



Basel III - Pillar 3 Disclosures

as at 30 June 2018



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1. Key Regulatory Ratios - Capital and Liquidity

Item	As at 30 June 2018	As at 31 March 2018
Regulatory Capital (LKR '000)		
Common Equity Tier 1	10,493,086	10,466,076
Tier 1 Capital	10,178,168	10,157,496
Total Capital	10,973,998	10,943,495
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	18.5%	19.1%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	18.5%	19.1%
Total Capital Ratio (Minimum Requirement - 11.875%)	19.9%	20.5%
Leverage Ratio (Minimum Requirement)	N/A	N/A
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	12,708,687	11,589,860
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	231	1,873
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	22.99%	22.01%
Off-Shore Banking Unit (%)	25.53%	43.61%
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 90%)	108.99%	135.85%
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement -90%)	98.17%	105.47%

2. Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	As at 30 June 2018	As at 31 March 2018
Common Equity Tier 1 (CET1) Capital after Adjustments	10,178,168	10,157,496
Common Equity Tier 1 (CET1) Capital	10,493,086	10,466,076
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	(27,009)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	314,918	308,580
Goodwill (net)		
Intangible Assets (net)	201,074	218,823
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)	113,844	89,757
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	795,830	785,999
Tier 2 Capital	795,830	785,999
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	570,270	570,270
Loan Loss Provisions	225,560	215,729
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	10,493,086	10,466,076
Total Tier 1 Capital	10,178,168	10,157,496
Total Capital	10,973,998	10,943,495
Total Risk Weighted Assets (RWA)	55,008,335	53,315,184
RWAs for Credit Risk	50,984,618	49,138,020
RWAs for Market Risk	305,014	658,520
RWAs for Operational Risk	3,718,703	3,518,644
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	18.50%	19.05%
of which: Capital Conservation Buffer (%)	1.88%	1.88%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
Total Tier 1 Capital Ratio (%)	18.50%	19.05%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	19.95%	20.53%
of which: Capital Conservation Buffer (%)	1.88%	1.88%
of which: Countercyclical Buffer (%)		-
of which: Capital Surcharge on D-SIBs (%)		-

3. Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 30 June 2018	As at 31 March 2018
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 30 June 2018		As at 31 Mar 2018	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	1,738,453	1,680,385	2,014,162	1,945,421
Total Adjusted Level 1A Assets				
Level 1 Assets	1,622,316	1,622,316	1,876,681	1,876,681
Total Adjusted Level 2A Assets				
Level 2A Assets			-	-
Total Adjusted Level 2B Assets				
Level 2B Assets	116,137	58,069	137,481	68,740
Total Cash Outflows	64,952,222	6,846,504	61,428,640	7,377,892
Deposits	52,840,164	5,284,016	51,183,097	5,118,310
Unsecured Wholesale Funding	2,843,840	1,219,923	2,210,286	940,452
Secured Funding Transactions			-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	9,222,070	296,416	8,035,257	1,319,130
Additional Requirements	46,149	46,149	-	-
Total Cash Inflows	13,723,930	8,583,226	12,889,924	9,094,667
Maturing Secured Lending Transactions Backed by Collateral	5,220,672	5,220,672	5,720,625	5,720,625
Committed Facilities			-	-
Other Inflows by Counterparty which are Maturing within 30 Days	4,066,112	3,362,554	3,744,058	3,374,043
Operational Deposits	4,437,146	-	3,425,242	-
Other Cash Inflows			-	-
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		98.17		105.47

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 30 June 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	3,101,969		3,101,969		-	0%
Claims on Foreign Sovereigns and their Central Banks						0%
Claims on Public Sector Entities	114,366	60,573	114,366	12,115	126,481	100%
Claims on Official Entities and Multilateral Development Banks						0%
Claims on Banks Exposures	9,957,882	20,721,749	9,957,882	636,814	3,038,117	29%
Claims on Financial Institutions	4,581,654		4,581,654		1,597,976	35%
Claims on Corporates	13,288,041	3,271,028	13,288,041	1,279,192	14,481,163	99%
Retail Claims	30,163,891	5,840,125	30,153,887	2,090,318	25,312,788	79%
Claims Secured by Residential Property	2,938,561		2,938,561		2,187,840	74%
Claims Secured by Commercial Real Estate	2,369		2,369		2,369	100%
Non-Performing Assets (NPAs) (i)	932,283	43,870	932,283	10,966	1,247,262	132%
Higher-risk Categories	102,920		102,920		257,300	250%
Cash Items and Other Assets	4,032,419	1,797,204	4,032,419	323,218	2,733,322	63%
Total	69,216,355	31,734,549	69,206,351	4,352,623	50,984,618	69%

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 30 June 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	26,150
(i) General Equity Risk	13,791
(ii) Specific Equity Risk	12,359
(c) RWA for Foreign Exchange & Gold	10,070
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	305,014

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 30 June 2018		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		2,156,937	2,867,802	3,807,185
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%				
Commercial Banking	15%				
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach					441,596
The Standardised Approach					N/A
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					3,718,703
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 30 June 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	69,255,657	69,421,852	68,765,236		
Cash and Cash Equivalents	6,163,627	6,163,628	6,163,628		
Balances with Central Banks	2,925,454	2,925,454	2,925,454		
Placements with Banks	9,965,889	9,880,945	9,880,945		
Derivative Financial Instruments	64,897				
Other Financial Assets Held-For-Trading	29,449	332,902	102,920	116,138	113,844
Financial Assets Designated at Fair Value through Profit or Loss					
Loans and Receivables to Banks					
Loans and Receivables to Other Customers	46,852,102	47,243,009	47,017,449		225,560
Financial Investments - Available-For-Sale	306,446				
Financial Investments - Held-To-Maturity		2,993	2,993		
Investments in Subsidiaries					
Investments in Associates and Joint Ventures					
Property, Plant and Equipment	1,767,066	1,767,067	1,767,067		
Investment Properties					
Goodwill and Intangible Assets	201,074	201,074			201,074
Deferred Tax Assets					
Other Assets	979,651	904,780	904,780		
Liabilities	57,653,572	57,561,161			
Due to Banks	911,530	910,225			
Derivative Financial Instruments	64,568				
Other Financial Liabilities Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	55,438,015	54,897,777			
Other Borrowings					
Debt Securities Issued					
Current Tax Liabilities	299,185	299,185			
Deferred Tax Liabilities	216,242	216,242			
Other Provisions					
Other Liabilities	724,031	1,237,732			
Due to Subsidiaries					
Subordinated Term Debts					
Off-Balance Sheet Liabilities	31,734,549	31,734,549	30,260,563	-	-
Guarantees	2,029,000	2,029,000	2,029,000	-	-
Performance Bonds	584,961	584,961	584,961	-	-
Letters of Credit	1,560,195	1,560,195	1,560,195	-	-
Other Contingent Items	22,792,662	22,792,662	22,792,662	-	-
Undrawn Loan Commitments	3,293,745	3,293,745	3,293,745	-	-
Other Commitments	1,473,986	1,473,986	-	-	-
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital	10,619,450	10,619,450	-	-	-
of which Amount Eligible for CET1	10,619,450	10,619,450	-	-	-
of which Amount Eligible for AT1			-	-	-
Retained Earnings	147,546	56,959	-	-	-
Accumulated Other Comprehensive Income	(28,032)		-	-	-
Other Reserves	863,121	1,184,282	-	-	571,607
Total Shareholders' Equity	11,602,085	11,860,691	-	-	571,607