Net Gap			273,025	-76,955	-27,124	-22,289	3,638	-6,066	-141,754
Cumulative Gap			273,025	196,070	168,946	146,657	150,295	144,229	2,475
Rate Sensitive Assets total		(Excl- Cash on hand, Deposits with CBSL)	347,904	95,071	102,011	161,432	111,932	69,563	91,544
Rate Sensitive Liabilities total		(Excl- Demand Deposits, Capital)	88,997	160,294	120,425	172,468	110,050	77,386	184,715
Net Gap			258,907	(65,223)	(18,414)	(11,037)	1,882	(7,822)	(93,172)
Cumulative Gap			258,907	193,683	175,269	164,233	166,115	158,293	65,121

Market Discipline-Disclosure Requirements Under Pillar III

Interest Rate Sensitivity Gap Analysis as at 31-Dec-2020-USD

(Values are in Thousands USD)

			1M	3M	6M	1Y	3Y	5Y	>5Y
Account Type	Product	Product Name Level18							
Rate Sensitive Assets	Inflows	Bills of Exchange	3,071	4,323	1,411	0	0	0	0
		Cash on hand	2,052	0	0	0	0	0	0
		Investments (Net of provisions)	50,000	0	110,000	99,125	442,817	168,680	136,860
		Loans and Advances	341,599	77,678	9,859	3,057	4,705	2,920	-16,600
		NPLs	0	0	0	5,209	0	0	15,627
		Other Assets	0	1,692	0	0	0	0	0
		Overdraft	8,869	1,477	75	87	120	120	120
		Accrued Interest	1,466	154	538	2,324	8	0	0
		Balances due from Other Banks	165	0	0	0	0	0	37,746
					407,222	85,324	121,883	109,801	447,650
Rate Sensitive Liabilities	Outflows	Balances due to Other Banks	0	188,403	77,053	265,000	0	0	0
		Demand Deposits	3,886	3,886	2,914	3,886	362	362	5,098
		Interest Payable	1,329	4,318	3,733	4,686	2,766	484	0
		Other Liabilities	287	358	353	2,140	1,075	1,075	11,981
		Savings Deposits	12,551	12,552	9,410	12,533	47,049	47,048	47,048
		Time Deposits	66,594	119,256	123,129	241,712	55,175	12,984	0
			84,646	328,773	216,592	529,957	106,426	61,952	64,127
Net Gap			322,576	-243,449	-94,709	-420,156	341,224	109,769	109,627
Cumulative Gap			322,576	79,126	-15,582	-435,738	-94,514	15,255	124,881
Rate Sensitive Assets total (Excl - Cash on Hand)			405,169	85,324	121,883	109,801	447,650	171,721	173,754
Rate Sensitive Liabilities total (Excl- Demand Deposit)			80,761	324,887	213,678	526,071	106,064	61,590	59,029
Net Gap			324,409	-239,563	-91,794	-416,270	341,586	110,131	114,725
Cumulative Gap			324,409	84,845	-6,949	-423,219	-81,633	28,497	143,222

Notes

- 1) The above figures have been prepared as per SLAS including interest cash flows and may differ from SLFRS figures given in the Statement of Financial Position
- 2) Prepared as per requirement given in the Banking Act Direction No 7 of 2011 on "Integrated Risk Management Framework".

TEMPLATE 14 - SECTION II MARKET RISK -(B) EQUITY POSITION RISK

Rs. Mn

Equity	Carrying Value	Fair Value	Realized Gains/Losses	Unrealized Gains/Losses	Capital Adequacy Calculation
Investment Portfolio	6,830	12,156			Capital Charge - 104 RWA - 832
Trading Portfolio	129	84			

TEMPLATE 14 - SECTION II MARKET RISK - (C) FOREIGN EXCHANGE RISK

Report on Liquidity Gap Summary as at 31st Dec 2020 (Consolidated Foreign Currency)

(Amount in Thousands USD)

