



Basel III - Minimum Disclosure Requirements under Pillar III

As at 30th September 2023

(Un-audited)

National Savings Bank

Market Discipline - Minimum Disclosure Requirements under Pillar III

Key Regulatory Ratios- Capital and Liquidity

Item	Bank		Group	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Regulatory Capital(LKR '000)				
Common Equity Tier 1	39,889,349	51,052,401	47,884,250	58,101,867
Tier 1 Capital	44,889,349	56,052,401	52,884,250	63,101,867
Total Capital	52,383,389	63,955,650	59,988,551	70,351,208
Regulatory Capital Ratios(%)				
Common Equity Tier 1 Capital Ratio(Minimum Requirement : 2023 - 7% , 2022 -6.5%)	12.377	14.191	14.506	16.451
Tier 1 Capital Ratio(Minimum Requirement : 2023 - 8.5% , 2022 -8.0%)	13.928	15.581	16.021	17.867
Total Capital Ratio (Minimum Requirement : 2023 - 12.5% , 2022 -12%)	16.254	17.778	18.173	19.919
Leverage Ratio(Minimum Requirement : 3%)	5.06	7.57	5.66	8.16
Regulatory Liquidity				
Statutory Liquid Assets(LKR'000)	779,792,322	598,092,205	N/A	N/A
Statutory Liquid Assets Ratio(Minimum equirement - 20%)				
Domestic Banking Unit (%)	52.57	42.51	N/A	N/A
Off-Shore Banking Unit (%)	-	-	N/A	N/A
Liquidity Coverage Ratio(%)-Rupee (Minimum Requirement : 100%)	288.98	191.54	N/A	N/A
Liquidity Coverage Ratio(%)-All Currency (Minimum Requirement: 100%)	283.61	190.05	N/A	N/A
NSFR (%)-(Minimum Requirement :100%)	177.46	174.60	N/A	N/A

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Common Equity Tier 1 (CET1) Capital after Adjustments	39,889,349	51,052,401	47,884,250	58,101,867
Total Common Equity Tier 1 (CET1) Capital	60,284,929	58,374,753	61,703,655	62,483,377
Equity Capital (Stated capital) /Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000
Reserve fund	5,224,842	5,174,249	5,281,952	5,209,101
Published Retained Earnings/(Accumulated Retained Losses)	6,008,140	3,209,822	7,469,197	7,401,026
Published Accumulated other comprehensive income (OCI)	(3,439,938)	(2,501,203)	(3,539,371)	(2,618,627)
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Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-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	-	-	-	-
Total Adjustments to CET1 Capital	20,395,578	7,322,352	13,819,404	4,381,510
Goodwill (net)	-	-	-	-
Intangible assets (net)	662,569	911,939	665,664	917,631
Revaluation losses of property, plant and equipment	32,902	32,902	32,902	32,902
Deferred tax assets (net)	7,660,630	1,852,907	7,664,309	1,854,083
Cash flow hedge reserve	-	-	-	-
Gains on sale related securitisation transactions	-	-	-	-
Defined benefit pension fund assets (Net)	2,365,392	-	2,365,392	-
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	2,830,417	1,366,707	3,091,138	1,576,894
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	6,843,670	3,157,897	-	-
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	7,494,040	7,903,249	7,104,301	7,249,341

Basel III Computation of Capital Ratios

(LKR '000)

Item	Bank		Group	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Total Tier 2 Capital	7,494,040	7,903,249	7,553,440	7,795,439
Qualifying Tier 2 Capital Instruments	-	-	-	-
Revaluation gains	4,243,803	4,243,803	4,243,803	4,243,803
Loan Loss Provisions	3,250,236	3,659,446	3,309,637	3,551,636
Instruments issued by consolidated banking and financial subsidiaries of the bank and held by third parties	-	-	-	-
Total Adjustments to Tier 2 Capital	-	-	449,139	546,098
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	-	-	449,139	546,098
CET 1 Capital	39,889,349	51,052,401	47,884,250	58,101,867
Total Tier 1 Capital	44,889,349	56,052,401	52,884,250	63,101,867
Total Capital	52,383,389	63,955,650	59,988,551	70,351,208
Total Risk Weighted Assets(RWA)	322,287,161	359,746,542	330,098,708	353,181,706
RWAs for Credit Risk	260,018,903	292,755,717	264,770,941	284,130,872
RWAs for Market Risk	11,689,884	9,739,158	13,365,129	11,471,742
RWAs for Operational Risk	50,578,374	57,251,667	51,962,638	57,579,092
CET I Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	12.377	14.191	14.506	16.451
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
Total Tier I Capital Ratio(%)	13.928	15.581	16.021	17.867
Total Capital Ratio(including Capital Conservation Buffer,Countercyclical Capital Buffer & Surcharge on D-SIBs)(%)	16.254	17.778	18.173	19.919
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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Tier I Capital	44,889,348	56,052,401	52,884,250	63,101,868
Total Exposures	887,701,337	740,671,256	933,771,557	773,648,116
On Balance Sheet Items(excluding Derivatives and Securities Financing Transactions,but including Collateral)	778,024,289	715,101,822	808,472,826	734,376,020
Derivative Exposures	-	99,991	-	99,991
Securities Financing Transaction Exposures	105,767,971	18,916,441	121,388,788	32,619,103
Other Off-Balance Sheet Exposures	3,909,076	6,553,002	3,909,943	6,553,002
Basel III Leverage Ratio(%) (Tier I/Total Exposure)	5.06%	7.57%	5.66%	8.16%

