



Basel III - Minimum Disclosure Requirements under Pillar III

As at 31st March 2019

(Un-audited)

National Savings Bank

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Regulatory Capital(LKR '000)				
Common Equity Tier 1	30,308,340	25,247,387	32,622,318	27,056,245
Tier 1 Capital	30,308,340	25,247,387	32,622,318	27,056,245
Total Capital	36,503,074	32,234,895	38,647,070	34,035,438
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 2019 - 8.5% , 2018 - 7.375%)	12.815	10.93	13.641	11.60
Tier 1 Capital Ratio(Minimum Requirement : 2019-10%, 2018 - 8.875%)	12.815	10.93	13.641	11.60
Total Capital Ratio (Minimum Requirement : 2019- 14%, 2018 - 12.875%)	15.434	13.95	16.160	14.59
Leverage Ratio(Minimum Requirement : 3%) *	4.66	N/A	4.82	N/A
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	451,647,990	533,830,407	N/A	N/A
Statutory Liquid Assets Ratio(Minimum requirement - 20%)			N/A	N/A
Domestic Banking Unit (%)	55.27	72.80	N/A	N/A
Off-Shore Banking Unit (%)			N/A	N/A
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement : 2019 -100%, 2018 - 90%)	308.72	364.25	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement : 2019- 100%, 2018 - 90%)	301.84	362.86	N/A	N/A

* Implementation date for regulatory reporting is with effect from 01.01.2019.

Basel III Computation of Capital Ratios

Item	Bank		Group	
	Amount (LKR ' 000)		Amount (LKR ' 000)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Common Equity Tier 1 (CET1) Capital after Adjustments	30,308,340	25,247,387	32,622,318	27,056,245
Total Common Equity Tier 1 (CET1) Capital	35,003,719	30,171,353	35,935,918	31,171,160
Equity Capital (Stated capital) /Assigned capital	9,400,000	6,700,000	9,400,000	6,700,000
Reserve fund	3,227,960	3,002,952	3,227,960	3,002,952
Published Retained Earnings/(Accumulated Retained Losses)	(6,441)	(3,122,124)	570,018	(2,545,305)
Published Accumulated other comprehensive income (OCI)	(114,210)	796,800	(252,431)	726,710
General and other disclosed reserves	23,091,885	23,091,885	23,585,844	23,585,036
Unpublished current year's profit/(losses) and gains reflected in OCI	(595,474)	(298,160)	(595,474)	(298,232)
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to CET1 Capital	4,695,381	4,923,966	3,313,600	4,114,915
Goodwill (net)	-	-	-	-
Intangible assets (net)	599,975	492,701	600,222	493,027
Revaluation losses of property, plant and equipment	19,183	19,183	19,183	19,183
Deferred tax assets (net)	-	-	-	-
Cash flow hedge reserve	-	109,902	-	109,902
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	2,693,136	3,498,173	2,694,194	3,492,803
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	1,383,086	804,007	-	-
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	6,194,734	6,987,508	6,024,752	6,979,193
Total Tier 2 Capital	8,602,414	9,598,963	8,602,414	9,598,963
Qualifying Tier 2 Capital Instruments	3,300,000	4,500,000	3,300,000	4,500,000
Revaluation gains	3,565,866	3,565,866	3,565,866	3,565,866
Loan Loss Provisions	1,736,548	1,533,098	1,736,548	1,533,098
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	2,407,680	2,611,455	2,577,662	2,619,771
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	2,407,680	2,611,455	2,577,662	2,619,771
CET 1 Capital	30,308,340	25,247,387	32,622,318	27,056,245
Total Tier 1 Capital	30,308,340	25,247,387	32,622,318	27,056,245
Total Capital	36,503,074	32,234,895	38,647,070	34,035,438
Total Risk Weighted Assets(RWA)	236,510,194	231,061,455	239,156,493	233,325,027
RWAs for Credit Risk	196,364,280	178,382,979	195,926,607	178,675,467
RWAs for Market Risk	10,859,350	20,588,222	13,604,493	22,241,368
RWAs for Operational Risk	29,286,564	32,090,254	29,625,393	32,408,193
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs(%))	12.815	10.93	13.641	11.60
of which :Capital Consvration Buffer(%)	1.875	1.25	1.875	1.25
of which: Countercyclical Buffer(%)	0.000	-	0.000	-
of which:Capital Surcharge on D-SIBs(%)	1.000	0.50	1.000	0.50
Total Tier I Capital Ratio(%)	12.815	10.93	13.641	11.60
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	15.434	13.95	16.160	14.59
of which :Capital Consvration Buffer(%)	1.875	1.25	1.875	1.25
of which: Countercyclical Buffer(%)	0.000	-	0.000	-
of which:Capital Surcharge on D-SIBs(%)	1.000	0.50	1.000	0.50

