



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th June 2021

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Regulatory Capital(LKR '000)				
Common Equity Tier 1	34,965,603	29,657,046	40,915,558	34,184,068
Tier 1 Capital	39,965,603	29,657,046	45,915,558	34,184,068
Total Capital	48,165,455	35,871,316	53,811,378	40,427,117
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 6.5%)	10.742	10.957	12.544	12.617
Tier 1 Capital Ratio(Minimum Requirement : 8.0%)	12.278	10.957	14.076	12.617
Total Capital Ratio (Minimum Requirement : 12.0%)	14.797	13.252	16.497	14.922
Leverage Ratio(Minimum Requirement : 3%)	5.85%	4.94%	6.42%	5.30%
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	877,199,059	714,806,966	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)				
Domestic Banking Unit (%)	68.04	68.09	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement :90%)	295	322.36	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement :90%)	292.52	320.31	N/A	N/A
NSFR (%)-(Minimum Requirement :90%)	166	174	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Common Equity Tier 1 (CET1) Capital after Adjustments	34,965,603	29,657,046	40,915,558	34,184,068
Total Common Equity Tier 1 (CET1) Capital	40,878,483	33,777,401	45,588,159	36,995,082
Equity Capital (Stated capital) /Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000
Reserve fund	4,068,268	3,562,872	4,090,363	3,571,214
Published Retained Earnings/(Accumulated Retained Losses)	5,313,679	(2,277,356)	9,515,735	476,867
Published Accumulated other comprehensive income (OCI)	(995,351)	(0)	(1,003,785)	(38,843)
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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-
Ordinary shares issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to CET1 Capital	5,912,877	4,120,355	4,672,598	2,811,014
Goodwill (net)	-	-	-	-
Intangible assets (net)	632,734	563,323	639,086	563,829
Revaluation losses of property, plant and equipment	32,902	19,183	32,902	19,183
Deferred tax assets (net)	1,420,302	-	1,420,383	632
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	2,489,966	2,148,315	2,580,228	2,227,370
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	1,336,974	1,389,534	-	-
Additional Tier 1 (AT1) Capital after Adjustments	5,000,000	-	5,000,000	-
Total Additional Tier 1 (AT1) Capital	5,000,000	-	5,000,000	-
Qualifying Additional Tier 1 Capital Instruments	5,000,000	-	5,000,000	-
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	8,199,853	6,214,270	7,895,821	6,243,047
Total Tier 2 Capital	8,199,852	7,822,174	8,154,822	7,917,167

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Qualifying Tier 2 Capital Instruments	600,000	1,800,000	600,000	1,800,000
Revaluation gains	4,243,803	3,565,866	4,243,803	3,565,866
Loan Loss Provisions	3,356,049	2,456,308	3,311,019	2,551,301
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	259,002	1,674,119
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	259,002	1,674,119
CET 1 Capital	34,965,603	29,657,046	40,915,558	34,184,068
Total Tier 1 Capital	39,965,603	29,657,046	45,915,558	34,184,068
Total Capital	48,165,455	35,871,316	53,811,378	40,427,117
Total Risk Weighted Assets(RWA)	325,497,780	270,679,003	326,187,181	270,927,018
RWAs for Credit Risk	268,483,922	224,356,644	264,881,521	220,212,234
RWAs for Market Risk	10,696,411	10,433,350	13,701,917	13,738,400
RWAs for Operational Risk	46,317,445	35,889,008	47,603,742	36,976,383
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	10.742	10.957	12.544	12.617
of which :Capital Conservation Buffer(%)	2.000	2.000	2.000	2.000
of which: Countercyclical Buffer(%)	0.000	-	0.000	-
of which:Capital Surcharge on D-SIBs(%)	0.000	-	0.000	-
Total Tier I Capital Ratio(%)	12.278	10.957	14.076	12.617
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	14.797	13.252	16.497	14.922
of which :Capital Conservation Buffer(%)	2.000	2.000	2.000	2.000
of which: Countercyclical Buffer(%)	0.000	-	0.000	-
of which:Capital Surcharge on D-SIBs(%)	0.000	-	0.000	-

Computation of Leverage Ratio

(LKR '000)

