



**Basel III - Minimum Disclosure Requirements under Pillar III**

**As at 31<sup>st</sup> March 2023**

**(Un-audited)**

**National Savings Bank**

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Regulatory Capital(LKR '000)</b>				
Common Equity Tier 1	47,195,884	59,513,276	57,275,705	64,247,805
Tier 1 Capital	52,195,884	64,513,276	62,275,705	69,247,805
Total Capital	59,966,334	72,462,091	69,491,110	76,568,734
<b>Regulatory Capital Ratios(%)</b>				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 2023 - 7% , 2022 -6.5% )	13.633	16.345	16.408	17.726
Tier 1 Capital Ratio(Minimum Requirement : 2023 - 8.5% , 2022 -8.0% )	15.077	17.718	17.841	19.105
Total Capital Ratio (Minimum Requirement : 2023 - 12.5% , 2022 -12% )	17.321	19.902	19.908	21.125
Leverage Ratio(Minimum Requirement : 3%)	6.88	8.68	7.86	8.77
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets(LKR'000)	626,122,655	650,590,049	N/A	N/A
Statutory Liquid Assets Ratio( Minimum equirement - 20%)				
Domestic Banking Unit (%)	44.24	46.76	N/A	N/A
Off-Shore Banking Unit (%)				
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement : 100%)	218.18	214.69	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement: 100%)	220.62	214.05	N/A	N/A
NSFR (%)-(Minimum Requirement :100%)	175.16	161.27	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>47,195,884</b>	<b>59,513,276</b>	<b>57,275,705</b>	<b>64,247,807</b>
<b>Total Common Equity Tier 1 (CET1) Capital</b>	<b>58,977,171</b>	<b>64,406,427</b>	<b>63,107,435</b>	<b>68,262,398</b>
Equity Capital (Stated capital) /Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000
Reserve fund	5,174,249	5,174,249	5,209,101	5,209,101
Published Retained Earnings/(Accumulated Retained Losses)	3,209,822	8,376,790	7,401,026	12,567,994
Published Accumulated other comprehensive income (OCI)	(1,898,785)	(1,636,498)	(1,994,569)	(2,006,576)
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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-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	-	-	-	-
<b>Total Adjustments to CET1 Capital</b>	<b>11,781,287</b>	<b>4,893,149</b>	<b>5,831,730</b>	<b>4,014,590</b>
Goodwill (net)	-	-	-	-
Intangible assets (net)	689,592	750,818	693,853	757,566
Revaluation losses of property, plant and equipment	32,902	32,902	32,902	32,902
Deferred tax assets (net)	2,549,924	1,046,208	3,170,888	1,046,756
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	1,737,541	1,686,675	1,934,087	1,894,748
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	6,771,328	1,093,928	-	-
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>Total Additional Tier 1 (AT1) Capital</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>
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	-	-	-	-
<b>Total Adjustments to AT1 Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment in own shares	-	-	-	-
<b>Tier 2 Capital after Adjustments</b>	<b>7,770,450</b>	<b>7,948,817</b>	<b>7,215,405</b>	<b>7,320,930</b>

