



Basel III - Minimum Disclosure Requirements under Pillar III

As at 31st March 2022

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Regulatory Capital(LKR '000)				
Common Equity Tier 1	59,513,276	36,934,411	64,247,805	42,885,502
Tier 1 Capital	64,513,276	41,934,411	69,247,805	47,885,502
Total Capital	72,462,091	50,360,389	76,568,734	56,095,165
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 6.5%)	16.345	11.643	17.726	13.493
Tier 1 Capital Ratio(Minimum Requirement : 8.0%)	17.718	13.219	19.105	15.067
Total Capital Ratio (Minimum Requirement : 12.0%)	19.902	15.875	21.125	17.650
Leverage Ratio(Minimum Requirement : 3%)	8.68%	6.23%	8.77%	6.74%
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	650,590,049	842,531,542	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)				
Domestic Banking Unit (%)	46.76	68.13	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement :2021- 100%,2021-90%)	214.69	292.19	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement : 2022-100%,2021-90%)	214.05	283.33	N/A	N/A
NSFR (%)-(Minimum Requirement : 2022-100%,2021-90%)	161.27	166	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Common Equity Tier 1 (CET1) Capital after Adjustments	59,513,276	36,934,411	64,247,807	42,885,502
Total Common Equity Tier 1 (CET1) Capital	64,406,427	42,372,502	68,262,398	47,092,237
Equity Capital (Stated capital) /Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000
Reserve fund	5,174,249	4,068,268	5,209,101	4,090,363
Published Retained Earnings/(Accumulated Retained Losses)	8,376,790	6,813,679	12,567,994	11,015,735
Published Accumulated other comprehensive income (OCI)	(1,636,498)	(1,001,332)	(2,006,576)	(999,706)
General and other disclosed reserves	43,091,885	23,091,885	43,091,877	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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-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	4,893,149	5,438,088	4,014,590	4,206,733
Goodwill (net)	-	-	-	-
Intangible assets (net)	750,818	674,150	757,566	679,959
Revaluation losses of property, plant and equipment	32,902	32,902	32,902	32,902
Deferred tax assets (net)	1,046,208	1,100,662	1,046,756	1,100,662
Cash flow hedge reserve	-	-	-	-
Gains on sale related securitisation transactions	282,619	-	282,619	-
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	1,686,675	2,312,894	1,894,748	2,393,211
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	1,093,928	1,317,481	-	-
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	7,948,817	8,425,979	7,320,930	8,209,664
Total Tier 2 Capital	7,948,816	8,425,978	7,871,597	8,378,504

