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

(Un-audited)

SRI LANKA SAVINGS BANK

Key Regulatory Ratios - Capital and Liquidity

Item	30-Sep-23	30-Jun-23
Regulatory Capital (LKR ’000)		
Common Equity Tier 1	6,050,225	6,024,250
Tier 1 Capital	6,050,225	6,024,250
Total Capital	6,081,553	6,024,250
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio *(Minimum Requirement - 7.00%)*	150.28%	163.49%
Tier 1 Capital Ratio *(Minimum Requirement - 8.50%)*	150.28%	163.49%
Total Capital Ratio *(Minimum Requirement - 12.50%)*	151.06%	163.49%
Leverage Ratio *(Minimum Requirement - 3.00%)*	68.45%	70.19%
Regulatory Liquidity		
Statutory Liquid Assets (LKR’000)	6,343,905	5,794,103
Statutory Liquid Assets Ratio *(Minimum Requirement - 20%)*		
Domestic Banking Unit (%)	1266.27%	1138.04%
Off-Shore Banking Unit (%)	N/A	N/A
Liquidity Coverage Ratio (%) – Rupee *(Minimum Requirement - 100%)*	17862%	13284%
Liquidity Coverage Ratio (%) – All Currency *(Minimum Requirement - 100%)*	N/A	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000) 30-Sep-23	30-Jun-23
Common Equity Tier 1 (CET1) Capital after Adjustments	6,050,225	6,024,250
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	148,447	174,422
Goodwill (net)		
Intangible Assets (net)	263	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	148,184	103,126
Regulatory adjustments applied to CET1 Capital due to insufficient AT1 and Tier 2 Capital to cover adjustments	-	70,508
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	31,328	-
Tier 2 Capital		

	31,328	30,268
Qualifying Tier 2 Capital Instruments		
Revaluation Gains		
Loan Loss Provisions	31,328	30,268
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
Total Adjustments to Tier 2	-	30,268
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
CET1 Capital	6,050,225	6,024,250
Total Tier 1 Capital	6,050,225	6,024,250
Total Capital	6,081,553	6,024,250
Total Risk Weighted Assets (RWA)	4,025,900	3,684,750
RWAs for Credit Risk	2,506,252	2,421,438
RWAs for Market Risk		
RWAs for Operational Risk	1,519,648	1,263,312
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	150.28%	163.49%
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	150.28%	163.49%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	151.06%	163.49%
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-23	30-Jun-23
Tier 1 Capital	**6,050,225**	**6,024,250**
Total Exposures	**8,839,123**	**8,583,358**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	8,838,256	8,582,490
Derivative Exposures		
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	867	868
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**68.45%**	**70.19%**

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	30-Sep-23		30-Jun-23	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	6,076,433	6,074,376	4,434,875	4,433,057
Total Adjusted Level 1A Assets	6,066,363	6,066,363	4,431,239	4,431,239
Level 1 Assets	6,072,319	6,072,319	4,431,239	4,431,239
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	4,115	2,057	3,636	1,818
Level 2B Assets	4,115	2,057	3,636	1,818
Total Cash Outflows	**357,845**	**136,033**	**355,819**	**133,483**
Deposits	120,899	12,090	121,223	12,122
Unsecured Wholesale Funding	188,339	75,336	188,726	75,490
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	-	-	-	-

Additional Requirements	48,607	48,607	45,871	45,871
Total Cash Inflows	**406,021**	**303,010**	**1,147,822**	**1,027,812**
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	268,766	259,383	936,645	922,223
Operational Deposits	-	-	-	-
Other Cash Inflows	87,255	43,627	211,177	105,588
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**17862%**		**13284%**

Computation of Net Stable Funding Ratio

Item	Amount (LKR '000)	
	30-Sep-23	30-Jun-23
Total Available Stable Funding	**6,906,443**	**6,917,654**
Required Stable Funding – On Balance Sheet Assets	**3,112,747**	**2,893,512**
Required Stable Funding – Off Balance Sheet Items	87	87
Total Required Stable Funding	3,112,834	2,893,599
NSFR	**222%**	**239%**