		1M	3M	6M	1Y	3Y	5Y	>5Y
Particulars	Product							
Total Inflows	Bills of Exchange	3,106	4,330	1,411	0	0	0	0
	Cash on hand	2,743	0	0	0	0	0	0
	Investments (Net of provisions)	58,072	3,526	121,514	121,041	506,929	202,808	150,635
	Loans and Advances	36,037	58,366	52,183	67,402	178,602	86,470	24,137
	NPLs	0	0	0	5,210	0	0	15,630
	Other Assets	0	2,631	0	0	0	0	673
	Other	0	0	4,079	8,160	0	0	0
	Overdraft	880	960	1,018	1,985	3,300	2,881	2,471
	Accrued Interest	1,481	158	568	2,324	8	0	0
	Balances due from Other Banks	165	0	0	0	0	0	35,374
	Forward Contracts	70,205	109,343	62,613	61,559	0	0	0
		172,689	179,314	243,387	267,681	688,839	292,159	228,920
Total Outflows	Balances due to Other Banks	0	113,680	60,284	260,807	56,615	44,856	24,752
	Demand Deposits	4,606	4,606	3,454	4,606	380	380	6,011
	Interest Payable	1,464	4,537	4,191	4,942	2,780	484	0
	Letters of Credit/Guarantees/ Acceptances	0	4,079	4,079	4,081	0	0	0
	Other Liabilities	309	0	387	2,287	1,157	8,658	0
	Savings Deposits	15,640	15,912	12,347	16,925	62,568	60,452	58,377
	Time Deposits	79,754	143,678	153,937	288,256	64,884	15,606	0
	Forward Contracts Payable	72,782	158,280	22,330	9,224	0	0	0
		174,555	444,772	261,011	591,128	188,384	130,435	89,140
Net Liquidity Gap		(1,866)	(265,459)	(17,624)	(323,447)	500,455	161,724	139,780
Net Gap as % of Total Outflows		(1)	(60)	(7)	(55)	266	124	157
Cumulative Gap		(1,866)	(267,325)	(284,949)	(608,396)	(107,942)	53,782	193,562

Notes

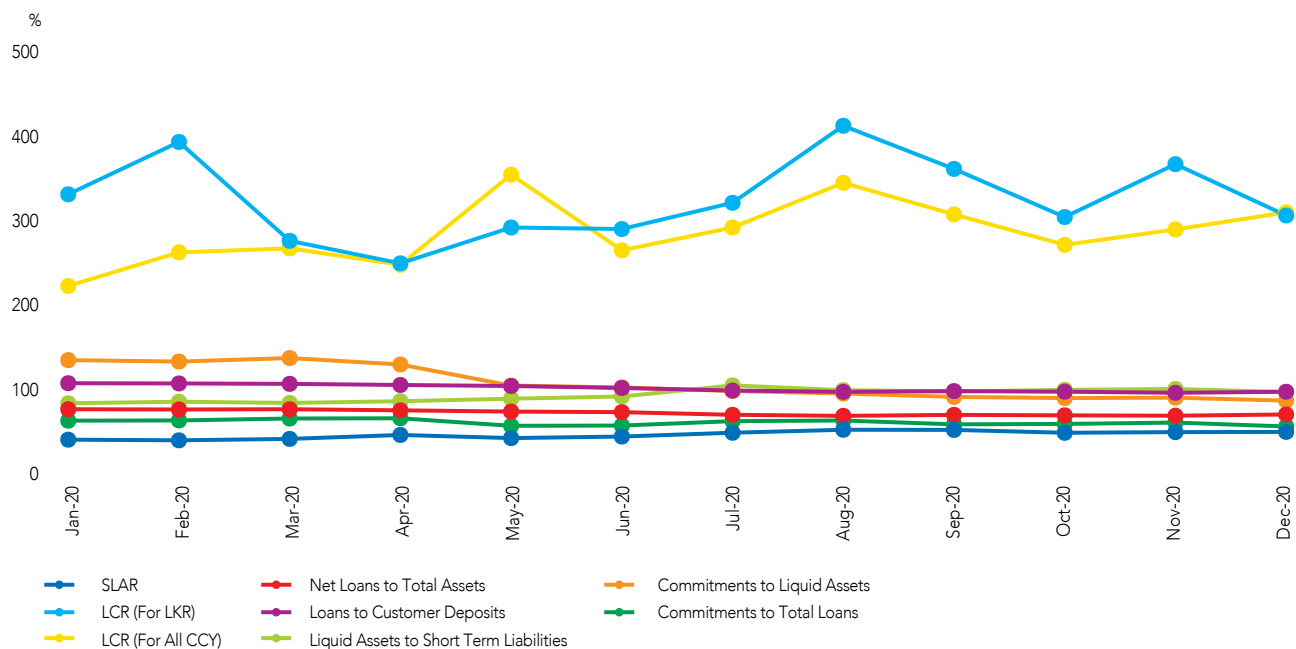
- 1) The above figures have been prepared as per SLAS including interest cash flows and may differ from SLFRS figures given in the Statement of Financial Position
- 2) Prepared as per requirement given in the Banking Act Direction No 7 of 2011 on "Integrated Risk Management Framework".

