

Basel III Minimum
Disclosure Requirements under Pillar III
as at 31st March 2024

(Un-audited) |

SRI LANKA SAVINGS BANK

Market Discipline-Disclosure Requirements under Pillar III

Key Regulatory Ratios - Capital and Liquidity

Item	31-Mar-24	31-Dec-23
Regulatory Capital (LKR '000)		
Common Equity Tier 1	6,820,343	6,843,172
Tier 1 Capital	6,820,343	6,843,172
Total Capital	6,837,767	6,863,411
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (<i>Minimum Requirement - 7.00%</i>)	162.19%	163.28%
Tier 1 Capital Ratio (<i>Minimum Requirement - 8.50%</i>)	162.19%	163.28%
Total Capital Ratio (<i>Minimum Requirement - 12.50%</i>)	162.61%	163.76%
Leverage Ratio (<i>Minimum Requirement - 3.00%</i>)	73.77%	72.96%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000)	6,289,797	6,463,285
Statutory Liquid Assets Ratio (<i>Minimum Requirement - 20%</i>)		
Domestic Banking Unit (%)	1270.00%	1289.27%
Off-Shore Banking Unit (%)	N/A	N/A
Liquidity Coverage Ratio (%) – Rupee (<i>Minimum Requirement - 100%</i>)	6120%	17148%
Liquidity Coverage Ratio (%) – All Currency (<i>Minimum Requirement - 100%</i>)	N/A	N/A

Market Discipline-Disclosure Requirements under Pillar III

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	31-Mar-24	31-Dec-23
Common Equity Tier 1 (CET1) Capital after Adjustments	6,820,343	6,843,172
Common Equity Tier 1 (CET1) Capital	6,972,217	6,972,217
Equity Capital (Stated Capital)/Assigned Capital	3,805,290	3,805,290
Reserve Fund	326,701	326,701
Published Retained Earnings/(Accumulated Retained Losses)	2,840,226	2,840,226
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	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	151,874	129,046
Goodwill (net)		
Intangible Assets (net)	-	
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	151,874	129,046
Regulatory adjustments applied to CET1 Capital due to insufficient AT1 and Tier 2 Capital to cover adjustments	-	
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	17,424	20,240
Tier 2 Capital		

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	17,424	20,240
Qualifying Tier 2 Capital Instruments		
Revaluation Gains		
Loan Loss Provisions	17,424	20,240
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
Total Adjustments to Tier 2	-	
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	-	
CET1 Capital	6,820,343	6,843,171
Total Tier 1 Capital	6,820,343	6,843,171
Total Capital	6,837,767	6,863,411
Total Risk Weighted Assets (RWA)	4,205,092	4,191,019
RWAs for Credit Risk	2,678,092	2,726,731
RWAs for Market Risk		
RWAs for Operational Risk	1,527,000	1,464,288
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	162.61%	163.28%
of which: Capital Conservation Buffer (%)	-	
of which: Countercyclical Buffer (%)	-	
of which: Capital Surcharge on D-SIBs (%)	-	
Total Tier 1 Capital Ratio (%)	162.61%	163.28%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	162.61%	163.76%
of which: Capital Conservation Buffer (%)	-	
of which: Countercyclical Buffer (%)	-	
of which: Capital Surcharge on D-SIBs (%)	-	

Market Discipline-Disclosure Requirements under Pillar III

Computation of Leverage Ratio

Item	Amount (LKR '000)	
	31-Mar-24	31-Dec-23
Tier 1 Capital	6,820,343	6,843,172
Total Exposures	9,245,402	9,383,972
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	9,245,285	9,461,495
Derivative Exposures		
Securities Financing Transaction Exposures		50,041
Other Off-Balance Sheet Exposures	117	1,482
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	73.77%	72.92%

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Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	31-Mar-24		31-Dec-23	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	5,952,888	5,950,930	6,544,300	6,542,518
Total Adjusted Level 1A Assets	5,900,051	5,900,051	6,540,819	6,540,819
Level 1 Assets	5,948,973	5,948,973	6,540,735	6,540,735
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	3,915	1,958	3,565	1,782
Level 2B Assets	3,915	1,958	3,565	1,782
Total Cash Outflows	341,377	129,557	365,303	152,616
Deposits	110,060	11,006	111,022	11,102
Unsecured Wholesale Funding	187,944	75,178	187,944	75,178
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	-	-	-	-

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Additional Requirements	43,373	43,373	66,337	66,337
Total Cash Inflows	768,908	32,312	468,749	392,193
Maturing Secured Lending Transactions Backed by Collateral	704,284	-	50,096	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	17,122	8,561	389,594	377,664
Operational Deposits	-	-	-	-
Other Cash Inflows	47,502	23,751	29,059	14,530
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		6120%		17148%

