Basel III Minimum
Disclosure Requirements under Pillar III
as at 30th June 2021

(Un-audited)

SRI LANKA SAVINGS BANK

Key Regulatory Ratios - Capital and Liquidity		
Item	**30-Jun-21**	**31-Mar-21**
Regulatory Capital (LKR '000)		
Common Equity Tier 1	5,472,734	5,474,020
Tier 1 Capital	5,472,734	5,474,020
Total Capital	5,472,734	5,474,020
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio *(Minimum Requirement - 2021-7.00%)*	89.01%	91.88%
Tier 1 Capital Ratio *(Minimum Requirement - 2021-8.50%)*	89.01%	91.88%
Total Capital Ratio *(Minimum Requirement - 2021-12.50%)*	89.01%	91.88%
Leverage Ratio *(Minimum Requirement - 2021 - 3.00%)*	61.53%	60.20%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000)	4,857,481	5,349,603
Statutory Liquid Assets Ratio *(Minimum Requirement - 20%)*		
Domestic Banking Unit (%)	686.02%	562.31%
Off-Shore Banking Unit (%)	N/A	N/A
Liquidity Coverage Ratio (%) – Rupee *(Minimum Requirement - 2021-90%)*	1154%	662%
Liquidity Coverage Ratio (%) – All Currency *(Minimum Requirement - 2021-90%)*	N/A	N/A

Basel III Computation of Capital Ratios		
Item	Amount (LKR '000)	
	30-Jun-21	**31-Mar-21**
Common Equity Tier 1 (CET1) Capital after Adjustments	5,472,734	5,474,020
Common Equity Tier 1 (CET1) Capital	5,582,966	5,582,965
Equity Capital (Stated Capital)/Assigned Capital	3,805,290	3,805,290
Reserve Fund	253,750	325,750
Published Retained Earnings/(Accumulated Retained Losses)	1,523,925	1,523,925
Published Accumulated Other Comprehensive Income (OCI)	-	-
General and other Disclosed Reserves	-	-
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	110,232	108,945
Goodwill (net)		
Intangible Assets (net)	1,008	144
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	73,821	73,471
Regulatory adjustments applied to CET1 Capital due to insufficient AT1 and Tier 2 Capital to cover adjustments	35,402	35,330
Additional Tier 1 (AT1) Capital after Adjustments	-	-
Additional Tier 1 (AT1) Capital	-	-
Qualifying Additional Tier 1 Capital Instruments	-	-
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	-	-
Others (specify)	-	-
Tier 2 Capital after Adjustments	-	-
Tier 2 Capital	**63,976**	**61,080**
Qualifying Tier 2 Capital Instruments		
Revaluation Gains		
Loan Loss Provisions	63,976	61,080
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		

Item	Amount (LKR '000)	
	30-Jun-21	31-Mar-21
Total Adjustments to Tier 2	**63,976**	**61,080**
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	63,976	61,080
CET1 Capital	**5,472,734**	**5,474,020**
Total Tier 1 Capital	**5,472,734**	**5,474,020**
Total Capital	**5,472,734**	**5,474,020**
Total Risk Weighted Assets (RWA)	**6,148,183**	**5,958,035**
RWAs for Credit Risk	5,118,079	4,886,379
RWAs for Market Risk	-	-
RWAs for Operational Risk	1,030,104	1,071,656
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	89.01%	91.88%
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	89.01%	91.88%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	89.01%	91.88%
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

Computation of Leverage Ratio*

Item	Amount (LKR '000)	
	30-Jun-21	31-Mar-21
Tier 1 Capital	5,472,734	5,474,020
Total Exposures	8,894,186	9,093,547
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	7,870,971	8,170,552
Derivative Exposures	-	-
Securities Financing Transaction Exposures	1,020,377	911,760
Other Off-Balance Sheet Exposures	2,838	11,235
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**61.53%**	**60.20%**