Market Discipline-Disclosure Requirements Under Pillar III

Template 14 - Section III Liquidity Risk - Key Liquidity Ratios

Report on Liquidity Gap Summary as at 31st Dec 2020 (Consolidated Foreign Currency)

Ratio	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
SLAR	30.35%	29.59%	31.26%	35.94%	32.23%	34.06%	38.57%	42.10%	41.94%	38.52%	39.30%	39.57%
LCR (For LKR)	321.17%	383.14%	266.03%	239.32%	281.79%	279.99%	311.11%	402.38%	351.25%	294.22%	356.87%	296.04%
LCR (For All CCY)	212.51%	252.36%	257.10%	237.63%	344.49%	254.76%	281.82%	334.73%	297.32%	261.25%	279.54%	299.72%
Net Loans to Total Assets	66.40%	66.13%	66.43%	65.13%	63.64%	62.97%	59.82%	58.57%	59.74%	59.19%	58.74%	60.23%
Loans to Customer Deposits	97.26%	96.98%	96.49%	95.17%	93.96%	91.60%	88.59%	87.04%	87.91%	87.22%	85.90%	87.15%
Liquid Assets to Short Term Liabilities	73.50%	75.29%	73.89%	75.91%	78.92%	81.55%	94.66%	89.03%	87.37%	89.40%	90.40%	86.83%
Commitments to Liquid Assets	124.66%	122.90%	127.09%	119.44%	94.44%	92.28%	88.02%	85.03%	81.03%	79.64%	80.14%	76.59%
Commitments to Total Loans	52.89%	53.14%	55.42%	55.70%	46.80%	47.06%	52.32%	53.05%	48.51%	48.99%	50.61%	45.99%



Template 14 - Section III (b) Liquidity Risk - Currency Wise

Report on Liquidity Gap Summary as at 31st Dec 2020 (LKR/ Behavioural)

(Amount in Million LKR)

