Basel III Minimum Disclosure Requirements under Pillar III as at 30th June 2023

(Un-audited)

SRI LANKA SAVINGS BANK

Key Regulatory Ratios - Capital and Liquidity

Item	30-Jun-23	31-Mar-23
Regulatory Capital (LKR '000)		
Common Equity Tier 1	6,024,250	6,032,818
Tier 1 Capital	6,024,250	6,032,818
Total Capital	6,024,250	6,032,818
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio *(Minimum Requirement - 7.00%)*	163.49%	163.46%
Tier 1 Capital Ratio *(Minimum Requirement - 8.50%)*	163.49%	163.46%
Total Capital Ratio *(Minimum Requirement - 12.50%)*	163.49%	163.46%
Leverage Ratio *(Minimum Requirement - 3.00%)*	70.19%	71.04%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000)	5,794,103	5,686,412
Statutory Liquid Assets Ratio *(Minimum Requirement - 20%)*		
Domestic Banking Unit (%)	1138.04%	1056.69%
Off-Shore Banking Unit (%)	N/A	N/A
Liquidity Coverage Ratio (%) – Rupee *(Minimum Requirement - 100%)*	13284%	8356%
Liquidity Coverage Ratio (%) – All Currency *(Minimum Requirement - 100%)*	N/A	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	30-Jun-23	**31-Mar-23**
Common Equity Tier 1 (CET1) Capital after Adjustments	6,024,250	6,032,818
Common Equity Tier 1 (CET1) Capital	6,198,672	6,198,672
Equity Capital (Stated Capital)/Assigned Capital	3,805,290	3,805,290
Reserve Fund	288,765	288,765
Published Retained Earnings/(Accumulated Retained Losses)	2,104,617	2,104,617
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	174,422	165,854
Goodwill (net)		
Intangible Assets (net)	788	788
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	103,126	98,930
Regulatory adjustments applied to CET1 Capital due to insufficient AT1 and Tier 2 Capital to cover adjustments	70,508	66,136
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		

	30,268	31,214
Qualifying Tier 2 Capital Instruments		
Revaluation Gains		
Loan Loss Provisions	30,268	31,214
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
Total Adjustments to Tier 2	30,268	31,214
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	30,268	31,214
CET1 Capital	6,024,250	6,032,818
Total Tier 1 Capital	6,024,250	6,032,818
Total Capital	6,024,250	6,032,818
Total Risk Weighted Assets (RWA)	3,684,750	3,690,633
RWAs for Credit Risk	2,421,438	2,497,097
RWAs for Market Risk		
RWAs for Operational Risk	1,263,312	1,193,536
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	163.49%	163.46%
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	163.49%	163.46%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	163.49%	163.46%
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-23	31-Mar-23
Tier 1 Capital	**6,024,250**	**6,032,818**
Total Exposures	**8,583,358**	**8,492,267**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	8,582,490	8,491,399
Derivative Exposures		
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	868	868
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**70.19%**	**71.04%**

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	30-Jun-23		31-Mar-23	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	4,434,875	4,433,057	3,382,454	3,380,547
Total Adjusted Level 1A Assets	4,431,239	4,431,239	3,378,639	3,378,639
Level 1 Assets	4,431,239	4,431,239	3,378,639	3,378,639
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	3,636	1,818	3,815	1,907
Level 2B Assets	3,636	1,818	3,815	1,907
Total Cash Outflows	**355,819**	**133,483**	**392,494**	**161,819**
Deposits	121,223	12,122	130,488	13,049
Unsecured Wholesale Funding	188,726	75,490	188,726	75,490
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	-	-	-	-

Additional Requirements	45,871	45,871	73,280	73,280
Total Cash Inflows	**1,147,822**	**1,027,812**	**277,721**	**245,361**
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	936,645	922,223	241,482	227,241
Operational Deposits	-	-	-	-
Other Cash Inflows	211,177	105,588	36,240	18,120
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**13284%**		**8356%**

Computation of Net Stable Funding Ratio

Item	Amount (LKR '000)	
	30-Jun-23	31-Mar-23
Total Available Stable Funding	**6,909,035**	**6,917,654**
Required Stable Funding – On Balance Sheet Assets	**2,612,444**	**2,893,512**
Required Stable Funding – Off Balance Sheet Items	87	87
Total Required Stable Funding	2,612,531	2,893,599
NSFR	**264.47%**	**239.07%**

