



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th September 2022

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Regulatory Capital(LKR '000)				
Common Equity Tier 1	51,052,401	34,506,653	58,101,867	40,351,779
Tier 1 Capital	56,052,401	39,506,653	63,101,867	45,351,779
Total Capital	63,955,650	47,549,174	70,351,208	52,725,869
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 6.5%)	14.191	10.111	16.451	11.822
Tier 1 Capital Ratio(Minimum Requirement : 8.0%)	15.581	11.576	17.867	13.286
Total Capital Ratio (Minimum Requirement : 12.0%)	17.778	13.932	19.919	15.447
Leverage Ratio(Minimum Requirement : 3%)	7.57	5.49	8.16	5.99
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	598,092,205	839,335,500	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)				
Domestic Banking Unit (%)	42.51	62.91	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement :2022- 90%,2021-100%)	191.54	259.42	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement : 2022-90%,2021-100%)	190.05	258.42	N/A	N/A
NSFR (%)-(Minimum Requirement : 2022-90%,2021-100%)	174.60	161.48	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Common Equity Tier 1 (CET1) Capital after Adjustments	51,052,401	34,506,653	58,101,867	40,351,779
Total Common Equity Tier 1 (CET1) Capital	58,374,753	40,630,593	62,483,377	45,275,745
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)	3,209,822	5,313,679	7,401,026	9,515,735
Published Accumulated other comprehensive income (OCI)	(2,501,203)	(1,243,240)	(2,618,627)	(1,316,199)
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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-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	7,322,352	6,123,938	4,381,510	4,923,963
Goodwill (net)	-	-	-	-
Intangible assets (net)	911,939	583,775	917,631	591,053
Revaluation losses of property, plant and equipment	32,902	32,902	32,902	32,902
Deferred tax assets (net)	1,852,907	1,707,445	1,854,083	1,707,897
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	1,366,707	2,458,299	1,576,894	2,592,112
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	3,157,897	1,341,518	-	-
Additional Tier 1 (AT1) Capital after Adjustments	5,000,000	5,000,000	5,000,000	5,000,000
Total Additional Tier 1 (AT1) 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	7,903,249	8,042,523	7,249,341	7,374,092

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Total Tier 2 Capital	7,903,249	8,042,522	7,795,439	7,991,130
Qualifying Tier 2 Capital Instruments	-	300,000	-	300,000
Revaluation gains	4,243,803	4,243,803	4,243,803	4,243,803
Loan Loss Provisions	3,659,446	3,498,718	3,551,636	3,447,327
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	-	-	546,098	617,040
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	-	-	546,098	617,040
CET 1 Capital	51,052,401	34,506,653	58,101,867	40,351,779
Total Tier 1 Capital	56,052,401	39,506,653	63,101,867	45,351,779
Total Capital	63,955,650	47,549,174	70,351,208	52,725,869
Total Risk Weighted Assets(RWA)	359,746,542	341,288,872	353,181,706	341,338,747
RWAs for Credit Risk	292,755,717	279,897,454	284,130,872	275,786,164
RWAs for Market Risk	9,739,158	12,239,117	11,471,742	15,116,233
RWAs for Operational Risk	57,251,667	49,152,300	57,579,092	50,436,350
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	14.191	10.111	16.451	11.822
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(%)	15.581	11.576	17.867	13.286
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	17.778	13.932	19.919	15.447
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	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Tier I Capital	56,052,401	39,506,653	63,101,868	45,351,779
Total Exposures	740,671,256	719,532,664	773,648,116	757,280,860
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	715,101,822	694,119,913.00	734,376,020	716,334,496
Derivative Exposures	99,991	-	99,991	-
Securities Financing Transaction Exposures	18,916,441	19,997,882.00	32,619,103	35,529,882
Other Off-Balance Sheet Exposures	6,553,002	5,414,869.00	6,553,002	5,416,482
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	7.57%	5.49%	8.16%	5.99%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.09.2022		30.09.2021	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	578,984,192	577,091,076	810,775,076	809,335,522
Total Adjusted Level 1A Assets	-	576,765,326	806,919,916	806,919,916
Level 1 Assets	-	575,197,961	807,895,968	807,895,968
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	1,893,116	2,879,108	1,439,554
Level 2B Assets	-	1,893,116	2,879,108	1,439,554
Total Cash Outflows	-	313,301,039	1,423,770,834	326,961,400
Deposits	1,178,704,883	117,870,488	1,056,950,904	105,695,090
Unsecured Wholesale Funding	298,203,486	192,212,213	342,522,528	211,427,600
Secured Funding Transactions	8,196,844	-	3,495,217	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	13,097,236	2,717,685	14,159,010	3,195,536
Additional Requirements	500,758	500,758	6,643,175	6,643,175
Total Cash Inflows	16,065,383	9,650,849	33,894,839	13,774,982
Maturing Secured Lending Transactions Backed by Collateral	3,186,572	2,851,742	16,411,772	3,814,789
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	9,135,625	6,794,535	12,474,505	9,959,013
Operational Deposits	3,734,042	-	5,008,562	-
Other Cash Inflows	9,145	4,572	2,361	1,181
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		190.05		258.42