		1M	3M	6M	1Y	3Y	5Y	>5Y
Particulars	Product							
Total Inflows	Balances due from Head Office, Affiliates and Own Branches	0	0	0	0	0	0	3,772
	Bills of Exchange	240	2	0	0	0	0	0
	Cash on hand	25,850	0	0	125	0	0	0
	Deposits with CBSL	354	354	354	708	1,769	1,769	1,769
	Investments (Net of provisions)	16,154	50,018	61,345	94,765	14,148	12,559	7,382
	Loans and Advances	66,436	81,766	86,836	104,555	207,895	103,418	79,440
	NPLs	1	1	0	2,778	0	0	8,335
	Net Inter-Branch Transactions	0	0	0	0	0	0	(0)
	Other Assets	51	280	64	5,140	0	0	9,356
	Other	0	0	566	1,133	0	0	0
	Overdraft	5,110	7,243	7,781	15,274	26,198	22,422	18,736
	Accrued Interest	1,551	728	632	730	156	0	0
	Balances due from Other Banks	0	0	0	0	0	0	0
	Fixed Assets L1	0	0	0	0	0	0	22,469
	Forward Contracts	3,925	16,495	1,374	679	0	0	0
	Reverse Repo	135	0	0	0	0	0	0
		119,805	156,888	158,952	225,888	250,167	140,169	151,260
Total Outflows	Balances due to Other Banks	0	0	0	0	0	0	768
	Bills Payable	1,324	0	0	0	0	0	0
	Demand Deposits	12,085	12,085	9,064	12,085	13	13	15,116
	Interest Payable	2,402	4,567	3,617	2,992	2,191	1,602	0
	Letters of Credit/Guarantees/ Acceptances	0	566	566	567	0	0	0
	Other Liabilities	188	0	232	5,855	21,715	27	8,007
	Savings Deposits	19,153	19,735	15,734	22,007	80,492	75,855	71,309
	Time Deposits	58,778	121,139	110,408	145,796	20,630	6,544	0
	Bonds Issued	0	1,329	235	10,206	2,841	5,653	13,233
	Borrowings	670	637	696	1,652	5,466	3,979	226
	Capital	0	0	0	0	0	0	35,236
	Forward Contracts Payable	16,590	14,951	11,152	10,721	0	0	0
	Repo	10,011	166	43	150	0	0	0
	Reserves	0	0	0	0	0	0	104,508
		121,202	175,176	151,747	212,032	133,349	93,675	248,403
Net Liquidity Gap		(1,396)	(18,288)	7,206	13,856	116,817	46,494	(97,143)
Net Gap as % of Total Outflows		(1)	(10)	5	7	88	50	(39)
Cumulative Gap		(1,396)	(19,685)	(12,479)	1,376	118,194	164,688	67,545
Adjustments for Behavioural Maturities	Time Deposits	48,567	99,531	77,905	89,315	(144,580)	(82,961)	(87,776)
	Unutilised O/D	(14,986)	(14,986)	(14,986)	(29,973)			
	Undisbursed Loans	(1,927)	(1,927)	(1,927)	(3,854)	(3,212)		
	Pawning Rollovers	(311)	(648)	(1,054)	(7,688)	9,701		
Total Adjustments		31,343	81,969	59,937	47,801	(138,091)	(82,961)	(87,776)
Adjusted Net Liquidity Gap		29,946	63,681	67,143	61,656	(21,273)	(36,467)	(184,920)
Adjusted Net Gap as % of Total Outflows		33	68	73	38	(8)	(21)	(55)
Adjusted Cumulative Gap		29,946	93,627	160,770	222,426	201,153	164,686	(20,234)

Notes

- The above figures have been prepared as per SLAS including interest cash flows and may differ from SLFRS figures given in the Statement of Financial Position

Market Discipline-Disclosure Requirements Under Pillar III

Report on Liquidity Gap Summary as at 31st Dec 2020 (USD/ Behavioural)

(Amount in Thousands USD)