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Total Tier 2 Capital</b>	<b>7,770,450</b>	<b>7,948,816</b>	<b>7,781,036</b>	<b>7,871,597</b>
Qualifying Tier 2 Capital Instruments	-	-	-	-
Revaluation gains	4,243,803	4,243,803	4,243,803	4,243,803
Loan Loss Provisions	3,526,648	3,705,012	3,537,234	3,627,794
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	0	-	-
<b>Total Adjustments to Tier 2 Capital</b>	<b>-</b>	<b>-</b>	<b>565,631</b>	<b>550,668</b>
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	-	-	565,631	550,668
<b>CET 1 Capital</b>	<b>47,195,884</b>	<b>59,513,276</b>	<b>57,275,705</b>	<b>64,247,805</b>
<b>Total Tier 1 Capital</b>	<b>52,195,884</b>	<b>64,513,276</b>	<b>62,275,705</b>	<b>69,247,805</b>
<b>Total Capital</b>	<b>59,966,334</b>	<b>72,462,091</b>	<b>69,491,110</b>	<b>76,568,734</b>
<b>Total Risk Weighted Assets(RWA)</b>	<b>346,200,273</b>	<b>364,102,635</b>	<b>349,062,452</b>	<b>362,450,708</b>
RWAs for Credit Risk	282,131,825	296,400,994	282,978,682	290,223,484
RWAs for Market Risk	11,106,930	9,542,600	12,578,489	13,079,208
RWAs for Operational Risk	52,961,519	58,159,042	53,505,281	59,148,017
<b>CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer &amp; Surcharge on D-SIBs)(%)</b>	<b>13.633</b>	<b>16.345</b>	<b>16.408</b>	<b>17.726</b>
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
<b>Total Tier I Capital Ratio(%)</b>	<b>15.077</b>	<b>17.718</b>	<b>17.841</b>	<b>19.105</b>
<b>Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer &amp; Surcharge on D-SIBs)(%)</b>	<b>17.321</b>	<b>19.902</b>	<b>19.908</b>	<b>21.125</b>
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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Tier I Capital	52,195,884	64,513,276	62,275,705	69,247,807
Total Exposures	759,050,603	742,949,737	792,006,774	789,245,226
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	728,607,778	724,865,787	750,187,710	751,113,327
Derivative Exposures	187,395	409,207	187,395	409,207
Securities Financing Transaction Exposures	24,516,486	11,713,402	35,891,857	31,758,693
Other Off-Balance Sheet Exposures	5,738,944	5,961,341	5,739,812	5,963,999
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	6.876%	8.683%	7.863%	8.774%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	31.03.2023		31.03.2022	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
<b>Total Stock of High-Quality Liquid Assets(HQLA)</b>	<b>613,131,389</b>	<b>611,737,812</b>	<b>715,721,593</b>	<b>714,189,011</b>
<b>Total Adjusted Level 1A Assets</b>	<b>611,495,667</b>	<b>611,495,667</b>	<b>712,815,454</b>	<b>712,815,454</b>
Level 1 Assets	610,344,236	610,344,236	712,656,430	712,656,430
<b>Total Adjusted Level 2A Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Level 2A Assets	-	-	-	-
<b>Total Adjusted Level 2B Assets</b>	<b>2,787,153</b>	<b>1,393,577</b>	<b>3,065,163</b>	<b>1,532,582</b>
Level 2B Assets	2,787,153	1,393,577	3,065,163	1,532,582
<b>Total Cash Outflows</b>	<b>1,489,854,262</b>	<b>293,789,311</b>	<b>1,485,043,164</b>	<b>344,277,355</b>
Deposits	1,190,764,621	119,076,462	1,108,771,826	110,877,183
Unsecured Wholesale Funding	274,253,656	171,076,029	357,760,914	229,375,877
Secured Funding Transactions	11,230,331	-	3,418,397	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	13,249,395	3,280,562	11,823,908	756,175
Additional Requirements	356,258	356,258	3,268,120	3,268,120
<b>Total Cash Inflows</b>	<b>28,661,797</b>	<b>16,514,291</b>	<b>24,588,540</b>	<b>10,621,494</b>
Maturing Secured Lending Transactions Backed by Collateral	6,603,078	4,985,960	6,162,151	3,293,732
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	16,024,341	11,524,429	10,915,792	7,324,968
Operational Deposits	6,026,573	-	7,505,010	-
Other Cash Inflows	7,805	3,902	5,587	2,793
<b>Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100</b>		<b>220.62</b>		<b>214.05</b>