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Qualifying Tier 2 Capital Instruments	-	900,000	-	900,000
Revaluation gains	4,243,803	4,243,803	4,243,803	4,243,803
Loan Loss Provisions	3,705,012	3,282,175	3,627,794	3,234,701
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	-	-	550,668	168,841
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	-	-	550,668	168,841
CET 1 Capital	59,513,276	36,934,411	64,247,805	42,885,502
Total Tier 1 Capital	64,513,276	41,934,411	69,247,805	47,885,502
Total Capital	72,462,091	50,360,389	76,568,734	56,095,165
Total Risk Weighted Assets(RWA)	364,102,635	317,230,028	362,450,708	317,823,706
RWAs for Credit Risk	296,400,994	262,573,986	290,223,484	258,776,080
RWAs for Market Risk	9,542,600	10,912,233	13,079,208	13,976,433
RWAs for Operational Risk	58,159,042	43,743,808	59,148,017	45,071,192
CET I Capital Ratio(including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	16.345	11.643	17.726	13.493
of which :Capital Conservation Buffer(%)	2.000	2.000	2.000	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(%)	17.718	13.219	19.105	15.067
Total Capital Ratio(including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	19.902	15.875	21.125	17.650
of which :Capital Conservation Buffer(%)	2.000	2.000	2.000	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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Tier I Capital	64,513,276	41,934,412	69,247,807	47,885,502
Total Exposures	742,949,737	673,209,357	789,245,226	710,773,442
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	724,865,787	650,781,213	751,113,327	674,721,953
Derivative Exposures	409,207	-	409,207	-
Securities Financing Transaction Exposures	11,713,402	17,963,599	31,758,693	31,575,708
Other Off-Balance Sheet Exposures	5,961,341	4,464,546	5,963,999	4,475,781
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	8.68%	6.23%	8.77%	6.74%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	31.03.2022		31.03.2021	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	715,721,593	714,189,011	805,937,796	804,783,580
Total Adjusted Level 1A Assets	712,815,454	712,815,454	803,838,873	803,838,873
Level 1 Assets	712,656,430	712,656,430	803,629,364	803,629,364
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	3,065,163	1,532,582	2,308,432	1,154,216
Level 2B Assets	3,065,163	1,532,582	2,308,432	1,154,216
Total Cash Outflows	1,485,043,164	344,277,355	1,335,973,529	293,914,468
Deposits	1,108,771,826	110,877,183	984,990,614	98,499,061
Unsecured Wholesale Funding	357,760,914	229,375,877	322,720,132	189,952,651
Secured Funding Transactions	3,418,397	-	9,107,874	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	11,823,908	756,175	15,727,900	2,035,747
Additional Requirements	3,268,120	3,268,120	3,427,009	3,427,009
Total Cash Inflows	24,588,540	10,621,494	22,870,682	9,865,608
Maturing Secured Lending Transactions Backed by Collateral	6,162,151	3,293,732	8,059,346	2,309,877
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	10,915,792	7,324,968	10,629,787	7,555,731
Operational Deposits	7,505,010	-	4,181,549	-
Other Cash Inflows	5,587	2,793	-	-
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		214.05		283.33

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	31.03.2022	31.03.2021
Total Available Stable Funding	1,026,140,421	913,532,710
Required Stable Funding – On Balance Sheet Assets	635,740,313	548,573,612
Required Stable Funding – Off Balance Sheet Items	535,223	685,432
Total Required Stable Funding	636,275,537	549,259,044
NSFR	161.27	166

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 31.03.2022					
	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	843,019,350	2,634,515	840,150,930	1,317,257	1,818,811	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	205,749,819	351,497	5,490,321	-	1,642,491	29.9
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	18,022,265	2,967,109	18,022,265	1,019,342	6,368,727	33.4
Claims on Financial Institutions	3,443,601	-	3,443,601	-	1,976,005	57.4
Claims on Corporates	5,141,346	-	5,141,346	-	1,637,276	31.8
Retail Claims	360,058,882	3,130,140	328,572,754	-	203,858,454	62.0
Claims Secured by Residential Property	81,897,450	1,362,395	81,897,450	681,197	30,310,439	36.7
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	11,150,942	-	11,150,942	-	9,944,100	89.2
Higher Risk Categories	3,717,072	-	3,717,072	-	9,292,682	250.0
Cash Items and Other Assets	30,802,216	2,943,543	30,802,216	2,943,543	29,552,008	87.6
Total	1,563,002,942	13,389,198	1,328,388,896	5,961,341	296,400,996	22.2

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.

Credit Risk under Standardised Approach (Group)
Credit Risk Exposures and Credit Risk Mitigation(CRM) Effects

Item	Amount (LKR '000) as at 31.03.2022					
	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	846,336,819	2,634,515	844,467,734	1,317,257	1,818,811	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	205,749,983	351,497	5,490,485	-	1,642,655	29.9
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	20,225,656	2,967,109	20,225,656	1,019,342	7,367,351	34.7
Claims on Financial Institutions	3,173,443	-	3,173,443	-	1,586,723	50.0
Claims on Corporates	5,273,663	-	5,273,663	-	1,705,798	32.3
Retail Claims	360,859,601	3,130,140	329,362,653	-	204,496,886	62.1
Claims Secured by Residential Property	82,256,026	1,362,395	82,256,026	681,197	30,669,015	37.0
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs) (i)	11,223,424	-	11,223,424	-	10,017,076	89.3
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	32,175,479	2,943,543	32,175,479	2,943,543	30,919,168	88.0
Total	1,567,274,094	13,389,198	1,333,648,563	5,961,341	290,223,486	21.7

