



Basel III - Pillar 3 Disclosures

as at 31 December 2018

(Based on Unaudited Financial Statements)

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1. Key Regulatory Ratios - Capital and Liquidity

Item	As at 31 Dec 2018	As at 30 Sep 2018
Regulatory Capital (LKR '000)		
Common Equity Tier 1	10,285,577	10,285,577
Tier 1 Capital	9,967,786	9,965,195
Total Capital	10,787,657	10,771,206
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	16.7%	17.0%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	16.7%	17.0%
Total Capital Ratio (Minimum Requirement - 11.875%)	18.0%	18.3%
Leverage Ratio (Minimum Requirement)	N/A	N/A
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	14,348,253	11,280,830
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	2,885	24
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	22.98%	22.47%
Off-Shore Banking Unit (%)	35.11%	42.86%
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 90%)	141.83%	91.99%
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement -90%)	117.54%	94.94%

2. Basel III Computation of Capital Ratios

Item	Amount (LKR '000)
	As at 31 Dec 2018
Common Equity Tier 1 (CET1) Capital after Adjustments	9,967,786
Common Equity Tier 1 (CET1) Capital	10,285,577
Equity Capital (Stated Capital)/Assigned Capital	10,619,450
Reserve Fund	42,405
Published Retained Earnings/(Accumulated Retained Losses)	(140,737)
Published Accumulated Other Comprehensive Income (OCI)	(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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(207,508)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	-
Total Adjustments to CET1 Capital	317,791
Goodwill (net)	-
Intangible Assets (net)	233,625
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)	84,166
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	819,871
Tier 2 Capital	819,871
Qualifying Tier 2 Capital Instruments	
Revaluation Gains	570,270
Provisions on Financing & Advances	249,601
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	10,285,577
Total Tier 1 Capital	9,967,786
Total Capital	10,787,657
Total Risk Weighted Assets (RWA)	59,774,521
RWAs for Credit Risk	55,063,034
RWAs for Market Risk	563,327
RWAs for Operational Risk	4,148,160
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	16.68%
of which: Capital Conservation Buffer (%)	1.875%
of which: Countercyclical Buffer (%)	
of which: Capital Surcharge on D-SIBs (%)	
Total Tier 1 Capital Ratio (%)	16.68%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	18.05%
of which: Capital Conservation Buffer (%)	1.875%
of which: Countercyclical Buffer (%)	-
of which: Capital Surcharge on D-SIBs (%)	-



3. Computation of Leverage Ratio

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

Note

Leverage Ratio will be effective from 1st January 2019

4. Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 31 Dec 2018		As at 30 Sep 2018	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	2,689,901	2,633,788	1,779,970	1,724,886
Total Adjusted Level 1A Assets				
Level 1 Assets	2,577,675	2,577,675	1,669,802	1,669,802
Total Adjusted Level 2A Assets				
Level 2A Assets				
Total Adjusted Level 2B Assets				
Level 2B Assets	112,226	56,113	110,168	55,084
Total Cash Outflows	71,136,700	8,963,188	68,642,687	7,266,942
Deposits	56,580,609	5,658,061	54,752,032	5,475,203
Unsecured Wholesale Funding	4,907,383	2,959,147	3,411,955	1,398,544
Secured Funding Transactions			-	-
Undrawn Portion of Committed (Irrevocable)				
Facilities and Other Contingent Funding Obligations	9,584,589	281,861	10,406,591	321,086
Additional Requirements	64,119	64,119	72,109	72,109
Total Cash Inflows	21,558,895	17,404,346	19,955,415	10,861,471
Maturing Secured Lending Transactions Backed by Collateral	6,554,170	6,554,170	5,213,950	5,213,950
Committed Facilities	-	-		
Other Inflows by Counterparty which are Maturing within 30 Days	11,814,869	10,850,176	6,734,548	5,647,522
Operational Deposits	3,189,856	-	8,006,917	-
Other Cash Inflows				
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		117.54		94.94

