

Amãna Bank



**Basel III - Pillar 3 Disclosures
as at 30 September 2023**



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Key Regulatory Ratios - Capital and Liquidity

Item	As at 30 Sep 2023	As at 30 Jun 2023
Regulatory Capital (LKR '000)		
Common Equity Tier 1	13,216,850	12,400,061
Tier 1 Capital	13,216,850	12,400,061
Total Capital	16,172,969	15,294,669
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	12.4%	12.5%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	12.4%	12.5%
Total Capital Ratio (Min. Requirement - 12.5%)	15.2%	15.4%
Leverage Ratio (Min. Requirement - 3%)	8.43%	8.34%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	43,794,191	41,813,402
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	2,398	2,320
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	34.10%	33.15%
Off-Shore Banking Unit (%)	29.73%	36.36%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 90%)	250.00%	299.00%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -90%)	212.59%	242.00%

Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at 30 Sep 2023	Amount (LKR '000) As at 30 Jun 2023
Common Equity Tier 1 (CET1) Capital after Adjustments	13,216,850	12,400,061
Common Equity Tier 1 (CET1) Capital	14,108,057	13,267,685
Equity Capital (Stated Capital)/Assigned Capital	11,632,784	11,348,821
Reserve Fund	197,102	197,102
Published Retained Earnings/(Accumulated Retained Losses)	2,278,171	1,721,762
Published Accumulated Other Comprehensive Income (OCI)	-	-
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	891,208	867,625
Goodwill (net)	-	-
Intangible Assets (net)	288,032	288,452
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)	603,176	579,173
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	2,956,119	2,624,444
Tier 2 Capital	2,956,119	2,624,444
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	707,723	707,723
Loan Loss Provisions	2,248,396	1,916,721
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	14,108,057	12,336,541
Total Tier 1 Capital	13,216,850	12,336,541
Total Capital	16,172,969	14,960,985
Total Risk Weighted Assets (RWA)	106,530,518	94,718,796
RWAs for Credit Risk	98,387,259	88,027,334
RWAs for Market Risk	461,211	533,294
RWAs for Operational Risk	7,682,048	6,158,168
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	12.41%	13.02%
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 (%)	12.41%	13.02%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.18%	15.80%
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)

14,108,057 13,267,685

Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 30 Sep 2023	As at 30 Jun 2023
Tier 1 Capital	13,216,850	12,400,061
Total Exposures	156,794,057	148,600,953
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	147,357,013	141,978,278
Derivative Exposures	-	-
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	9,437,044	7,490,300
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	8.43%	8.34%

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 30 Sep 2023		As at 30 Jun 2023	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	12,558,546	12,547,108	13,447,027	13,419,875
Total Adjusted Level 1A Assets	12,535,671	12,535,671	13,392,723	13,392,723
Level 1 Assets	12,535,671	12,535,671	13,392,723	13,392,723
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	22,876	11,438	54,305	27,152
Level 2B Assets	22,876	11,438	54,305	27,152
Total Cash Outflows	148,494,369	23,608,019	136,837,266	22,181,554
Deposits	104,990,398	10,499,040	100,564,509	10,056,451
Unsecured Wholesale Funding	22,380,415	11,547,720	21,491,446	10,763,182
Secured Funding Transactions		-	-	-
Undrawn Portion of Committed (Irrevocable)	21,101,225	1,538,929	14,657,450	1,238,060
Facilities and Other Contingent Funding Obligations	7,200,440	360,022	6,867,671	643,384
Additional Requirements	22,330	22,330	123,862	123,862
Total Cash Inflows	46,318,951	37,482,794	39,576,476	31,686,851
Maturing Secured Lending Transactions Backed by Collateral	7,528,787	7,528,787	10,774,873	10,774,873
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	33,191,873	27,154,862	20,064,947	16,543,650
Operational Deposits		-	-	-
Other Cash Inflows	5,598,291	2,799,146	8,736,656	4,368,328
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		212.59		242.00