Item	Bank		Group	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Tier I Capital	39,965,603	29,657,046	45,915,558	34,184,068
Total Exposures	683,240,841	599,923,081	715,643,289	644,525,324
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	668,890,631	549,780,434	682,028,304	574,125,604
Derivative Exposures	-	35,248	-	35,248
Securities Financing Transaction Exposures	15,004,803	44,954,219	28,386,762	65,204,697
Other Off-Balance Sheet Exposures	5,225,384	5,153,180	5,228,223	5,159,775
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	5.85%	4.94%	6.42%	5.30%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.06.2021		30.06.2020	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	832,868,760	831,539,335	706,802,265	704,819,178
Total Adjusted Level 1A Assets	829,850,173	829,850,173	703,775,191	703,775,191
Level 1 Assets	830,209,910	830,209,910	702,836,090	702,836,090
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	2,658,850	1,329,425	3,966,175	1,983,088
Level 2B Assets	2,658,850	1,329,425	3,966,175	1,983,088
Total Cash Outflows	1,384,438,778	300,297,112	1,157,751,404	237,209,686
Deposits	1,026,666,232	102,666,623	851,479,599	85,147,960
Unsecured Wholesale Funding	334,015,766	191,845,740	260,723,946	144,472,281
Secured Funding Transactions	5,141,914	-	19,814,998	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	17,055,478	2,059,479	21,116,816	2,986,618
Additional Requirements	3,725,270	3,725,270	4,616,044	4,616,044
Total Cash Inflows	33,343,414	16,033,253	42,418,465	17,166,225
Maturing Secured Lending Transactions Backed by Collateral	13,250,464	4,319,583	19,126,320	4,522,155
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	15,911,401	11,713,241	18,881,858	12,644,070
Operational Deposits	4,181,549	-	4,410,286	-
Other Cash Inflows	860	430	-	-
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		292.52		320.31

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	30.06.2021	30.06.2020
Total Available Stable Funding	934,677,588	797,085,642
Required Stable Funding – On Balance Sheet Assets	563,525,932	457,007,876
Required Stable Funding – Off Balance Sheet Items	736,121	958,434
Total Required Stable Funding	564,262,053	457,966,310
NSFR	166	174

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)	600,000
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

Description of the Capital Instrument	
Issuer	National Savings Bank
Unique Identifier	
Governing Law(s) of the Instrument	Sri Lanka
Original Date of Issance	27th October 2020
Par Value of Instrument	100
Perpetual or Dated	Perpetual
Original Maturity Date	-
Amount Recognised in Regulatory Capital (Rs'000)	5,000,000
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	Floating/Fixed
Coupon Rate and any Related Index	Six (06) Months Treasury Bill Rate +1.50%/9.25%(Fixed)
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 30.06.2021					
	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	821,744,524	-	812,809,520	-	1,221,434	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	179,263,353	6,751,572	7,818,846	-	2,458,335	31.4
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	24,283,664	2,000,000	24,283,664	1,000,000	8,991,468	35.6
Claims on Financial Institutions	4,063,089	500,000	4,063,089	250,000	2,281,545	52.9
Claims on Corporates	8,670,149	-	8,670,149	-	4,187,345	48.3
Retail Claims	310,993,236	2,597,396	282,129,771	132,170	176,659,002	62.6
Claims Secured by Residential Property	76,760,293	2,726,592	76,760,293	1,363,296	28,383,136	36.3
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) ⁽ⁱ⁾	10,822,031	-	10,822,031	-	9,437,324	87.2
Higher Risk Categories	3,474,026	-	3,474,026	-	8,685,066	250.0
Cash Items and Other Assets	27,285,689	2,479,918	27,285,689	2,479,918	26,179,263	88.0
Total	1,467,360,053	17,055,478	1,258,117,078	5,225,383	268,483,921	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 30.06.2021					
	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	826,105,752	-	816,083,210	-	1,221,434	0.1
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	179,263,517	6,751,572	7,819,011	-	2,458,500	31.4
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	27,146,633	2,000,000	27,146,633	1,000,000	10,877,974	38.6
Claims on Financial Institutions	4,431,289	500,000	4,431,289	250,000	2,465,646	52.7
Claims on Corporates	8,804,140	-	8,804,140	-	4,255,577	48.3
Retail Claims	312,414,461	2,602,146	283,538,137	132,570	177,790,160	62.7
Claims Secured by Residential Property	77,067,543	2,731,469	77,067,543	1,365,734	28,692,825	36.6
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) ⁽ⁱ⁾	11,013,417	-	11,013,417	-	9,641,032	87.5
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	28,592,735	2,479,918	28,592,735	2,479,918	27,478,376	88.4
Total	1,474,839,487	17,065,104	1,264,496,115	5,228,223	264,881,520	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 30.06.2021
(a)RWA for Interest Rate Risk	5,204,633
General Interest Rate Risk	5,204,633
(i)Net Long or Short Position	5,204,633
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,257,132
(i)General Equity Risk	2,324,599
(ii)Specific Equity Risk	1,932,533
(c)RWA for Foreign Exchange & Gold	1,234,646
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,283,569