Basel III Computation of Liquidity Coverage Ratio (Bank)

Item	Amount (LKR '000)			
	30.09.2023		30.09.2022	
	Total Un-weighted value	Total weighted value	Total Un-weighted value	Total Weighted value
Total Stock of High-Quality Liquid Assets(HQLA)	754,705,782	753,515,779	578,984,192	577,091,076
Total Adjusted Level 1A Assets	753,011,584	753,011,584	576,765,326	576,765,326
Level 1 Assets	751,975,776	751,975,776	575,197,961	575,197,961
Total Adjusted Level 2A Assets	500,000	425,000	-	-
Level 2A Assets	500,000	425,000	-	-
Total Adjusted Level 2B Assets	2,230,006	1,115,003	3,786,232	1,893,116
Level 2B Assets	2,230,006	1,115,003	3,786,232	1,893,116
Total Cash Outflows	1,472,747,991	278,608,401	1,498,703,208	313,301,039
Deposits	1,214,679,398	121,467,940	1,178,704,883	117,870,488
Unsecured Wholesale Funding	231,289,233	152,616,286	298,203,486	192,212,213
Secured Funding Transactions	11,448,219	-	8,196,844	-
Undrawn Portion of Committed (Irrevocable)Facilities and Other Contingent Funding Obligations	14,711,677	3,904,712	13,097,236	2,717,685
Additional Requirements	619,464	619,464	500,758	500,758
Total Cash Inflows	28,300,141	12,924,508	16,065,383	9,650,849
Maturing Secured Lending Transactions Backed by Collateral	6,147,073	4,548,364	3,186,572	2,851,742
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30Days	15,265,175	8,373,102	9,135,625	6,794,535
Operational Deposits	6,881,811	-	3,734,042	-
Other Cash Inflows	6,083	3,041	9,145	4,572
Liquidity Coverage Ratio(%)Stock of High Quality Liquid Assets/Total Net Cash Outflow over the Next 30 Calendar Days)*100		283.61		190.05

Computation of Net Stable Funding Ratio (Bank)

Item	Amount (LKR '000)	
	30.09.2023	30.09.2022
Total Available Stable Funding	1,134,877,063	1,111,722,823
Required Stable Funding – On Balance Sheet Assets	639,203,924	636,195,668
Required Stable Funding – Off Balance Sheet Items	309,671	544,149
Total Required Stable Funding	639,513,594	636,739,818
NSFR	177.46	175.00

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 30.09.2023					
	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	899,333,536	-	895,234,827	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	207,831,271	323,970	1,510,923	-	2,160,692	143.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	27,258,847	3,324,800	27,258,847	1,506,496	12,914,259	44.9
Claims on Financial Institutions	1,133,026	-	1,133,026	-	942,382	83.2
Claims on Corporates	2,704,009	-	2,704,009	-	1,330,892	49.2
Retail Claims	357,509,749	2,069,810	315,751,822	-	170,588,391	54.0
Claims Secured by Residential Property	70,990,466	284,121	70,990,466	142,061	26,064,760	36.6
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	11,498,474	-	11,498,474	-	10,706,309	93.1
Higher Risk Categories	467,330	-	467,330	-	1,168,328	250.0
Cash Items and Other Assets	38,243,781	2,260,519	38,243,781	2,260,519	34,142,894	84.3
Total	1,616,970,489	8,263,220	1,364,793,505	3,909,076	260,018,906	19.0

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 30.09.2023					
	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	907,733,461	-	903,634,752	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	207,831,435	323,970	1,511,087	-	2,160,856	143.0
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	28,706,541	3,324,800	28,706,541	1,506,496	13,526,485	44.8
Claims on Financial Institutions	1,679,337	-	1,679,337	-	1,215,550	72.4
Claims on Corporates	2,710,123	-	2,710,123	-	1,337,006	49.3
Retail Claims	357,854,686	2,070,010	316,093,843	100	170,855,431	54.1
Claims Secured by Residential Property	71,222,723	285,654	71,222,723	142,827	26,297,784	36.8
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non -Performing Assets(NPAs)	11,548,628	-	11,548,628	-	10,755,884	93.1
Higher Risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	42,727,639	2,260,519	42,727,639	2,260,519	38,621,945	85.8
Total	1,632,014,574	8,264,954	1,379,834,674	3,909,943	264,770,942	19.1

