



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th September 2019

(Un-audited)

National Savings Bank

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Regulatory Capital(LKR '000)				
Common Equity Tier 1	30,211,765	23,997,614	32,529,625	25,778,437
Tier 1 Capital	30,211,765	23,997,614	32,529,625	25,778,437
Total Capital	36,555,470	30,460,227	38,800,295	32,167,074
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 2019 - 8.5% , 2018 - 7.375%)	12.859	10.865	13.686	11.458
Tier 1 Capital Ratio(Minimum Requirement : 2019-10%, 2018 - 8.875%)	12.859	10.865	13.686	11.458
Total Capital Ratio (Minimum Requirement : 2019- 14%, 2018 - 12.875%)	15.559	13.791	16.324	14.298
Leverage Ratio(Minimum Requirement : 3%) *	5.15	N/A	5.28	N/A
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	533,232,328	463,807,032	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)				
Domestic Banking Unit (%)	59.76	60.72	N/A	N/A
Off-Shore Banking Unit (%)	N/A	N/A	N/A	N/A
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement : 2019 -100%, 2018 - 90%)	274.61	334.61	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement : 2019- 100%, 2018 - 90%)	267.42	332.31	N/A	N/A
Net Stable Funding Ratio (Minimum equirement - 100%) *	170.94	N/A	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)	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Common Equity Tier 1 (CET1) Capital after Adjustments	30,211,765	23,997,614	32,529,625	25,778,437
Total Common Equity Tier 1 (CET1) Capital	34,918,107	28,597,398	35,850,198	29,558,989
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)	(4,024,216)	570,018	(3,448,112)
Published Accumulated other comprehensive income (OCI)	(114,210)	(173,223)	(252,431)	(280,887)
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Unpublished current year's profit/(losses) and gains reflected in OCI	(681,086)	-	(681,193)	-
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to CET1 Capital	4,706,343	4,599,784	3,320,572	3,780,552
Goodwill (net)	-	-	-	-
Intangible assets (net)	608,050	547,022	608,257	547,309
Revaluation losses of property, plant and equipment	19,183	19,183	19,183	19,183
Deferred tax assets (net)	-	-	193	90
Cash flow hedge reserve	-	-	-	-
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	2,695,068	3,217,198	2,692,940	3,213,970
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	1,384,042	816,381	-	-
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	6,343,705	6,462,613	6,270,670	6,388,637
Total Tier 2 Capital	8,113,253	9,074,764	8,113,390	9,074,764
Qualifying Tier 2 Capital Instruments	2,700,000	3,900,000	2,700,000	3,900,000
Revaluation gains	3,565,866	3,565,866	3,565,866	3,565,866
Loan Loss Provisions	1,847,387	1,608,898	1,847,524	1,608,898
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	1,769,548	2,612,151	1,842,720	2,686,127
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	1,769,548	2,612,151	1,842,720	2,686,127
CET 1 Capital	30,211,765	23,997,614	32,529,625	25,778,437
Total Tier 1 Capital	30,211,765	23,997,614	32,529,625	25,778,437
Total Capital	36,555,470	30,460,227	38,800,295	32,167,074
Total Risk Weighted Assets(RWA)	234,941,339	220,871,667	237,688,669	224,979,076
RWAs for Credit Risk	198,169,325	177,639,007	197,670,626	177,982,664
RWAs for Market Risk	6,957,693	10,835,666	9,811,093	14,293,732
RWAs for Operational Risk	29,814,321	32,396,994	30,206,950	32,702,680
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs(%))	12.859	10.865	13.686	11.458
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(%)	12.859	10.865	13.686	11.458
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	15.559	13.791	16.324	14.298
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 30.09.2019	
	Bank	Group
Tier I Capital	30,211,765	32,529,625
Total Exposures	586,328,586	616,588,764
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	525,973,718	541,850,224
Derivative Exposures	14,881	14,881
Securities Financing Transaction Exposures	57,986,419	72,370,092
Other Off-Balance Sheet Exposures	2,353,567	2,353,567
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	5.15%	5.28%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.09.2019		30.09.2018	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	518,676,964	516,664,410	410,984,400	408,242,779
Total Adjusted Level 1A Assets	518,629,485	518,629,485	415,055,327	415,079,200
Level 1 Assets	514,161,856	514,161,856	405,011,158	405,011,158
Total Adjusted Level 2A Assets	700,000	595,000	700,000	595,000
Level 2A Assets	700,000	595,000	700,000	595,000
Total Adjusted Level 2B Assets	3,815,108	1,907,554	5,273,242	2,636,621
Level 2B Assets	3,815,108	1,907,554	5,273,242	2,636,621
Total Cash Outflows	1,003,442,564	199,632,038	875,395,743	129,673,354
Deposits	752,967,197	75,296,720	666,575,625	66,657,563
Unsecured Wholesale Funding	200,947,346	115,722,584	116,512,213	58,312,964
Secured Funding Transactions	34,781,313	-	82,391,774	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	7,243,621	1,110,588	5,592,270	397,148
Additional Requirements	7,503,088	7,503,088	4,323,861	4,323,861
Total Cash Inflows	13,942,773	6,427,332	17,121,206	6,823,736
Maturing Secured Lending Transactions Backed by Collateral	4,306,121	2,702,350	8,525,817	2,414,737
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	5,400,274	3,724,982	6,082,454	4,408,999
Operational Deposits	4,236,378	-	2,512,935	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		267.42		332.31