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 31.03.2022
(a)RWA for Interest Rate Risk	3,777,063
General Interest Rate Risk	3,777,063
(i)Net Long or Short Position	3,777,063
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,426,281
(i)General Equity Risk	2,484,667
(ii)Specific Equity Risk	1,941,614
(c)RWA for Foreign Exchange & Gold	1,339,250
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,145,111

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 31.03.2022
(a)RWA for Interest Rate Risk	7,520,112
General Interest Rate Risk	7,520,112
(i)Net Long or Short Position	7,520,112
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,219,850
(i)General Equity Risk	2,362,741
(ii)Specific Equity Risk	1,857,109
(c)RWA for Foreign Exchange & Gold	1,339,250
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,569,505

Operational Risk under Basic Indicator Approach(Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 31.03.2022			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	32,413,508	46,359,715	60,808,476	
Capital Charge					6,979,085
Risk Weighted Amount for Operational Risk					58,159,042

Operational Risk under Basic Indicator Approach(Group)

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 31.03.2022			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	33,794,306	47,902,542	60,258,399	
Capital Charge					7,097,762
Risk Weighted Amount for Operational Risk					59,148,017

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

Item	Amount (LKR'000) as at 31.03.2022			
	a	c	d	e
	Carrying Values as Reported in Published Financial Statements	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not Subject to Capital Requirements or Subject to Deduction from Capital
Assets	1,605,151,583	1,327,708,142	38,320,644	239,122,797
Cash and cash equivalents	11,424,986	11,419,668	5,319	
Balances with Central Bank	150,125	150,125.45	-	-
Placements with banks	8,292,066	8,292,066	-	-
Derivative financial instruments	282,619	-	-	282,619.00
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	19,763,503	-	19,468,496	295,006
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Loans and Advances	-	-	-	-
Loans and receivables to banks	3,455,340	2,641,050	-	814,290.00
Loans and receivables to other customers	551,330,123	317,881,864	-	233,448,259
Debt and other instruments/Financial Investments Held to Maturity	927,839,113	927,839,113	-	-
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	20,282,694	44,196	18,846,829	1,391,669
Investments in subsidiaries	4,811,000	3,717,072	-	1,093,928
Investments in associates and joint ventures	-	-	-	-
Property, Plant and Equipment	14,878,606	14,878,606	-	-
Investment properties	-	-	-	-
Intangible assets	750,818	-	-	750,818
Deferred tax assets	1,046,208	-	-	1,046,208
Other assets	40,844,381	40,844,381	-	-
Liabilities	1,524,698,556	-	-	-
Due to banks	4,170,375			
Derivative financial instruments	-			
Financial liabilities recognized through profit	-			
Financial liabilities at amortised cost:				
- Due to depositors	1,454,261,880			
- due to debt securities holders	-			
- due to other borrowers	4,156,891			
Debt securities issued	32,792,893			
Retirement benefit obligations	8,762,027			
Current tax liabilities	5,307,702.00			
Deferred tax liabilities	-			
Other Provisions	-			
Other liabilities	10,036,853			
Due to Subsidiaries	3,500			
Subordinated Term Debt	5,206,433			
Off Balance Sheet Liabilities	14,287,298	10,704,469	-	3,582,830
Guarantees	3,130,140			3,130,140
Performance Bonds	-			
Letters of Credit	898,100	445,410		452,690
Other Contingent Items	967,109.00	967,109.00		
Undrawn Loan Commitments	6,348,407	6,348,407		
Other Commitments	2,943,543	2,943,543		
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	18,970,663			
Accumulated Other Comprehensive Income	(1,515,262)			
Other Reserves	53,597,628			
Total Shareholders' Equity	80,453,028			