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	31.03.2023	31.03.2022
Total Available Stable Funding	1,139,637,107	1,026,140,421
Required Stable Funding – On Balance Sheet Assets	650,112,420	635,740,313
Required Stable Funding – Off Balance Sheet Items	515,677	535,223
Total Required Stable Funding	650,628,098	636,275,537
NSFR	175.16	161.27

### 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
<b>Issuer Call subject to Prior Supervisory Approval</b>	
Optional Call Date ,Contingent Call Dates and Redemption Amount(LKR'000)	N/A
Subsequent Call Dates	N/A
<b>Coupons/Dividends</b>	
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
<b>Convertible or Non -Convertible</b>	
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 31.03.2023					
	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	866,996,006	3,440,435	865,378,887	1,720,218	1,461,175	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	208,562,303	351,497	2,786,829	-	4,012,679	144.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	20,704,539	3,626,880	20,704,539	1,320,538	10,073,690	45.7
Claims on Financial Institutions	1,740,584	-	1,740,584	-	1,446,697	83.1
Claims on Corporates	3,552,577	-	3,552,577	-	2,269,276	63.9
Retail Claims	357,615,395	3,194,540	320,020,843	-	183,877,404	57.5
Claims Secured by Residential Property	82,777,922	393,097	82,777,922	196,549	29,250,111	35.3
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	12,347,092	-	12,347,092	-	11,527,911	93.4
Higher Risk Categories	539,672	-	539,672	-	1,349,182	250.0
Cash Items and Other Assets	39,622,459	2,501,639	39,622,459	2,501,639	36,863,703	87.5
<b>Total</b>	<b>1,594,458,550</b>	<b>13,508,089</b>	<b>1,349,471,404</b>	<b>5,738,944</b>	<b>282,131,827</b>	<b>20.8</b>

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 31.03.2023					
	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	875,027,004	3,440,435	873,352,208	1,720,218	1,461,175	0.2
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	208,562,468	351,497	2,786,993	-	4,012,843	144.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	21,427,536	3,626,880	21,427,536	1,320,538	10,333,863	45.4
Claims on Financial Institutions	1,904,831	-	1,904,831	-	1,328,838	69.8
Claims on Corporates	3,685,981	-	3,685,981	-	2,402,681	65.2
Retail Claims	357,980,683	3,194,740	320,382,533	100	184,160,106	57.5
Claims Secured by Residential Property	83,069,277	394,634	83,069,277	197,317	29,542,234	35.5
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	12,406,540	-	12,406,540	-	11,583,186	93.4
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	40,916,696	2,501,639	40,916,696	2,501,639	38,153,757	87.9
<b>Total</b>	<b>1,604,981,015</b>	<b>13,509,825</b>	<b>1,359,932,594</b>	<b>5,739,812</b>	<b>282,978,682</b>	<b>20.7</b>

Note:

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



Market Risk under Standardised Measurement Method (Bank)

Item	RWA Amount(LKR'000) as at 31.03.2023
<b>(a)RWA for Interest Rate Risk</b>	4,027,695
General Interest Rate Risk	4,027,695
(i)Net Long or Short Position	4,027,695
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
<b>(b)RWA for Equity</b>	5,693,106
(i)General Equity Risk	2,999,418
(ii)Specific Equity Risk	2,693,688
<b>(c)RWA for Foreign Exchange &amp; Gold</b>	1,386,128
<b>Capital Charge for Market Risk{(a)+(b)+(c) } *CAR</b>	1,388,366

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 31.03.2023
<b>(a)RWA for Interest Rate Risk</b>	5,721,768
General Interest Rate Risk	5,721,768
(i)Net Long or Short Position	5,721,768
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
<b>(b)RWA for Equity</b>	5,470,593
(i)General Equity Risk	2,887,967
(ii)Specific Equity Risk	2,582,625
<b>(c)RWA for Foreign Exchange &amp; Gold</b>	1,386,128
<b>Capital Charge for Market Risk{(a)+(b)+(c) } *CAR</b>	1,572,311

