



Basel III - Minimum Disclosure Requirements under Pillar III

As at 31st March 2021

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Regulatory Capital(LKR '000)				
Common Equity Tier 1	36,934,411	29,665,458	42,885,502	34,158,003
Tier 1 Capital	41,934,411	29,665,458	47,885,502	34,158,003
Total Capital	50,360,389	35,461,772	56,095,165	40,014,151
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 6.5%)	11.643	11.373	13.493	13.136
Tier 1 Capital Ratio(Minimum Requirement : 8.0%)	13.219	11.373	15.067	13.136
Total Capital Ratio (Minimum Requirement : 12.0%)	15.875	13.595	17.650	15.388
Leverage Ratio(Minimum Requirement : 3%)	6.23%	4.87%	6.74%	5.34%
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	842,531,542	627,457,050	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)				
Domestic Banking Unit (%)	68.13	62.21	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement :2021- 90%,2020-100%)	292	283.00	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement : 2021-90%,2020-100%)	283.33	277.44	N/A	N/A
NSFR (%)-(Minimum Requirement : 2021-90%,2020-100%)	166	178	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Common Equity Tier 1 (CET1) Capital after Adjustments	36,934,411	29,665,458	42,885,502	34,158,003
Total Common Equity Tier 1 (CET1) Capital	42,372,502	33,571,809	47,092,237	36,755,274
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)	6,813,679	(2,482,948)	11,015,735	237,059
Published Accumulated other comprehensive income (OCI)	(1,001,332)	(0)	(999,706)	(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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-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	5,438,088	3,906,351	4,206,733	2,597,271
Goodwill (net)	-	-	-	-
Intangible assets (net)	674,150	541,701	679,959	541,867
Revaluation losses of property, plant and equipment	32,902	19,183	32,902	19,183
Deferred tax assets (net)	1,100,662	-	1,100,662	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	2,312,894	1,956,016	2,393,211	2,035,995
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	1,317,481	1,389,451	-	-
Additional Tier 1 (AT1) Capital after Adjustments	5,000,000	-	5,000,000	-
Total Additional Tier 1 (ATI) 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	8,425,979	5,796,314	8,209,664	5,856,148
Total Tier 2 Capital	8,425,978	7,545,914	8,378,504	7,671,372

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Qualifying Tier 2 Capital Instruments	900,000	2,100,000	900,000	2,100,000
Revaluation gains	4,243,803	3,565,866	4,243,803	3,565,866
Loan Loss Provisions	3,282,175	1,880,048	3,234,701	2,005,506
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	168,841	1,815,224
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	168,841	1,815,224
CET 1 Capital	36,934,411	29,665,458	42,885,502	34,158,003
Total Tier 1 Capital	41,934,411	29,665,458	47,885,502	34,158,003
Total Capital	50,360,389	35,461,772	56,095,165	40,014,151
Total Risk Weighted Assets(RWA)	317,230,028	260,847,458	317,823,706	260,035,685
RWAs for Credit Risk	262,573,986	217,079,832	258,776,080	212,740,502
RWAs for Market Risk	10,912,233	7,331,967	13,976,433	9,941,142
RWAs for Operational Risk	43,743,808	36,435,658	45,071,192	37,354,042
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	11.643	11.373	13.493	13.136
of which :Capital Consvration Buffer(%)	2.000	2.500	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(%)	13.219	11.373	15.067	13.136
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	15.875	13.595	17.650	15.388
of which :Capital Consvration Buffer(%)	2.000	2.500	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	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Tier I Capital	41,934,412	29,665,458	47,885,502	34,158,003
Total Exposures	673,209,357	609,047,634	710,773,442	640,216,668
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	650,781,213	552,890,654	674,721,953	572,069,705
Derivative Exposures	-	62,902		62,902
Securities Financing Transaction Exposures	17,963,599	50,823,691	31,575,708	62,813,674
Other Off-Balance Sheet Exposures	4,464,546	5,270,387	4,475,781	5,270,387
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	6.23%	4.87%	6.74%	5.34%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	31.03.2021		31.03.2020	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	805,937,796	804,783,580	615,969,011	614,473,761
Total Adjusted Level 1A Assets	803,838,873	803,838,873	614,788,509	614,788,509
Level 1 Assets	803,629,364	803,629,364	612,978,511	612,978,511
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	2,308,432	1,154,216	2,990,500	1,495,250
Level 2B Assets	2,308,432	1,154,216	2,990,500	1,495,250
Total Cash Outflows	1,335,973,529	293,914,468	1,097,972,675	231,170,805
Deposits	984,990,614	98,499,061	812,935,087	81,293,509
Unsecured Wholesale Funding	322,720,132	189,952,651	245,614,395	139,137,591
Secured Funding Transactions	9,107,874	-	20,575,332	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	15,727,900	2,035,747	9,434,549	1,327,001
Additional Requirements	3,427,009	3,427,009	9,413,311	9,413,311
Total Cash Inflows	22,870,682	9,865,608	24,990,575	9,690,865
Maturing Secured Lending Transactions Backed by Collateral	8,059,346	2,309,877	10,003,846	2,723,653
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	10,629,787	7,555,731	9,549,164	6,581,339
Operational Deposits	4,181,549	-	5,051,692	-
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		283.33		277.44

