Amãna Bank

Basel III - Pillar 3 Disclosures as at 30 June 2024

Amãna Bank

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Key Regulatory Ratios - Capital and Liquidity

Item	As at 30 Jun 2024	As at 31 Mar 2024
Regulatory Capital (LKR '000)		
Common Equity Tier 1	19,353,033	19,345,743
Tier 1 Capital	19,353,033	19,345,743
Total Capital	22,708,960	22,717,437
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	15.4%	15.5%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	15.4%	15.5%
Total Capital Ratio (Min. Requirement - 12.5%)	18.1%	18.3%
Leverage Ratio (Min. Requirement - 3%)	11.40%	11.37%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	N/A	46,175,038
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	N/A	2,732
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	N/A	34.86%
Off-Shore Banking Unit (%)	N/A	30.70%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 90%)	271.00%	270.58%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -90%)	213.88%	208.24%

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Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at 30 Jun 2024	Amount (LKR '000) As at 31 Mar 2024
Common Equity Tier 1 (CET1) Capital after Adjustments	**19,353,033**	**19,345,743**
Common Equity Tier 1 (CET1) Capital	**20,609,660**	**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)	2,666,625	2,666,625
Published Accumulated Other Comprehensive Income (OCI)	43,133	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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	**1,256,627**	**1,263,917**
Goodwill (net)		
Intangible Assets (net)	358,955	363,498
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)	897,672	900,419
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	**3,355,927**	**3,371,694**
Tier 2 Capital	**3,355,927**	**3,371,694**
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	707,723	707,723
Loan Loss Provisions	2,648,204	2,663,971
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	**19,353,033**	**19,345,743**
Total Tier 1 Capital	**19,353,033**	**19,345,743**
Total Capital	**22,708,960**	**22,717,437**
Total Risk Weighted Assets (RWA)	**125,722,968**	**124,424,763**
RWAs for Credit Risk	114,992,140	114,832,529
RWAs for Market Risk	770,548	916,347
RWAs for Operational Risk	9,960,280	8,675,888
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.39%	15.55%
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 (%)	**15.39%**	**15.55%**
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**18.06%**	**18.26%**
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) 20,609,660 20,609,660

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Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 30 Jun 2024	**As at 31 Mar 2024**
Tier 1 Capital	**19,353,033**	**19,345,743**
Total Exposures	**169,827,844**	**170,166,630**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	160,243,916	159,912,697
Derivative Exposures	-	-
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	9,583,928	10,253,933
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**11.40%**	**11.37%**

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Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 30 Jun 2024		As at 31 Mar 2024	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**13,598,023**	**13,561,392**	**11,881,111**	**11,863,674**
Total Adjusted Level 1A Assets	**13,524,760**	**13,524,760**	**11,846,236**	**11,846,236**
Level 1 Assets	**13,524,760**	**13,524,760**	**11,846,236**	**11,846,236**
Total Adjusted Level 2A Assets	**-**	**-**	**-**	**-**
Level 2A Assets	**-**	**-**	**-**	**-**
Total Adjusted Level 2B Assets	**73,263**	**36,632**	**34,875**	**17,437**
Level 2B Assets	**73,263**	**36,632**	**34,875**	**17,437**
Total Cash Outflows	**165,246,313**	**25,362,732**	**154,727,892**	**22,788,670**
Deposits	115,707,833	11,570,783	110,680,401	11,068,040
Unsecured Wholesale Funding	29,539,271	12,318,728	21,420,878	10,195,189
Secured Funding Transactions				-
Undrawn Portion of Committed (Irrevocable)	10,748,545	820,433	13,599,600	1,073,996
Facilities and Other Contingent Funding Obligations	9,050,397	452,520	9,026,913	451,346
Additional Requirements	200,268	200,268	100	100
Total Cash Inflows	**89,659,578**	**51,881,359**	**75,810,667**	**45,189,948**
Maturing Secured Lending Transactions Backed by Collateral	10,565,752	10,565,752	11,363,728	11,363,728
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	45,443,823	40,551,953	38,924,995	33,477,538
Operational Deposits	32,122,693	-	24,824,580	-
Other Cash Inflows	1,527,310	763,655	697,364	348,682
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**213.88**		**208.24**

