



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th June 2020

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Regulatory Capital(LKR '000)				
Common Equity Tier 1	29,657,046	30,174,747	34,184,068	32,489,465
Tier 1 Capital	29,657,046	30,174,747	34,184,068	32,489,465
Total Capital	35,871,316	36,260,436	40,427,117	38,405,577
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(<i>Minimum Requirement : 2020 - 6.5% , 2019 - 7.0%</i>)	10.957	12.647	12.617	13.530
Tier 1 Capital Ratio(<i>Minimum Requirement : 2020-8.0%, 2019 - 8.5%)</i>)	10.957	12.647	12.617	13.530
Total Capital Ratio (<i>Minimum Requirement : 2020- 12.0%, 2019 - 12.5%)</i>)	13.252	15.197	14.922	15.994
Leverage Ratio(<i>Minimum Requirement : 3%</i>)	4.94%	4.84%	5.30%	5.04%
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	714,806,966	485,604,996	N/A	N/A
Statutory Liquid Assets Ratio(<i>Minimum equirement - 20%</i>)				
Domestic Banking Unit (%)	68.09	57.50	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (<i>Minimum Requirement :2020- 90%,2019-100%</i>)	322.36	307.65	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (<i>Minimum Requirement : 2020-90%,2019-100%</i>)	320.31	306.11	N/A	N/A
NSFR (%)-(<i>Minimum Requirement : 2020-90%,2019-100%</i>)	174	147	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Common Equity Tier 1 (CET1) Capital after Adjustments	29,657,046	30,174,747	34,184,068	32,489,465
Total Common Equity Tier 1 (CET1) Capital	33,777,401	34,578,706	36,995,082	35,510,832
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)	(2,277,356)	(6,441)	476,867	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Unpublished current year's profit/(losses) and gains reflected in OCI	-	(1,020,488)	-	(1,020,560)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	4,120,355	4,403,959	2,811,014	3,021,367
Goodwill (net)	-	-	-	-
Intangible assets (net)	563,323	574,568	563,829	574,794
Revaluation losses of property, plant and equipment	19,183	19,183	19,183	19,183
Deferred tax assets (net)	-	-	632	124
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	2,148,315	2,425,800	2,227,370	2,427,265
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	1,389,534	1,384,408	-	-
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	6,214,270	6,085,689	6,243,047	5,916,113
Total Tier 2 Capital	7,822,174	8,327,907	7,917,167	8,327,907
Qualifying Tier 2 Capital Instruments	1,800,000	3,000,000	1,800,000	3,000,000
Revaluation gains	3,565,866	3,565,866	3,565,866	3,565,866
Loan Loss Provisions	2,456,308	1,762,041	2,551,301	1,762,041
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	1,607,904	2,242,218	1,674,119	2,411,795
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	1,607,904	2,242,218	1,674,119	2,411,795
CET 1 Capital	29,657,046	30,174,747	34,184,068	32,489,465
Total Tier 1 Capital	29,657,046	30,174,747	34,184,068	32,489,465
Total Capital	35,871,316	36,260,436	40,427,116	38,405,577
Total Risk Weighted Assets(RWA)	270,679,003	238,600,808	270,927,018	240,124,053
RWAs for Credit Risk	224,356,644	201,725,452	220,212,234	201,340,639
RWAs for Market Risk	10,433,350	7,378,721	13,738,400	8,887,714
RWAs for Operational Risk	35,889,008	29,496,636	36,976,383	29,895,700
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	10.957	12.647	12.617	13.530
of which :Capital Conservation Buffer(%)	2.000	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(%)	0.000	1.000	0.000	1.000
Total Tier I Capital Ratio(%)	10.957	12.647	12.617	13.530
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	13.252	15.197	14.922	15.994
of which :Capital Conservation Buffer(%)	2.000	2.500	2.000	2.500
of which: Countercyclical Buffer(%)	0.000	0.000	0.000	0.000
of which:Capital Surcharge on D-SIBs(%)	0.000	1.500	0.000	1.500

