

**Basel III - Pillar 3 Disclosures**

**as at 31 March 2021**



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**Key Regulatory Ratios - Capital and Liquidity**

Item	As at 31 Mar 2021	31 Dec 2020 (Audited)
<b>Regulatory Capital (LKR '000)</b>		
Common Equity Tier 1	11,241,172	11,209,393
Tier 1 Capital	11,241,172	11,209,393
Total Capital	12,524,983	12,450,876
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	13.6%	15.6%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	13.6%	15.6%
Total Capital Ratio (Min. Requirement - 12.5%)	15.2%	17.4%
Leverage Ratio (Min. Requirement - 3%)	7.69%	8.01%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	25,200,179	19,440,923
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	4,273	2,524
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	28.44%	23.31%
Off-Shore Banking Unit (%)	40.11%	25.08%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 100%)	528.59%	482.96%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -100%)	437.86%	340.28%

**Basel III Computation of Capital Ratios**

Item	Amount (LKR '000) As at 31 Mar 2021	Amount (LKR '000) As at 31 Dec 2020 (Audited)
<b>Common Equity Tier 1 (CET1) Capital after Adjustments</b>	<b>11,241,172</b>	<b>11,209,393</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>11,241,172</b>	<b>11,209,393</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)	(55,054)	26,928
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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>318,632</b>	<b>432,393</b>
Goodwill (net)		
Intangible Assets (net)	242,739	257,240
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 )	75,893	175,153
<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>1,283,811</b>	<b>1,241,483</b>
<b>Tier 2 Capital</b>	<b>1,283,811</b>	<b>1,241,483</b>
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	570,270	570,270
Loan Loss Provisions	713,542	671,213
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>11,241,172</b>	<b>11,209,393</b>
<b>Total Tier 1 Capital</b>	<b>11,241,172</b>	<b>11,209,393</b>
<b>Total Capital</b>	<b>12,524,983</b>	<b>12,450,876</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>82,473,152</b>	<b>71,646,117</b>
RWAs for Credit Risk	77,210,638	65,886,079
RWAs for Market Risk	182,650	727,486
RWAs for Operational Risk	5,079,864	5,032,552
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	13.63%	15.65%
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>13.63%</b>	<b>15.65%</b>
<b>Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>15.19%</b>	<b>17.38%</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 31 Mar 2021	As at 31 Dec 2020 (Audited)
<b>Tier 1 Capital</b>	<b>11,241,172</b>	<b>11,209,393</b>
<b>Total Exposures</b>	<b>146,182,855</b>	<b>140,012,631</b>
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	<b>106,753,640</b>	<b>100,951,518</b>
Derivative Exposures	<b>31,414,710</b>	<b>33,200,760</b>
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	<b>8,014,505</b>	<b>5,860,353</b>
<b>Basel III Leverage Ratio (%) (Tier 1/Total Exposure)</b>	<b>7.69%</b>	<b>8.01%</b>

**Basel III Computation of Liquidity Coverage Ratio**

Item	Amount (LKR'000)			
	As at 31 Mar 2021		As at 31 Dec 2020	
	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>11,241,729</b>	<b>11,222,500</b>	<b>14,529,530</b>	<b>14,497,391</b>
<b>Total Adjusted Level 1A Assets</b>				
Level 1 Assets	11,203,271	11,203,271	14,465,252	14,465,252
<b>Total Adjusted Level 2A Assets</b>				
Level 2A Assets				
<b>Total Adjusted Level 2B Assets</b>				
Level 2B Assets	38,458	19,229	64,279	32,139
<b>Total Cash Outflows</b>	<b>106,813,237</b>	<b>10,252,055</b>	<b>97,042,418</b>	<b>10,075,900</b>
Deposits	82,819,147	5,891,886	77,846,507	5,596,896
Unsecured Wholesale Funding	5,373,755	2,922,786	5,543,240	3,205,979
Secured Funding Transactions				
Undrawn Portion of Committed (Irrevocable)	11,895,372	998,602	8,897,039	716,626
Facilities and Other Contingent Funding Obligations	6,617,034	330,852	4,720,245	521,012
Additional Requirements	107,929	107,929	35,386	35,386
<b>Total Cash Inflows</b>	<b>13,812,312</b>	<b>9,153,977</b>	<b>9,443,497</b>	<b>5,815,514</b>
Maturing Secured Lending Transactions Backed by Collateral	4,590,521	4,590,521	4,411,658	4,411,658
Committed Facilities				
Other Inflows by Counterparty which are Maturing within 30 Days	5,348,603	4,034,140	2,190,780	1,380,128
Operational Deposits	2,814,556	-	2,793,604	-
Other Cash Inflows	1,058,633	529,317	47,455	23,728
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		<b>437.86</b>		<b>340.28</b>