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

Asset Class	Amount (LKR'000) as at 30th September 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	5,164,740		5,164,740		-	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	1,579,066		1,430,881		605,742	42%
Claims on Financial Institutions	469,563		419,341		209,683	50%
Claims on Corporates	4,115		4,115		4,115	100%
Retail Claims	344,936	200	342,021	100	267,040	78%
Claims Secured by Residential Property	232,258	1,534	232,258	767	233,025	100%

Claims Secured by Commercial Real Estate	-		-			
Non-Performing Assets (NPAs)(i)	50,154		50,154		49,576	99%
Higher-risk Categories	-		-			
Cash Items and Other Assets	1,141,706		1,141,706		1,136,909	100%
Total	**8,986,702**	**1,734**	**8,785,380**	**867**	**2,506,254**	**29%**

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

Description	**Amount (LKR'000) as at 30th September 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	5,164,740							**5,164,740**
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		365,663	1,065,218					**1,430,881**
Claims on Financial Institutions			419,317		24			**419,341**
Claims on Corporates					4,115			**4,115**

Retail Claims				300,323	41,798			**342,121**
Claims Secured by Residential Property					233,025			**233,025**
Claims Secured by Commercial Real Estate								**-**
Non-Performing Assets (NPAs)			4,061		43,190	2,903		**50,154**
Higher-risk Categories								**-**
Cash Items and Other Assets	4,797				1,136,909			**1,141,706**
Total	**5,169,537**	**365,663**	**1,488,596**	**300,323**	**1,459,225**	**2,903**	**-**	**8,786,247**

Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30.09.2023		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		724,125	1,087,993	1,987,004
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach					189,956
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					1,519,648

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

Item	Amount (LKR '000) as at 30th September 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	**8,986,703**	**8,986,703**	**8,785,381**	**-**	**201,322**
Cash and Cash Equivalents	45,767	45,767	45,767		-
Balances with Central Banks		-			-
Placements with Banks	1,327,949	1,327,949	1,327,949		-
Derivative Financial Instruments		-			-
Financial assets at amortized cost		-			-
- Loans and Advances	627,348	627,348	624,433		2,915
- Debt and Other Instruments	5,634,279	5,634,279	5,584,057		50,222
Financial Assets Designated at Fair Value through Profit or Loss		-			-
Financial assets measured at fair value through other comprehensive income	214,450	214,450	66,265		148,185
Investments in Subsidiaries		-			-
Investments in Associates and Joint Ventures		-			-
Property, Plant and Equipment	878,492	878,492	878,492		-
Right of use assets	207	207	207		-
Investment Properties	204,977	204,977	204,977		-
Goodwill and Intangible Assets	263	263	263		-
Deferred Tax Assets		-			-
Other Assets	52,971	52,971	52,971		
Liabilities	**1,269,745**	**1,269,745**	**-**	**-**	**-**
Due to Banks	-	-			
Derivative Financial Instruments		-			

Financial liabilities at amortized cost		-			
Due to depositors	428,146	428,146			
Due to other borrowers	291,855	291,855			
Lease Liability	452	452			
Debt Securities Issued	73,169	73,169			
Retirement benefit obligations	51,309	51,309			
Current Tax Liabilities	182,774	182,774			
Deferred Tax Liabilities	4,155	4,155			
Other Provisions		-			
Other Liabilities	237,885	237,885			
Due to Subsidiaries		-			
Shareholders' Equity	**7,716,958**	**7,716,958**	**-**	**-**	**1,006,052**
Stated capital/Assigned capital	3,805,290	3,805,290			
Statutory reserve fund	314,377	314,377			
OCI reserve	116,076	116,076			116,076
Retained earnings	4,757,430	4,757,430			
Other reserves	- 1,276,214	- 1,276,214			889,976
Total Equity and Liabilities	**8,986,703**	**8,986,703**	**-**	**-**	**1,006,052**
Off-Balance Sheet Liabilities	1,733	1,733	-	-	-
Guarantees					
Performance Bonds					
Letters of Credit					
Other Contingent Items					
Undrawn Loan Commitments	1,733	1,733			
Other Commitments					