



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th June 2019

(Un-audited)

National Savings Bank

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Regulatory Capital(LKR '000)				
Common Equity Tier 1	30,174,747	25,035,895	32,489,465	26,851,897
Tier 1 Capital	30,174,747	25,035,895	32,489,465	26,851,897
Total Capital	36,260,436	31,762,224	38,405,577	33,570,093
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 2019 - 8.5% , 2018 - 7.375%)	12.647	10.370	13.530	11.025
Tier 1 Capital Ratio(Minimum Requirement : 2019-10%, 2018 - 8.875%)	12.647	10.370	13.530	11.025
Total Capital Ratio (Minimum Requirement : 2019- 14%, 2018 - 12.875%)	15.197	13.156	15.994	13.783
Leverage Ratio(Minimum Requirement : 3%) *	4.84	-	5.04	-
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	451,647,990	536,065,003	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)				
Domestic Banking Unit (%)	55.27	71.66	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement : 2019 -100%, 2018 - 90%)	307.65	374.67	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement : 2019- 100%, 2018 - 90%)	306.11	381.93	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)	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Common Equity Tier 1 (CET1) Capital after Adjustments	30,174,747	25,035,895	32,489,465	26,851,897
Total Common Equity Tier 1 (CET1) Capital	34,578,706	29,729,041	35,510,832	30,734,009
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)	(3,789,131)	570,018	(3,212,312)
Published Accumulated other comprehensive income (OCI)	(114,210)	723,335	(252,431)	658,333
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Unpublished current year's profit/(losses) and gains reflected in OCI	(1,020,488)	-	(1,020,560)	-
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to CET1 Capital	4,403,959	4,693,146	3,021,367	3,882,112
Goodwill (net)	-	-	-	-
Intangible assets (net)	574,568	543,986	574,794	544,293
Revaluation losses of property, plant and equipment	19,183	19,183	19,183	19,183
Deferred tax assets (net)	-	-	124	-
Cash flow hedge reserve	-	51,350	-	51,350
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	2,425,800	3,272,526	2,427,265	3,267,286
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	1,384,408	806,101	-	-
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	6,085,689	6,726,329	5,916,113	6,718,196
Total Tier 2 Capital	8,327,907	9,334,950	8,327,907	9,334,950
Qualifying Tier 2 Capital Instruments	3,000,000	4,200,000	3,000,000	4,200,000
Revaluation gains	3,565,866	3,565,866	3,565,866	3,565,866
Loan Loss Provisions	1,762,041	1,569,084	1,762,041	1,569,084
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	2,242,218	2,608,621	2,411,795	2,616,754
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	2,242,218	2,608,621	2,411,795	2,616,754
CET 1 Capital	30,174,747	25,035,895	32,489,465	26,851,897
Total Tier 1 Capital	30,174,747	25,035,895	32,489,465	26,851,897
Total Capital	36,260,436	31,762,224	38,405,577	33,570,093
Total Risk Weighted Assets(RWA)	238,600,808	241,431,106	240,124,053	243,559,388
RWAs for Credit Risk	201,725,452	186,779,588	201,340,639	187,070,332
RWAs for Market Risk	7,378,721	22,625,817	8,887,714	24,137,328
RWAs for Operational Risk	29,496,636	32,025,701	29,895,700	32,351,728
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	12.647	10.370	13.530	11.025
of which :Capital Conservation Buffer(%)	2.500	1.875	2.500	1.875
of which: Countercyclical Buffer(%)	0.000	0.000	0.000	0.000
of which:Capital Surcharge on D-SIBs(%)	1.500	1.000	1.500	1.000
Total Tier I Capital Ratio(%)	12.647	10.370	13.530	11.025
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	15.197	13.156	15.994	13.783
of which :Capital Conservation Buffer(%)	2.500	1.875	2.500	1.875
of which: Countercyclical Buffer(%)	0.000	0.000	0.000	0.000
of which:Capital Surcharge on D-SIBs(%)	1.500	1.000	1.500	1.000