		1M	3M	6M	1Y	3Y	5Y	>5Y
Particulars	Product							
Total Inflows	Bills of Exchange	3,071	4,330	1,411	0	0	0	0
	Cash on hand	2,052	0	0	0	0	0	0
	Investments (Net of provisions)	58,072	3,526	121,514	121,041	506,929	202,808	150,248
	Loans and Advances	34,668	56,221	49,779	66,560	175,234	84,559	23,238
	NPLs	0	0	0	5,209	0	0	15,627
	Other Assets	0	1,692	0	0	0	0	0
	Other	0	0	3,010	6,022	0	0	0
	Overdraft	880	960	1,018	1,985	3,300	2,881	2,471
	Accrued Interest	1,466	154	538	2,324	8	0	0
	Balances due from Other Banks	165	0	0	0	0	0	37,746
	Forward Contracts	36,363	64,039	54,838	57,174	0	0	0
		136,737	130,922	232,109	260,315	685,470	290,248	229,330
Total Outflows	Balances due to Other Banks	0	105,826	60,284	260,807	56,615	44,856	28,841
	Demand Deposits	3,886	3,886	2,914	3,886	362	362	5,098
	Interest Payable	1,329	4,318	3,733	4,686	2,766	484	0
	Letters of Credit/Guarantees/ Acceptances	0	3,010	3,010	3,011	0	0	0
	Other Liabilities	287	358	358	2,152	1,075	1,075	11,981
	Savings Deposits	12,863	13,110	10,207	14,031	51,791	49,871	47,989
	Time Deposits	68,053	124,777	129,302	255,341	64,384	15,606	0
	Forward Contracts Payable	96,668	156,058	21,303	8,305	0	0	0
		183,085	411,344	231,112	552,218	176,993	112,253	93,909
Net Liquidity Gap		(46,347)	(280,422)	997	(291,904)	508,477	177,995	135,421
Net Gap as % of Total Outflows		(25)	(68)	0	(53)	287	159	144
Cumulative Gap		(46,347)	(326,769)	(325,772)	(617,676)	(109,199)	68,796	204,217
Adjustments for Behavioural Maturities	Time Deposits	53,562	94,113	83,177	175,188	(170,066)	(111,411)	(124,564)
	Unutilised O/D	(3,047)	(3,047)	(3,047)	(6,095)			
	Undisbursed Loans	(9,837)	(9,837)	(9,837)	(19,673)	(16,394)		
Total Adjustments		40,679	81,229	70,293	149,421	(186,460)	(111,411)	(124,564)
Adjusted Net Liquidity Gap		(5,669)	(199,192)	71,289	(142,483)	322,017	66,584	10,857
Adjusted Net Gap as % of Total Outflows		(4)	(60)	44	(35)	89	30	5
Adjusted Cumulative Gap		(5,669)	(204,861)	(133,571)	(276,054)	45,963	112,546	123,404

Notes

- 1) The above figures have been prepared as per SLAS including interest cash flows and may differ from SLFRS figures given in the Statement of Financial Position
- 2) Prepared as per requirement given in the Banking Act Direction No 7 of 2011 on "Integrated Risk Management Framework".

Template 14 - Section (V) Interest Rate Risk in the Banking Book (IRBB)

Present Market Value of RSA/RSL on Movement of Market Interest Rates - LKR

(Values are in Millions LKR)

	1M	3M	6M	1Y	3Y	5Y	>5Y
Rate Sensitive Assets total	347,904	95,071	102,011	161,432	111,932	69,563	91,544
Rate Sensitive Liabilities total	88,997	160,294	120,425	172,468	110,050	77,386	184,715
Net Gap	258,907	(65,223)	(18,414)	(11,037)	1,882	(7,822)	(93,172)
Cumulative Gap	258,907	193,683	175,269	164,233	166,115	158,293	65,121
Duration weight	0.08	0.25	0.50	1.00	3.00	5.00	30.00
Market Rates	4.49	5.21	5.33	5.61	6.62	7.39	8.80
Present Value at market rates	257,961	64,400	17,942	10,450	1,553	5,477	7,420
Present Value at market rates + 50 basis pt	257,858	64,324	17,900	10,401	1,531	5,351	6,467
Change in Market value for 50 basis point interest movement	(103)	(76)	(42)	(49)	(22)	(126)	(954)

Present Market Value of RSA/RSL on Movement of Market Interest Rates - USD

(Values are in Thousands USD)

	1M	3M	6M	1Y	3Y	5Y	>5Y
Rate Sensitive Assets total	405,169	85,324	121,883	109,801	447,650	171,721	173,754
Rate Sensitive Liabilities total	80,761	324,887	213,678	526,071	106,064	61,590	59,029
Net Gap	324,409	-239,563	-91,794	-416,270	341,586	110,131	114,725
Cumulative Gap	324,409	84,845	-6,949	-423,219	-81,633	28,497	143,222
Duration weight	0.08	0.25	0.5	1	3	5	10
Market Rates	0.15	0.25	0.26	0.34	0.25	0.45	0.95
Present Value at market rates	324,368	239,414	91,675	414,860	339,037	107,686	104,375
Present Value at market rates + 10 basis pt	324,341	239,354	91,630	414,447	338,024	107,151	103,346
Change in Market value for 10 basis point interest movement	(27)	(60)	(46)	(413)	(1,013)	(534)	(1,028)

Notes

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- 2) Prepared as per requirement given in the Banking Act Direction No 7 of 2011 on "Integrated Risk Management Framework".

