Amãna Bank

Basel III - Pillar 3 Disclosures
as at 30 June 2023

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Key Regulatory Ratios - Capital and Liquidity

Item	As at 30 Jun 2023	As at 31 Mar 2023
Regulatory Capital (LKR '000)		
Common Equity Tier 1	12,400,061	12,358,169
Tier 1 Capital	12,400,061	12,358,169
Total Capital	15,294,669	15,251,069
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	12.5%	12.6%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	12.5%	12.6%
Total Capital Ratio (Min. Requirement - 12.5%)	15.4%	15.6%
Leverage Ratio (Min. Requirement - 3%)	8.34%	7.69%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	41,813,402	38,078,278
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	2,149	2,696
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	33.15%	30.39%
Off-Shore Banking Unit (%)	38.04%	38.16%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 100%/90%)	299.38%	136.87%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -100%/90%)	242.00%	121.33%

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Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at 30 Jun 2023	Amount (LKR '000) As at 31 Mar 2023
Common Equity Tier 1 (CET1) Capital after Adjustments	**12,400,061**	**12,358,169**
Common Equity Tier 1 (CET1) Capital	**12,400,061**	**12,358,169**
Equity Capital (Stated Capital)/Assigned Capital	11,348,821	11,348,821
Reserve Fund	197,102	197,102
Published Retained Earnings/(Accumulated Retained Losses)	1,721,762	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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	**867,625**	**909,516**
Goodwill (net)		
Intangible Assets (net)	288,452	303,187
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)	579,173	606,329
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	**2,894,608**	**2,892,899**
Tier 2 Capital	**2,894,608**	**2,892,899**
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	707,723	707,723
Loan Loss Provisions	2,186,886	2,185,177
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	**12,400,061**	**12,358,169**
Total Tier 1 Capital	**12,400,061**	**12,358,169**
Total Capital	**15,294,669**	**15,251,069**
Total Risk Weighted Assets (RWA)	**99,502,400**	**98,046,576**
RWAs for Credit Risk	91,516,479	90,405,107
RWAs for Market Risk	770,608	952,942
RWAs for Operational Risk	7,215,312	6,688,528
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	12.46%	12.60%
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 (%)	**12.46%**	**12.60%**
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**15.37%**	**15.55%**
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)	13,267,685	13,267,685

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Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 30 Jun 2023	**As at 31 Mar 2023**
Tier 1 Capital	**12,400,061**	**12,358,169**
Total Exposures	**148,600,953**	**160,604,379**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	141,110,653	142,063,098

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Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 30 Jun 2023		As at 31 Mar 2023	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**13,447,027**	**13,419,875**	**7,512,065**	**7,484,239**
Total Adjusted Level 1A Assets	**13,392,723**	**13,392,723**	**7,456,413**	**7,456,413**
Level 1 Assets	**13,392,723**	**13,392,723**	**7,456,413**	**7,456,413**
Total Adjusted Level 2A Assets				
Level 2A Assets				
Total Adjusted Level 2B Assets				
Level 2B Assets	**54,305**	**27,152**	**55,652**	**27,826**
Total Cash Outflows	**136,837,266**	**22,181,554**	**134,932,470**	**24,674,300**
Deposits	100,564,509	10,056,451	94,559,088	9,455,909
Unsecured Wholesale Funding	21,491,446	10,763,182	20,137,232	9,872,568
Secured Funding Transactions				
Undrawn Portion of Committed (Irrevocable)	14,657,450	1,238,060	19,955,816	5,065,489
Facilities and Other Contingent Funding Obligations	123,862	123,862	280,334	280,334
Additional Requirements				
Total Cash Inflows	**45,151,056**	**31,686,851**	**44,481,141**	**32,038,489**
Maturing Secured Lending Transactions Backed by Collateral	10,774,873	10,774,873	10,658,595	10,658,595
Committed Facilities				
Other Inflows by Counterparty which are Maturing within 30 Days	20,064,947	16,543,650	16,173,753	13,575,093
Operational Deposits	5,574,580	-	2,039,434	-
Other Cash Inflows	8,736,656	4,368,328	15,609,358	7,804,679
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**242.00**		**121.33**

