



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th June 2023

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Regulatory Capital(LKR '000)				
Common Equity Tier 1	44,476,842	57,054,965	52,036,327	62,634,670
Tier 1 Capital	49,476,842	62,054,965	57,036,327	67,634,670
Total Capital	57,068,632	70,040,799	64,059,909	75,011,176
Regulatory Capital Ratios(%)		-		-
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 2023 - 7% , 2022 -6.5%)	13.350	15.525	15.458	17.245
Tier 1 Capital Ratio(Minimum Requirement : 2023 - 8.5% , 2022 -8.0%)	14.851	16.886	16.944	18.621
Total Capital Ratio (Minimum Requirement : 2023 - 12.5% , 2022 -12%)	17.129	19.059	19.030	20.652
Leverage Ratio(Minimum Requirement : 3%)	6.04	7.88	6.68	8.23
Regulatory Liquidity		-		-
Statutory Liquid Assets(LKR'000)	657,091,360	623,570,509	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)		-	0	-
Domestic Banking Unit (%)	45.79	43.62	N/A	N/A
Off-Shore Banking Unit (%)		-	0	-
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement : 100%)	254.75	188.00	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement: 100%)	258.92	185.98	N/A	N/A
NSFR (%)-(Minimum Requirement :100%)	172.19	157.54	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Common Equity Tier 1 (CET1) Capital after Adjustments	44,476,842	57,054,965	52,036,327	62,634,670
Total Common Equity Tier 1 (CET1) Capital	62,054,991	63,201,071	63,477,365	66,913,572
Equity Capital (Stated capital) /Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000
Reserve fund	5,224,842	5,174,249	5,281,952	5,209,101
Published Retained Earnings/(Accumulated Retained Losses)	6,008,140	8,376,790	7,469,197	12,567,994
Published Accumulated other comprehensive income (OCI)	(1,669,876)	(2,841,854)	(1,765,661)	(3,355,402)
General and other disclosed reserves	43,091,885	43,091,885	43,091,877	43,091,877
Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-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	17,578,147	6,146,103	11,441,037	4,278,899
Goodwill (net)	-	-	-	-
Intangible assets (net)	743,034	710,533	746,976	716,051
Revaluation losses of property, plant and equipment	32,902	32,902	32,902	32,902
Deferred tax assets (net)	5,760,031	2,126,960	6,175,986	2,127,584
Cash flow hedge reserve	-	-	-	-
Gains on sale related securitisation transactions	-	-	-	-
Defined benefit pension fund assets (Net)	2,365,392	-	2,365,392	-
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	1,878,541	1,167,343	2,119,782	1,402,363
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	6,798,249	2,108,367	-	-
Additional Tier 1 (AT1) Capital after Adjustments	5,000,000	5,000,000	5,000,000	5,000,000
Total Additional Tier 1 (ATI) Capital	5,000,000	5,000,000	5,000,000	5,000,000
Qualifying Additional Tier 1 Capital Instruments	5,000,000	5,000,000	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	7,591,791	7,985,834	7,023,582	7,376,507

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Total Tier 2 Capital	7,591,791	7,985,833	7,606,403	7,901,650
Qualifying Tier 2 Capital Instruments	-	-	-	-
Revaluation gains	4,243,803	4,243,803	4,243,803	4,243,803
Loan Loss Provisions	3,347,987	3,742,030	3,362,600	3,657,846
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	-	-	582,821	525,143
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	-	-	582,821	525,143
CET 1 Capital	44,476,842	57,054,965	52,036,327	62,634,670
Total Tier 1 Capital	49,476,842	62,054,965	57,036,327	67,634,670
Total Capital	57,068,632	70,040,799	64,059,909	75,011,176
Total Risk Weighted Assets(RWA)	333,162,025	367,497,786	336,621,888	363,208,131
RWAs for Credit Risk	267,838,977	299,362,403	269,007,976	292,627,689
RWAs for Market Risk	12,599,592	8,645,267	14,206,168	10,668,758
RWAs for Operational Risk	52,723,456	59,490,117	53,407,744	59,911,683
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	13.350	15.525	15.458	17.245
of which :Capital Consvration Buffer(%)	2.500	2.000	2.500	2.000
of which: Countercyclical Buffer(%)	0.000	0.000	0.000	0.000
of which:Capital Surcharge on D-SIBs(%)	0.000	0.000	0.000	0.000
Total Tier I Capital Ratio(%)	14.851	16.886	16.944	18.621
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	17.129	19.059	19.030	20.652
of which :Capital Consvration Buffer(%)	2.500	2.000	2.500	2.000
of which: Countercyclical Buffer(%)	0.000	0.000	0.000	0.000
of which:Capital Surcharge on D-SIBs(%)	0.000	0.000	0.000	0.000

