Basel III Minimum Disclosure Requirements under Pillar III as at 31st March 2023

(Un-audited)

SRI LANKA SAVINGS BANK

Key Regulatory Ratios - Capital and Liquidity

Item	31-Mar-23	31-Dec-22
Regulatory Capital (LKR '000)		
Common Equity Tier 1	6,032,818	6,068,129
Tier 1 Capital	6,032,818	6,068,129
Total Capital	6,032,818	6,068,129
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio *(Minimum Requirement - 7.00%)*	163.46%	165.24%
Tier 1 Capital Ratio *(Minimum Requirement - 8.50%)*	163.46%	165.24%
Total Capital Ratio *(Minimum Requirement - 12.50%)*	163.46%	165.24%
Leverage Ratio *(Minimum Requirement - 3.00%)*	71.04%	72.96%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000)	5,686,412	5,526,802
Statutory Liquid Assets Ratio *(Minimum Requirement - 20%)*		
Domestic Banking Unit (%)	1056.69%	953.78%
Off-Shore Banking Unit (%)	N/A	N/A
Liquidity Coverage Ratio (%) – Rupee *(Minimum Requirement - 100%)*	8356%	8826%
Liquidity Coverage Ratio (%) – All Currency *(Minimum Requirement - 100%)*	N/A	N/A

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	31-Mar-23	31-Dec-22
Common Equity Tier 1 (CET1) Capital after Adjustments	6,032,818	6,068,129
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	165,854	130,543
Goodwill (net)		
Intangible Assets (net)	788	1,184
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	98,930	71,459
Regulatory adjustments applied to CET1 Capital due to insufficient AT1 and Tier 2 Capital to cover adjustments	66,136	57,900
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	31,214	32,321
Qualifying Tier 2 Capital Instruments		
Revaluation Gains		
Loan Loss Provisions		

	31,214	32,321
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
Total Adjustments to Tier 2	31,214	32,321
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	31,214	32,321
CET1 Capital	6,032,818	6,068,129
Total Tier 1 Capital	6,032,818	6,068,129
Total Capital	6,032,818	6,068,129
Total Risk Weighted Assets (RWA)	3,690,633	3,672,266
RWAs for Credit Risk	2,497,097	2,585,670
RWAs for Market Risk		
RWAs for Operational Risk	1,193,536	1,086,596
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	163.46%	165.24%
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	163.46%	165.24%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	163.46%	165.24%
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

Computation of Leverage Ratio

Item	Amount (LKR '000)	
	31-Mar-23	31-Dec-22
Tier 1 Capital	**6,032,818**	**6,068,129**
Total Exposures	**8,492,267**	**8,318,002**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	8,491,399	8,317,134
Derivative Exposures		-
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	868	868
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**71.04%**	**72.95%**

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	31-Mar-23		31-Dec-22	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	3,382,454	3,380,547	3,017,152	3,015,200
Total Adjusted Level 1A Assets	3,378,639	3,378,639	3,013,247	3,013,247
Level 1 Assets	3,378,639	3,378,639	3,013,247	3,013,247
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	3,815	1,907	3,905	1,952
Level 2B Assets	3,815	1,907	3,905	1,952
Total Cash Outflows	**392,494**	**161,819**	**393,601**	**136,654**
Deposits	130,488	13,049	159,680	15,968
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	73,280	73,280	45,196	45,196
Total Cash Inflows	**277,721**	**245,361**	**192,633**	**146,316**
Maturing Secured Lending Transactions Backed by Collateral	-	-		-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	241,482	227,241	132,285	116,143
Operational Deposits	-	-	-	-
Other Cash Inflows	36,240	18,120	60,347	30,174
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**8356%**		**8826%**

Computation of Net Stable Funding Ratio

Item	Amount (LKR '000)	
	31-Mar-23	31-Dec-22
Total Available Stable Funding	**6,917,654**	**6,579,314**
Required Stable Funding – On Balance Sheet Assets	**2,893,512**	**3,627,120**
Required Stable Funding – Off Balance Sheet Items	87	87
Total Required Stable Funding	2,893,599	3,627,207
NSFR	**239.07%**	**181.39%**

