



Basel III - Minimum Disclosure Requirements under Pillar III

As at 31st March 2020

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Regulatory Capital(LKR '000)				
Common Equity Tier 1	29,665,458	30,308,340	34,158,003	32,622,318
Tier 1 Capital	29,665,458	30,308,340	34,158,003	32,622,318
Total Capital	35,461,771	36,503,074	40,014,151	38,647,070
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(<i>Minimum Requirement : 2020 - 6.5% , 2019 - 7.0%</i>)	11.373	12.815	13.136	13.641
Tier 1 Capital Ratio (<i>Minimum Requirement : 2020-8.0%, 2019 - 8.5%)</i>	11.373	12.815	13.136	13.641
Total Capital Ratio (<i>Minimum Requirement : 2020- 12.0%, 2019 - 12.5%</i>)	13.595	15.434	15.388	16.160
Leverage Ratio(<i>Minimum Requirement : 3%</i>)	4.87%	4.66%	5.34%	4.82%
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	627,457,050	451,647,990	N/A	N/A
Statutory Liquid Assets Ratio(<i> Minimum Requirement - 20%</i>)				
Domestic Banking Unit (%)	62.21	55.27	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (<i>Minimum Requirement : 100%</i>)	283	308.72	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (<i>Minimum Requirement : 100%</i>)	277.44	301.84	N/A	N/A
NSFR (%)-(<i>Minimum Requirement : 100%</i>)	178	142	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Common Equity Tier 1 (CET1) Capital after Adjustments	29,665,458	30,308,340	34,158,003	32,622,318
Total Common Equity Tier 1 (CET1) Capital	33,571,809	35,003,720	36,755,274	35,935,917
Equity Capital (Stated capital) /Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000
Reserve fund	3,562,872	3,227,960	3,571,214	3,227,960
Published Retained Earnings/(Accumulated Retained Losses)	(2,482,948)	(6,441)	237,059	570,018
Published Accumulated other comprehensive income (OCI)	(0)	(114,210)	(38,843)	(252,431)
General and other disclosed reserves	23,091,885	23,091,885	23,585,844	23,585,844
Unpublished current year's profit/(losses) and gains reflected in OCI	-	(595,474)	-	(595,474)
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to CET1 Capital	3,906,351	4,695,381	2,597,271	3,313,599
Goodwill (net)	-	-	-	-
Intangible assets (net)	541,701	599,975	541,867	600,222
Revaluation losses of property, plant and equipment	19,183	19,183	19,183	19,183
Deferred tax assets (net)	-	-	226	-
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	1,956,016	2,693,136	2,035,995	2,694,194
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	1,389,451	1,383,086	-	-
Additional Tier 1 (AT1) Capital after Adjustments	-	-	-	-
Total Additional Tier 1 (ATI) 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	5,796,314	6,194,734	5,856,148	6,024,752
Total Tier 2 Capital	7,545,914	8,602,414	7,671,372	8,602,414

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Qualifying Tier 2 Capital Instruments	2,100,000	3,300,000	2,100,000	3,300,000
Revaluation gains	3,565,866	3,565,866	3,565,866	3,565,866
Loan Loss Provisions	1,880,048	1,736,548	2,005,506	1,736,548
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	1,749,600	2,407,680	1,815,224	2,577,662
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	1,749,600	2,407,680	1,815,224	2,577,662
CET 1 Capital	29,665,458	30,308,340	34,158,003	32,622,318
Total Tier 1 Capital	29,665,458	30,308,340	34,158,003	32,622,318
Total Capital	35,461,772	36,503,074	40,014,151	38,647,070
Total Risk Weighted Assets(RWA)	260,847,458	236,510,194	260,035,685	239,156,493
RWAs for Credit Risk	217,079,832	196,364,280	212,740,502	195,926,607
RWAs for Market Risk	7,331,967	10,859,350	9,941,142	13,604,493
RWAs for Operational Risk	36,435,658	29,286,564	37,354,042	29,625,393
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	11.373	12.815	13.136	13.641
of which :Capital Consvration Buffer(%)	2.500	1.875	2.500	1.875
of which: Countercyclical Buffer(%)	0.000	-	0.000	-
of which:Capital Surcharge on D-SIBs(%)	0.000	1.000	0.000	1.000
Total Tier I Capital Ratio(%)	11.373	12.815	13.136	13.641
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	13.595	15.434	15.388	16.160
of which :Capital Consvration Buffer(%)	2.000	1.875	2.000	1.875
of which: Countercyclical Buffer(%)	0.000	-	0.000	-
of which:Capital Surcharge on D-SIBs(%)	0.000	1.000	0.000	1.000