Computation of Leverage Ratio

Item	Amount (LKR'000) as at 31.03.2019	
	Bank	Group
Tier I Capital	30,308,340	32,622,318
Total Exposures	649,949,177	676,140,348
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	557,731,942	571,682,002
Derivative Exposures	454,442	454,442
Securities Financing Transaction Exposures	89,875,092	102,116,202
Other Off-Balance Sheet Exposures	1,887,701	1,887,701
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	4.66	4.82

* Implementation date for regulatory reporting is with effect from 01.01.2019.

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	31.03.2019		31.03.2018	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	432,034,316	430,067,136	436,060,698	432,552,510
Total Adjusted Level 1A Assets	434,310,102	434,332,265	435,136,485	435,154,392
Level 1 Assets	427,609,956	427,609,956	428,694,322	428,694,322
Total Adjusted Level 2A Assets	700,000	595,000	500,000	425,000
Level 2A Assets	700,000	595,000	500,000	425,000
Total Adjusted Level 2B Assets	3,724,360	1,862,180	6,866,376	3,433,188
Level 2B Assets	3,724,360	1,862,180	6,866,376	3,433,188
Total Cash Outflows	915,024,741	150,561,597	829,302,807	126,725,981
Deposits	707,375,846	70,737,585	630,024,889	63,002,489
Unsecured Wholesale Funding	139,703,612	72,256,652	121,901,232	58,776,675
Secured Funding Transactions	56,459,239	-	55,315,888	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	4,145,602	240,438	18,787,944	1,689,411
Additional Requirements	7,340,442	7,340,442	3,272,854	3,272,854
Total Cash Inflows	16,034,457	8,079,883	15,778,097	7,518,166
Maturing Secured Lending Transactions Backed by Collateral	4,912,921	2,361,071	5,885,280	1,896,680
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	8,169,745	5,718,812	7,590,441	5,621,486
Operational Deposits	2,951,791	-	2,302,375	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		301.84		362.86

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)	3,300,000
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 31.03.2019					
	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	540,907,540	47,273,514	538,354,073	945,470	25,891	0.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	135,212,241	672,782	7,557,491	-	1,557,491	20.6
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	58,499,613	-	58,499,613	-	24,305,008	41.5
Claims on Financial Institutions	12,364,106	186,386	12,364,106	93,193	6,191,333	49.7
Claims on Corporates	10,908,338	-	10,908,338	-	3,661,396	33.6
Retail Claims	190,975,400	2,170,262	163,082,743	133,380	99,268,976	60.8
Claims Secured by Residential Property	66,687,791	801,015	66,687,791	400,508	33,784,654	50.4
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) ⁽ⁱ⁾	5,336,544	-	5,336,544	-	6,499,708	121.8
Higher Risk Categories	316,914	-	316,914	-	792,286	250.0
Cash Items and Other Assets	21,129,665	315,149	21,129,665	315,149	20,277,539	94.6
Total	1,042,338,148	51,419,109	884,237,277	1,887,701	196,364,280	22.2

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 31.03.2019					
	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	544,489,010	47,273,514	542,309,971	945,470	25,891	0.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	135,212,241	672,782	7,557,491	-	1,557,491	20.6
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	58,554,157	-	58,554,157	-	24,351,825	41.6
Claims on Financial Institutions	12,462,081	186,386	12,462,081	93,193	6,210,901	49.5
Claims on Corporates	11,036,956	-	11,036,956	-	3,687,920	33.4
Retail Claims	190,975,400	2,170,262	163,082,743	133,380	99,268,976	60.8
Claims Secured by Residential Property	66,687,791	801,015	66,687,791	400,508	33,784,654	50.4
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) ⁽ⁱ⁾	5,336,544	-	5,336,544	-	6,499,708	121.8
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	21,391,379	315,149	21,391,379	315,149	20,539,243	94.6
Total	1,046,145,556	51,419,109	888,419,113	1,887,701	195,926,607	22.0