Computation of Leverage Ratio

Item	Amount (LKR'000) as at 30.06.2019	
	Bank	Group
Tier I Capital	30,174,747	32,489,464
Total Exposures	623,222,682	644,795,081
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	553,396,409	564,798,335
Derivative Exposures	454,442	454,442
Securities Financing Transaction Exposures	67,360,774	77,531,246
Other Off-Balance Sheet Exposures	2,011,058	2,011,058
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	4.84%	5.04%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.06.2019		30.06.2018	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	484,079,948	482,264,332	441,707,791	438,713,242
Total Adjusted Level 1A Assets	485,801,444	485,826,581	442,776,165	442,796,994
Level 1 Assets	427,609,956	427,609,956	435,368,694	435,368,694
Total Adjusted Level 2A Assets	700,000	595,000	500,000	425,000
Level 2A Assets	200,000	170,000	500,000	425,000
Total Adjusted Level 2B Assets	3,724,360	1,862,180	5,839,097	2,919,549
Level 2B Assets	3,571,233	1,785,616	5,839,097	2,919,549
Total Cash Outflows	938,445,368	171,892,930	849,783,366	133,785,492
Deposits	726,516,081	72,651,608	650,055,457	65,005,546
Unsecured Wholesale Funding	165,929,153	95,152,116	131,585,439	64,811,451
Secured Funding Transactions	37,656,373	-	57,888,811	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	4,504,354	251,030	6,807,459	536,942
Additional Requirements	3,839,407	3,839,407	3,446,200	3,446,200
Total Cash Inflows	25,881,886	14,348,024	28,419,689	18,918,911
Maturing Secured Lending Transactions Backed by Collateral	6,388,767	3,565,266	3,672,017	2,243,917
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	15,152,228	10,782,758	21,821,988	16,674,993
Operational Deposits	4,340,891	-	2,925,683	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		306.11		381.93

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)	3,000,000
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 30.06.2019					
	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	565,450,494	47,282,264	562,623,200	945,645	79,953	0.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	137,562,282	863,563	9,637,624	-	3,569,979	37.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	55,951,259	-	55,951,259	-	20,547,025	36.7
Claims on Financial Institutions	11,873,740	186,386	11,873,740	93,193	5,950,377	49.7
Claims on Corporates	10,795,859	-	10,795,859	-	4,726,125	43.8
Retail Claims	197,303,470	2,192,851	168,978,782	137,093	103,342,682	61.1
Claims Secured by Residential Property	67,493,828	708,477	67,493,828	354,238	34,327,983	50.6
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) ⁽ⁱ⁾	6,298,706	-	6,298,706	-	7,750,792	123.1
Higher Risk Categories	315,592	-	315,592	-	788,979	250.0
Cash Items and Other Assets	21,297,041	480,886	21,297,041	480,886	20,641,559	94.8
Total	1,074,342,268	51,714,428	915,265,631	2,011,058	201,725,452	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.

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

Item	Amount (LKR '000) as at 30.06.2019					
	Exposures before Credit		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	570,127,330	47,282,264	566,526,068	945,645	79,953	0.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	137,562,282	863,563	9,637,624	-	3,569,979	37.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	56,010,908	-	56,010,908	-	20,594,072	36.8
Claims on Financial Institutions	11,969,345	186,386	11,969,345	93,193	5,969,456	49.5
Claims on Corporates	10,928,449	-	10,928,449	-	4,792,920	43.9
Retail Claims	197,303,470	2,192,851	168,978,782	137,093	103,342,682	61.1
Claims Secured by Residential Property	67,493,828	708,477	67,493,828	354,238	34,327,983	50.6
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) ⁽ⁱ⁾	6,298,706	-	6,298,706	-	7,750,792	123.1
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	21,568,298	480,886	21,568,298	480,886	20,912,805	94.8
Total	1,079,262,614	51,714,428	919,412,008	2,011,058	201,340,639	21.9

