



Basel III - Pillar 3 Disclosures

as at 31 December 2017

(Based on Unaudited Financial Statements)



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1. Key Regulatory Ratios - Capital and Liquidity

Item	As at 31 Dec 2017	As at 30 Sep 2017
Regulatory Capital (LKR '000)		
Common Equity Tier 1	10,003,078	10,006,094
Tier 1 Capital	9,502,614	9,468,366
Total Capital	10,280,468	10,239,514
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 5.75%)	18.7%	19.3%
Tier 1 Capital Ratio (Minimum Requirement - 7.25%)	18.7%	19.3%
Total Capital Ratio (Minimum Requirement - 11.25%)	20.2%	20.8%
Leverage Ratio (Minimum Requirement)	N/A	N/A
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	11,519,443	10,815,223
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	1,971	1,355
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	22.23%	21.21%
Off-Shore Banking Unit (%)	41.52%	34.55%
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 80%)	200.72%	113.26%
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement -80%)	174.70%	96.47%

2. Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at	
	31-Dec-17	30-Sep-17
Common Equity Tier 1 (CET1) Capital after Adjustments	9,502,614	9,468,366
Common Equity Tier 1 (CET1) Capital	10,003,078	10,006,094
Equity Capital (Stated Capital)/Assigned Capital	10,619,450	10,619,451
Reserve Fund	17,263	17,263
Published Retained Earnings/(Accumulated Retained Losses)	(379,140)	(379,140)
Published Accumulated Other Comprehensive Income (OCI)	(26,869)	(26,869)
General and other Disclosed Reserves	(226,463)	(218,882)
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(1,164)	(5,729)
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		-
Total Adjustments to CET1 Capital	500,464	537,728
Goodwill (net)		-
Intangible Assets (net)	230,676	240,381
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)	269,788	297,347
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	777,854	771,148
Tier 2 Capital	777,854	771,148
Qualifying Tier 2 Capital Instruments		-
Revaluation Gains	570,270	570,270
Loan Loss Provisions	207,584	200,878
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	10,003,078	10,006,094
Total Tier 1 Capital	9,502,614	9,468,366
Total Capital	10,280,468	10,239,514
Total Risk Weighted Assets (RWA)	50,798,892	49,142,927
RWAs for Credit Risk	46,666,238	45,414,498
RWAs for Market Risk	723,676	575,629
RWAs for Operational Risk	3,408,978	3,152,800
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	18.71%	19.27%
of which: Capital Conservation Buffer (%)	1.25%	1.25%
of which: Countercyclical Buffer (%)		-
of which: Capital Surcharge on D-SIBs (%)		-
Total Tier 1 Capital Ratio (%)	18.71%	19.27%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	20.24%	20.84%
of which: Capital Conservation Buffer (%)	1.25%	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 Dec 2017	As at 30 Sep 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 Dec 2017		As at 30 Sep 2017	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	2,738,629	2,667,517	1,679,621	1,601,722
Total Adjusted Level 1A Assets			-	-
Level 1 Assets	2,596,404	2,596,404	1,523,824	1,523,824
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	142,225	71,113	155,797	77,899
Total Cash Outflows	63,668,673	6,107,732	60,189,379	6,641,135
Deposits	48,599,674	4,859,967	47,041,273	4,704,127
Unsecured Wholesale Funding	2,385,057	937,183	2,744,974	1,307,840
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable)			-	-
Facilities and Other Contingent Funding Obligations	12,678,450	305,090	10,399,721	625,757
Additional Requirements	5,492	5,492	3,410	3,410
Total Cash Inflows	12,590,131	7,752,764	10,964,422	7,045,897
Maturing Secured Lending Transactions Backed by Collateral	4,965,901	4,965,901	4,366,881	4,366,881
Committed Facilities			-	-
Other Inflows by Counterparty which are Maturing within 30 Days	3,264,515	2,786,863	3,058,018	2,679,017
Operational Deposits	4,359,715		3,539,523	-
Other Cash Inflows			-	-
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		174.70		96.47