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 Cumalative
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 Standardized Approach – Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Asset Class	Amount (LKR'000) as at 30th June 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(ii)
Claims on Central Government and CBSL	4,488,807		4,488,807		-	0%
Claims on Foreign Sovereigns and their Central Banks	-					
Claims on Public Sector Entities	164		164		164	100%
Claims on Official Entities and Multilateral Development Banks	-		-		-	
Claims on Banks Exposures	1,895,667		1,823,177		474,770	26%
Claims on Financial Institutions	577,369		445,957		222,995	50%
Claims on Corporates	3,636		3,636		3,636	100%
Retail Claims	296,008	200	292,994	100	230,796	79%
Claims Secured by Residential Property	312,558	1,536	312,558	768	313,326	100%

Claims Secured by Commercial Real Estate	-		-			
Non-Performing Assets (NPAs)(i)	54,109		54,109		50,143	93%
Higher-risk Categories	-		-			
Cash Items and Other Assets	1,128,594		1,128,594		1,125,608	100%
Total	**8,756,912**	**1,736**	**8,549,996**	**868**	**2,421,438**	**28%**

Credit Risk under Standardized Approach: Exposures by Asset Classes and Risk Weights

Description	**Amount (LKR'000) as at 30th June 2023 (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	4,488,807							**4,488,807**
Claims on Foreign Sovereigns and their Central Banks								**-**
Claims on Public Sector Entities					164			**164**
Claims on Official Entities and Multilateral Development Banks								**-**
Claims on Banks Exposures		1,456,062	367,115					**1,823,177**
Claims on Financial Institutions			445,924		33			**445,957**
Claims on Corporates					3,636			**3,636**
Retail Claims				249,192	43,902			**293,094**
Claims Secured by Residential Property					313,326			**313,326**
Claims Secured by Commercial Real Estate								**-**
Non-Performing Assets (NPAs)			12,834		36,373	4,902		**54,109**
Higher-risk Categories								**-**
Cash Items and Other Assets	2,986				1,125,608			**1,128,594**
Total	**4,491,793**	**1,456,062**	**825,873**	**249,192**	**1,523,042**	**4,902**	**-**	**8,550,864**

Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30.06.2023		
			1 st Year	2 nd Year	3 rd Year
The Basic Indicator Approach	15%		749,393	958,280	1,450,616
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach					157,914
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					1,263,312

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

Item	Amount (LKR '000) as at 30th June 2023				
	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	**8,756,912**	**8,756,912**	**8,549,996**	**-**	**-**
Cash and Cash Equivalents	112,753	112,753	112,753		
Balances with Central Banks		-			
Placements with Banks	1,651,456	1,651,456	1,651,456		
Derivative Financial Instruments		-			
Financial assets at amortized cost		-			
- Loans and Advances	662,675	662,675	659,661		
- Debt and Other Instruments	5,066,143	5,066,143	4,934,731		
Financial Assets Designated at Fair Value through Profit or Loss		-			
Financial assets measured at fair value through other comprehensive income	138,277	138,277	65,787		
Property, Plant and Equipment	880,396	880,396	880,396		
Right of use assets	311	311	311		
Investment Properties	204,977	204,977	204,977		
Goodwill and Intangible Assets	788	788	788		
Other Assets	39,136	39,136	39,136		
Liabilities	**1,254,170**	**1,254,170**	**-**	**-**	**-**
Due to Banks	-	-			
Financial liabilities at amortized cost		-			

Due to depositors	427,436	427,436			
Due to other borrowers	295,667	295,667			
Lease Liability	578	578			
Debt Securities Issued	73,555	73,555			
Retirement benefit obligations	52,664	52,664			
Current Tax Liabilities	178,846	178,846			
Deferred Tax Liabilities	4,155	4,155			
Other Provisions		-			
Other Liabilities	221,269	221,269			
Due to Subsidiaries		-			
Shareholders' Equity	**7,502,742**	**7,502,742**	**-**	**-**	**929,879**
Stated capital/Assigned capital	3,805,290	3,805,290			
Statutory reserve fund	307,474	307,474			
OCI reserve	39,903	39,903			39,903
Retained earnings	4,626,288	4,626,288			
Other reserves	- 1,276,214	- 1,276,214			889,976
Total Equity and Liabilities	**8,756,912**	**8,756,912**	**-**	**-**	**929,879**
Off-Balance Sheet Liabilities	1,737	1,737	-	-	-
Guarantees					
Performance Bonds					
Letters of Credit					
Other Contingent Items					
Undrawn Loan Commitments	1,737	1,737			
Other Commitments					