Computation of Leverage Ratio

(LKR '000)

Item	Bank		Group	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Tier I Capital	29,665,458	30,308,340	34,158,003	32,622,318
Total Exposures	609,047,634	649,949,176	640,216,668	676,140,348
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	552,890,654	557,731,942	572,069,705	571,682,002
Derivative Exposures	62,902	454,442	62,902	454,442
Securities Financing Transaction Exposures	50,823,691	89,875,092	62,813,674	102,116,203
Other Off-Balance Sheet Exposures	5,270,387	1,887,700	5,270,387	1,887,700
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	4.87%	4.66%	5.34%	4.82%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	31.03.2020		31.03.2019	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	615,969,011	614,473,761	432,034,316	430,067,136
Total Adjusted Level 1A Assets	614,788,509	614,788,509	434,310,102	434,332,265
Level 1 Assets	612,978,511	612,978,511	427,609,956	427,609,956
Total Adjusted Level 2A Assets	-	-	700,000	595,000
Level 2A Assets	-	-	-	595,000
Total Adjusted Level 2B Assets	2,990,500	1,495,250	3,724,360	1,862,180
Level 2B Assets	2,990,500	1,495,250	3,724,360	1,862,180
Total Cash Outflows	1,097,972,675	231,170,805	915,024,741	150,561,597
Deposits	812,935,087	81,293,509	707,375,846	70,737,585
Unsecured Wholesale Funding	245,614,395	139,137,591	139,703,612	72,256,652
Secured Funding Transactions	20,575,332	-	56,459,239	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	9,434,549	1,327,001	4,145,602	240,438
Additional Requirements	9,413,311	9,413,311	7,340,442	7,340,442
Total Cash Inflows	24,604,702	9,690,865	18,272,829	8,079,883
Maturing Secured Lending Transactions Backed by Collateral	10,003,846	2,723,653	4,912,921	2,361,071
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	9,549,164	6,581,339	8,169,745	5,718,812
Operational Deposits	5,051,692	-	5,190,163	-
Other Cash Inflows	385,873	385,873	-	-
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		277.44		301.84

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	31.03.2020	31.03.2019
Total Available Stable Funding	774,284,016	643,039,565
Required Stable Funding – On Balance Sheet Assets	435,541,359	452,842,585
Required Stable Funding – Off Balance Sheet Items	491,958	112,287
Total Required Stable Funding	436,033,317	452,954,872
NSFR	178	142

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	29 th December 2016
Par Value of Instrument	100
Perpetual or Dated	Dated
Original Maturity Date	29 th December 2021
Amount Recognised in Regulatory Capital (Rs'000)	2,100,000
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 31.03.2020					
	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	671,230,212	-	663,947,492	-	288,702	0.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	132,075,268	1,477,002	9,270,860	-	3,211,287	34.6
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	38,388,471	4,363,500	38,388,471	2,007,270	14,872,919	36.8
Claims on Financial Institutions	8,739,645	186,386	8,739,645	93,193	4,522,157	51.2
Claims on Corporates	11,108,764	-	11,108,764	-	5,316,239	47.9
Retail Claims	222,326,761	2,235,363	190,790,915	134,597	114,085,219	59.8
Claims Secured by Residential Property	73,371,356	1,000,942	73,371,356	500,471	37,162,671	50.3
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	5,180,330	-	5,180,330	-	4,783,592	92.3
Higher Risk Categories	3,421,549	-	3,421,549	-	8,553,873	250.0
Cash Items and Other Assets	24,356,273	2,534,856	24,356,273	2,534,856	24,283,177	90.3
Total	1,190,198,627	11,798,049	1,028,575,654	5,270,386	217,079,831	21.0