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)	2,700,000
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 30.09.2019					
	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	596,863,120	0	595,258,428	-	81,686	0.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	133,466,916	1,074,042	9,501,939	-	3,435,962	36.2
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	39,391,652	2,000,000	39,391,652	1,000,000	15,517,628	38.4
Claims on Financial Institutions	10,628,766	186,386	10,628,766	93,193	5,205,599	48.6
Claims on Corporates	9,858,284	286,046	9,858,284	143,023	3,926,199	39.3
Retail Claims	205,470,212	2,215,208	175,706,533	135,937	106,107,073	60.3
Claims Secured by Residential Property	68,806,696	1,001,053	68,806,696	500,526	34,886,569	50.3
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	6,843,088	-	6,843,088	-	7,014,996	102.5
Higher Risk Categories	315,958	-	315,958	-	789,895	250.0
Cash Items and Other Assets	21,992,595	480,886	21,992,595	480,886	21,203,722	94.3
Total	1,093,637,285	7,243,621	938,303,940	2,353,565	198,169,325	21.1

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 30.09.2019					
	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	600,821,832	0	599,197,164	-	81,686	0.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	133,466,916	1,074,042	9,501,939	-	3,435,962	36.2
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	39,422,975	2,000,000	39,422,975	1,000,000	15,524,916	38.4
Claims on Financial Institutions	10,632,504	186,386	10,632,504	93,193	5,206,402	48.5
Claims on Corporates	9,863,002	286,046	9,863,002	143,023	3,929,557	39.3
Retail Claims	205,470,212	2,215,208	175,706,533	135,937	106,107,073	60.3
Claims Secured by Residential Property	68,806,696	1,001,053	68,806,696	500,526	34,886,569	50.3
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	6,843,088	-	6,843,088	-	7,014,996	102.5
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	22,272,352	480,886	22,272,352	480,886	21,483,470	94.4
Total	1,097,599,575	7,243,621	942,246,254	2,353,565	197,670,626	20.9

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 30.09.2019
(a)RWA for Interest Rate Risk	1,746,778
General Interest Rate Risk	1,746,778
(i)Net Long or Short Position	1,746,778
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,543,762
(i)General Equity Risk	1,881,694
(ii)Specific Equity Risk	1,662,068
(c)RWA for Foreign Exchange & Gold	1,667,152
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	974,077

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.09.2019
(a)RWA for Interest Rate Risk	4,596,734
General Interest Rate Risk	4,596,734
(i)Net Long or Short Position	4,596,734
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,547,207
(i)General Equity Risk	1,883,701
(ii)Specific Equity Risk	1,663,505
(c)RWA for Foreign Exchange & Gold	1,667,152
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,373,553

Operational Risk under Basic Indicator Approach-Bank

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.09.2019			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,364,274	30,076,244	27,039,583	
Capital Charge	-	-	-	-	4,174,005
Risk Weighted Amount for Operational Risk	-	-	-	-	29,814,321

Operational Risk under Basic Indicator Approach-Group

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 30.09.2019			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,628,995	30,303,645	27,646,810	
Capital Charge	-	-	-	-	4,228,973
Risk Weighted Amount for Operational Risk	-	-	-	-	30,206,950

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

Item	Amount (LKR'000) as at 30.09.2019				
	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	1,104,276,875	1,104,843,448	937,525,467	5,527,926	161,790,056
Cash and cash equivalents	5,234,480	6,831,768	5,206,101	20,975	1,604,692
Balances with Central Bank	-	-	-	-	-
Placements with banks	14,288,950	14,028,454	14,028,454	-	-
Derivative financial instruments	629	-	-	-	-
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	5,510,035	8,202,019	-	5,506,951	2,695,068
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Loans and Advances	-	-	-	-	-
Loans and receivables to banks	20,941,904	19,751,230	19,751,230	-	-
Loans and receivables to other customers	423,226,935	426,487,977	272,759,321	-	153,728,655
Debt and other instruments/Financial Investments Held to Maturity	579,593,138	567,333,252	565,563,704	-	1,769,548
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	3,122,359	-	-	-	-
Investments in subsidiaries	1,700,000	1,700,000	315,958	-	1,384,042
Investments in associates and joint ventures	-	-	-	-	-
Property, Plant and Equipment	13,890,050	13,282,000	13,282,000	-	-
Investment properties	-	-	-	-	-
Intangible assets	-	608,050	-	-	608,050
Deferred tax assets	-	-	-	-	-
Other assets	36,768,397	46,618,699	46,618,699	-	-
Liabilities	1,057,653,717	1,054,152,043	-	-	-
Due to banks	43,236,681	42,824,491	-	-	-
Derivative financial instruments	-	-	-	-	-
Financial liabilities recognized through profit	-	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-	-
- Due to depositors	953,351,130	923,112,725	-	-	-
- due to debt securities holders	-	-	-	-	-
- due to other borrowers	22,955,627	22,629,577	-	-	-
Debt securities issued	20,000,000	20,000,000	-	-	-
Retirement benefit obligations	3,330,795	-	-	-	-
Current tax liabilities	-	-	-	-	-
Deferred tax liabilities	611,950	611,950	-	-	-
Other Provisions	-	-	-	-	-
Other liabilities	7,839,361	38,972,800	-	-	-
Due to Subsidiaries	500	500	-	-	-
Subordinated Term Debt	6,327,672	6,000,000	-	-	-
Off Balance Sheet Liabilities	9,054,229	7,243,621	2,353,565	-	-
Guarantees	1,932,033	1,932,033	-	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	283,175	283,175	135,937	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	4,304,165	4,547,527	1,736,743	-	-
Other Commitments	2,534,856	480,886	480,886	-	-
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	7,903,976	-	-	-	-
Accumulated Other Comprehensive Income	(38,445)	-	-	-	-
Other Reserves	29,357,630	41,291,405	-	-	-
Total Shareholders' Equity	46,623,158	50,691,405	-	-	-