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

(Un-audited)

SRI LANKA SAVINGS BANK

Key Regulatory Ratios - Capital and Liquidity		
Item	*30-Sep-21*	*30-Jun-21*
Regulatory Capital (LKR '000)		
Common Equity Tier 1	5,056,075	5,472,734
Tier 1 Capital	5,056,075	5,472,734
Total Capital	5,056,075	5,472,734
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio *(Minimum Requirement - 2021-7.00%)*	89.85%	89.01%
Tier 1 Capital Ratio *(Minimum Requirement - 2021-8.50%)*	89.85%	89.01%
Total Capital Ratio *(Minimum Requirement - 2021-12.50%)*	89.85%	89.01%
Leverage Ratio *(Minimum Requirement - 2021 - 3.00%)*	61.60%	63.10%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000)	4,579,259	4,857,481
Statutory Liquid Assets Ratio *(Minimum Requirement - 20%)*		
Domestic Banking Unit (%)	669.17%	686.02%
Off-Shore Banking Unit (%)	N/A	N/A
Liquidity Coverage Ratio (%) – Rupee *(Minimum Requirement - 2021-90%)*	1070%	1154%
Liquidity Coverage Ratio (%) – All Currency (*Minimum Requirement - 2021-90%)*	N/A	N/A
NSFR – Net Stable Funding Ratio (%) (Minimum Requirement 2021-90%)	124.32%	131.55%

Basel III Computation of Capital Ratios		
Item	**Amount (LKR '000)**	
	30-Sep-21	**30-Jun-21**
Common Equity Tier 1 (CET1) Capital after Adjustments	5,056,075	5,472,734
Common Equity Tier 1 (CET1) Capital	5,582,966	5,582,966
Equity Capital (Stated Capital)/Assigned Capital	3,805,290	3,805,290
Reserve Fund	253,750	253,750
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	526,890	110,232
Goodwill (net)		
Intangible Assets (net)	2,260	1,008
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	89,082	73,821
Regulatory adjustments applied to CET1 Capital due to insufficient AT1 and Tier 2 Capital to cover adjustments	435,549	35,402
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	58,055	63,976
Qualifying Tier 2 Capital Instruments		
Revaluation Gains		
Loan Loss Provisions	58,055	63,976

Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
Basel III Computation of Capital Ratios		
Item	**Amount (LKR '000) 30-Sep-21**	**Amount (LKR '000) 30-Jun-21**
Total Adjustments to Tier 2	58,055	63,976
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	58,055	63,976
CET1 Capital	5,056,075	5,472,734
Total Tier 1 Capital	5,056,075	5,472,734
Total Capital	5,056,075	5,472,734
Total Risk Weighted Assets (RWA)	5,627,414	6,148,183
RWAs for Credit Risk	4,644,394	5,118,079
RWAs for Market Risk		-
RWAs for Operational Risk	983,020	1,030,104
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	89.85%	89.01%
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	89.85%	89.01%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	89.85%	89.01%
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-Sep-21	**30-Jun-21**
Tier 1 Capital	**5,056,075**	**5,472,734**
Total Exposures	**8,207,766**	**8,673,723**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	7,312,559	7,650,507
Derivative Exposures	-	-
Securities Financing Transaction Exposures	893,594	1,020,377
Other Off-Balance Sheet Exposures	1,613	2,838
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**61.60%**	**63.10%**

Computation of Net Stable Funding Ratio		
Item	**Amount (LKR '000)**	
	30-Sep-21	**30-Jun-21**
Total Available Stable Funding	**6,518,794**	**6,551,030**
Required Stable Funding – On Balance Sheet Assets	**5,243,431**	**4,979,760**
Required Stable Funding – Off Balance Sheet Items	161	284
Total Required Stable Funding	5,243,592	4,980,043
NSFR	**124.32%**	**131.55%**