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	30.09.2022	30.09.2021
Total Available Stable Funding	1,111,722,823	969,053,857
Required Stable Funding – On Balance Sheet Assets	636,195,668	599,550,286
Required Stable Funding – Off Balance Sheet Items	544,149	554,964
Total Required Stable Funding	636,739,818	600,105,250
NSFR	175.00	161.00

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 30.09.2022					
	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	841,951,021	3,037,475	841,596,051	1,518,738	1,992,592	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	208,065,949	351,497	4,279,945	-	1,248,686	29.2
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	12,632,694	3,542,480	12,632,694	1,030,850	5,000,449	36.6
Claims on Financial Institutions	3,750,928	-	3,750,928	-	3,309,447	88.2
Claims on Corporates	4,249,172	-	4,249,172	-	1,007,932	23.7
Retail Claims	363,366,999	3,124,841	331,220,681	-	197,906,225	59.8
Claims Secured by Residential Property	83,838,509	687,300	83,838,509	343,650	29,808,144	35.4
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	12,291,455	-	12,291,455	-	11,172,526	90.9
Higher Risk Categories	3,653,103	-	3,653,103	-	9,132,759	250.0
Cash Items and Other Assets	33,194,626	3,262,132	33,194,626	3,262,132	32,176,959	88.3
Total	1,566,994,455	14,005,725	1,330,707,165	6,155,370	292,755,719	21.9

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 30.09.2022					
	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	850,363,789	3,037,475	849,926,044	1,518,738	1,992,592	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	208,066,113	351,497	4,280,110	-	1,248,850	29.2
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	13,148,829	3,542,480	13,148,829	1,030,850	5,125,729	36.1
Claims on Financial Institutions	2,182,491	-	2,182,491	-	1,467,805	67.3
Claims on Corporates	4,383,321	-	4,383,321	-	1,078,264	24.6
Retail Claims	363,872,869	3,124,841	331,719,873	-	198,291,993	59.8
Claims Secured by Residential Property	84,134,574	691,586	84,134,574	345,793	30,104,959	35.6
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	12,431,093	-	12,431,093	-	11,309,873	91.0
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	34,532,942	3,262,132	34,532,942	3,262,132	33,510,806	88.7
Total	1,573,116,022	14,010,012	1,336,739,277	6,157,513	284,130,873	21.2

Note:

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

Market Risk under Standardised Measurement Method (Bank)

Item	RWA Amount(LKR'000) as at 30.09.2022
(a)RWA for Interest Rate Risk	2,946,650
General Interest Rate Risk	2,946,650
(i)Net Long or Short Position	2,946,650
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,993,715
(i)General Equity Risk	2,761,700
(ii)Specific Equity Risk	2,232,015
(c)RWA for Foreign Exchange & Gold	1,798,793
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,168,699

