



## **Basel III - Pillar 3 Disclosures**

**as at 30 September 2018**



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### 1. Key Regulatory Ratios - Capital and Liquidity

Item	As at 30 September 2018	As at 30 June 2018
<b>Regulatory Capital (LKR '000)</b>		
Common Equity Tier 1	10,285,577	10,493,086
Tier 1 Capital	9,965,195	10,178,168
Total Capital	10,771,206	10,973,998
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	17.0%	18.5%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	17.0%	18.5%
Total Capital Ratio (Minimum Requirement - 11.875%)	18.3%	19.9%
Leverage Ratio (Minimum Requirement )	N/A	N/A
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	11,280,830	12,708,687
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	24	15
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	22.47%	22.99%
Off-Shore Banking Unit (%)	42.86%	25.53%
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 90%)	91.99%	108.99%
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement -90%)	94.94%	98.17%

## 2. Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	As at 30 September 2018	As at 30 June 2018
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>9,965,195</b>	<b>10,178,168</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>10,285,577</b>	<b>10,493,086</b>
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(207,508)	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
<b>Total Adjustments to CET1 Capital</b>	<b>320,382</b>	<b>314,918</b>
Goodwill (net)		
Intangible Assets (net)	236,302	201,074
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)	84,080	113,844
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>		
<b>Additional Tier 1 (AT1) Capital</b>		
Qualifying Additional Tier 1 Capital Instruments		
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
<b>Total Adjustments to AT1 Capital</b>		
Investment in Own Shares		
Others (specify)		
<b>Tier 2 Capital after Adjustments</b>	<b>806,011</b>	<b>795,830</b>
<b>Tier 2 Capital</b>	<b>806,011</b>	<b>795,830</b>
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	570,270	570,270
Loan Loss Provisions	235,741	225,560
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
<b>Total Adjustments to Tier 2</b>		
Investment in Own Shares		
Others (specify)		
<b>CET1 Capital</b>	<b>10,285,577</b>	<b>10,493,086</b>
<b>Total Tier 1 Capital</b>	<b>9,965,195</b>	<b>10,178,168</b>
<b>Total Capital</b>	<b>10,771,206</b>	<b>10,973,998</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>58,763,628</b>	<b>55,008,335</b>
RWAs for Credit Risk	54,459,640	50,984,618
RWAs for Market Risk	363,743	305,014
RWAs for Operational Risk	3,940,244	3,718,703
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	16.96%	18.50%
of which: Capital Conservation Buffer (%)	1.88%	1.88%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
<b>Total Tier 1 Capital Ratio (%)</b>	<b>16.96%</b>	<b>18.50%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>18.33%</b>	<b>19.95%</b>
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 September 2018	As at 30 June 2018
<b>Tier 1 Capital</b>		
<b>Total Exposures</b>		
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		
<b>Basel III Leverage Ratio (%) (Tier 1/Total Exposure)</b>		

**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 September 2018		As at 30 June 2018	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
<b>Total Stock of High-Quality Liquid Assets (HQLA)</b>	<b>1,779,970</b>	<b>1,724,886</b>	<b>1,738,453</b>	<b>1,680,385</b>
<b>Total Adjusted Level 1A Assets</b>				
Level 1 Assets	1,669,802	1,669,802	1,622,316	1,622,316
<b>Total Adjusted Level 2A Assets</b>				
Level 2A Assets				
<b>Total Adjusted Level 2B Assets</b>				
Level 2B Assets	110,168	55,084	116,137	58,069
<b>Total Cash Outflows</b>	<b>68,642,687</b>	<b>7,266,942</b>	<b>64,952,222</b>	<b>6,846,504</b>
Deposits	54,752,032	5,475,203	52,840,164	5,284,016
Unsecured Wholesale Funding	3,411,955	1,398,544	2,843,840	1,219,923
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable)				
Facilities and Other Contingent Funding Obligations	10,406,591	321,086	9,222,070	296,416
Additional Requirements	72,109	72,109	46,149	46,149
<b>Total Cash Inflows</b>	<b>19,955,415</b>	<b>10,861,471</b>	<b>13,723,930</b>	<b>8,583,226</b>
Maturing Secured Lending Transactions Backed by Collateral	5,213,950	5,213,950	5,220,672	5,220,672
Committed Facilities				
Other Inflows by Counterparty which are Maturing within 30 Days	6,734,548	5,647,522	4,066,112	3,362,554
Operational Deposits	8,006,917	-	4,437,146	-
Other Cash Inflows				
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>94.94</b>		<b>98.17</b>