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 31 Dec 2017					
	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	4,254,143		4,254,143		-	0%
Claims on Foreign Sovereigns and their Central Banks	-		-		-	0%
Claims on Public Sector Entities	147,853		147,853		147,853	100%
Claims on Official Entities and Multilateral Development Banks	-		-		-	0%
Claims on Banks Exposures	9,706,572	13,018,518	9,706,572	471,202	2,646,148	26%
Claims on Financial Institutions	2,117,657		2,117,657		428,194	20%
Claims on Corporates	11,135,332	6,574,068	11,135,332	1,676,206	12,782,756	100%
Retail Claims	27,825,828	5,959,381	27,649,244	2,059,888	24,245,405	82%
Claims Secured by Residential Property	3,410,833		3,410,833		2,563,316	75%
Claims Secured by Commercial Real Estate	19,564		19,564		19,564	100%
Non-Performing Assets (NPAs) (i)	565,067	85,372	565,067	19,234	828,526	142%
Higher-risk Categories	96,260		96,260		240,651	250%
Cash Items and Other Assets	3,843,786	447,434	3,843,786	381,190	2,763,824	65%
Total	63,122,895	26,084,773	62,946,312	4,607,720	46,666,238	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 31 Dec 2017
(a) RWA for Interest Rate Risk	81,414
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	29,852
(i) General Equity Risk	16,000
(ii) Specific Equity Risk	13,851
(c) RWA for Foreign Exchange & Gold	51,562
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	723,676

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 Dec 2017		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		2,071,906	2,269,536	3,328,768
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			383,510		
The Standardised Approach			N/A		
The Alternative Standardised Approach			N/A		
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach			3,408,978		
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	Amount (LKR '000) as at 31 Dec 2017					
	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	63,540,083	63,790,165	63,122,896	142,226	292,879	
Cash and Cash Equivalents	5,859,767	1,439,275	1,439,275			-
Balances with Central Banks	4,127,812	4,127,812	4,127,812			-
Placements with Banks	7,397,963	11,783,120	11,783,120			-
Derivative Financial Instruments	127,617					-
Other Financial Assets Held-For-Trading	41,646	361,917	96,260	142,226	123,432	- 1
Financial Assets Designated at Fair Value through Profit or Loss						-
Financing and Receivables to Banks						-
Financing and Receivables to Other Customers	42,914,144	43,131,554	43,106,973		207,584	232,165
Financial Investments - Available-For-Sale	323,265					-
Financial Investments - Held-To-Maturity		2,993	2,993			-
Investments in Subsidiaries		-				-
Investments in Associates and Joint Ventures		-				-
Property, Plant and Equipment	1,795,136	1,795,136	1,795,136			-
Investment Properties		-				-
Goodwill and Intangible Assets	230,676	230,676			230,676	-
Deferred Tax Assets		146,356			146,356	-
Other Assets	722,060	771,327	771,327			-
Liabilities	52,226,280	52,105,463	-	-	-	52,105,463
Due to Banks	-					-
Derivative Financial Instruments	29,924					-
Other Financial Liabilities Held-For-Trading	-					-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-					-
Due to Other Customers	50,922,561	50,352,634				50,352,634
Other Borrowings	-					-
Debt Securities Issued	-					-
Current Tax Liabilities	187,075	388,110				388,110
Deferred Tax Liabilities	216,242					-
Other Provisions						-
Other Liabilities	870,478	1,364,719				1,364,719
Due to Subsidiaries	-					-
Subordinated Term Debts	-					-
Off-Balance Sheet Liabilities	27,813,190	27,813,190	22,498,890	-	-	5,314,300
Guarantees	1,614,239	1,614,239	1,771,542	-	-	157,303
Performance Bonds	467,220	467,220	430,169	-	-	37,051
Letters of Credit	2,076,652	2,076,652	983,384	-	-	1,093,268
Other Contingent Items	16,811,729	16,811,729	14,161,721	-	-	2,650,008
Undrawn Loan Commitments	6,576,658	6,576,658	5,152,074	-	-	1,424,585
Other Commitments	266,691	266,691	-	-	-	266,691
Shareholders' Equity	-	-	-	-	-	-
Equity Capital (Stated Capital)/ Assigned Capital	10,619,450	10,619,451	-	-	-	10,619,451
of which Amount Eligible for CET1	10,619,450	10,619,451	-	-	-	10,619,451
of which Amount Eligible for AT1	-	-	-	-	-	-
Retained Earnings	(140,737)	132,576	-	-	-	132,576
Accumulated Other Comprehensive Income	(28,032)		-	-	-	-
Other Reserves	863,121	932,675	-	-	571,607	361,068
Total Shareholders' Equity	11,313,802	11,684,703	-	-	880,456	10,804,246

Item	Amount (LKR '000) as at 31 Dec 2017				
	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