



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th June 2022

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Regulatory Capital(LKR '000)				
Common Equity Tier 1	57,054,965	34,965,603	62,634,670	40,915,558
Tier 1 Capital	62,054,965	39,965,603	67,634,670	45,915,558
Total Capital	70,040,799	48,165,455	75,011,176	53,811,380
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 6.5%)	15.525	10.742	17.245	12.544
Tier 1 Capital Ratio(Minimum Requirement : 8.0%)	16.886	12.278	18.621	14.076
Total Capital Ratio (Minimum Requirement : 12.0%)	19.059	14.797	20.652	16.497
Leverage Ratio(Minimum Requirement : 3%)	7.88	5.85	8.23	6.42
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	623,570,509	877,199,059	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)				
Domestic Banking Unit (%)	43.62	68.04	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement :2022- 90%,2021-100%)	188.00	295.00	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement : 2022-90%,2021-100%)	185.98	292.52	N/A	N/A
NSFR (%)-(Minimum Requirement : 2022-90%,2021-100%)	157.54	165.65	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Common Equity Tier 1 (CET1) Capital after Adjustments	57,054,965	34,965,603	62,634,670	40,915,558
Total Common Equity Tier 1 (CET1) Capital	63,201,071	40,878,483	66,913,572	45,588,159
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	5,313,679	12,567,994	9,515,735
Published Accumulated other comprehensive income (OCI)	(2,841,854)	(995,351)	(3,355,402)	(1,003,785)
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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-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	6,146,103	5,912,877	4,278,899	4,672,598
Goodwill (net)	-	-	-	-
Intangible assets (net)	710,533	632,734	716,051	639,086
Revaluation losses of property, plant and equipment	32,902	32,902	32,902	32,902
Deferred tax assets (net)	2,126,960	1,420,302	2,127,584	1,420,383
Cash flow hedge reserve	-	-	-	-
Gains on sale related securitisation transactions	-	-	-	-
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	1,167,343	2,489,966	1,402,363	2,580,228
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	2,108,367	1,336,974	-	-
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	7,985,834	8,199,852	7,376,507	7,895,821
Total Tier 2 Capital	7,985,833	8,199,852	7,901,650	8,154,822

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Qualifying Tier 2 Capital Instruments	-	600,000	-	600,000
Revaluation gains	4,243,803	4,243,803	4,243,803	4,243,803
Loan Loss Provisions	3,742,030	3,356,049	3,657,846	3,311,019
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	-	-	525,143	259,002
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	-	-	525,143	259,002
CET 1 Capital	57,054,965	34,965,603	62,634,670	40,915,558
Total Tier 1 Capital	62,054,965	39,965,603	67,634,670	45,915,558
Total Capital	70,040,799	48,165,455	75,011,176	53,811,380
Total Risk Weighted Assets(RWA)	367,497,786	325,497,780	363,208,131	326,187,181
RWAs for Credit Risk	299,362,403	268,483,921	292,627,689	264,881,521
RWAs for Market Risk	8,645,267	10,696,417	10,668,758	13,701,917
RWAs for Operational Risk	59,490,117	46,317,442	59,911,683	47,603,742
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	15.525	10.742	17.245	12.544
of which :Capital Consvration 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(%)	16.886	12.278	18.621	14.076
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	19.059	14.797	20.652	16.497
of which :Capital Consvration 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	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Tier I Capital	62,054,965	39,965,603	67,634,670	45,915,558
Total Exposures	787,078,782	683,240,841	822,216,683	715,643,289
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	740,398,978	663,010,654	760,359,748	682,028,304
Derivative Exposures	82,587	-	82,587	-
Securities Financing Transaction Exposures	40,044,213	15,004,803	55,221,344	28,386,762
Other Off-Balance Sheet Exposures	6,553,004	5,225,384	6,553,004	5,228,223
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	7.88%	5.85%	8.23%	6.42%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.06.2022		30.06.2021	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	580,576,768	579,158,126	832,868,760	831,539,335
Total Adjusted Level 1A Assets	580,299,347	580,299,347	829,850,173	829,850,173
Level 1 Assets	577,739,484	577,739,484	830,209,910	830,209,910
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	2,837,284	1,418,642	2,658,850	1,329,425
Level 2B Assets	2,837,284	1,418,642	2,658,850	1,329,425
Total Cash Outflows	1,483,853,746	322,241,599	1,384,438,778	300,297,112
Deposits	1,126,661,200	112,666,120	1,026,666,232	102,666,623
Unsecured Wholesale Funding	320,774,207	205,315,489	334,015,766	191,845,740
Secured Funding Transactions	25,401,648	-	5,141,914	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	13,135,883	2,690,466	17,055,478	2,059,479
Additional Requirements	1,575,450	1,575,450	3,725,270	3,725,270
Total Cash Inflows	23,837,098	10,835,886	33,343,414	16,033,253
Maturing Secured Lending Transactions Backed by Collateral	3,101,107	2,633,253	13,250,464	4,319,583
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	14,143,948	8,198,610	15,911,401	11,713,241
Operational Deposits	6,583,995	-	4,181,549	-
Other Cash Inflows	8,047	4,024	860	430
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		185.98		292.52

