



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th June 2018

(Un-audited)

National Savings Bank

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Regulatory Capital(LKR '000)				
Common Equity Tier 1	25,035,895	26,464,519	26,851,897	28,277,263
Tier 1 Capital	25,035,895	26,464,519	26,851,897	28,277,263
Total Capital	31,762,224	30,931,722	33,570,093	32,735,613
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(<i>Minimum Requirement : 2018 - 7.375% , 2017 - 6.25%</i>)	10.37	12.91	11.02	13.60
Tier 1 Capital Ratio(<i>Minimum Requirement :2018 - 8.875% , 2017-7.75%</i>)	10.37	12.91	11.02	13.60
Total Capital Ratio (<i>Minimum Requirement :2018 - 12.875% , 2017- 11.75%</i>)	13.16	15.08	13.78	15.74
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	536,065,003	484,116,919	N/A	N/A
Statutory Liquid Assets Ratio(<i>Minimum equirement - 20%</i>)			N/A	N/A
Domestic Banking Unit (%)	71.66	74.09	N/A	N/A
Off-Shore Banking Unit (%)			N/A	N/A
Liquidity Coverage Ratio(%)-Rupee (<i>Minimum Requirement : 2018 -90%, 2017 - 80%</i>)	374.67	401.28	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (<i>Minimum Requirement : 2018 - 90%, 2017 - 80%</i>)	381.93	423.22	N/A	N/A

Basel III Computation of Capital Ratios

Item	Bank		Group	
	Amount (LKR ' 000)		Amount (LKR ' 000)	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Common Equity Tier 1 (CET1) Capital after Adjustments	25,035,895	26,464,519	26,851,897	28,277,263
Total Common Equity Tier 1 (CET1) Capital	29,729,041	31,260,060	30,734,009	32,278,204
Equity Capital (Stated capital) /Assigned capital	6,700,000	6,200,000	6,700,000	6,200,000
Reserve fund	3,002,952	2,522,467	3,002,952	2,522,467
Published Retained Earnings/(Accumulated Retained Losses)	(3,789,131)	(2,971,703)	(3,212,312)	(1,642,384)
Published Accumulated other comprehensive income (OCI)	723,335	828,401	658,333	659,165
General and other disclosed reserves	23,091,885	21,091,885	23,585,036	21,584,911
Unpublished current year's profit/(losses) and gains reflected in OCI	-	3,589,010	-	2,954,045
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to CET1 Capital	4,693,146	4,795,541	3,882,112	4,000,941
Goodwill (net)	-	-	-	-
Intangible assets (net)	543,986	266,830	544,293	267,221
Revaluation losses of property, plant and equipment	19,183	26,263	19,183	26,263
Deferred tax assets (net)	-	-	-	-
Cash flow hedge reserve	51,350	153,560	51,350	153,560
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	3,272,526	3,558,452	3,267,286	3,553,897
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	806,101	790,436	-	-
Additional Tier 1 (AT1) Capital after Adjustments	-	-	-	-
Total 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	-	-	-	-
Tier 2 Capital after Adjustments	6,726,329	4,467,204	6,718,196	4,458,351
Total Tier 2 Capital	9,334,950	7,171,253	9,334,950	7,171,253
Qualifying Tier 2 Capital Instruments	4,200,000	5,400,000	4,200,000	5,400,000
Revaluation gains	3,565,866	451,286	3,565,866	451,286
Loan Loss Provisions	1,569,084	1,319,967	1,569,084	1,319,967
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	2,608,621	2,704,050	2,616,754	2,712,903
Investment in own shares	-	-	-	-
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	2,608,621	2,704,050	2,616,754	2,712,903
CET 1 Capital	25,035,895	26,464,519	26,851,897	28,277,263
Total Tier 1 Capital	25,035,895	26,464,519	26,851,897	28,277,263
Total Capital	31,762,224	30,931,722	33,570,093	32,735,613
Total Risk Weighted Assets(RWA)	241,431,106	205,052,048	243,559,388	207,990,901
RWAs for Credit Risk	186,779,588	142,132,977	187,070,332	142,339,597
RWAs for Market Risk	22,625,817	28,335,303	24,137,328	30,693,064
RWAs for Operational Risk	32,025,701	34,583,768	32,351,728	34,958,241
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs(%))	10.37	12.91	11.02	13.60
of which :Capital Consvration Buffer(%)	1.88	1.25	1.88	1.25
of which: Countercyclical Buffer(%)	-	-	-	-
of which:Capital Surcharge on D-SIBs(%)	1.00	0.50	1.00	0.50
Total Tier I Capital Ratio(%)	10.37	12.91	11.02	13.60
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	13.16	15.08	13.78	15.74
of which :Capital Consvration Buffer(%)	1.88	1.25	1.88	1.25
of which: Countercyclical Buffer(%)	-	-	-	-
of which:Capital Surcharge on D-SIBs(%)	1.00	0.50	1.00	0.50