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 30.06.2019
(a)RWA for Interest Rate Risk	3,083,973
General Interest Rate Risk	3,083,973
(i)Net Long or Short Position	3,083,973
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,192,151
(i)General Equity Risk	1,693,146
(ii)Specific Equity Risk	1,499,006
(c)RWA for Foreign Exchange & Gold	1,102,601
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,033,022

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.06.2019
(a)RWA for Interest Rate Risk	4,595,324
General Interest Rate Risk	4,595,324
(i)Net Long or Short Position	4,595,324
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,189,795
(i)General Equity Risk	1,691,773
(ii)Specific Equity Risk	1,498,022
(c)RWA for Foreign Exchange & Gold	1,102,601
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,244,281

Operational Risk under Basic Indicator Approach-Bank

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.06.2019			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,587,421	29,331,793	26,671,377	
Capital Charge	-	-	-	-	4,129,530
Risk Weighted Amount for Operational Risk	-	-	-	-	29,496,636

Operational Risk under Basic Indicator Approach-Group

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 30.06.2019			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,908,311	29,676,403	27,123,237	
Capital Charge	-	-	-	-	4,185,398
Risk Weighted Amount for Operational Risk	-	-	-	-	29,895,700

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

Item	Amount (LKR'000) as at 30.06.2019				
	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	1,091,879,018	1,089,198,240	913,656,944	9,837,663	165,703,633
Cash and cash equivalents	5,202,362	8,024,630	5,172,199	25,137	2,827,294
Balances with Central Bank	-	-	-	-	-
Placements with banks	23,663,939	22,966,360	22,966,360	-	-
Derivative financial instruments	-	-	-	-	-
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	9,232,968	12,238,326	-	9,812,526	2,425,800
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Loans and Advances	-	-	-	-	-
Loans and receivables to banks	28,259,436	26,473,553	26,473,553	-	-
Loans and receivables to other customers	419,550,616	421,896,774	265,647,428	-	156,249,345
Debt and other instruments/Financial Investments Held to Maturity	550,919,134	535,500,814	533,258,596	-	2,242,218
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	3,665,227	-	-	-	-
Investments in subsidiaries	1,700,000	1,700,000	315,592	-	1,384,408
Investments in associates and joint ventures	-	-	-	-	-
Property, Plant and Equipment	13,768,565	13,193,997	13,193,997	-	-
Investment properties	-	-	-	-	-
Intangible assets	-	574,568	-	-	574,568
Deferred tax assets	-	-	-	-	-
Other assets	35,916,771	46,629,218	46,629,218	-	-
Liabilities	1,046,905,620	1,039,566,460	-	-	-
Due to banks	50,515,543	49,889,581	-	-	-
Derivative financial instruments	3,286,737	-	-	-	-
Financial liabilities recognized through profit	-	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-	-
- Due to depositors	907,821,268	880,989,258	-	-	-
- due to debt securities holders	44,807,923	44,113,024	-	-	-
- due to other borrowers	23,190,724	22,810,929	-	-	-
Retirement benefit obligations	3,830,795	-	-	-	-
Current tax liabilities	-	-	-	-	-
Deferred tax liabilities	599,833	599,833	-	-	-
Other Provisions	-	-	-	-	-
Other liabilities	6,458,841	35,163,085	-	-	-
Due to Subsidiaries	750	750	-	-	-
Subordinated Term Debt	6,393,205	6,000,000	-	-	-
Off Balance Sheet Liabilities	4,432,164	51,714,428	2,011,058	-	-
Guarantees	1,903,896	1,903,896	-	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	288,955	288,955	137,093	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	1,758,427	1,758,427	447,432	-	-
Other Commitments	480,886	47,763,151	1,426,532	-	-
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	6,655,516	-	-	-	-
Accumulated Other Comprehensive Income	(375,373)	-	-	-	-
Other Reserves	29,293,255	40,231,780	-	-	-
Total Shareholders' Equity	44,973,398	49,631,780	-	-	-