



Basel III - Pillar 3 Disclosures

as at 31 March 2018



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1. Key Regulatory Ratios - Capital and Liquidity

Item	As at 31 Mar 2018	As at 31 Dec 2017 Audited
Regulatory Capital (LKR '000)		
Common Equity Tier 1	10,466,076	10,493,086
Tier 1 Capital	10,157,496	10,145,342
Total Capital	10,943,495	10,923,196
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	19.1%	20.0%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	19.1%	20.0%
Total Capital Ratio (Minimum Requirement - 11.875%)	20.5%	21.5%
Leverage Ratio (Minimum Requirement)	N/A	N/A
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	11,589,860	11,519,443
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	1,873	1,971
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	22.01%	22.23%
Off-Shore Banking Unit (%)	43.61%	41.52%
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 90%)	135.85%	200.72%
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement -90%)	105.47%	174.70%

2. Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at	
	31-Mar-18	As at 31 Dec 2017 (Audited)
Common Equity Tier 1 (CET1) Capital after Adjustments	10,157,496	10,145,342
Common Equity Tier 1 (CET1) Capital	10,466,076	10,493,086
Equity Capital (Stated Capital)/Assigned Capital	10,619,450	10,619,450
Reserve Fund	42,405	42,405
Published Retained Earnings/(Accumulated Retained Losses)	(140,737)	(140,737)
Published Accumulated Other Comprehensive Income (OCI)	(28,032)	(28,032)
General and other Disclosed Reserves		
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(27,009)	
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
Total Adjustments to CET1 Capital	308,580	347,744
Goodwill (net)		
Intangible Assets (net)	218,823	230,676
Others (Net Deferred Tax Asset & Significant investments in the capital of financial institutions where the bank owns more than 10 per cent of the issued ordinary share capital of the entity)	89,757	117,068
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	785,999	777,854
Tier 2 Capital	785,999	777,854
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	570,270	570,270
Loan Loss Provisions	215,729	207,584
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		
Others (specify)		
CET1 Capital	10,466,076	10,493,086
Total Tier 1 Capital	10,157,496	10,145,342
Total Capital	10,943,495	10,923,196
Total Risk Weighted Assets (RWA)	53,315,184	50,840,802
RWAs for Credit Risk	49,138,020	46,611,224
RWAs for Market Risk	658,520	723,676
RWAs for Operational Risk	3,518,644	3,505,902
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	19.05%	19.96%
of which: Capital Conservation Buffer (%)	1.88%	1.25%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
Total Tier 1 Capital Ratio (%)	19.05%	19.96%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	20.53%	21.49%
of which: Capital Conservation Buffer (%)	1.88%	1.25%
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

3. Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 31 Mar 2018	As at 31 Dec 2017
Tier 1 Capital		
Total Exposures		
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	N/A	N/A
Derivative Exposures		
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures		
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)		

Note

Finalized Regulatory guidelines pertaining to computation of Leverage Ratio are to be issued

4. Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 31 Mar 2018		As at 31 Dec 2017 (Audited)	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	2,014,162	1,945,421	2,738,629	2,667,517
Total Adjusted Level 1A Assets				
Level 1 Assets	1,876,681	1,876,681	2,596,404	2,596,404
Total Adjusted Level 2A Assets				
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets				
Level 2B Assets	137,481	68,740	142,225	71,113
Total Cash Outflows	61,428,640	7,377,892	63,668,673	6,107,732
Deposits	51,183,097	5,118,310	48,599,674	4,859,967
Unsecured Wholesale Funding	2,210,286	940,452	2,385,057	937,183
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable)				
Facilities and Other Contingent Funding Obligations	8,035,257	1,319,130	12,678,450	305,090
Additional Requirements	-	-	5,492	5,492
Total Cash Inflows	12,889,924	9,094,667	12,590,131	7,752,764
Maturing Secured Lending Transactions Backed by Collateral	5,720,625	5,720,625	4,965,901	4,965,901
Committed Facilities	-	-		
Other Inflows by Counterparty which are Maturing within 30 Days	3,744,058	3,374,043	3,264,515	2,786,863
Operational Deposits	3,425,242	-	4,359,715	
Other Cash Inflows	-	-		
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		105.47		174.70

5. Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Ordinary Shares
Issuer	Amana Bank PLC
CSE Security Code	ABL.N0000
Original Date of Issuance	Multiple
Par Value of Instrument	N/A
Perpetual or Dated	Perpetual
Original Maturity Date, if Applicable	N/A
Amount Recognised in Regulatory Capital (in LKR '000 as at 31 Dec 2017)	10,619,451
Accounting Classification (Equity/Liability)	Shareholders' Equity
Issuer Call subject to Prior Supervisory Approval	
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	N/A
Subsequent Call Dates, if Applicable	N/A
Coupons/Dividends	
Fixed or Floating Dividend/Coupon	Discretionary, subject to fulfilling applicable Regulatory requirements
Coupon Rate and any Related Index	N/A
Non-Cumulative or Cumulative	Non Cumulative
Convertible or Non-Convertible	
If Convertible, Conversion Trigger (s)	Non Convertible
If Convertible, Fully or Partially	
If Convertible, Mandatory or Optional	
If Convertible, Conversion Rate	

