

**Amãna Bank**



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

**as at 30 June 2021**



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**Key Regulatory Ratios - Capital and Liquidity**

Item	As at 30 June 2021	As at 31 Mar 2021
<b>Regulatory Capital (LKR '000)</b>		
Common Equity Tier 1	11,228,231	11,241,172
Tier 1 Capital	11,228,231	11,241,172
Total Capital	12,636,959	12,524,983
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	13.5%	13.6%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	13.5%	13.6%
Total Capital Ratio (Min. Requirement - 12.5%)	15.2%	15.2%
Leverage Ratio (Min. Requirement - 3%)	7.32%	7.69%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	24,606,257	25,200,179
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	4,352	4,273
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	26.13%	28.44%
Off-Shore Banking Unit (%)	44.28%	40.11%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 100%)	222.78%	528.59%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -100%)	180.72%	437.86%

**Basel III Computation of Capital Ratios**

Item	Amount (LKR '000) As at 30 June 2021	Amount (LKR '000) As at 31 Mar 2021
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>11,228,231</b>	<b>11,241,172</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>11,228,231</b>	<b>11,241,172</b>
Equity Capital (Stated Capital)/Assigned Capital	10,819,561	10,819,561
Reserve Fund	116,458	116,458
Published Retained Earnings/(Accumulated Retained Losses)	678,838	678,838
Published Accumulated Other Comprehensive Income (OCI)	(3,737)	(55,054)
General and other Disclosed Reserves	-	-
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-
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>382,890</b>	<b>318,632</b>
Goodwill (net)		
Intangible Assets (net)	256,059	242,739
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 )	126,831	75,893
<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>1,408,728</b>	<b>1,283,811</b>
<b>Tier 2 Capital</b>	<b>1,408,728</b>	<b>1,283,811</b>
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	570,270	570,270
Loan Loss Provisions	838,458	713,542
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>11,228,231</b>	<b>11,241,172</b>
<b>Total Tier 1 Capital</b>	<b>11,228,231</b>	<b>11,241,172</b>
<b>Total Capital</b>	<b>12,636,959</b>	<b>12,524,983</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>83,159,553</b>	<b>82,473,152</b>
RWAs for Credit Risk	77,618,684	77,210,638
RWAs for Market Risk	357,982	182,650
RWAs for Operational Risk	5,182,888	5,079,864
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	13.50%	13.63%
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
<b>Total Tier 1 Capital Ratio (%)</b>	<b>13.50%</b>	<b>13.63%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>15.20%</b>	<b>15.19%</b>
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

**Computation of Leverage Ratio**

Item	Amount (LKR '000)	
	As at 30 June 2021	As at 31 Mar 2021
<b>Tier 1 Capital</b>	<b>11,228,231</b>	<b>11,241,172</b>
<b>Total Exposures</b>	<b>153,320,372</b>	<b>146,182,855</b>
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	<b>108,413,141</b>	<b>106,753,640</b>
Derivative Exposures	<b>38,274,479</b>	<b>31,414,710</b>
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	<b>6,632,752</b>	<b>8,014,505</b>
<b>Basel III Leverage Ratio (%) (Tier 1/Total Exposure)</b>	<b>7.32%</b>	<b>7.69%</b>

**Basel III Computation of Liquidity Coverage Ratio**

Item	Amount (LKR'000)			
	As at 30 June 2021		As at 31 Mar 2021	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
<b>Total Stock of High-Quality Liquid Assets (HQLA)</b>	4,879,207	4,843,147	11,241,729	11,222,500
<b>Total Adjusted Level 1A Assets</b>				
Level 1 Assets	4,807,087	4,807,087	11,203,271	11,203,271
<b>Total Adjusted Level 2A Assets</b>				
Level 2A Assets				
<b>Total Adjusted Level 2B Assets</b>				
Level 2B Assets	72,120	36,060	38,458	19,229
<b>Total Cash Outflows</b>	<b>109,526,551</b>	<b>10,719,545</b>	<b>106,813,237</b>	<b>10,252,055</b>
Deposits	84,977,815	6,113,943	82,819,147	5,891,886
Unsecured Wholesale Funding	5,837,173	3,078,659	5,373,755	2,922,786
Secured Funding Transactions				
Undrawn Portion of Committed (Irrevocable)	13,325,431	1,111,705	11,895,372	998,602
Facilities and Other Contingent Funding Obligations	5,232,521	261,626	6,617,034	330,852
Additional Requirements	153,612	153,612	107,929	107,929
<b>Total Cash Inflows</b>	<b>14,554,565</b>	<b>9,569,176</b>	<b>13,812,312</b>	<b>9,153,977</b>
Maturing Secured Lending Transactions Backed by Collateral	5,387,276	5,387,276	4,590,521	4,590,521
Committed Facilities				
Other Inflows by Counterparty which are Maturing within 30 Days	4,029,128	3,187,018	5,348,603	4,034,140
Operational Deposits	3,148,396		2,814,556	-
Other Cash Inflows	1,989,765	994,882	1,058,633	529,317
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>180.72</b>		<b>437.86</b>