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	30-Jun-21		31-Mar-21	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	327,093	326,050	285,151	284,139
Total Adjusted Level 1A Assets	174,692	174,692	283,126	283,126
Level 1 Assets	325,007	325,007	335,662	335,662
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	2,086	1,043	2,025	1,013
Level 2B Assets	2,086	1,043	2,025	1,013
Total Cash Outflows	**657,043**	**113,020**	**769,040**	**203,569**
Deposits	537,181	53,718	560,922	56,092
Unsecured Wholesale Funding	100,935	40,374	100,935	40,374
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	-	-	-	-
Additional Requirements	18,928	18,928	107,183	107,103
Total Cash Inflows	**1,782,465**	**935,561**	**1,902,074**	**1,191,630**
Maturing Secured Lending Transactions Backed by Collateral	798,300	-	615,488	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	944,861	915,909	1,190,548	1,143,611
Operational Deposits	-	-	-	-
Other Cash Inflows	39,303	19,652	96,038	48,019
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**1153.96%**		**662.00%**

Main Features of Regulatory Capital Instruments	
Description of the Capital Instrument	**Stated Capital**
Issuer	Sri Lanka Savings Bank
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)	-
Governing Law(s) of the Instrument	Sri Lanka
Original Date of Issuance	11th October 2019
Par Value of Instrument	-
Perpetual or Dated	Perpetual
Original Maturity Date, if Applicable	Not Applicable
Amount Recognised in Regulatory Capital (in LKR ‘000 as at the Reporting Date)	3,805,290.00
Accounting Classification (Equity/Liability)	Equity
Issuer Call subject to Prior Supervisory Approval	Not Applicable
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR ‘000)	Not Applicable
Subsequent Call Dates, if Applicable	Not Applicable
Coupons/Dividends	Dividends
Fixed or Floating Dividend/Coupon	Not Applicable
Coupon Rate and any Related Index	Not Applicable
Non-Cumulative or Cumulative	Non Cumulative
Convertible or Non-Convertible	Not Applicable
If Convertible, Conversion Trigger (s)	Not Applicable
If Convertible, Fully or Partially	Not Applicable
If Convertible, Mandatory or Optional	Not Applicable
If Convertible, Conversion Rate	Not Applicable

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

Asset Class	Amount (LKR'000) as at 30th June 2021					
	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	1,172,936.63	-	82.00	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	164.30	-	164.30	-	164.30	100%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	4,170,496.26	-	4,170,496.26	-	2,151,675.35	52%
Claims on Financial Institutions	325,891.90	-	325,891.90	-	162,946.45	50%
Claims on Corporates	473.53	-	473.53	-	473.53	100%
Retail Claims	1,408,365.58	800.01	1,408,365.58	400.01	1,131,157.44	80%
Claims Secured by Residential Property	307,249.83	4,876.66	307,249.83	2,438.33	309,688.16	100%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	191,387.02		191,387.02		203,708.20	106%
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	1,166,190.00	-	1,166,190.00	-	1,158,266.20	99%
Total	8,743,155.05	5,676.68	7,570,300.42	2,838.34	5,118,079.63	68%

Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights								
Description	Amount (LKR'000) as at 30th June 2021 (Post CCF & CRM)							
Risk Weight / Asset Classes	0%	20%	50%	75%	100%	150%	>150%	Total Credit Exposures Amount
Claims on Central Government and Central Bank of Sri Lanka	82	-	-	-	-	-	-	**82.00**
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	-	**-**
Claims on Public Sector Entities	-	-	-	-	164	-	-	**164.30**
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	**-**
Claims on Banks Exposures	-	2,255,891	428,219	-	1,486,387	-	-	**4,170,496.26**
Claims on Financial Institutions	-	-	325,891	-	-	-	-	**325,890.90**
Claims on Corporates	-	-	-	-	474	-	-	**473.53**
Retail Claims	2,362	8,369	-	1,074,207	323,828	-	-	**1,408,765.58**
Claims Secured by Residential Property	-	-	-	-	309,688	-	-	**309,688.16**
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	**-**
Non-Performing Assets (NPAs)	-	-	9,414.44	-	147,912.76	34,058.81	-	**191,386.02**
Higher-risk Categories	-	-	-	-	-	-	-	**-**
Cash Items and Other Assets	6,007	2,396	-	-	1,157,786	-	-	**1,166,189.00**
Total	**8,451**	**2,266,655**	**763,524**	**1,074,207**	**3,426,240**	**34,059**	**-**	**7,573,135.74**