Computation of Leverage Ratio

(LKR '000)

Item	Bank		Group	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Tier I Capital	49,476,842	62,054,965	57,036,328	67,634,670
Total Exposures	819,511,643	787,078,782	853,745,230	822,216,683
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	749,262,408	740,398,978	771,813,512	760,359,748
Derivative Exposures	10,955	82,587	10,955	82,587
Securities Financing Transaction Exposures	64,482,301	40,044,213	76,163,917	55,221,344
Other Off-Balance Sheet Exposures	5,755,979	6,553,004	5,756,847	6,553,004
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	6.04%	7.88%	6.68%	8.23%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.06.2023		30.06.2022	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	651,024,324	649,726,709	580,576,768	579,158,126
Total Adjusted Level 1A Assets	649,379,627	649,379,627	580,299,347	580,299,347
Level 1 Assets	648,429,095	648,429,095	577,739,484	577,739,484
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	2,595,229	1,297,615	2,837,284	1,418,642
Level 2B Assets	2,595,229	1,297,615	2,837,284	1,418,642
Total Cash Outflows	1,460,116,561	277,284,675	1,483,853,746	322,241,599
Deposits	1,198,933,817	119,893,382	1,126,661,200	112,666,120
Unsecured Wholesale Funding	238,633,948	153,374,760	320,774,207	205,315,489
Secured Funding Transactions	8,671,536	-	25,401,648	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	13,528,366	3,667,639	13,135,883	2,690,466
Additional Requirements	348,894	348,894	1,575,450	1,575,450
Total Cash Inflows	46,315,746	26,343,257	23,837,098	10,835,886
Maturing Secured Lending Transactions Backed by Collateral	6,866,036	4,913,632	3,101,107	2,633,253
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	34,084,164	21,426,666	14,143,948	8,198,610
Operational Deposits	5,359,629	-	6,583,995	-
Other Cash Inflows	5,917	2,959	8,047	4,024
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		258.92		185.98

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	30.06.2023	30.06.2022
Total Available Stable Funding	1,131,442,430	1,048,288,562
Required Stable Funding – On Balance Sheet Assets	656,571,289	664,817,669
Required Stable Funding – Off Balance Sheet Items	513,705	595,432
Total Required Stable Funding	657,084,994	665,413,101
NSFR	172.19	157.54

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	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 30.06.2023					
	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 (*)
Claims on Central Government and CBSL	865,505,403	3,641,915	863,552,999	1,820,958	1,400,989	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	214,406,557	351,497	2,046,917	-	2,943,751	143.8
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	18,809,192	3,677,889	18,809,192	1,513,558	9,175,779	45.2
Claims on Financial Institutions	1,284,683	-	1,284,683	-	1,037,861	80.8
Claims on Corporates	3,743,068	-	3,743,068	-	1,776,262	47.5
Retail Claims	357,577,711	3,217,940	317,750,139	-	177,348,923	55.8
Claims Secured by Residential Property	73,494,335	362,684	73,494,335	181,342	26,779,603	36.3
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	12,171,219	-	12,171,219	-	11,135,256	91.5
Higher Risk Categories	512,751	-	512,751	-	1,281,879	250.0
Cash Items and Other Assets	39,344,772	2,240,121	39,344,772	2,240,121	34,958,677	84.1
Total	1,586,849,691	13,492,047	1,332,710,075	5,755,979	267,838,980	20.0

Note:

(*) 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 30.06.2023					
	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 (*)
Claims on Central Government and CBSL	873,250,769	3,641,915	871,178,615	1,820,958	1,400,989	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	214,406,721	351,497	2,047,081	-	2,943,915	143.8
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	19,384,021	3,677,889	19,384,021	1,513,558	9,406,283	45.0
Claims on Financial Institutions	1,862,105	-	1,862,105	-	1,326,589	71.2
Claims on Corporates	3,880,222	-	3,880,222	-	1,808,201	46.6
Retail Claims	357,873,719	3,218,140	318,043,133	100	177,579,719	55.8
Claims Secured by Residential Property	73,806,893	364,221	73,806,893	182,110	27,092,929	36.6
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	12,225,328	-	12,225,328	-	11,185,399	91.5
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	40,653,043	2,240,121	40,653,043	2,240,121	36,263,952	84.5
Total	1,597,342,820	13,493,784	1,343,080,441	5,756,847	269,007,978	19.9

Note:

(*) RWA Density - Total RWA/Exposures post CCF and CRM.

