Amãna Bank

Basel III - Pillar 3 Disclosures as at 30 June 2022

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Key Regulatory Ratios - Capital and Liquidity

Item	As at 30 Jun 2022	As at 31 Mar 2022
Regulatory Capital (LKR '000)		
Common Equity Tier 1	12,046,163	12,057,501
Tier 1 Capital	12,046,163	12,057,501
Total Capital	14,160,118	14,011,732
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	13.4%	12.4%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	13.4%	12.4%
Total Capital Ratio (Min. Requirement - 12.5%)	15.7%	14.4%
Leverage Ratio (Min. Requirement - 3%)	7.04%	6.29%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	30,702,492	23,900,171
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	4,200	4,089
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	23.79%	22.06%
Off-Shore Banking Unit (%)	40.38%	40.71%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 100%)	387.25%	162.49%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -100%)	232.94%	111.29%

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Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at 30 Jun 2022	Amount (LKR '000) As at 31 Mar 2022
Common Equity Tier 1 (CET1) Capital after Adjustments	**12,046,163**	**12,057,501**
Common Equity Tier 1 (CET1) Capital	**12,046,163**	**12,057,501**
Equity Capital (Stated Capital)/Assigned Capital	11,079,706	11,079,706
Reserve Fund	157,693	157,693
Published Retained Earnings/(Accumulated Retained Losses)	1,225,549	1,225,549
Published Accumulated Other Comprehensive Income (OCI)	-	15,584
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	-	-
Total Adjustments to CET1 Capital	**416,785**	**421,031**
Goodwill (net)		
Intangible Assets (net)	224,587	220,922
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)	140,126	148,037
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	**2,113,955**	**1,954,230**
Tier 2 Capital	**2,113,955**	**1,954,230**
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	707,723	570,270
Loan Loss Provisions	1,406,233	1,383,960
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	**12,046,163**	**12,057,501**
Total Tier 1 Capital	**12,046,163**	**12,057,501**
Total Capital	**14,160,118**	**14,011,732**
Total Risk Weighted Assets (RWA)	**89,937,644**	**96,989,923**
RWAs for Credit Risk	83,985,866	91,030,093
RWAs for Market Risk	413,849	458,895
RWAs for Operational Risk	5,537,928	5,500,936
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	13.39%	12.43%
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
Total Tier 1 Capital Ratio (%)	**13.39%**	**12.43%**
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**15.74%**	**14.45%**
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

* This represents CET1 Capital after applicable adjustments		
- CET1 Capital before adjustments (LKR '000)	12,462,948	12,478,532

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Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 30 Jun 2022	**As at 31 Mar 2022**
Tier 1 Capital	**12,046,163**	**12,057,501**
Total Exposures	**171,016,593**	**191,815,835**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	137,549,769	132,670,203
Derivative Exposures	24,586,918	51,360,015
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	8,879,906	7,785,617
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**7.04%**	**6.29%**

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Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 30 June 2022		As at 31 March 2022	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**19,114,314**	**19,088,874**	**7,652,283**	**7,625,346**
Total Adjusted Level 1A Assets	**19,063,434**	**19,063,434**	**7,598,409**	**7,598,409**
Level 1 Assets	**19,063,434**	**19,063,434**	**7,598,409**	**7,598,409**
Total Adjusted Level 2A Assets				
Level 2A Assets				
Total Adjusted Level 2B Assets				
Level 2B Assets	**50,879**	**25,440**	**53,874**	**26,937**
Total Cash Outflows	**127,433,359**	**20,291,937**	**121,440,869**	**17,830,261**
Deposits	89,468,384	8,946,838	91,467,903	9,146,790
Unsecured Wholesale Funding	14,066,795	7,514,747	14,402,408	6,691,917
Secured Funding Transactions				
Undrawn Portion of Committed (Irrevocable)	23,313,828	3,246,000	14,813,034	1,234,029
Facilities and Other Contingent Funding Obligations	584,352	584,352	757,524	757,524
Additional Requirements				
Total Cash Inflows	**17,076,250**	**12,097,069**	**15,065,077**	**10,978,559**
Maturing Secured Lending Transactions Backed by Collateral	8,454,032	8,454,032	8,663,235	8,663,235
Committed Facilities				
Other Inflows by Counterparty which are Maturing within 30 Days	4,016,094	3,008,084	2,882,251	1,441,163
Operational Deposits	3,336,219	-	1,771,267	
Other Cash Inflows	1,269,906	634,953	1,748,323	874,161
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**232.94**		**111.29**

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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 30 June 2022)	12,462,948
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	N/A
Coupon Rate and any Related Index	N/A
Non-Cumulative or Cumulative	N/A
Convertible or Non-Convertible	
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