Operational Risk under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach					
Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30th June 2021		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		1,004,307.77	876,218.26	694,735.10
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	128,763.06				
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	1,030,104.45				

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

Item	Amount (LKR '000) as at 30th June 2021				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Assets					
Cash and Cash Equivalents	36,352.98	36,352.98	36,352.98		
Balances with Central Banks					
Placements with Banks	4,078,630.47	4,083,958.09	4,083,958.09		
Derivative Financial Instruments	-	-	-		
Other Financial Assets Held-For- Trading	-	-	-		
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-		
Loans and Receivables to Banks	-	-	-		
Loans and Receivables to Other Customers	1,715,251.78	1,827,788.57	1,827,788.57		
Financial Investments - Available- For-Sale	172,098.21	98,267.00	98,267.00		
Financial Investments - Held-To- Maturity	1,630,056.10	1,630,157.23	1,630,157.23		
Investments in Subsidiaries	-	-	-		
Investments in Associates and Joint Ventures	-	-	-		
Property, Plant and Equipment	890,016.32	890,016.32	890,016.32		

Item	Amount (LKR '000) as at 30th June 2021				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Investment Properties	237,077.00	237,077.00	237,077.00		
Goodwill and Intangible Assets	1,008.13	1,008.13			1,008.13
Deferred Tax Assets	-	-	-		
Other Assets	20,624.74	20,624.74	20,624.74		
Liabilities					
Due to Banks	4,402.88	4,402.88			
Derivative Financial Instruments	-	-			
Other Financial Liabilities Held-For- Trading	-	-			
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	840,300.40	840,300.40			
Other Borrowings	326,041.25	326,041.25			
Debt Securities Issued	89,558.09	89,558.09			
Current Tax Liabilities	304,192.66	304,192.66			
Deferred Tax Liabilities	852.86	852.86			
Other Provisions					
Other Liabilities	528,853.54	528,853.54			

Item	Amount (LKR '000) as at 30th June 2021				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Due to Subsidiaries	-	-			
Subordinated Term Debts	-	-			
Off-Balance Sheet Liabilities					
Guarantees	3,950.00	3,950.00			
Performance Bonds	-	-			
Letters of Credit	-	-			
Other Contingent Items	-	-			
Undrawn Loan Commitments	5,676.66	5,676.66			
Other Commitments	-	-			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET1	3,805,290.30	3,805,290.30			
of which Amount Eligible for AT1	-	-			
Retained Earnings	1,640,753.90	1,758,731.52			
Accumulated Other Comprehensive Income	73,843.58	-			
Other Reserves	1,167,026.54	1,167,026.54			
Total Shareholders' Equity	6,686,914.33	6,731,048.37			

Explanation of Significant Differences between Accounting and Regulatory Exposure Amounts

Loans and receivables to other customers

The loans and receivables to customers considered in regulatory reporting differs with the published financial statements since CBSL time based provisions were netted off when arriving at loans and receivables for regulatory reporting purposes, while impairment allowances based on incurred losses have been netted off in loans and receivables for publication purposes. The impairment allowance has been computed using established processes with judgments being exercised when determining the presence of objective evidences of impairment.

Financial assets at fair value through OCI

Financial assets at fair value through OCI have been measured at fair value in published financial statements while these investments have been measured at cost for regulatory reporting purpose. The details of financial investments - available for sale have been disclosed in Note 18 to the financial statements.