Amãna Bank

Basel III - Pillar 3 Disclosures
as at 30 September 2024

Amãna Bank

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Key Regulatory Ratios - Capital and Liquidity

Item	As at 30 Sep 2024	As at 30 Jun 2024
Regulatory Capital (LKR '000)		
Common Equity Tier 1	20,139,045	19,353,033
Tier 1 Capital	20,139,045	19,353,033
Total Capital	23,487,598	22,708,960
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	15.5%	15.4%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	15.5%	15.4%
Total Capital Ratio (Min. Requirement - 12.5%)	18.1%	18.1%
Leverage Ratio (Min. Requirement - 3%)	11.04%	11.40%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	N/A	N/A
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	N/A	N/A
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	N/A	N/A
Off-Shore Banking Unit (%)	N/A	N/A
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 90%)	404.94%	271.00%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -90%)	308.10%	213.88%

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Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at 30 Sep 2024	Amount (LKR '000) As at 30 Jun 2024
Common Equity Tier 1 (CET1) Capital after Adjustments	**20,139,045**	**19,353,033**
Common Equity Tier 1 (CET1) Capital	**21,368,797**	**20,609,660**
Equity Capital (Stated Capital)/Assigned Capital	17,633,461	17,633,461
Reserve Fund	266,441	266,441
Published Retained Earnings/(Accumulated Retained Losses)	3,430,046	2,666,625
Published Accumulated Other Comprehensive Income (OCI)	38,849	43,133
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	**1,229,752**	**1,256,627**
Goodwill (net)		
Intangible Assets (net)	350,559	358,955
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)	784,430	897,672
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	**3,348,553**	**3,355,927**
Tier 2 Capital	**3,348,553**	**3,355,927**
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	707,723	707,723
Loan Loss Provisions	2,640,830	2,648,204
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	**20,139,045**	**19,353,033**
Total Tier 1 Capital	**20,139,045**	**19,353,033**
Total Capital	**23,487,598**	**22,708,960**
Total Risk Weighted Assets (RWA)	**129,592,840**	**125,722,968**
RWAs for Credit Risk	116,367,129	114,992,140
RWAs for Market Risk	1,093,951	770,548
RWAs for Operational Risk	12,131,760	9,960,280
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.54%	15.39%
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 (%)	**15.54%**	**15.39%**
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**18.12%**	**18.06%**
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)	21,368,797	20,609,660

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Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 30 Sep 2024	**As at 30 Jun 2024**
Tier 1 Capital	**20,139,045**	**19,353,033**
Total Exposures	**182,384,406**	**169,827,844**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	170,897,103	160,243,916
Derivative Exposures	-	-
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	11,487,303	9,583,928
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**11.04%**	**11.40%**

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Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 30 Sep 2024		As at 30 Jun 2024	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**18,976,899**	**18,905,052**	**13,598,023**	**13,561,392**
Total Adjusted Level 1A Assets	**18,833,206**	**18,833,206**	**13,524,760**	**13,524,760**
Level 1 Assets	**18,833,206**	**18,833,206**	**13,524,760**	**13,524,760**
Total Adjusted Level 2A Assets	**-**	**-**	**-**	**-**
Level 2A Assets	**-**	**-**	**-**	**-**
Total Adjusted Level 2B Assets	**143,693**	**71,847**	**73,263**	**36,632**
Level 2B Assets	**143,693**	**71,847**	**73,263**	**36,632**
Total Cash Outflows			**165,246,313**	**25,362,732**
Deposits	120,023,639	12,002,364	115,707,833	11,570,783
Unsecured Wholesale Funding	25,361,992	10,971,056	29,539,271	12,318,728
Secured Funding Transactions				-
Undrawn Portion of Committed (Irrevocable)	13,504,074	1,074,319	10,748,545	820,433
Facilities and Other Contingent Funding Obligations	9,894,831	494,742	9,050,397	452,520
Additional Requirements	1,339	1,339	200,268	200,268
Total Cash Inflows			**89,659,578**	**51,881,359**
Maturing Secured Lending Transactions Backed by Collateral	10,078,672	10,078,672	10,565,752	10,565,752
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	36,732,714	32,272,898	45,443,823	40,551,953
Operational Deposits	27,619,904	-	32,122,693	-
Other Cash Inflows	1,576,949	788,474	1,527,310	763,655
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**308.10**		**213.88**

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 Dec 2023)	21,368,797
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	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	8,997,483	-	8,997,483	-	-	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	40,479,151	11,607,333	40,479,151	201,620	10,093,147	25%
Claims on Financial Institutions	554,789		554,789	30,527	332,213	0%
Claims on Corporates	43,854,122	16,934,939	43,561,279	5,126,688	48,687,967	100%
Retail Claims	53,006,894	12,431,310	52,410,111	4,819,255	41,605,855	73%
Claims Secured by Residential Property	5,737,350		5,737,350	-	5,008,108	87%
Claims Secured by Commercial Real Estate	-		-	-	-	-
Non-Performing Assets (NPAs) **(i)**	1,727,481	82,462	1,727,481	16,492	1,468,400	84%
Higher-risk Categories	202,338		202,338	-	505,845	250%
Cash Items and Other Assets	16,587,191	1,524,867	16,587,191	1,524,867	8,665,594	48%
Total	171,146,799	42,580,912	170,257,173	11,719,449	116,367,129	64%

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 Sep 2024
(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	**35,924**
(i) General Equity Risk	17,962
(ii) Specific Equity Risk	17,962
(c) RWA for Foreign Exchange & Gold	**100,820**
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	**1,093,951**