Computation of Net Stable Funding Ratio

Item	Amount (LKR '000)	
	31-Mar-24	31-Dec-23
Total Available Stable Funding	7,435,160	6,900,604
Required Stable Funding – On Balance Sheet Assets	2,917,092	3,118,978
Required Stable Funding – Off Balance Sheet Items	12	148
Total Required Stable Funding	2,917,104	3,119,126
NSFR	255%	221%

Market Discipline-Disclosure Requirements under Pillar III

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

Market Discipline-Disclosure Requirements under Pillar III

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

Asset Class	Amount (LKR'000) as at 31st March 2024					
	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	5,845,847		5,845,847		-	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	972,059		820,185		386,379	47%
Claims on Financial Institutions	437,232		437,232		218,629	50%
Claims on Corporates	3,915		3,915		3,915	100%
Retail Claims	269,615	200	266,898	100	205,903	77%
Claims Secured by Residential Property	283,979	34	283,979	17	283,996	100%

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Claims Secured by Commercial Real Estate	-		-			
Non-Performing Assets (NPAs) ⁽ⁱ⁾	47,022		47,022		46,078	98%
Higher-risk Categories	-		-			
Cash Items and Other Assets	1,537,327		1,537,327		1,533,029	100%
Total	9,397,159	234	9,242,569	117	2,678,093	29%

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

Description	Amount (LKR'000) as at 31st March 2024 (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	5,845,847							5,845,847
Claims on Foreign Sovereigns and their Central Banks								-
Claims on Public Sector Entities					164			164
Claims on Official Entities and Multilateral Development Banks								-

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Claims on Banks Exposures		79,046	741,139					820,185
Claims on Financial Institutions			437,207		25			437,232
Claims on Corporates					3,915			3,915
Retail Claims				244,379	22,619			266,998
Claims Secured by Residential Property					283,996			283,996
Claims Secured by Commercial Real Estate								-
Non-Performing Assets (NPAs)			3,878		41,155	1,989		47,022
Higher-risk Categories								-
Cash Items and Other Assets	4,298				1,533,029			1,537,327
Total	5,850,145	79,046	1,182,224	244,379	1,884,903	1,989	-	9,242,686

Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31.03.2024		
			1 st Year	2 nd Year	3 rd Year
The Basic Indicator Approach	15%		828,570	1,349,316	1,639,608
<u>Capital Charges for Operational Risk (LKR'000)</u>					
The Basic Indicator Approach					190,875
<u>Risk Weighted Amount for Operational Risk (LKR'000)</u>					
The Basic Indicator Approach					1,527,000

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

Item	Amount (LKR ‘000) as at 31st March 2024				
	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	9,397,159	9,397,159	9,242,568	-	154,590
Cash and Cash Equivalents	83,344	83,344	83,344		-
Balances with Central Banks		-			-
Placements with Banks	671,442	671,442	671,442		-
Derivative Financial Instruments		-			-
Financial assets at amortized cost		-			-
- Loans and Advances	600,616	600,616	597,899		2,717
- Debt and Other Instruments	6,283,054	6,283,054	6,283,054		-0
Financial Assets Designated at Fair Value through Profit or Loss		-			-
Financial assets measured at fair value through other comprehensive income	225,675	225,675	73,801		151,874
Investments in Subsidiaries		-			-
Investments in Associates and Joint Ventures		-			-
Property, Plant and Equipment	1,132,418	1,132,418	1,132,418		-
Right of use assets	35	35	35		-
Investment Properties	349,000	349,000	349,000		-
Goodwill and Intangible Assets	0	0	0		-
Deferred Tax Assets		-			-
Other Assets	51,576	51,576	51,576		

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Liabilities	1,039,855	1,039,855	-	-	-
Due to Banks	-	-			
Derivative Financial Instruments		-			
Financial liabilities at amortized cost		-			
Due to depositors	418,847	418,847			
Due to other borrowers	35,970	35,970			
Lease Liability	-	-			
Debt Securities Issued	73,169	73,169			
Retirement benefit obligations	60,923	60,923			
Current Tax Liabilities	206,534	206,534			
Deferred Tax Liabilities	27,727	27,727			
Other Provisions		-			
Other Liabilities	216,685	216,685			
Due to Subsidiaries		-			
Shareholders' Equity	8,357,304	8,357,304	-	-	1,017,263
Stated capital/Assigned capital	3,805,290	3,805,290			
Statutory reserve fund	332,214	332,214			
OCI reserve	127,287	127,287			127,287
Retained earnings	5,111,164	5,111,164			
Other reserves	-	-			
	1,018,652	1,018,652			889,976
Total Equity and Liabilities	9,397,159	9,397,159	-	-	1,017,263
Off-Balance Sheet Liabilities	233	233	-	-	-
Guarantees					
Performance Bonds					
Letters of Credit					
Other Commitments					