Computation of Leverage Ratio**(LKR '000)**

Item	Bank		Group	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Tier I Capital	29,657,046	30,174,747	34,184,068	32,489,464
Total Exposures	599,923,082	623,222,682	644,525,324	644,795,080
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	549,780,434	553,396,409	574,125,604	564,798,335
Derivative Exposures	35,248	454,442	35,248	454,443
Securities Financing Transaction Exposures	44,954,219	67,360,774	65,204,697	77,531,246
Other Off-Balance Sheet Exposures	5,153,180	2,011,056	5,159,775	2,011,056
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	4.94%	4.84%	5.30%	5.04%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.06.2020		30.06.2019	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	706,802,265	704,819,178	484,079,948	482,264,332
Total Adjusted Level 1A Assets	703,775,191	703,775,191	485,801,444	485,826,581
Level 1 Assets	702,836,090	702,836,090	480,308,716	480,308,716
Total Adjusted Level 2A Assets	-	-	200,000	170,000
Level 2A Assets	-	-	200,000	170,000
Total Adjusted Level 2B Assets	3,966,175	1,983,088	3,571,233	1,785,616
Level 2B Assets	3,966,175	1,983,088	3,571,233	1,785,616
Total Cash Outflows	1,157,751,404	237,209,686	938,445,368	171,892,930
Deposits	851,479,599	85,147,960	726,516,081	72,651,608
Unsecured Wholesale Funding	260,723,946	144,472,281	165,929,153	95,152,116
Secured Funding Transactions	19,814,998	-	37,656,373	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	21,116,816	2,986,618	4,504,354	251,030
Additional Requirements	4,616,044	4,616,044	3,839,407	3,839,407
Total Cash Inflows	42,418,465	17,166,225	25,881,886	14,348,024
Maturing Secured Lending Transactions Backed by Collateral	19,126,320	4,522,155	6,388,767	3,565,266
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	18,881,858	12,644,070	15,152,228	10,782,758
Operational Deposits	4,410,286	-	4,340,891	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		320.31		306.11

Computation of NSFR (Bank)

Item	Amount (LKR '000)	
	30.06.2020	30.06.2019
Total Available Stable Funding	797,085,642	678,437,006
Required Stable Funding – On Balance Sheet Assets	457,007,876	461,571,833
Required Stable Funding – Off Balance Sheet Items	958,434	126,413
Total Required Stable Funding	457,966,310	461,698,246
NSFR	174	147

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)	1,800,000
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 30.06.2020					
	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	695,416,247	-	680,806,695	-	432,392	0.1
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	138,794,002	11,678,482	9,311,410	-	3,257,017	35.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	35,936,247	3,000,000	35,936,247	1,500,000	15,787,645	42.2
Claims on Financial Institutions	7,241,457	686,386	7,241,457	343,193	3,985,478	52.5
Claims on Corporates	11,285,400	-	11,285,400	-	5,356,572	47.5
Retail Claims	222,665,221	2,212,473	192,876,130	132,170	116,281,582	60.2
Claims Secured by Residential Property	72,883,658	723,317	72,883,658	361,658	36,898,501	50.4
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	7,223,718	-	7,223,718	-	6,278,678	86.9
Higher Risk Categories	3,421,466	-	3,421,466	-	8,553,664	250.0
Cash Items and Other Assets	25,951,312	2,816,158	25,951,312	2,816,158	27,525,114	95.7
Total	1,220,818,725	21,116,816	1,046,937,491	5,153,179	224,356,639	21.3

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 30.06.2020					
	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	700,957,473	-	684,826,289	-	432,392	0.1
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	138,794,166	11,678,482	9,311,574	-	3,257,181	35.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	39,769,327	3,000,000	39,769,328	1,500,000	17,404,812	42.2
Claims on Financial Institutions	7,445,851	686,386	7,445,851	343,193	4,087,676	52.5
Claims on Corporates	11,419,446	-	11,419,446	-	5,424,816	47.5
Retail Claims	224,558,466	2,230,913	194,755,040	136,865	117,856,046	60.5
Claims Secured by Residential Property	73,089,522	727,117	73,089,522	363,558	37,106,265	50.5
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	7,337,977	-	7,337,977	-	6,393,659	87.1
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	26,682,696	2,816,158	26,682,696	2,816,158	28,249,391	95.8
Total	1,230,054,922	21,139,056	1,054,637,722	5,159,774	220,212,234	20.8