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.06.2018		30.06.2017	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	441,707,791	438,713,242	405,631,683	404,031,246
Total Adjusted Level 1A Assets	442,776,165	442,796,994	405,293,414	405,303,403
Level 1 Assets	435,368,694	435,368,694	401,580,809	401,580,809
Total Adjusted Level 2A Assets	500,000	425,000	-	425,000
Level 2A Assets	500,000	425,000	-	425,000
Total Adjusted Level 2B Assets	5,839,097	2,919,549	-	2,025,437
Level 2B Assets	5,839,097	2,919,549	-	2,025,437
Total Cash Outflows	849,783,366	133,785,492	748,429,297	118,488,736
Deposits	650,055,457	65,005,546	578,562,616	57,856,262
Unsecured Wholesale Funding	131,585,439	64,811,451	110,846,110	55,134,470
Secured Funding Transactions	57,888,811	-	38,216,233	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	6,807,459	536,942	17,068,124	1,767,031
Additional Requirements	3,446,200	3,446,200	3,736,214	3,736,214
Total Cash Inflows	28,419,689	18,918,911	31,734,698	23,023,674
Maturing Secured Lending Transactions Backed by Collateral	3,672,017	2,243,917	5,524,792	1,898,642
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	21,821,988	16,674,993	25,259,391	21,125,031
Operational Deposits	2,925,683	-	950,514	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		381.93		423.22

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	
Issuer	National Savings Bank
Unique Identifier	
Governing Law(s) of the Instrument	Sri Lanka
Original Date of Issance	29th December 2016
Par Value of Instrument	100
Perpetual or Dated	Dated
Original Maturity Date	29th December 2021
Amount Recognised in Regulatory Capital (Rs'000)	4,200,000
Accounting Classification(Euity/Liability)	Liability
Issuer Call subject to Prior Supervisory Approval	
Optional Call Date ,Contingent Call Dates and Redemption Amount(LKR'000)	N/A
Subsequent Call Dates	N/A
Coupons/Dividends	
Fixed or Floating Dividend/Coupon	Fixed
Coupon Rate and any Related Index	13%
Non-Cumulative or Cumulative	Non-Cumulative
Convertible or Non -Convertible	
If Convertible, Conversion Trigger(s)	N/A
If Convertible, Fully or Partially	N/A
If Convertible, Mandatory or Optional	N/A
If Convertible, Conversion Rate	N/A

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

Item	Amount (LKR '000) as at 30.06.2018					
	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⁾
Claims on Central Government and CBSL	592,447,552	68,948,320	592,210,361	1,378,966	12,222,106	2.1
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	128,143,996	2,997,810	57,491	-	57,491	100.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	69,222,996	-	69,222,996	-	21,892,891	31.6
Claims on Financial Institutions	11,874,644	186,386	11,874,645	93,193	5,935,367	49.6
Claims on Corporates	11,414,446	811,663	11,414,446	405,832	3,742,179	31.7
Retail Claims	156,948,656	2,048,882	132,174,013	146,465	81,942,583	61.9
Claims Secured by Residential Property	63,658,323	482,496	63,658,323	241,248	32,193,405	50.4
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) ⁽ⁱ⁾	6,056,156	-	6,056,155	-	7,586,574	125.3
Higher Risk Categories	258,420	-	258,420	-	646,050	250.0
Cash Items and Other Assets	21,335,481	280,221	21,335,481	280,221	20,560,943	95.1
Total	1,061,360,671	75,755,779	908,262,332	2,545,925	186,779,588	20.5

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.

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

Item	Amount (LKR '000) as at 30.06.2018					
	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⁾
Claims on Central Government and CBSL	596,703,022	68,948,320	596,435,082	1,378,966	12,222,106	2.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	128,143,996	2,997,810	57,491	-	57,491	100.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	69,230,641	-	69,230,641	-	21,895,678	31.6
Claims on Financial Institutions	11,876,277	186,386	11,876,277	93,193	5,935,808	49.6
Claims on Corporates	11,415,446	811,663	11,415,446	405,832	3,743,179	31.7
Retail Claims	156,948,656	2,048,882	132,174,012	146,465	81,942,583	61.9
Claims Secured by Residential Property	63,658,323	482,496	63,658,323	241,248	32,193,405	50.4
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) ⁽ⁱ⁾	6,056,156	-	6,056,156	-	7,586,574	125.3
Higher Risk Categories	268,519	-	268,519	-	671,297	250.0
Cash Items and Other Assets	21,596,760	280,221	21,596,760	280,221	20,822,213	95.2
Total	1,065,897,797	75,755,779	912,768,707	2,545,925	187,070,332	20.4