**6. Credit Risk under Standardised Approach –
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects**

Asset Class	Amount (LKR'000) as at 31 Mar 2018					
	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	3,231,844		3,231,844		-	0%
Claims on Foreign Sovereigns and their Central Banks	-		-		-	0%
Claims on Public Sector Entities	131,250		131,250		131,250	100%
Claims on Official Entities and Multilateral Development Banks	-		-		-	0%
Claims on Banks Exposures	9,719,685	15,502,209	9,719,685	600,851	2,801,926	27%
Claims on Financial Institutions	4,366,077		4,366,077		1,273,772	29%
Claims on Corporates	11,595,597	6,921,794	11,595,597	1,839,796	13,397,578	100%
Retail Claims	30,158,941	8,405,042	29,949,057	2,516,970	25,571,315	79%
Claims Secured by Residential Property	2,736,593		2,736,593		1,929,115	70%
Claims Secured by Commercial Real Estate	5,956		5,956		5,956	100%
Non-Performing Assets (NPAs) (i)	692,205	407,741	692,205	84,340	998,502	129%
Higher-risk Categories	102,473		102,473		256,181	250%
Cash Items and Other Assets	4,129,516	367,711	4,129,516	367,711	2,772,425	62%
Total	66,870,135	31,604,496	66,660,251	5,409,668	49,138,020	68%

Notes:

- (i) As per Banking Act Directions on classification of Loans and Advances, income recognition and provisioning
(ii) RWA Density - Total RWA/Exposures post CCF and CRM.

7. Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 31 Mar 2018
(a) RWA for Interest Rate Risk	-
General Interest Rate Risk	-
(i) Net Long or Short Position	-
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Interest Rate Risk	-
(b) RWA for Equity	30,675
(i) General Equity Risk	16,326
(ii) Specific Equity Risk	14,350
(c) RWA for Foreign Exchange & Gold	47,524
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	658,520

8. 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 31 Mar 2018		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		2,149,603	2,547,109	3,660,073
The Standardised Approach					
Corporate Finance	18%		N/A		
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%				
Commercial Banking	15%				
The Alternative Standardised Approach					
Corporate Finance	18%		N/A		
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%	0.035			
Commercial Banking	15%	0.035			
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach					417,839
The Standardised Approach					N/A
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					3,518,644
The Standardised Approach					N/A
The Alternative Standardised Approach					

**9. Differences between Accounting and Regulatory Scopes and
Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank Only**

Item	Amount (LKR '000) as at 31 Mar 2018				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values as under Scope of Regulatory Reporting	Subject to Credit Risk	Subject to Market Risk Framework	Not Subject to Capital Requirements or Subject to Deduction From Capital
Assets	67,040,998	67,100,465	66,660,251		
Cash and Cash Equivalents	5,236,116	5,236,115	5,236,115		
Balances with Central Banks	3,073,917	3,073,917	3,073,917		
Placements with Banks	10,574,161	10,497,924	10,497,924		
Derivative Financial Instruments	111,357				
Other Financial Assets Held-For-Trading	41,374	329,709	102,473	137,479	89,757
Financial Assets Designated at Fair Value through Profit or Loss					
Loans and Receivables to Banks					
Loans and Receivables to Other Customers	44,840,328	45,101,818	45,107,663		5,845
Financial Investments - Available-For-Sale	291,328				
Financial Investments - Held-To-Maturity		2,993	2,993		
Investments in Subsidiaries					
Investments in Associates and Joint Ventures					
Property, Plant and Equipment	1,786,021	1,783,020	1,783,020		
Investment Properties					
Goodwill and Intangible Assets	215,823	218,823			218,823
Deferred Tax Assets					
Other Assets	870,574	856,146	856,146		
Liabilities			-	-	-
Due to Banks	967,111	965,650			
Derivative Financial Instruments	47,392				
Other Financial Liabilities Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	53,174,051	52,716,285			
Other Borrowings					
Debt Securities Issued					
Current Tax Liabilities	250,390	319,410			
Deferred Tax Liabilities	216,242	216,242			
Other Provisions					
Other Liabilities	936,212	1,298,616			
Due to Subsidiaries					
Subordinated Term Debts					
Off-Balance Sheet Liabilities				-	-
Guarantees	1,677,365	1,677,365	1,677,365	-	-
Performance Bonds	565,268	565,268	565,268	-	-
Letters of Credit	1,707,877	1,707,877	1,707,877	-	-
Other Contingent Items	27,424,826	27,424,826	27,424,826	-	-
Undrawn Loan Commitments	8,624,675	8,624,675	8,624,675	-	-
Other Commitments			-	-	-
Shareholders' Equity			-	-	-
Equity Capital (Stated Capital)/Assigned Capital	10,619,450	10,619,450	-	-	-
of which Amount Eligible for CET1		10,619,450	-	-	-
of which Amount Eligible for AT1			-	-	-
Retained Earnings	22,070	(219,471)	-	-	-
Accumulated Other Comprehensive Income	(55,041)		-	-	-
Other Reserves	863,122	1,184,282	-	-	571,607
Total Shareholders' Equity	11,449,601	11,584,261	-	-	571,607