Note:

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

Market Risk under Standardised Measurement Method (Bank)

Item	RWA Amount(LKR'000) as at 30.09.2023
(a)RWA for Interest Rate Risk	5,935,211
General Interest Rate Risk	5,935,211
(i)Net Long or Short Position	5,935,211
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,239,748
(i)General Equity Risk	2,459,338
(ii)Specific Equity Risk	1,780,410
(c)RWA for Foreign Exchange & Gold	1,514,927
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,461,237

Market Risk under Standardised Measurement Method (Group)

Item	RWA Amount(LKR'000) as at 30.09.2023
(a)RWA for Interest Rate Risk	7,742,548
General Interest Rate Risk	7,742,548
(i)Net Long or Short Position	7,742,548
(ii)Horizontal Disallowance	
(iii)Vertical Disallowance	
(iv)Options	
Specific Interest Rate Risk	-
(b)RWA for Equity	4,107,656
(i)General Equity Risk	2,384,867
(ii)Specific Equity Risk	1,722,789
(c)RWA for Foreign Exchange & Gold	1,514,927
Capital Charge for Market Risk{(a)+(b)+(c) } *CAR	1,670,642

Operational Risk under Basic Indicator Approach (Bank)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.09.2023			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	55,802,940	46,635,810	24,007,193	
Capital Charge	-	-	-	-	6,322,297
Risk Weighted Amount for Operational Risk	-	-	-	-	50,578,374

Operational Risk under Basic Indicator Approach (Group)

Capital Charge	Capital Charge Factor	Gross Income (LKR'000) as at 30.09.2023			LKR'000
		1st Year	2nd Year	3rd Year	
The Basic Indicator Approach	15%	56,449,808	44,947,213	28,509,581	
Capital Charge	-	-	-	-	6,495,330
Risk Weighted Amount for Operational Risk	-	-	-	-	51,962,638

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

Item	Amount (LKR'000) as at 30.09.2023			
	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
Assets	1,687,207,040	1,364,210,336	53,146,405	269,850,299
Cash and cash equivalents	12,946,927	12,916,766	30,161	-
Balances with Central Bank	300,881	300,881	-	-
Placements with banks	19,556,323	19,556,323	-	-
Derivative financial instruments	-	-	-	-
Financial assets recognized through profit or loss measured at fair value/Other Financial Assets Held for Trading	18,164,684	-	17,831,514	333,170
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Loans and Advances	-	-	-	-
Loans and receivables to banks	1,898,984	831,694	-	1,067,290
Loans and receivables to other customers	532,416,108	281,630,385	-	250,785,723
Debt and other instruments/Financial Investments Held to Maturity	958,629,993	958,629,993	-	-
Financial assets measured at fair value through OCI/Financial Investments Available for Sale	37,798,281	16,303	35,284,731	2,497,247
Investments in subsidiaries	7,311,000	467,330	-	6,843,670
Investments in associates and joint ventures	-	-	-	-
Property, Plant and Equipment	15,072,718	15,072,718	-	-
Investment properties	-	-	-	-
Intangible assets	662,569	-	-	662,569
Deferred tax assets	7,660,630	-	-	7,660,630
Other assets	74,787,942	74,787,942	-	-
Liabilities	1,607,124,245	-	-	-
Due to banks	7,111,153	-	-	-
Derivative financial instruments	1,003	-	-	-
Financial liabilities recognized through profit	-	-	-	-
Financial liabilities at amortised cost:	-	-	-	-
- Due to depositors	1,474,535,608	-	-	-
- due to debt securities holders	-	-	-	-
- due to other borrowers	77,066,698	-	-	-
Debt securities issued	17,942,394	-	-	-
Retirement benefit obligations	16,296,709	-	-	-
Current tax liabilities	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other Provisions	-	-	-	-
Other liabilities	8,912,598	-	-	-
Due to Subsidiaries	-	-	-	-
Subordinated Term Debt	5,258,082	-	-	-
Off Balance Sheet Liabilities	8,715,910	6,193,410	-	2,522,500
Guarantees	2,069,810	-	-	2,069,810
Performance Bonds	-	-	-	-
Letters of Credit	452,690	-	-	452,690
Other Contingent Items	324,800	324,800	-	-
Undrawn Loan Commitments	3,608,091	3,608,091	-	-
Other Commitments	2,260,519	2,260,519	-	-
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	14,409,745	-	-	-
Accumulated Other Comprehensive Income	2,557,595	-	-	-
Other Reserves	53,715,455	-	-	-
Total Shareholders' Equity	80,082,795	-	-	-