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 (Bank)

Item	RWA Amount(LKR'000) as at 30.06.2018
(a)RWA for Interest Rate Risk	3,340,436
General Interest Rate Risk	3,340,436
(i)Net Long or Short Position	3,340,436
(ii)Horizontal Disallowance	-
(iii)Vertical Disallowance	-
(iv)Options	-
Specific Interest Rate Risk	-
(b)RWA for Equity	4,044,974
(i)General Equity Risk	2,157,028
(ii)Specific Equity Risk	1,887,946
(c)RWA for Foreign Exchange & Gold	15,240,414
Capital Charge for Market Risk{(a)+(b)+(c)] *CAR	2,913,074

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.06.2018
(a)RWA for Interest Rate Risk	4,843,086
General Interest Rate Risk	4,807,325
(i)Net Long or Short Position	4,807,325
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	35,761
(b)RWA for Equity	4,053,835
(i)General Equity Risk	2,162,268
(ii)Specific Equity Risk	1,891,567
(c)RWA for Foreign Exchange & Gold	15,240,414
Capital Charge for Market Risk{(a)+(b)+(c)] *CAR	3,107,681

Operational Risk under Basic Indicator Approach-Bank

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.06.2018			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,725,839	26,587,421	29,152,917	
Capital Charge	-	-	-	-	4,123,309
Risk Weighted Amount for Operational Risk	-	-	-	-	32,025,701

Operational Risk under Basic Indicator Approach-Group

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 30.06.2018			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,899,860	26,908,311	29,497,527	
Capital Charge	-	-	-	-	4,165,285
Risk Weighted Amount for Operational Risk	-	-	-	-	32,351,728

Differences between Accounting and Regulatory Scopes and Mapping Financial Statement Categories with Regulatory Risk Categories-Bank Only

Item	Amount (LKR'000) as at 30.06.2018				
	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
Assets	1,078,220,859	1,077,719,579	906,693,248	10,696,757	160,329,574
Cash and cash equivalents	3,958,694	5,159,883	4,901,863	20,829	237,191
Balances with Central Bank	-	-	-	-	-
Placements with banks	40,201,928	39,566,122	39,566,122	-	-
Derivative financial instruments	1,254,294	-	-	-	-
Other Financial assets Held-For-Trading	10,101,288	13,948,453	-	10,675,928	3,272,526
Loans and receivables to banks at amortised cost	28,544,325	22,674,985	22,674,985	-	-
Loans and receivables to other customers at amortised cost	379,760,919	371,698,609	218,837,459	-	152,861,150
Debt instruments at fair value through other comprehensive income	666,793	-	-	-	-
Equity instruments at fair value through other comprehensive income	4,072,104	-	-	-	-
Debt instruments at amortised cost	564,231,059	562,263,372	559,530,169	-	2,733,203
Investments in subsidiaries	900,000	900,000	218,481	-	681,519
Property, Plant and Equipment	12,558,871	12,558,871	12,558,871	-	-
Goodwill and Intangible assets	543,986	543,986	-	-	543,986
Deferred tax assets	-	-	-	-	-
Other assets	31,426,596	48,405,298	48,405,298	-	-
Liabilities	1,035,934,501	1,031,973,181	-	-	-
Due to banks	124,903	147,791	-	-	-
Derivative financial instruments	1,365,346	-	-	-	-
Due to other customers	793,394,921	770,094,751	-	-	-
Other borrowings	224,926,885	221,009,133	-	-	-
Debt securities issued	-	-	-	-	-
Current tax liabilities	-	-	-	-	-
Deferred tax liabilities	532,253	532,253	-	-	-
Other Provisions	-	-	-	-	-
Other liabilities	9,585,919	34,189,253	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debt	6,004,274	6,000,000	-	-	-
Off Balance Sheet Liabilities	7,309,574	75,755,779	2,545,926	-	-
Guarantees	1,755,952	1,755,952	-	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	299,196	292,930	146,465	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	4,800,774	4,478,356	740,273	-	-
Other Commitments	453,653	69,228,542	1,659,188	-	-
Shareholders' Equity	6,700,000	6,700,000	-	-	-
Equity Capital(Stated Capital)/Assigned Capital	-	-	-	-	-
of which Amount Eligible for CET 1	6,700,000	6,700,000	-	-	-
of which Amount Eligible for AT 1	-	-	-	-	-
Retained Earnings	4,804,563	-	-	-	-
Accumulated Other Comprehensive Income	1,011,879	-	-	-	-
Other Reserves	29,769,916	39,046,398	-	-	-
Total Shareholders' Equity	42,286,358	45,746,398	-	-	-