**Main Features of Regulatory Capital Instruments**

Description of the Capital Instrument	Ordinary Shares
Issuer	Amana Bank PLC
CSE Security Code	ABLN0000
Original Date of Issuance	29-Jan-14
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 30 June 2021)	11,611,121
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	N/A
Coupon Rate and any Related Index	N/A
Non-Cumulative or Cumulative	N/A
<b>Convertible or Non-Convertible</b>	
If Convertible, Conversion Trigger (s)	N/A
If Convertible, Fully or Partially	N/A
If Convertible, Mandatory or Optional	N/A
If Convertible, Conversion Rate	N/A

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

Asset Class	Amount (LKR'000) as at 30 June 2021					
	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	2,577,934	7,344,000	2,577,934	367,200	-	0%
Claims on Foreign Sovereigns and their Central Banks						
Claims on Public Sector Entities	-		-		-	-
Claims on Official Entities and Multilateral Development Banks						
Claims on Banks Exposures	25,781,915	42,763,833	25,781,915	1,312,771	9,430,786	35%
Claims on Financial Institutions	2,189,841		2,189,841		1,118,264	51%
Claims on Corporates	26,392,347	14,376,687	26,223,300	3,553,705	29,710,780	100%
Retail Claims	37,278,028	7,519,077	37,120,085	2,664,051	27,282,143	69%
Claims Secured by Residential Property	4,790,354		4,790,354		3,124,521	65%
Claims Secured by Commercial Real Estate	-		-		-	-
Non-Performing Assets (NPAs) (i)	2,079,347		2,079,347		2,380,164	114%
Higher-risk Categories	113,551		113,551		283,877	250%
Cash Items and Other Assets	7,382,097	380,896	7,382,097	380,896	4,288,150	55%
<b>Total</b>	<b>108,585,413</b>	<b>72,384,493</b>	<b>108,258,424</b>	<b>8,278,623</b>	<b>77,618,684</b>	<b>67%</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.




**Market Risk under Standardised Measurement Method**

Item	RWA Amount (LKR'000) As at 30 June 2021
<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>16,012</b>
(i) General Equity Risk	9,015
(ii) Specific Equity Risk	6,997
<b>(c) RWA for Foreign Exchange &amp; Gold</b>	<b>28,736</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>357,982</b>

### Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30 June 2021		
			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	15%		4,346,161	3,956,140	4,654,928
<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			647,861		
The Standardised Approach			N/A		
The Alternative Standardised Approach			N/A		
<b>Risk Weighted Amount for Operational Risk (LKR'000)</b>					
The Basic Indicator Approach			5,182,888		
The Standardised Approach			N/A		
The Alternative Standardised Approach			N/A		

**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 2021				
	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>	<b>108,705,269</b>	<b>108,796,031</b>	<b>108,258,424</b>	<b>72,120</b>	<b>709,880</b>
Cash and Cash Equivalents	8,733,578	3,474,843	3,474,843	-	-
Balances with Central Banks	2,138,024	2,138,024	2,138,024	-	-
Placements with Banks	22,652,506	27,489,081	27,489,081	-	-
Derivative Financial Instruments	1,085,932	-	-	-	-
Other Financial Assets Held-For-Trading	-	312,502	113,551	72,120	126,831
Financial Assets Designated at Fair Value through Profit or Loss	72,120	-	-	-	-
Financing and Receivables to Banks	-	-	-	-	-
Financing and Receivables to Other Customers	69,419,435	70,292,692	70,210,094	-	326,989
Financial Investments - Available-For-Sale	243,375	-	-	-	-
Financial Investments - Held-To-Maturity	-	2,993	2,993	-	-
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,233,508	2,233,508	2,233,508	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	256,059	256,059	-	-	256,059
Deferred Tax Assets	-	-	-	-	-
Other Assets	1,870,732	2,596,329	2,596,330	-	-
<b>Liabilities</b>	<b>95,952,458</b>	<b>95,463,274</b>	<b>-</b>	<b>-</b>	<b>-</b>
Due to Banks	25,532	-	-	-	-
Derivative Financial Instruments	505,926	-	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	90,882,017	90,544,191	-	-	-
Other Borrowings	-	-	-	-	-
Debt Securities Issued	-	-	-	-	-
Current Tax Liabilities	202,382	694,362	-	-	-
Deferred Tax Liabilities	47,724	68,245	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	4,288,877	4,156,476	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
<b>Off-Balance Sheet Liabilities</b>	<b>76,897,192</b>	<b>76,897,192</b>	<b>72,384,493</b>	<b>-</b>	<b>4,512,699</b>
Guarantees	2,769,788	2,769,788	2,769,788	-	-
Performance Bonds	647,363	647,363	647,363	-	-
Letters of Credit	1,815,370	1,815,370	1,815,370	-	-
Other Contingent Items	57,360,799	57,360,799	53,826,541	-	3,534,258
Undrawn Loan Commitments	13,325,431	13,325,431	13,325,431	-	-
Other Commitments	978,441	978,441	-	-	978,441
<b>Shareholders' Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Equity Capital (Stated Capital)/Assigned Capital	10,819,561	10,819,561	-	-	-
of which Amount Eligible for CET1	10,819,561	10,819,561	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	958,188	-	-	-	-
Accumulated Other Comprehensive Income	41,147	-	-	-	-
Other Reserves	933,915	2,513,195	-	-	571,607
<b>Total Shareholders' Equity</b>	<b>12,752,811</b>	<b>13,332,756</b>	<b>-</b>	<b>-</b>	<b>571,607</b>