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.06.2021
(a)RWA for Interest Rate Risk	8,219,052
General Interest Rate Risk	8,219,052
(i)Net Long or Short Position	8,219,052
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,248,214
(i)General Equity Risk	2,319,306
(ii)Specific Equity Risk	1,928,908
(c)RWA for Foreign Exchange & Gold	1,234,646
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,644,229

Operational Risk under Basic Indicator Approach(Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.06.2021			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,801,937	30,283,494	54,076,433	
Capital Charge	-	-	-	-	5,558,093
Risk Weighted Amount for Operational Risk	-	-	-	-	46,317,445

Operational Risk under Basic Indicator Approach(Group)

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 30.06.2021			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	27,258,211	32,081,957	54,908,809	
Capital Charge	-	-	-	-	5,712,449
Risk Weighted Amount for Operational Risk	-	-	-	-	47,603,742

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

Item	Amount (LKR'000) as at 30.06.2021				
	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	1,489,380,751	1,493,487,430	1,257,588,242	20,775,663	215,123,525
Cash and cash equivalents	8,598,663	17,529,824	8,571,296	23,524	8,935,004
Balances with Central Bank	-	-	-	-	-
Placements with banks	13,396,177	13,027,818	13,027,818	-	-
Derivative financial instruments	-	-	-	-	-
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	10,505,764	23,242,105	-	20,752,139	2,489,966
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Loans and Advances	-	-	-	-	-
Loans and receivables to banks	12,835,545	5,902,612	5,902,612	-	-
Loans and receivables to other customers	491,272,726	496,197,712	295,889,741	-	200,307,971
Debt and other instruments/Financial Investments Held to Maturity	883,261,695	861,343,698	861,343,698	-	-
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	13,437,823	-	-	-	-
Investments in subsidiaries	4,811,000	4,811,000	3,474,026	-	1,336,974
Investments in associates and joint ventures	-	-	-	-	-
Property, Plant and Equipment	15,172,404	15,172,404	15,172,404	-	-
Investment properties	-	-	-	-	-
Intangible assets	632,734	632,734	-	-	632,734
Deferred tax assets	1,420,876	1,420,876	-	-	1,420,875.82
Other assets	34,035,345	54,206,648	54,206,648	-	-
Liabilities	1,425,633,572	1,414,524,204	-	-	-
Due to banks	11,967,971	11,856,304	-	-	-
Derivative financial instruments	-	-	-	-	-
Financial liabilities recognized through profit	-	-	-	-	-
Financial liabilities at amortised cost:					
- Due to depositors	1,352,594,888	1,323,058,458	-	-	-
- due to debt securities holders	-	-	-	-	-
- due to other borrowers	4,281,469	4,278,741	-	-	-
Debt securities issued	21,784,787	20,000,000	-	-	-
Retirement benefit obligations	10,885,085	-	-	-	-
Current tax liabilities	3,545,340.49	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other liabilities	9,485,871	44,326,951	-	-	-
Due to Subsidiaries	3,750	3,750	-	-	-
Subordinated Term Debt	11,084,411	11,000,000	-	-	-
Off Balance Sheet Liabilities	15,740,854	17,055,478	5,225,385	-	-
Guarantees	2,333,055	2,333,055	-	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	264,341	264,341	132,170	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	10,490,348	11,978,165	2,613,296	-	-
Other Commitments	2,653,111	2,479,918	2,479,918	-	-
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	22,751,457	-	-	-	-
Accumulated Other Comprehensive Income	(330,442)	-	-	-	-
Other Reserves	31,926,164	69,563,226	-	-	-
Total Shareholders' Equity	63,747,179	78,963,226	-	-	-