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 31.03.2019
(a)RWA for Interest Rate Risk	6,323,479
General Interest Rate Risk	6,323,479
(i)Net Long or Short Position	6,323,479
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,267,224
(i)General Equity Risk	1,734,654
(ii)Specific Equity Risk	1,532,569
(c)RWA for Foreign Exchange & Gold	1,268,643
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,520,308

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 31.03.2019
(a)RWA for Interest Rate Risk	9,070,443
General Interest Rate Risk	9,070,443
(i)Net Long or Short Position	9,070,443
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,265,408
(i)General Equity Risk	1,733,596
(ii)Specific Equity Risk	1,531,812
(c)RWA for Foreign Exchange & Gold	1,268,643
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,904,629

Operational Risk under Basic Indicator Approach-Bank

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 31.03.2018			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,831,854	29,084,932	26,085,603	
Capital Charge	-	-	-	-	4,100,119
Risk Weighted Amount for Operational Risk	-	-	-	-	29,286,564

Operational Risk under Basic Indicator Approach-Group

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 31.03.2018			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,972,788	29,634,277	26,344,024	
Capital Charge	-	-	-	-	4,147,554
Risk Weighted Amount for Operational Risk	-	-	-	-	29,625,393

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

Item	Amount (LKR'000) as at 31.03.2019				
	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	1,068,913,686	1,066,222,699	882,500,727	18,537,222	165,184,750
Cash and cash equivalents	6,083,271	8,635,503	6,059,873	22,163	2,553,467
Balances with Central Bank	-	-	-	-	-
Placements with banks	22,635,231	22,340,736	22,340,736	-	-
Derivative financial instruments	-	-	-	-	-
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	16,059,835	21,208,195	-	18,515,059	2,693,136
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Loans and Advances	-	-	-	-	-
Loans and receivables to banks	31,134,156	29,036,493	29,036,493	-	-
Loans and receivables to other customers	412,408,550	415,079,050	259,531,643	-	155,547,406
Debt and other instruments/Financial Investments Held to Maturity	523,709,738	512,475,679	510,068,000	-	2,407,680
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	5,916,744	-	-	-	-
Investments in subsidiaries	1,700,000	1,700,000	316,914	-	1,383,086
Investments in associates and joint ventures	-	-	-	-	-
Property, Plant and Equipment	14,361,217	12,883,509	12,883,509	-	-
Investment properties	-	-	-	-	-
Intangible assets	-	599,975	-	-	599,975
Deferred tax assets	-	-	-	-	-
Other assets	34,904,939	42,263,559	42,263,559	-	-
Liabilities	1,024,652,090	1,017,398,181	-	-	-
Due to banks	74,852,357	74,713,116	-	-	-
Derivative financial instruments	3,385,493	-	-	-	-
Financial liabilities recognized through profit	-	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-	-
- Due to depositors	861,997,436	835,437,850	-	-	-
- due to debt securities holders	-	-	-	-	-
- due to other borrowers	22,459,940	21,790,842	-	-	-
Debt securities issued	44,137,104	44,006,440	-	-	-
Retirement benefit obligations	3,830,795	-	-	-	-
Current tax liabilities	-	-	-	-	-
Deferred tax liabilities	588,010	588,010	-	-	-
Other Provisions	-	-	-	-	-
Other liabilities	7,201,715	34,861,424	-	-	-
Due to Subsidiaries	500	500	-	-	-
Subordinated Term Debt	6,198,740	6,000,000	-	-	-
Off Balance Sheet Liabilities	4,445,655	51,408,792	1,887,701	-	-
Guarantees	1,899,873	1,899,873	-	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	270,389	270,389	133,380	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	1,618,430	1,660,191	493,701	-	-
Other Commitments	656,963	47,578,338	1,260,619	-	-
Shareholders' Equity	9,400,000	9,400,000	-	-	-
Equity Capital(Stated Capital)/Assigned Capital	-	-	-	-	-
of which Amount Eligible for CET 1	9,400,000	9,400,000	-	-	-
of which Amount Eligible for AT 1	-	-	-	-	-
Retained Earnings	5,624,077	-	-	-	-
Accumulated Other Comprehensive Income	(5,016)	-	-	-	-
Other Reserves	29,242,534	39,424,517	-	-	-
Total Shareholders' Equity	44,261,596	48,824,517	-	-	-