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 31.03.2020					
	Exposures before Credit Conversion		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	671,862,446	-	667,944,559	-	288,702	0.0
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	132,075,432	1,477,002	9,271,024	-	3,211,451	34.6
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	41,969,633	4,363,500	41,969,633	2,007,270	16,290,386	37.0
Claims on Financial Institutions	8,740,673	186,386	8,740,673	93,193	4,522,671	51.2
Claims on Corporates	11,113,882	-	11,113,882	-	5,320,019	47.9
Retail Claims	224,195,509	2,244,413	192,647,078	134,597	115,676,331	60.0
Claims Secured by Residential Property	73,572,519	1,000,942	73,572,519	500,471	37,363,833	50.4
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	5,398,878	-	5,398,878	-	5,007,708	92.8
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	25,139,557	2,534,856	25,139,557	2,534,856	25,059,401	90.6
Total	1,194,068,527	11,807,099	1,035,797,801	5,270,386	212,740,499	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 31.03.2020
(a)RWA for Interest Rate Risk	2,212,251
General Interest Rate Risk	2,212,251
(i)Net Long or Short Position	2,212,251
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	2,661,810
(i)General Equity Risk	1,431,321
(ii)Specific Equity Risk	1,230,489
(c)RWA for Foreign Exchange & Gold	2,457,904
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	879,836

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 31.03.2020
(a)RWA for Interest Rate Risk	4,808,008
General Interest Rate Risk	4,808,008
(i)Net Long or Short Position	4,808,008
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	2,675,287
(i)General Equity Risk	1,439,401
(ii)Specific Equity Risk	1,235,887
(c)RWA for Foreign Exchange & Gold	2,457,854
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,192,938

Operational Risk under Basic Indicator Approach(Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 31.03.2020			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	29,084,932	26,085,603	32,275,046	
Capital Charge	-	-	-	-	4,372,279
Risk Weighted Amount for Operational Risk	-	-	-	-	36,435,658

Operational Risk under Basic Indicator Approach(Group)

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 31.03.2020			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	29,634,277	26,344,024	33,671,386	
Capital Charge	-	-	-	-	4,482,484
Risk Weighted Amount for Operational Risk	-	-	-	-	37,354,042

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

Item	Amount (LKR'000) as at 31.03.2020				
	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	1,199,973,253	1,200,397,028	1,027,019,997	6,117,289	167,259,742
Cash and cash equivalents	7,546,125	14,826,618	7,515,775	28,122	7,282,721
Balances with Central Bank	-	-	-	-	-
Placements with banks	15,453,747	15,142,791	15,142,791	-	-
Derivative financial instruments	41,269	-	-	-	-
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	6,191,155	8,045,182	-	6,089,167	1,956,016
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Loans and Advances	-	-	-	-	-
Loans and receivables to banks	20,067,197	16,881,696	16,881,696	-	-
Loans and receivables to other customers	444,983,317	445,000,267	290,660,013	-	154,340,254
Debt and other instruments/Financial Investments Held to Maturity	645,168,204	631,725,193	629,975,594	-	1,749,600
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	2,319,389	-	-	-	-
Investments in subsidiaries	4,811,000	4,811,000	3,421,549	-	1,389,451
Investments in associates and joint ventures	-	-	-	-	-
Property, Plant and Equipment	14,270,805	13,729,104	13,729,104	-	-
Investment properties	-	-	-	-	-
Intangible assets	-	541,701	-	-	541,701
Deferred tax assets	-	-	-	-	-
Other assets	39,121,045	49,693,475	49,693,475	-	-
Liabilities	1,156,009,271	1,149,285,457	-	-	-
Due to banks	34,529,188	34,109,250	-	-	-
Derivative financial instruments	-	-	-	-	-
Financial liabilities recognized through profit	-	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-	-
- Due to depositors	1,059,762,128	1,026,262,606	-	-	-
- due to debt securities holders	-	-	-	-	-
- due to other borrowers	16,951,929	16,758,550	-	-	-
Debt securities issued	21,237,734	20,000,000	-	-	-
Retirement benefit obligations	6,508,707	-	-	-	-
Current tax liabilities	-	-	-	-	-
Deferred tax liabilities	553,839	553,839	-	-	-
Other Provisions	-	-	-	-	-
Other liabilities	10,261,369	45,597,712	-	-	-
Due to Subsidiaries	3,500	3,500	-	-	-
Subordinated Term Debt	6,200,877	6,000,000	-	-	-
Off Balance Sheet Liabilities	11,513,527	11,434,549	5,270,386	-	-
Guarantees	1,958,890	1,958,890	-	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	276,472	276,472	134,597	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	6,462,006	6,664,330	2,593,664	-	-
Other Commitments	2,816,158	2,534,856	2,542,126	-	-
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	5,139,828	-	-	-	-
Accumulated Other Comprehensive Income	(841,416)	-	-	-	-
Other Reserves	30,265,570	41,711,571	-	-	-
Total Shareholders' Equity	43,963,982	51,111,571	-	-	-