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	30.06.2022	30.06.2021
Total Available Stable Funding	1,048,288,562	934,677,588
Required Stable Funding – On Balance Sheet Assets	664,817,669	563,525,932
Required Stable Funding – Off Balance Sheet Items	595,432	736,121
Total Required Stable Funding	665,413,101	564,262,053
NSFR	157.54	165.65

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 30.06.2022					
	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 (*)
Claims on Central Government and CBSL	849,434,042	2,835,995	848,966,187	1,417,998	2,000,685	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	207,357,776	351,497	4,995,342	-	1,451,144	29.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	15,855,743	3,849,560	15,855,743	1,036,991	5,669,093	33.6
Claims on Financial Institutions	2,352,147	-	2,352,147	-	1,814,596	77.1
Claims on Corporates	5,123,316	-	5,123,316	-	1,330,954	26.0
Retail Claims	364,815,307	3,123,426	332,009,118	-	205,410,066	61.9
Claims Secured by Residential Property	83,986,133	1,310,205	83,986,133	655,103	30,680,010	36.2
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	12,342,119	-	12,342,119	-	11,152,713	90.4
Higher Risk Categories	3,702,633	-	3,702,633	-	9,256,585	250.0
Cash Items and Other Assets	31,265,737	3,442,911	31,265,737	3,442,911	30,596,562	88.2
Total	1,576,234,953	14,913,595	1,340,598,475	6,553,003	299,362,403	22.2

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 30.06.2022					
	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 (*)
Claims on Central Government and CBSL	857,088,486	2,835,995	856,620,631	1,417,998	2,000,685	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	207,357,940	351,497	4,995,506	-	1,451,309	29.1
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	18,163,363	3,849,560	18,163,363	1,036,991	6,232,978	32.5
Claims on Financial Institutions	2,115,136	-	2,115,136	-	1,446,090	68.4
Claims on Corporates	5,259,640	-	5,259,640	-	1,401,519	26.6
Retail Claims	365,415,029	3,123,626	332,608,840	100	205,876,193	61.9
Claims Secured by Residential Property	84,300,515	1,316,242	84,300,515	658,121	30,997,410	36.5
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	12,473,767	-	12,473,767	-	11,285,180	90.5
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	32,610,568	3,442,911	32,610,568	3,442,911	31,936,327	88.6
Total	1,584,784,445	14,919,831	1,349,147,967	6,556,122	292,627,689	21.6

Note:

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

Market Risk under Standardised Measurement Method (Bank)