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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 31 Dec 2023)	20,609,660
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	5,948,689	-	5,948,689	-	-	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	53,480,567	21,755,036	53,480,567	435,101	13,034,326	24%
Claims on Financial Institutions	44,939		44,939	-	44,898	0%
Claims on Corporates	44,793,169	13,251,701	44,745,609	4,042,764	48,788,374	100%
Retail Claims	46,385,360	11,900,020	45,942,911	4,731,545	39,155,499	77%
Claims Secured by Residential Property	5,210,361		5,210,361	-	4,464,581	86%
Claims Secured by Commercial Real Estate	-		-	-	-	-
Non-Performing Assets (NPAs) **(i)**	1,803,877	115,941	1,803,877	23,188	1,378,160	75%
Higher-risk Categories	194,663		194,663	-	486,657	250%
Cash Items and Other Assets	14,442,966	786,430	14,442,966	786,430	7,639,647	50%
Total	172,304,588	47,809,128	171,814,581	10,019,028	114,992,140	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.

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Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) As at 30 Jun 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	**18,316**
(i) General Equity Risk	9,158
(ii) Specific Equity Risk	9,158
(c) RWA for Foreign Exchange & Gold	**78,002**
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	**770,548**

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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 2024		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		5,221,790	8,149,284	11,529,617
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					1,245,035
The Standardised Approach					N/A
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					9,960,280
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 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	**161,585,475**	**173,634,478**	**171,814,581**	**73,263**	**3,904,831**
Cash and Cash Equivalents	9,688,694	8,802,342	8,802,342	-	-
Balances with Central Banks	6,769,422	5,852,138	5,852,138	-	-
Placements with Banks	40,496,289	53,265,816	53,265,816	-	-
Derivative Financial Instruments	408,863	84,935	84,935	-	-
Other Financial Assets Held-For-Trading	-	-			
Financial Assets Designated at Fair Value through Profit or Loss	34,875	73,263	-	73,263	-
Financing and Receivables to Banks	-	-	-	-	-
Financing and Receivables to Other Customers	96,912,814	98,230,332	95,582,128	-	2,648,204
Financial Assets Measured at Fair Value through Other Comprehensive Income	313,599	310,898	197,655	-	113,242
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,780,740	2,780,740	2,780,740	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	363,498	358,955	-	-	358,955
Deferred Tax Assets	784,430	784,430	-	-	784,430
Other Assets	3,032,251	3,090,630	5,248,827	-	-
Liabilities	**139,465,183**	**151,168,798**	**-**	**-**	**-**
Due to Banks	335,657	15,016	-	-	-
Derivative Financial Instruments	121,414	273,163	-	-	-
Other Financial Liabilities Held-For-Trading	-		-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-		-	-	-
Due to Other Customers	131,906,108	144,541,921	-	-	-
Other Borrowings	-		-	-	-
Debt Securities Issued	-		-	-	-
Current Tax Liabilities	805,448	850,666	-	-	-
Deferred Tax Liabilities	-		-	-	-
Other Provisions	-		-	-	-
Other Liabilities	6,296,556	5,488,032	-	-	-
Due to Subsidiaries	-		-	-	-
Subordinated Term Debts	-		-	-	-
Off-Balance Sheet Liabilities	**27,535,394**	**27,535,394**	**25,935,062**	**-**	**1,600,332**
Guarantees	4,304,423	4,304,423	4,304,423	-	-
Performance Bonds	1,001,421	1,001,421	1,001,421	-	-
Letters of Credit	3,374,148	3,374,148	3,374,148	-	-
Other Contingent Items	5,061,510	5,061,510	5,061,510	-	-
Undrawn Loan Commitments	10,714,079	10,714,079	10,714,079	-	-
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	3,088,849	3,430,053	-	-	-
Accumulated Other Comprehensive Income	66,486	66,486	-	-	-
Other Reserves	1,331,496	1,335,679	-	-	707,723
Total Shareholders' Equity	**22,120,292**	**22,465,680**	**-**	**-**	**707,723**