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	31.03.2021	31.03.2020
Total Available Stable Funding	913,532,710	774,284,016
Required Stable Funding – On Balance Sheet Assets	548,573,612	435,541,359
Required Stable Funding – Off Balance Sheet Items	685,432	491,958
Total Required Stable Funding	549,259,044	436,033,317
NSFR	166	178

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)	900,000
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 31.03.2021					
	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	777,793,546	-	772,043,011	-	1,128,877	0.1
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	178,290,088	7,275,092	8,602,804	-	2,733,224	31.8
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	26,019,964	2,000,000	26,019,964	1,000,000	9,593,552	35.5
Claims on Financial Institutions	4,740,045	500,000	4,740,045	250,000	2,713,021	54.4
Claims on Corporates	8,513,921	-	8,513,921	-	4,123,114	48.4
Retail Claims	303,617,135	2,547,951	273,949,437	132,170	171,582,151	62.6
Claims Secured by Residential Property	77,904,927	1,173,648	77,904,927	586,824	28,737,107	36.6
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	8,611,729	-	8,611,729	-	7,621,970	88.5
Higher Risk Categories	3,493,519	-	3,493,519	-	8,733,799	250.0
Cash Items and Other Assets	26,089,340	2,495,550	26,089,340	2,495,550	25,607,170	89.6
Total	1,415,074,214	15,992,241	1,209,968,698	4,464,544	262,573,985	21.6

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 31.03.2021					
	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	780,072,456	-	775,472,940	-	1,128,877	0.1
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	178,290,252	7,275,092	8,602,969	-	2,733,387	31.8
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	29,647,216	2,000,000	29,647,216	1,000,000	11,233,668	36.7
Claims on Financial Institutions	5,111,679	500,000	5,111,679	250,000	2,898,838	54.1
Claims on Corporates	8,643,984	-	8,643,984	-	4,189,382	48.5
Retail Claims	305,190,281	2,572,771	275,507,846	142,605	172,851,039	62.7
Claims Secured by Residential Property	78,213,602	1,175,248	78,213,602	587,624	29,046,583	36.9
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	8,774,046	-	8,774,046	-	7,784,496	88.7
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	27,401,404	2,495,550	27,401,404	2,495,550	26,909,807	90.0
Total	1,421,344,921	16,018,661	1,217,375,687	4,475,780	258,776,078	21.2

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 31.03.2021
(a)RWA for Interest Rate Risk	5,991,036
General Interest Rate Risk	5,991,036
(i)Net Long or Short Position	5,991,036
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,689,404
(i)General Equity Risk	1,989,531
(ii)Specific Equity Risk	1,699,873
(c)RWA for Foreign Exchange & Gold	1,231,793
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,309,468