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 31st March 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	4,039,469		4,039,469		-	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	2,218,271		2,150,085		534,355	25%
Claims on Financial Institutions	565,163		437,069		218,553	50%
Claims on Corporates	3,815		3,815		3,815	100%
Retail Claims	365,288	200	361,690	100	282,702	78%
Claims Secured by Residential Property	291,355	1,536	291,355	768	292,123	100%

Claims Secured by Commercial Real Estate	-		-			
Non-Performing Assets (NPAs)[(i)]	59,448		59,448		55,276	93%
Higher-risk Categories	-		-			
Cash Items and Other Assets	1,114,282		1,114,282		1,110,110	100%
Total	**8,657,254**	**1,736**	**8,457,377**	**868**	**2,497,098**	**30%**

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

Description	**Amount (LKR'000) as at 31st March 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	4,039,469							**4,039,469**
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		1,802,291	347,794					**2,150,085**
Claims on Financial Institutions			437,033		36			**437,069**
Claims on Corporates					3,815			**3,815**
Retail Claims				316,351	45,439			**361,790**
Claims Secured by Residential Property					292,123			**292,123**
Claims Secured by Commercial Real Estate								**-**
Non-Performing Assets (NPAs)			14,135		39,524	5,789		**59,448**
Higher-risk Categories								**-**
Cash Items and Other Assets	4,172				1,110,110			**1,114,282**
Total	**4,043,641**	**1,802,291**	**798,962**	**316,351**	**1,491,211**	**5,789**	**-**	**8,458,245**

Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31.03.2023		
			1 st Year	2 nd Year	3 rd Year
The Basic Indicator Approach	15%		774,661	828,570	1,380,604
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach					149,192
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					1,193,536

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

Item	Amount (LKR '000) as at 31st March 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	**8,657,252**	**8,657,252**	**8,457,375**	**-**	**-**
Cash and Cash Equivalents	88,052	88,052	88,052		
Balances with Central Banks		-			
Placements with Banks	2,004,253	2,004,253	2,004,253		
Derivative Financial Instruments		-			
Financial assets at amortized cost		-			
- Loans and Advances	716,090	716,090	712,493		
- Debt and Other Instruments	4,604,596	4,604,596	4,476,503		
Financial Assets Designated at Fair Value through Profit or Loss		-			
Financial assets measured at fair value through other comprehensive income	134,152	134,152	65,966		
Investments in Subsidiaries		-			
Investments in Associates and Joint Ventures		-			
Property, Plant and Equipment	882,342	882,342	882,342		
Right of use assets	415	415	415		
Investment Properties	204,977	204,977	204,977		
Goodwill and Intangible Assets	788	788	788		
Deferred Tax Assets		-			
Other Assets	21,589	21,589	21,589		

Liabilities	**1,298,050**	**1,298,050**	**-**	**-**	**-**
Due to Banks	30	30			
Derivative Financial Instruments		-			
Financial liabilities at amortized cost		-			
Due to depositors	435,574	435,574			
Due to other borrowers	297,803	297,803			
Lease Liability	646	646			
Debt Securities Issued	73,555	73,555			
Retirement benefit obligations	53,151	53,151			
Current Tax Liabilities	226,276	226,276			
Deferred Tax Liabilities	4,155	4,155			
Other Provisions		-			
Other Liabilities	206,859	206,859			
Due to Subsidiaries		-			
Shareholders' Equity	**7,359,203**	**7,359,203**	**-**	**-**	**925,798**
Stated capital/Assigned capital	3,805,290	3,805,290			
Statutory reserve fund	300,501	300,501			
OCI reserve	35,822	35,822			35,822
Retained earnings	4,493,803	4,493,803			
Other reserves	-1,276,214	-1,276,214			889,976
Total Equity and Liabilities	**8,657,252**	**8,657,252**	**-**	**-**	**925,798**
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					