## 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
<b>Issuer Call subject to Prior Supervisory Approval</b>	
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR'000)	N/A
Subsequent Call Dates, if Applicable	N/A
<b>Coupons/Dividends</b>	
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
<b>Convertible or Non-Convertible</b>	
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 September 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	3,529,829		3,529,829		-	0%
Claims on Foreign Sovereigns and their Central Banks						0%
Claims on Public Sector Entities	101,995		101,995		101,995	100%
Claims on Official Entities and Multilateral Development Banks						0%
Claims on Banks Exposures	11,172,773	23,336,664	11,172,773	900,230	3,882,331	32%
Claims on Financial Institutions	3,756,816		3,756,816		1,433,709	38%
Claims on Corporates	13,933,906	5,299,238	13,933,906	1,749,867	15,600,759	99%
Retail Claims	31,125,015	4,663,836	30,948,731	1,870,583	25,703,315	78%
Claims Secured by Residential Property	3,915,228	198	3,915,228	40	2,814,659	72%
Claims Secured by Commercial Real Estate	9,339		9,339		9,339	100%
Non-Performing Assets (NPAs) (i)	1,150,451	384,074	1,150,451	81,556	1,658,352	135%
Higher-risk Categories	100,493		100,493		251,232	250%
Cash Items and Other Assets	4,147,425	424,675	4,147,425	424,675	3,003,950	66%
<b>Total</b>	<b>72,943,268</b>	<b>34,108,685</b>	<b>72,766,984</b>	<b>5,026,951</b>	<b>54,459,640</b>	<b>70%</b>

**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 September 2018
<b>(a) RWA for Interest Rate Risk</b>	-
General Interest Rate Risk	-
(i) Net Long or Short Position	-
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Interest Rate Risk	-
<b>(b) RWA for Equity</b>	<b>24,874</b>
(i) General Equity Risk	13,079
(ii) Specific Equity Risk	11,795
<b>(c) RWA for Foreign Exchange &amp; Gold</b>	<b>18,321</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>363,743</b>

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 September 2018		
			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	15%		2,359,304	3,173,431	3,825,349
<b>The Standardised Approach</b>					
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%				
<b>The Alternative Standardised Approach</b>					
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%				
<b>Capital Charges for Operational Risk (LKR'000)</b>					
The Basic Indicator Approach					467,904
The Standardised Approach					N/A
The Alternative Standardised Approach					
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>					
The Basic Indicator Approach					3,940,244
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 September 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
<b>Assets</b>	73,173,140	2,110,723	1,457,634		
Cash and Cash Equivalents	9,687,794	922,168	922,168		
Balances with Central Banks	3,315,475	-	-		
Placements with Banks	6,792,737	-	-		
Derivative Financial Instruments	358,152				
Other Financial Assets Held-For-Trading	29,088	-	194,219	110,139	84,080
Financial Assets Designated at Fair Value through Profit or Loss					
Loans and Receivables to Banks					
Loans and Receivables to Other Customers	49,518,492	1,188,555	962,995		235,741
Financial Investments - Available-For-Sale	268,616				
Financial Investments - Held-To-Maturity		-	2,993		
Investments in Subsidiaries					
Investments in Associates and Joint Ventures					
Property, Plant and Equipment	1,831,206	-	-		
Investment Properties					
Goodwill and Intangible Assets	236,302	236,302			236,302
Deferred Tax Assets					
Other Assets	1,135,276	236,302	236,302		
<b>Liabilities</b>	<b>61,636,890</b>	<b>355,214</b>			
Due to Banks	977,621	-			
Derivative Financial Instruments	742,877				
Other Financial Liabilities Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	58,199,717	343,974			
Other Borrowings					
Debt Securities Issued					
Current Tax Liabilities	287,206	287,206			
Deferred Tax Liabilities	216,242	216,242			
Other Provisions					
Other Liabilities	1,213,226	492,208			
Due to Subsidiaries					
Subordinated Term Debts					
<b>Off-Balance Sheet Liabilities</b>	<b>42,881,789</b>	<b>42,881,789</b>	<b>40,923,935</b>	-	-
Guarantees	1,954,919	1,954,919	1,954,919	-	-
Performance Bonds	665,138	665,138	665,138	-	-
Letters of Credit	1,816,873	1,816,873	1,816,873	-	-
Other Contingent Items	32,502,127	32,502,127	32,502,127	-	-
Undrawn Loan Commitments	3,984,877	3,984,877	3,984,877	-	-
Other Commitments	1,957,854	1,957,854	-	-	-
<b>Shareholders' Equity</b>					
Equity Capital (Stated Capital)/Assigned Capital	10,619,450	-	-	-	-
of which Amount Eligible for CET1	10,619,450				
of which Amount Eligible for AT1					
Retained Earnings	114,121	84,158	-	-	-
Accumulated Other Comprehensive Income	(60,443)				
Other Reserves	863,121	1,184,282	-	-	571,607
<b>Total Shareholders' Equity</b>	<b>11,536,250</b>	<b>1,268,440</b>	<b>-</b>	<b>-</b>	<b>571,607</b>