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 2018)	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 Dec 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	3,799,501		3,799,501		-	0%
Claims on Foreign Sovereigns and their Central Banks						
Claims on Public Sector Entities	88,166		88,166		88,166	100%
Claims on Official Entities and Multilateral Development Banks						
Claims on Banks Exposures	12,597,803	35,013,827	12,597,803	876,041	3,911,735	29%
Claims on Financial Institutions	2,428,129		2,428,129		496,294	20%
Claims on Corporates	16,390,822	5,004,602	16,216,537	1,737,041	17,953,578	100%
Retail Claims	31,768,175	4,220,835	31,427,145	1,815,638	24,340,963	73%
Claims Secured by Residential Property	4,287,680	3,750	4,287,680	3,750	3,127,859	73%
Claims Secured by Commercial Real Estate	31,777		31,777		31,777	100%
Non-Performing Assets (NPAs) (i)	1,198,778	403,200	1,198,778	86,039	1,592,084	124%
Higher-risk Categories	100,520		100,520		251,299	250%
Cash Items and Other Assets	4,495,683	781,957	4,495,683	781,957	3,269,280	62%
Total	77,187,034	45,428,171	76,671,719	5,300,465	55,063,034	67%

Notes:

- (i) As per Banking Act Directions on classification of Financing and Receivables to Other customers, income recognition and provision
- (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 Dec 2018
(a) RWA for Rate Risk	66,895
General Rate Risk	-
(i) Net Long or Short Position	-
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Rate Risk	-
(b) RWA for Equity	25,570
(i) General Equity Risk	13,327
(ii) Specific Equity Risk	12,243
(c) RWA for Foreign Exchange & Gold	41,325
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	563,327

8. Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31 Dec 2018		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		2,435,764	3,386,874	4,029,247
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			492,594		
The Standardised Approach			N/A		
The Alternative Standardised Approach			N/A		
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach			4,148,160		
The Standardised Approach			N/A		
The Alternative Standardised Approach			N/A		

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

Item	Explanation Reference #	Amount (LKR '000) as at 31 Dec 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		77,269,767	77,308,315	76,613,437	112,226	582,652
Cash and Cash Equivalents	1	5,338,091	2,008,361	2,008,361		
Balances with Central Banks		3,543,445	3,543,445	3,543,445		
Placements with Banks	1	11,692,669	14,999,669	14,999,669		
Derivative Financial Instruments	2	445,733				
Other Financial Assets Held-For-Trading			296,912	106,059	112,226	78,627
Financial Assets Designated at Fair Value through Profit or Loss	3	113,249				
Financing and Receivables to Banks						
Financing and Receivables to Other Customers	4	52,853,663	53,515,797	53,250,083		265,714
Financial Investments - Available-For-Sale	3	186,655				
Financial Investments - Held-To-Maturity	3		2,993	2,993		
Investments in Subsidiaries						
Investments in Associates and Joint Ventures						
Property, Plant and Equipment		1,890,194	1,890,194	1,890,194		
Investment Properties						
Goodwill and Intangible Assets		238,311	238,311			238,311
Deferred Tax Assets						
Other Assets		967,757	812,633	812,633		
Liabilities		65,635,667	65,169,323	-	-	-
Due to Banks	5	1,210,205	1,207,800			
Derivative Financial Instruments	2	1,441,006				
Other Financial Liabilities Held-For-Trading						
Financial Liabilities Designated at Fair Value Through Profit or Loss						
Due to Other Customers	5	61,722,683	61,087,255			
Other Borrowings						
Debt Securities Issued						
Current Tax Liabilities	5	330,607	413,694			
Deferred Tax Liabilities		221,537	221,537			
Other Provisions	5	127,518				
Other Liabilities	5	582,113	2,239,037			
Due to Subsidiaries						
Subordinated Term Debts						
Off-Balance Sheet Liabilities		46,487,979	46,487,979	34,409,663	-	12,078,316
Guarantees		2,063,611	2,063,611	2,063,611	-	-
Performance Bonds		839,977	839,977	839,977	-	-
Letters of Credit		1,283,455	1,283,455	1,283,455	-	-
Other Contingent Items		37,293,754	37,293,754	26,275,246	-	11,018,508
Undrawn Loan Commitments		3,947,374	3,947,374	3,947,374	-	-
Other Commitments		1,059,808	1,059,808	-	-	1,059,808
Shareholders' Equity						
Equity Capital (Stated Capital)/Assigned Capital		10,619,450	10,619,451	-	-	-
of which Amount Eligible for CET1		10,619,450		-	-	-
of which Amount Eligible for AT1				-	-	-
Retained Earnings		185,249	307,438	-	-	-
Accumulated Other Comprehensive Income		- 60,456		-	-	-
Other Reserves		889,857	1,212,103	-	-	571,607
Total Shareholders' Equity		11,634,100	12,138,992	-	-	571,607