Item	RWA Amount(LKR'000) as at 30.06.2022
(a)RWA for Interest Rate Risk	2,466,807
General Interest Rate Risk	2,466,807
(i)Net Long or Short Position	2,466,807
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,061,008
(i)General Equity Risk	2,214,589
(ii)Specific Equity Risk	1,846,419
(c)RWA for Foreign Exchange & Gold	2,117,447
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,037,431

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.06.2022
(a)RWA for Interest Rate Risk	4,769,475
General Interest Rate Risk	4,769,475
(i)Net Long or Short Position	4,769,475
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	3,781,839
(i)General Equity Risk	2,067,811
(ii)Specific Equity Risk	1,714,029
(c)RWA for Foreign Exchange & Gold	2,117,447
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,280,251

Operational Risk under Basic Indicator Approach(Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.06.2022			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	30,283,494	54,076,433	58,416,360	
Capital Charge	-	-	-	-	7,138,814
Risk Weighted Amount for Operational Risk	-	-	-	-	59,490,117

Operational Risk under Basic Indicator Approach(Group)

Capital Charge	Capital Charge	Gross Income (LKR'000) as at 30.06.2022			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	32,081,957	54,908,809	56,797,265	
Capital Charge	-	-	-	-	7,189,402
Risk Weighted Amount for Operational Risk	-	-	-	-	59,911,683

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

Item	Amount (LKR'000) as at 30.06.2022			
	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	1,608,644,407	1,341,139,643	26,066,215	241,438,549
Cash and cash equivalents	10,352,849	10,334,533	18,316	
Balances with Central Bank	175,123	175,122.73	-	-
Placements with banks	7,637,923	7,637,923	-	-
Derivative financial instruments	40,367	-	-	40,367.19
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	14,646,023	-	14,450,313	195,710
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Loans and Advances	-	-	-	-
Loans and receivables to banks	2,054,397	1,604,577	-	449,820.00
Loans and receivables to other customers	556,504,819	321,669,659	-	234,835,160
Debt and other instruments/Financial Investments Held to Maturity	935,007,472	935,007,472	-	-
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	12,625,052	55,832	11,597,587	971,633
Investments in subsidiaries	5,811,000	3,702,633	-	2,108,367
Investments in associates and joint ventures	-	-	-	-
Property, Plant and Equipment	14,856,088	14,856,088	-	-
Investment properties	-	-	-	-
Intangible assets	710,533	-	-	710,533
Deferred tax assets	2,126,960	-	-	2,126,960
Other assets	46,095,803	46,095,803	-	-
Liabilities	1,534,425,107	-	-	-
Due to banks	9,248,918	-	-	-
Derivative financial instruments	-	-	-	-
Financial liabilities recognized through profit	-	-	-	-
Financial liabilities at amortised cost:				
- Due to depositors	1,436,040,009	-	-	-
- due to debt securities holders	-	-	-	-
- due to other borrowers	27,250,284	-	-	-
Debt securities issued	33,599,348	-	-	-
Retirement benefit obligations	8,491,960	-	-	-
Current tax liabilities	6,564,213.49	-	-	-
Deferred tax liabilities	-	-	-	-
Other Provisions	-	-	-	-
Other liabilities	8,113,024	-	-	-
Due to Subsidiaries	10,500	-	-	-
Subordinated Term Debt	5,106,849	-	-	-
Off Balance Sheet Liabilities	15,619,110	11,790,116	-	3,828,994
Guarantees	3,123,426	-	-	3,123,426
Performance Bonds	-	-	-	-
Letters of Credit	705,569	-	-	705,569
Other Contingent Items	1,849,560.00	1,849,560.00	-	-
Undrawn Loan Commitments	6,497,644	6,497,644	-	-
Other Commitments	3,442,911	3,442,911	-	-
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	13,809,860	-	-	-
Accumulated Other Comprehensive Income	(2,548,037)	-	-	-
Other Reserves	53,557,477	-	-	-
Total Shareholders' Equity	74,219,300	-	-	-