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 31.03.2021
(a)RWA for Interest Rate Risk	9,051,058
General Interest Rate Risk	9,051,058
(i)Net Long or Short Position	9,051,058
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,693,583
(i)General Equity Risk	1,992,010
(ii)Specific Equity Risk	1,701,573
(c)RWA for Foreign Exchange & Gold	1,231,793
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,677,172

Operational Risk under Basic Indicator Approach(Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 31.03.2021			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,211,911	32,413,508	46,359,715	
Capital Charge	-	-	-	-	5,249,257
Risk Weighted Amount for Operational Risk	-	-	-	-	43,743,808

Operational Risk under Basic Indicator Approach(Group)

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 31.03.2021			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	26,474,010	33,794,306	47,902,542	
Capital Charge	-	-	-	-	5,408,543
Risk Weighted Amount for Operational Risk	-	-	-	-	45,071,192

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

Item	Amount (LKR'000) as at 31.03.2021				
	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	1,442,910,883	1,445,859,166	1,209,118,069	26,230,394	210,510,704
Cash and cash equivalents	6,881,791	12,631,490	6,850,820	30,136	5,750,535
Balances with Central Bank	-	-	-	-	-
Placements with banks	15,696,575	15,351,435	15,351,435	-	-
Derivative financial instruments	-	-	-	-	-
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	14,391,866	28,513,152	-	26,200,258	2,312,894
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at amortised cost	-	-	-	-	-
Loans and Advances	-	-	-	-	-
Loans and receivables to banks	10,053,760	6,453,776	6,453,776	-	-
Loans and receivables to other customers	485,270,150	488,690,975	289,335,992	-	199,354,982
Debt and other instruments/Financial Investments Held to Maturity	844,201,182	828,395,654	828,395,654	-	-
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	15,223,182	-	-	-	-
Investments in subsidiaries	4,811,000	4,811,000	3,493,519	-	1,317,481
Investments in associates and joint ventures	-	-	-	-	-
Property, Plant and Equipment	15,300,015	15,300,015	15,300,015	-	-
Investment properties	-	-	-	-	-
Intangible assets	674,150	674,150	-	-	674,150
Deferred tax assets	1,100,662	1,100,662	-	-	1,100,662
Other assets	29,306,549	43,936,857	43,936,857	-	-
Liabilities	1,384,569,610	1,374,592,162	-	-	-
Due to banks	17,484,534	17,384,058	-	-	-
Derivative financial instruments	-	-	-	-	-
Financial liabilities recognized through profit	-	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-	-
- Due to depositors	1,301,623,248	1,270,405,762	-	-	-
- due to debt securities holders	-	-	-	-	-
- due to other borrowers	7,939,019	7,934,387	-	-	-
Debt securities issued	21,232,353	20,000,000	-	-	-
Retirement benefit obligations	10,885,085	-	-	-	-
Current tax liabilities	4,526,152.27	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other liabilities	9,484,668	47,864,455	-	-	-
Due to Subsidiaries	3,500	3,500	-	-	-
Subordinated Term Debt	11,391,051	11,000,000	-	-	-
Off Balance Sheet Liabilities	15,976,608	15,992,241	4,464,546	-	-
Guarantees	2,283,610	2,283,610	-	-	-
Performance Bonds	-	-	-	-	-
Letters of Credit	264,341	264,341	132,170	-	-
Other Contingent Items	-	-	-	-	-
Undrawn Loan Commitments	10,948,740	10,948,740	1,836,824	-	-
Other Commitments	2,479,918	2,495,550	2,495,550	-	-
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	17,696,742	-	-	-	-
Accumulated Other Comprehensive Income	(479,436)	-	-	-	-
Other Reserves	31,723,966	61,867,004	-	-	-
Total Shareholders' Equity	58,341,273	71,267,004	-	-	-