**Operational Risk under Basic Indicator Approach (Bank)**

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 31.03.2023			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	46,359,715	60,808,475	25,235,610	
Capital Charge	-	-	-	-	6,620,190
Risk Weighted Amount for Operational Risk	-	-	-	-	52,961,519

**Operational Risk under Basic Indicator Approach (Group)**

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 31.03.2023			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	47,902,542	60,254,880	25,605,784	
Capital Charge	-	-	-	-	6,688,160
Risk Weighted Amount for Operational Risk	-	-	-	-	53,505,281

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

Item	Amount (LKR'000) as at 31.03.2023			
	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
<b>Assets</b>	<b>1,639,895,462</b>	<b>1,345,733,960</b>	<b>37,653,884</b>	<b>256,507,619</b>
Cash and cash equivalents	10,906,664	10,891,206	15,457	-
Balances with Central Bank	253,879	253,878.83	-	-
Placements with banks	13,471,115	13,471,115	-	-
Derivative financial instruments	123,585	-	-	123,585.03
<b>Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading</b>	<b>15,149,239</b>	<b>-</b>	<b>15,088,904</b>	<b>60,335</b>
<b>Financial assets designated at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial assets at amortised cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans and Advances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loans and receivables to banks	2,831,620	1,239,720	-	1,591,900.00
Loans and receivables to other customers	541,147,554	298,103,806	-	243,043,748
<b>Debt and other instruments/Financial Investments Held to Maturity</b>	<b>939,979,085</b>	<b>939,979,085</b>	<b>-</b>	<b>-</b>
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	24,253,289	26,560	22,549,522	1,677,206
Investments in subsidiaries	7,311,000	539,672	-	6,771,328
Investments in associates and joint ventures	-	-	-	-
Property, Plant and Equipment	14,726,220	14,726,220	-	-
Investment properties	-	-	-	-
Intangible assets	689,592	-	-	689,592
Deferred tax assets	2,549,924	-	-	2,549,924
<b>Other assets</b>	<b>66,502,696</b>	<b>66,502,696</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>	<b>1,564,503,207</b>	<b>-</b>	<b>-</b>	<b>-</b>
Due to banks	4,166,181	-	-	-
Derivative financial instruments	88,655	-	-	-
Financial liabilities recognized through profit	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-
- Due to depositors	1,496,330,992	-	-	-
- due to debt securities holders	-	-	-	-
- due to other borrowers	16,330,700	-	-	-
Debt securities issued	18,317,835	-	-	-
Retirement benefit obligations	12,767,949	-	-	-
Current tax liabilities	2,271,173.28	-	-	-
Deferred tax liabilities	-	-	-	-
Other Provisions	-	-	-	-
Other liabilities	8,973,284	-	-	-
Due to Subsidiaries	-	-	-	-
Subordinated Term Debt	5,256,438	-	-	-
<b>Off Balance Sheet Liabilities</b>	<b>13,960,779</b>	<b>10,313,549</b>	<b>-</b>	<b>3,647,230</b>
Guarantees	3,194,540	-	-	3,194,540
Performance Bonds	-	-	-	-
Letters of Credit	452,690	-	-	452,690
Other Contingent Items	1,026,880.00	1,026,880.00	-	-
Undrawn Loan Commitments	6,785,030	6,785,030	-	-
Other Commitments	2,501,639	2,501,639	-	-
<b>Shareholders' Equity</b>	<b>9,400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity Capital(Stated Capital)/Assigned Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which Amount Eligible for CET 1	9,400,000	-	-	-
of which Amount Eligible for AT 1	-	-	-	-
Retained Earnings	12,380,345	-	-	-
Accumulated Other Comprehensive Income	(128,299)	-	-	-
Other Reserves	53,740,209	-	-	-
<b>Total Shareholders' Equity</b>	<b>75,392,254</b>	<b>-</b>	<b>-</b>	<b>-</b>