**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	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 31 March 2021)	11,559,804
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 31 March 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	7,675,284	9,873,500	7,675,284	475,540	7,675,284	94%
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	17,979,407	32,178,118	17,979,407	1,138,043	18,449,933	97%
Claims on Financial Institutions	2,150,310		2,150,310		2,150,310	100%
Claims on Corporates	25,892,500	12,538,931	25,746,761	3,656,437	29,393,161	100%
Retail Claims	37,404,192	8,453,557	37,146,783	3,842,805	40,469,396	99%
Claims Secured by Residential Property	4,467,352		4,467,352		4,467,352	100%
Claims Secured by Commercial Real Estate	-		-		-	-
Non-Performing Assets (NPAs) (i)	2,312,165		2,312,165		2,312,165	100%
Higher-risk Categories	113,171		113,171		113,171	100%
Cash Items and Other Assets	8,406,099	481,286	8,406,099	481,286	8,887,385	100%
<b>Total</b>	<b>106,400,480</b>	<b>63,525,393</b>	<b>105,997,333</b>	<b>9,594,111</b>	<b>113,918,157</b>	<b>99%</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 31 Mar 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>15,025</b>
(i) General Equity Risk	8,574
(ii) Specific Equity Risk	6,451
<b>(c) RWA for Foreign Exchange &amp; Gold</b>	<b>7,806</b>
<b>Capital Charge for Market Risk [(a) + (b) + (c)] * CAR</b>	<b>182,650</b>

**Operational Risk under Basic Indicator Approach**

Business Lines	Capital Charge Factor	Fixed Factor	31 Mar 2021		
			1st Year	2nd Year	3rd Year
<b>The Basic Indicator Approach</b>	15%		4,162,767	4,212,067	4,324,821
<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			634,983		
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			5,079,864		
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 31 March 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>106,452,583</b>	<b>106,358,731</b>	<b>105,997,333</b>	<b>68,585</b>	<b>736,281</b>
Cash and Cash Equivalents	8,752,629	4,600,215	4,600,215		
Balances with Central Banks	7,374,842	7,374,842	7,374,842		
Placements with Banks	15,964,584	19,858,404	19,858,404		
Derivative Financial Instruments	988,982				
Other Financial Assets Held-For-Trading		257,649	113,171	68,585	75,893
Financial Assets Designated at Fair Value through Profit or Loss	68,585				
Financing and Receivables to Banks					
Financing and Receivables to Other Customers	68,707,992	69,644,249	69,670,069		403,147
Financial Investments - Available-For-Sale	192,057				
Financial Investments - Held-To-Maturity		2,993	2,993		
Investments in Subsidiaries					
Investments in Associates and Joint Ventures					
Property, Plant and Equipment	2,289,254	2,289,254	2,289,254		
Investment Properties					
Goodwill and Intangible Assets	242,739	257,240			257,240
Deferred Tax Assets					
Other Assets	1,870,919	2,073,885	2,088,385		
<b>Liabilities</b>	<b>93,954,604</b>	<b>93,189,340</b>			
Due to Banks	18,409	-			
Derivative Financial Instruments	744,117				
Other Financial Liabilities Held-For-Trading					
Financial Liabilities Designated at Fair Value Through Profit or Loss					
Due to Other Customers	87,743,454	87,924,323			
Other Borrowings		-			
Debt Securities Issued					
Current Tax Liabilities	506,950	602,348			
Deferred Tax Liabilities	70,266	70,266			
Other Provisions					
Other Liabilities	4,871,408	4,592,403			
Due to Subsidiaries					
Subordinated Term Debts					
<b>Off-Balance Sheet Liabilities</b>	<b>68,140,599</b>	<b>68,140,599</b>	<b>63,525,392</b>	<b>-</b>	<b>4,615,206</b>
Guarantees	4,066,797	4,066,797	4,066,797	-	-
Performance Bonds	817,250	817,250	817,250	-	-
Letters of Credit	1,732,987	1,732,987	1,732,987	-	-
Other Contingent Items	48,743,803	48,743,803	45,012,986	-	3,730,816
Undrawn Loan Commitments	11,895,372	11,895,372	11,895,372	-	-
Other Commitments	884,390	884,390	-	-	884,390
<b>Shareholders' Equity</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	799,557		-	-	-
Accumulated Other Comprehensive Income	(55,054)		-	-	-
Other Reserves	933,915	2,349,829	-	-	571,607
<b>Total Shareholders' Equity</b>	<b>12,497,979</b>	<b>13,169,390</b>	<b>-</b>	<b>-</b>	<b>571,607</b>