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.09.2022
(a)RWA for Interest Rate Risk	4,896,151
General Interest Rate Risk	4,896,151
(i)Net Long or Short Position	4,896,151
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,776,806
(i)General Equity Risk	2,639,186
(ii)Specific Equity Risk	2,137,620
(c)RWA for Foreign Exchange & Gold	1,798,793
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,376,610

Operational Risk under Basic Indicator Approach (Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.09.2022			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	34,965,255	55,802,939	46,635,810	
Capital Charge	-	-	-	-	6,870,200
Risk Weighted Amount for Operational Risk	-	-	-	-	57,251,667

Operational Risk under Basic Indicator Approach (Group)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.09.2022			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	36,789,280	56,449,807	44,950,729	
Capital Charge	-	-	-	-	6,909,491
Risk Weighted Amount for Operational Risk	-	-	-	-	57,579,092

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

Item	Amount (LKR'000) as at 30.09.2022			
	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	1,609,137,937	1,329,972,071	35,884,625	243,281,240
Cash and cash equivalents	7,636,099	7,610,383	25,717	-
Balances with Central Bank	381,017	381,017.20	-	-
Placements with banks	7,388,100	7,388,100	-	-
Derivative financial instruments	55,997	-	-	55,997.03
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	15,073,710	-	14,817,012	256,698
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Loans and Advances	-	-	-	-
Loans and receivables to banks	1,897,003	1,562,173	-	334,830.00
Loans and receivables to other customers	554,754,659	319,153,696	-	235,600,963
Debt and other instruments/Financial Investments Held to Maturity	925,132,374	925,132,374	-	-
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	22,199,277	47,371	21,041,896	1,110,010
Investments in subsidiaries	6,811,000	3,653,103	-	3,157,897
Investments in associates and joint ventures	-	-	-	-
Property, Plant and Equipment	14,924,728	14,924,728	-	-
Investment properties	-	-	-	-
Intangible assets	911,939	-	-	911,939
Deferred tax assets	1,852,907	-	-	1,852,907
Other assets	50,119,126	50,119,126	-	-
Liabilities	1,536,843,275	-	-	-
Due to banks	1,529,611	-	-	-
Derivative financial instruments	35,119	-	-	-
Financial liabilities recognized through profit	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-
- Due to depositors	1,477,226,163	-	-	-
- due to debt securities holders	-	-	-	-
- due to other borrowers	14,843,395	-	-	-
Debt securities issued	17,940,776	-	-	-
Retirement benefit obligations	8,658,600	-	-	-
Current tax liabilities	2,229,543.87	-	-	-
Deferred tax liabilities	-	-	-	-
Other Provisions	-	-	-	-
Other liabilities	9,120,026	-	-	-
Due to Subsidiaries	1,960	-	-	-
Subordinated Term Debt	5,258,082	-	-	-
Off Balance Sheet Liabilities	14,460,903	10,880,884	-	3,580,019
Guarantees	3,124,841	-	-	3,124,841
Performance Bonds	-	-	-	-
Letters of Credit	455,177	-	-	455,177
Other Contingent Items	1,542,480.00	1,542,480.00	-	0
Undrawn Loan Commitments	6,076,272	6,076,272	-	-
Other Commitments	3,262,132	3,262,132	-	-
Shareholders' Equity	9,400,000	-	-	-
Equity Capital(Stated Capital)/Assigned Capital	-	-	-	0
of which Amount Eligible for CET 1	9,400,000	-	-	-
of which Amount Eligible for AT 1	-	-	-	-
Retained Earnings	11,648,649	-	-	-
Accumulated Other Comprehensive Income	(2,222,957)	-	-	-
Other Reserves	53,468,969	-	-	-
Total Shareholders' Equity	72,294,661	-	-	-