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Operational Risk under Basic Indicator Approach

<table>
<tr><th rowspan="2">Business Lines</th><th rowspan="2">Capital Charge Factor</th><th rowspan="2">Fixed Factor</th><th colspan="3">Gross Income (LKR'000) as at 30 Sep 2024</th></tr>
<tr><th>1st Year</th><th>2nd Year</th><th>3rd Year</th></tr>
<tr><td>The Basic Indicator Approach</td><td>15%</td><td></td><td>5,712,380</td><td>8,850,976</td><td>15,766,044</td></tr>
<tr><td colspan="6">The Standardised Approach</td></tr>
<tr><td>Corporate Finance</td><td>18%</td><td></td><td colspan="3" rowspan="8">N/A</td></tr>
<tr><td>Trading and Sales</td><td>18%</td><td></td></tr>
<tr><td>Payment and Settlement</td><td>18%</td><td></td></tr>
<tr><td>Agency Services</td><td>15%</td><td></td></tr>
<tr><td>Asset Management</td><td>12%</td><td></td></tr>
<tr><td>Retail Brokerage</td><td>12%</td><td></td></tr>
<tr><td>Retail Banking</td><td>12%</td><td></td></tr>
<tr><td>Commercial Banking</td><td>15%</td><td></td></tr>
<tr><td colspan="6">The Alternative Standardised Approach</td></tr>
<tr><td>Corporate Finance</td><td>18%</td><td></td><td colspan="3" rowspan="8">N/A</td></tr>
<tr><td>Trading and Sales</td><td>18%</td><td></td></tr>
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<tr><td>Retail Banking</td><td>12%</td><td></td></tr>
<tr><td>Commercial Banking</td><td>15%</td><td></td></tr>
<tr><td colspan="6">Capital Charges for Operational Risk (LKR'000)</td></tr>
<tr><td>The Basic Indicator Approach</td><td></td><td colspan="4">1,516,470</td></tr>
<tr><td>The Standardised Approach</td><td></td><td colspan="4" rowspan="2">N/A</td></tr>
<tr><td>The Alternative Standardised Approach</td><td></td></tr>
<tr><td colspan="6">Risk Weighted Amount for Operational Risk (LKR'000)</td></tr>
<tr><td>The Basic Indicator Approach</td><td></td><td colspan="4">12,131,760</td></tr>
<tr><td>The Standardised Approach</td><td></td><td colspan="4" rowspan="2">N/A</td></tr>
<tr><td>The Alternative Standardised Approach</td><td></td></tr>
</table>

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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 September 2024				
	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	**172,520,244**	**172,520,244**	**170,257,173**	**143,693**	**3,870,582**
Cash and Cash Equivalents	16,122,087	11,136,718	11,136,718	-	-
Balances with Central Banks	8,890,733	8,890,734	8,890,734	-	-
Placements with Banks	36,000,079	40,785,534	40,785,534	-	-
Derivative Financial Instruments	393,390	393,389	393,389	-	-
Other Financial Assets Held-For-Trading	-	-			
Financial Assets Designated at Fair Value through Profit or Loss	143,693	143,693	-	143,693	-
Financing and Receivables to Banks	-	-	-	-	-
Financing and Receivables to Other Customers	104,416,860	104,416,860	101,776,030	-	2,640,830
Financial Assets Measured at Fair Value through Other Comprehensive Income	300,094	300,094	205,331	-	94,763
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,831,128	2,831,128	2,831,128	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	350,559	350,559	-	-	350,559
Deferred Tax Assets	784,430	784,430	-	-	784,430
Other Assets	2,287,191	2,487,105	4,238,310	-	-
Liabilities	**149,702,574**	**149,702,574**	**-**	**-**	**-**
Due to Banks	21,232	14,371	-	-	-
Derivative Financial Instruments	8,706	8,706	-	-	-
Other Financial Liabilities Held-For-Trading	-		-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-		-	-	-
Due to Other Customers	145,723,162	144,698,978	-	-	-
Other Borrowings	-		-	-	-
Debt Securities Issued	-		-	-	-
Current Tax Liabilities	585,694	585,694	-	-	-
Deferred Tax Liabilities	-		-	-	-
Other Provisions	-		-	-	-
Other Liabilities	3,363,780	4,394,826	-	-	-
Due to Subsidiaries	-		-	-	-
Subordinated Term Debts	-		-	-	-
Off-Balance Sheet Liabilities	**31,587,565**	**31,587,565**	**29,987,233**	**-**	**1,600,332**
Guarantees	4,729,549	4,729,549	4,729,549	-	-
Performance Bonds	963,514	963,514	963,514	-	-
Letters of Credit	3,740,360	3,740,360	3,740,360	-	-
Other Contingent Items	5,607,756	5,607,756	5,607,756	-	-
Undrawn Loan Commitments	13,466,573	13,466,573	13,466,573	-	-
Other Commitments	3,079,813	3,079,813	1,479,481	-	1,600,332
Shareholders' Equity	**-**	**-**	**-**	**-**	**-**
Equity Capital (Stated Capital)/Assigned Capital	17,633,461	17,633,461	-	-	-
of which Amount Eligible for CET1	17,633,461	17,633,461	-	-	-
of which Amount Eligible for AT1	-		-	-	-
Retained Earnings	3,785,962	3,785,962	-	-	-
Accumulated Other Comprehensive Income	52,982	52,982	-	-	-
Other Reserves	1,345,265	1,345,264	-	-	707,723
Total Shareholders' Equity	**22,817,670**	**22,817,670**	**-**	**-**	**707,723**