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

Asset Class	Amount (LKR'000) as at 30 June 2022					
	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	13,081,419	-	13,081,419	-	-	0%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	
Claims on Public Sector Entities	-		-		-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	0%
Claims on Banks Exposures	31,816,039	20,945,989	31,816,039	572,019	9,539,365	29%
Claims on Financial Institutions	48,465	-	48,465	-	48,428	100%
Claims on Corporates	27,248,819	19,700,830	26,480,035	4,770,181	31,149,093	100%
Retail Claims	44,923,699	8,095,426	43,051,732	3,173,587	32,980,601	71%
Claims Secured by Residential Property	5,007,283	-	5,007,283	-	2,887,380	58%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) **(i)**	2,169,260	570,456	2,169,260	114,091	2,530,613	111%
Higher-risk Categories	121,863	-	121,863	-	304,657	250%
Cash Items and Other Assets	13,082,042	745,642	13,082,042	745,642	4,545,729	33%
Total	137,498,888	50,058,343	134,858,138	9,375,521	83,985,866	58%

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.

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Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) As at 30 Jun 2022
(a) RWA for Interest Rate Risk	**-**
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	**11,329**
(i) General Equity Risk	6,360
(ii) Specific Equity Risk	4,969
(c) RWA for Foreign Exchange & Gold	**40,402**
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	**413,849**

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Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30 Jun 2022		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		3,956,140	4,654,928	5,233,750
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%				
Commercial Banking	15%				
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach		692,241			
The Standardised Approach		N/A			
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach		5,537,928			
The Standardised Approach		N/A			
The Alternative Standardised Approach					

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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 2022				
	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	**139,298,642**	**139,298,642**	**134,858,138**	**50,879**	**1,823,018**
Cash and Cash Equivalents	14,005,948	9,281,955	9,281,955	-	-
Balances with Central Banks	12,329,612	12,329,612	12,329,612	-	-
Placements with Banks	26,814,359	30,973,090	30,973,090	-	-
Derivative Financial Instruments	1,590,020	1,590,020	257,931	-	-
Other Financial Assets Held-For-Trading	-	-			
Financial Assets Designated at Fair Value through Profit or Loss	50,879	50,879		50,879	-
Financing and Receivables to Banks	-	-	-	-	-
Financing and Receivables to Other Customers	79,346,068	79,346,068	77,939,835	-	1,406,233
Financial Investments - Available-For-Sale	264,982	264,982	124,856	-	140,126
Financial Investments - Held-To-Maturity	-	-	-	-	-
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,323,025	2,323,025	2,323,025	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	224,587	224,587	-	-	224,587
Deferred Tax Assets	52,072	52,072	-	-	52,072
Other Assets	2,297,090	2,862,352	1,627,834	-	-
Liabilities	**125,379,120**	**125,379,120**	**-**	**-**	**-**
Due to Banks	17,804,706	16,724,230	-	-	-
Derivative Financial Instruments	1,332,089	1,332,089	-	-	-
Other Financial Liabilities Held-For-Trading	-		-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-		-	-	-
Due to Other Customers	103,646,538	102,844,754	-	-	-
Other Borrowings	-		-	-	-
Debt Securities Issued	-		-	-	-
Current Tax Liabilities	436,440	555,597	-	-	-
Deferred Tax Liabilities	-		-	-	-
Other Provisions	-		-	-	-
Other Liabilities	2,159,347	3,922,450	-	-	-
Due to Subsidiaries	-		-	-	-
Subordinated Term Debts	-		-	-	-
Off-Balance Sheet Liabilities	**29,191,300**	**29,191,300**	**29,191,300**	**-**	**-**
Guarantees	3,025,900	3,025,900	3,025,900	-	-
Performance Bonds	745,140	745,140	745,140	-	-
Letters of Credit	1,119,748	1,119,748	1,119,748	-	-
Other Contingent Items	4,254,932	4,254,932	4,254,932	-	-
Undrawn Loan Commitments	20,045,580	20,045,580	20,045,580	-	-
Other Commitments	-	-	-	-	-
Shareholders' Equity	**-**	**-**	**-**	**-**	**-**
Equity Capital (Stated Capital)/Assigned Capital	11,079,706	11,079,706	-	-	-
of which Amount Eligible for CET1	11,079,706	11,079,706	-	-	-
of which Amount Eligible for AT1	-		-	-	-
Retained Earnings	1,587,565	1,587,564	-	-	-
Accumulated Other Comprehensive Income	17,870	17,870	-	-	-
Other Reserves	1,234,381	1,234,381	-	-	707,723
Total Shareholders' Equity	**13,919,522**	**13,919,522**	**-**	**-**	**707,723**