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 30.06.2020
(a)RWA for Interest Rate Risk	3,900,285
General Interest Rate Risk	3,900,285
(i)Net Long or Short Position	3,900,285
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,258,768
(i)General Equity Risk	1,750,038
(ii)Specific Equity Risk	1,508,730
(c)RWA for Foreign Exchange & Gold	3,274,288
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,252,001

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.06.2020
(a)RWA for Interest Rate Risk	7,190,212
General Interest Rate Risk	7,190,212
(i)Net Long or Short Position	7,190,212
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,273,900
(i)General Equity Risk	1,759,087
(ii)Specific Equity Risk	1,514,813
(c)RWA for Foreign Exchange & Gold	3,274,288
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,648,608

Operational Risk under Basic Indicator Approach(Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.06.2020			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	29,331,793	26,671,377	30,130,444	
Capital Charge	-	-	-	-	4,306,681
Risk Weighted Amount for Operational Risk	-	-	-	-	35,889,008

Operational Risk under Basic Indicator Approach(Group)

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 30.06.2020			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	29,676,403	27,123,237	31,943,683	
Capital Charge	-	-	-	-	4,437,166
Risk Weighted Amount for Operational Risk	-	-	-	-	36,976,383

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

Item	Amount (LKR'000) as at 30.06.2020				
	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	1,236,161,729	1,240,503,292	1,046,025,747	14,887,232	179,590,313
Cash and cash equivalents	5,340,813	19,930,134	5,282,883	37,699	14,609,552
Balances with Central Bank	-	-	-	-	-
Placements with banks	13,674,433	13,360,169	13,360,169	-	-
Derivative financial instruments	25,177	-	-	-	-
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	9,599,848	16,997,848	-	14,849,533	2,148,315
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Loans and Advances	-	-	-	-	-
Loans and receivables to banks	28,949,817	17,313,588	17,313,588	-	-
Loans and receivables to other customers	424,044,095	430,362,868	271,091,184	-	159,271,684
Debt and other instruments/Financial Investments Held to Maturity	687,278,557	668,786,344	667,178,440	-	1,607,904
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	7,990,477	-	-	-	-
Investments in subsidiaries	4,811,000	4,811,000	3,421,466	-	1,389,534
Investments in associates and joint ventures	-	-	-	-	-
Property, Plant and Equipment	14,244,522	13,681,199	13,681,199	-	-
Investment properties	-	-	-	-	-
Intangible assets	-	563,323	-	-	563,323
Deferred tax assets	-	-	-	-	-
Other assets	40,202,992	54,696,818	54,696,818	-	-
Liabilities	1,192,416,046	1,185,911,784	-	-	-
Due to banks	17,648,502	17,579,573	-	-	-
Derivative financial instruments	-	-	-	-	-
Financial liabilities recognized through profit	-	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-	-
- Due to depositors	1,112,784,970	1,080,007,461	-	-	-
- due to debt securities holders	-	-	-	-	-
- due to other borrowers	18,811,940	18,614,875	-	-	-
Debt securities issued	(4,205,569)	20,000,000	-	-	-
Retirement benefit obligations	6,508,707	-	-	-	-
Current tax liabilities	-	-	-	-	-
Deferred tax liabilities	561,102	561,102	-	-	-
Other Provisions	-	-	-	-	-
Other liabilities	8,302,644	43,145,023	-	-	-
Due to Subsidiaries	3,750	3,750	-	-	-
Subordinated Term Debt	32,000,000	6,000,000	-	-	-
Off Balance Sheet Liabilities	20,669,419	21,116,816	5,153,179	-	-
Guarantees	1,948,133	1,948,133	-	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	264,341	264,341	132,170	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	16,089,825	16,088,185	2,204,852	-	-
Other Commitments	2,367,120	2,816,158	2,816,158	-	-
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	4,457,138	-	-	-	-
Accumulated Other Comprehensive Income	(333,633)	-	-	-	-
Other Reserves	30,222,178	45,191,508	-	-	-
Total Shareholders' Equity	43,745,682	54,591,508	-	-	-