Market Risk under Standardised Measurement Method (Bank)

Item	RWA Amount(LKR'000) as at 30.06.2023
(a)RWA for Interest Rate Risk	4,709,859
General Interest Rate Risk	4,709,859
(i)Net Long or Short Position	4,709,859
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	5,840,540
(i)General Equity Risk	3,309,789
(ii)Specific Equity Risk	2,530,751
(c)RWA for Foreign Exchange & Gold	2,049,195
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,574,950

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.06.2023
(a)RWA for Interest Rate Risk	6,531,502
General Interest Rate Risk	6,531,502
(i)Net Long or Short Position	6,531,502
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	5,625,474
(i)General Equity Risk	3,186,442
(ii)Specific Equity Risk	2,439,032
(c)RWA for Foreign Exchange & Gold	2,049,195
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,775,772

Operational Risk under Basic Indicator Approach (Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.06.2023			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	54,076,433	58,416,361	19,315,853	
Capital Charge	-	-	-	-	6,590,432
Risk Weighted Amount for Operational Risk	-	-	-	-	52,723,456

Operational Risk under Basic Indicator Approach (Group)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.06.2023			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	54,908,809	56,793,748	21,816,797	
Capital Charge	-	-	-	-	6,675,968
Risk Weighted Amount for Operational Risk	-	-	-	-	53,407,744

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

Item	Amount (LKR'000) as at 30.06.2023			
	a Carrying Values as Reported in Published Financial Statements	c Subject to Credit Risk Framework	d Subject to Market Risk Framework	e Not Subject to Capital Requirements or Subject to Deduction from Capital
Assets	1,651,158,012	1,335,979,663	46,209,332	268,969,019
Cash and cash equivalents	11,568,917	11,548,826	20,092	-
Balances with Central Bank	319,873	319,872.55	-	-
Placements with banks	12,748,891	12,748,891	-	-
Derivative financial instruments	1,046	-	-	1,045.77
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	16,651,068	-	16,602,640	48,427
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Loans and Advances	-	-	-	-
Loans and receivables to banks	1,605,353	781,553	-	823,800.00
Loans and receivables to other customers	534,930,556	281,966,238	-	252,964,318
Debt and other instruments/Financial Investments Held to Maturity	941,935,624	941,935,624	-	-
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	31,440,843	24,129	29,586,599	1,830,114
Investments in subsidiaries	7,311,000	512,751	-	6,798,249
Investments in associates and joint ventures	-	-	-	-
Property, Plant and Equipment	14,765,099	14,765,099	-	-
Investment properties	-	-	-	-
Intangible assets	743,034	-	-	743,034
Deferred tax assets	5,760,031	-	-	5,760,031
Other assets	71,376,679	71,376,679	-	-
Liabilities	1,571,876,429	-	-	-
Due to banks	2,099,829	-	-	-
Derivative financial instruments	27	-	-	-
Financial liabilities recognized through profit	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-
- Due to depositors	1,470,661,513	-	-	-
- due to debt securities holders	-	-	-	-
- due to other borrowers	53,403,175	-	-	-
Debt securities issued	19,250,325	-	-	-
Retirement benefit obligations	13,048,164	-	-	-
Current tax liabilities	319,694.96	-	-	-
Deferred tax liabilities	-	-	-	-
Other Provisions	-	-	-	-
Other liabilities	7,985,206	-	-	-
Due to Subsidiaries	-	-	-	-
Subordinated Term Debt	5,108,493	-	-	-
Off Balance Sheet Liabilities	13,944,737	10,274,107	-	3,670,630
Guarantees	3,217,940	-	-	3,217,940
Performance Bonds	-	-	-	-
Letters of Credit	452,690	-	-	452,690
Other Contingent Items	677,889.41	677,889.41	-	-
Undrawn Loan Commitments	7,356,097	7,356,097	-	-
Other Commitments	2,240,121	2,240,121	-	-
Shareholders' Equity	9,400,000	-	-	-
Equity Capital(Stated Capital)/Assigned Capital	-	-	-	-
of which Amount Eligible for CET 1	9,400,000	-	-	-
of which Amount Eligible for AT 1	-	-	-	-
Retained Earnings	15,246,779	-	-	-
Accumulated Other Comprehensive Income	887,899	-	-	-
Other Reserves	53,746,905	-	-	-
Total Shareholders' Equity	79,281,583	-	-	-