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Ordinary Share
Issuer	Amana Bank PL
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 2023)	13,267,685
Accounting Classification (Equity/Liability)	Shareholders' Equ
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 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	11,782,507	-	11,782,507	-	-	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	38,944,254	12,191,989	38,944,254	531,211	16,175,520	41%
Claims on Financial Institutions	-	-	-	-	-	0%
Claims on Corporates	35,821,953	11,128,488	35,821,953	3,552,813	39,374,766	100%
Retail Claims	38,103,126	6,343,148	37,806,949	3,159,808	25,615,613	63%
Claims Secured by Residential Property	4,888,150		4,888,150	-	3,151,707	64%
Claims Secured by Commercial Real Estate	-		-	-	-	-
Non-Performing Assets (NPAs) **(i)**	1,990,434	56,152	1,990,434	11,817	1,916,829	96%
Higher-risk Categories	125,714	-	125,714	-	314,286	250%
Cash Items and Other Assets	10,164,221	475,843	10,164,221	475,843	4,967,759	47%
Total	141,820,359	30,195,619	141,524,182	7,731,492	91,516,479	61%

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 June 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	**13,151**
(i) General Equity Risk	6,788
(ii) Specific Equity Risk	6,363
(c) RWA for Foreign Exchange & Gold	**83,175**
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	**770,608**

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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 2023		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		4,654,928	5,233,750	8,149,600
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		901,914			
The Standardised Approach		N/A			
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach		7,215,312			
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 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	**141,978,278**	**141,978,279**	**141,524,182**	**54,305**	**3,054,510**
Cash and Cash Equivalents	20,119,644	5,672,305	5,672,305	-	-
Balances with Central Banks	10,647,531	10,647,531	10,647,531	-	-
Placements with Banks	24,449,232	25,691,800	25,691,800	-	-
Derivative Financial Instruments	52,510	52,510	52,510	-	-
Other Financial Assets Held-For-Trading	-	-			
Financial Assets Designated at Fair Value through Profit or Loss	54,305	54,305	-	54,305	-
Financing and Receivables to Banks	-	-	-	-	-
Financing and Receivables to Other Customers	79,984,176	79,984,176	77,797,291	-	2,186,886
Financial Assets Measured at Fair Value through Other Comprehensive Income	300,094	300,094	128,707	-	171,387
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,414,283	2,414,283	2,414,283	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	288,452	288,452	-	-	288,452
Deferred Tax Assets	407,786	407,786	-	-	407,786
Other Assets	3,260,265	16,465,036	19,119,754	-	-
Liabilities	**127,229,944**	**127,229,944**	**-**	**-**	**-**
Due to Banks	439,908	314,576	-	-	-
Derivative Financial Instruments	254,229	254,229	-	-	-
Other Financial Liabilities Held-For-Trading	-		-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-		-	-	-
Due to Other Customers	122,919,153	121,000,404	-	-	-
Other Borrowings	-		-	-	-
Debt Securities Issued	-		-	-	-
Current Tax Liabilities	730,806	730,806	-	-	-
Deferred Tax Liabilities	-		-	-	-
Other Provisions	-		-	-	-
Other Liabilities	2,885,848	4,929,929	-	-	-
Due to Subsidiaries	-		-	-	-
Subordinated Term Debts	-		-	-	-
Off-Balance Sheet Liabilities	**20,258,285**	**20,258,285**	**18,796,243**	**-**	**1,462,042**
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	1,617,330	-	1,462,042
Shareholders' Equity	**-**	**-**	**-**	**-**	**-**
Equity Capital (Stated Capital)/Assigned Capital	11,348,821	11,348,821	-	-	-
of which Amount Eligible for CET1	11,348,821	11,348,821	-	-	-
of which Amount Eligible for AT1	-		-	-	-
Retained Earnings	2,141,152	2,112,150	-	-	-
Accumulated Other Comprehensive Income	52,982	52,982	-	-	-
Other Reserves	1,205,379	1,234,382	-	-	707,723
Total Shareholders' Equity	**14,748,334**	**14,748,334**	**-**	**-**	**707,723**