Basel III Computation of Liquidity Coverage Ratio				
Item	Amount (LKR'000)			
	30-Sep-21		30-Jun-21	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**294,099**	**292,766**	**327,093**	**326,050**
Total Adjusted Level 1A Assets	187,010	187,010	174,692	174,692
Level 1 Assets	291,433	291,433	325,007	325,007
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	2,666	1,333	2,086	1,043
Level 2B Assets	2,666	1,333	2,086	1,043
Total Cash Outflows	**619,125**	**109,402**	**657,043**	**113,020**
Deposits	499,069	49,907	537,181	53,718
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	19,121	19,121	18,928	18,928
Total Cash Inflows	**1,095,286**	**398,513**	**1,782,465**	**935,561**
Maturing Secured Lending Transactions Backed by Collateral	671,884	-	798,300	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	416,964	395,294	944,861	915,909
Operational Deposits	-	-	-	-
Other Cash Inflows	6,438	3,219	39,303	19,652
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**1070%**		**1154%**

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 September 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[ii]
Claims on Central Government and CBSL	945,614.00		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	4,413,871.46		4,413,871.46		1,993,158.34	45%
Claims on Financial Institutions	-		-		-	0%
Claims on Corporates	473.53		473.53		473.53	100%
Retail Claims	1,258,600.21	800.01	1,258,600.21	400.01	982,375.40	78%
Claims Secured by Residential Property	354,483.14	2,425.00	354,483.14	1,212.50	355,695.64	100%
Claims Secured by Commercial Real Estate	-		-			
Non-Performing Assets (NPAs)[i]	152,409.93		152,409.93		155,253.03	102%
Higher-risk Categories	-					
Cash Items and Other Assets	1,178,933.00		1,165,883.00		1,157,273.20	99%
Total	**8,304,549.57**	**3,225.01**	**7,345,967.57**	**1,612.51**	**4,644,393.43**	**63%**

Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights								
Description	Amount (LKR'000) as at 30th September 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	-	2,846,371	287,235	-	1,280,266	-	-	**4,413,871.46**
Claims on Financial Institutions	-	-	-	-	-	-	-	**-**
Claims on Corporates	-	-	-	-	474	-	-	**473.53**
Retail Claims	1,045	3,536		1,091,004	163,415	-	-	**1,259,000.22**
Claims Secured by Residential Property	-	-	-	-	355,696	-	-	**355,695.64**
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	**-**
Non-Performing Assets (NPAs)	-	-	5,419.07	-	135,885.60	11,105.26	-	**152,409.93**
Higher-risk Categories	-	-	-	-	-	-	-	**-**
Cash Items and Other Assets	6,502	2,636	-	-	1,156,745	-	-	**1,165,883.00**
Total	**7,629**	**2,852,543**	**292,654**	**1,091,004**	**3,092,645**	**11,105**	**-**	**7,347,580.07**

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 September 2021		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		1,033,240.94	797,966.74	626,342.07
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	122,877.49				
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	983,019.90				

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 September 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	83,065.05	83,065.05	83,065.05	-	-
Balances with Central Banks					
Placements with Banks	4,277,055.01	4,281,094.33	4,281,094.33	-	-
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	1,574,565.57	1,662,785.30	1,662,785.30	-	-
Financial Investments - Available-For-Sale	163,385.40	98,267.00	9,185.00		89,082.00

Item	Amount (LKR '000) as at 30th September 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
Financial Investments - Held-To- Maturity	1,486,333.20	1,486,430.15	47,293.97		1,439,136.18
Investments in Subsidiaries	-	-	-		
Investments in Associates and Joint Ventures	-	-	-		
Property, Plant and Equipment	888,223.47	888,223.47	888,223.47		
Investment Properties	237,077.00	237,077.00	237,077.00		
Goodwill and Intangible Assets	2,259.85	2,259.85			2,259.85
Deferred Tax Assets	-	-	-		
Other Assets	22,479.85	22,479.85	22,479.85		
Liabilities					
Due to Banks	412.83	412.83			
Derivative Financial Instruments	-	-			
Other Financial Liabilities Held-For- Trading	-	-			
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	863,115.08	863,115.08			
Other Borrowings	329,579.61	329,579.61			
Debt Securities Issued	89,558.09	89,558.09			
Current Tax Liabilities	367,356.41	367,356.41			
Deferred Tax Liabilities	852.86	853.00			
Other Provisions					
Other Liabilities	477,488.78	477,488.78			

Item	Amount (LKR '000) as at 30th September 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	2,598,627.07	2,690,994.65			
Accumulated Other Comprehensive Income	65,130.12	-			
Other Reserves	262,569.88	262,569.88			
Total Shareholders' Equity	**6,731,617.38**	**6,758,854.83**			