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 Sep 2023)	14,108,057
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

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

Asset Class	Exposures before Credit Conversion Factor (CCF) and CRM					
	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	10,431,749	-	10,431,749	-	-	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	39,992,050	16,825,157	39,992,050	549,719	15,683,739	39%
Claims on Financial Institutions	-	-	-	-	-	0%
Claims on Corporates	38,662,279	17,121,511	38,662,279	4,797,585	43,459,864	100%
Retail Claims	41,588,143	8,566,304	41,319,096	3,644,360	28,038,416	62%
Claims Secured by Residential Property	5,077,006	-	5,077,006	-	3,691,995	73%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) (i)	1,733,077	64,598	1,733,077	12,920	1,377,866	79%
Higher-risk Categories	134,122	-	134,122	-	335,306	250%
Cash Items and Other Assets	9,325,016	764,625	9,325,016	764,625	5,800,073	57%
Total	146,943,443	43,342,195	146,674,396	9,769,209	98,387,259	63%

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 Sep 2023
(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	5,564
(i) General Equity Risk	2,860
(ii) Specific Equity Risk	2,704
(c) RWA for Foreign Exchange & Gold	52,087
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	461,211

Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30 Sep 2023		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		4,629,482	5,724,413	8,851,219
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					960,256
The Standardised Approach					N/A
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					7,682,048
The Standardised Approach					N/A
The Alternative Standardised Approach					

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 2023				
	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	148,291,325	148,291,325	146,674,396	22,876	3,139,603
Cash and Cash Equivalents	12,982,115	4,289,568	4,289,568	-	-
Balances with Central Banks	9,264,301	9,264,301	9,264,301	-	-
Placements with Banks	31,658,547	18,937,276	18,937,276	-	-
Derivative Financial Instruments	43,103	43,104	43,104	-	-
Other Financial Assets Held-For-Trading	-	-	-	-	-
Financial Assets Designated at Fair Value through Profit or Loss	22,876	22,876	-	22,876	-
Financing and Receivables to Banks	-	-	-	-	-
Financing and Receivables to Other Customers	87,060,506	87,060,506	84,812,109	-	2,248,396
Financial Assets Measured at Fair Value through Other Comprehensive Income	329,804	329,804	134,414	-	195,390
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,383,894	2,383,894	2,383,894	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	288,032	288,032	-	-	288,032
Deferred Tax Assets	407,786	407,786	-	-	407,786
Other Assets	3,850,361	25,264,180	26,809,730	-	-
Liabilities	133,092,298	133,092,294	-	-	-
Due to Banks	423,937	322,008	-	-	-
Derivative Financial Instruments	45,099	45,099	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	128,329,241	126,299,810	-	-	-
Other Borrowings	-	-	-	-	-
Debt Securities Issued	-	-	-	-	-
Current Tax Liabilities	520,626	520,626	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	3,773,395	5,904,751	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
Off-Balance Sheet Liabilities	20,258,285	20,258,285	17,178,913	-	3,079,372
Guarantees	3,453,275	3,453,275	3,453,275	-	-
Performance Bonds	1,241,052	1,241,052	1,241,052	-	-
Letters of Credit	492,816	492,816	492,816	-	-
Other Contingent Items	3,539,717	3,539,717	3,539,717	-	-
Undrawn Loan Commitments	8,452,054	8,452,054	8,452,054	-	-
Other Commitments	3,079,372	3,079,372	-	-	3,079,372
Shareholders' Equity	-	-	-	-	-
Equity Capital (Stated Capital)/Assigned Capital	11,632,784	11,632,784	-	-	-
of which Amount Eligible for CET1	11,632,784	11,632,784	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	2,278,172	2,209,761	-	-	-
Accumulated Other Comprehensive Income	82,692	82,692	-	-	-
Other Reserves	1,205,379	1,273,791	-	-	707,723
Total Shareholders' Equity	15,199,027	15,199,027	-	-	707,723