Basel III - Pillar 3 Disclosures
as at 31 December 2022 (Unaudited)

Amãna Bank

Table of Contents

1. Key Regulatory Ratios - Capital and Liquidity
2. Basel III Computation of Capital Ratios
3. Computation of Leverage Ratio
4. Basel III Computation of Liquidity Coverage Ratio
5. Main Features of Regulatory Capital Instruments
6. Credit Risk under Standardised Approach: Credit Risk Exposures & Credit Risk Mitigation (CRM) effects
7. Market Risk under Standardised Measurement Method
8. Operational Risk under Basic Indicator Approach
9. Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories –Bank

Amãna Bank

Key Regulatory Ratios - Capital and Liquidity

Item	As at 31 Dec 2022	As at 30 Sep 2022
Regulatory Capital (LKR '000)		
Common Equity Tier 1	11,884,715	11,986,765
Tier 1 Capital	11,884,715	11,986,765
Total Capital	14,663,571	14,016,311
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	12.6%	11.9%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	12.6%	11.9%
Total Capital Ratio (Min. Requirement - 12.5%)	15.5%	13.9%
Leverage Ratio (Min. Requirement - 3%)	7.36%	7.03%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	35,743,999	37,457,146
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	1,581	2,540
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	28.65%	30.63%
Off-Shore Banking Unit (%)	24.15%	36.80%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 90%)	150.29%	274.28%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -90%)	126.45%	212.72%

Amãna Bank

Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at 31 Dec 2022	Amount (LKR '000) As at 30 Sep 2022
Common Equity Tier 1 (CET1) Capital after Adjustments	**11,884,715**	**11,986,765**
Common Equity Tier 1 (CET1) Capital	**11,884,715**	**11,986,765**
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)	-	-
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	**578,233**	**476,183**
Goodwill (net)		
Intangible Assets (net)	317,582	219,217
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)	260,651	256,966
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	**2,778,856**	**2,029,547**
Tier 2 Capital	**2,778,856**	**2,029,547**
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	707,723	707,723
Loan Loss Provisions	2,071,134	1,321,824
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	**11,884,715**	**11,986,765**
Total Tier 1 Capital	**11,884,715**	**11,986,765**
Total Capital	**14,663,571**	**14,016,311**
Total Risk Weighted Assets (RWA)	**94,498,449**	**100,618,005**
RWAs for Credit Risk	87,806,987	94,271,400
RWAs for Market Risk	533,294	592,556
RWAs for Operational Risk	6,158,168	5,754,048
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	12.58%	11.91%
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 (%)	**12.58%**	**11.91%**
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	**15.52%**	**13.93%**
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 12,462,948

Amãna Bank

Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 31 Dec 2022	**As at 30 Sep 2022**
Tier 1 Capital	**11,884,715**	**11,986,765**
Total Exposures	**161,371,807**	**170,436,971**
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	140,880,441	142,387,861
Derivative Exposures	12,927,848	18,806,604
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	7,563,518	9,242,506
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	**7.36%**	**7.03%**

Amãna Bank

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 31 Dec 2022		As at 30 Sep 2022	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**8,256,196**	**8,226,415**	**11,603,822**	**11,563,996**
Total Adjusted Level 1A Assets	**8,196,635**	**8,196,635**	**11,524,170**	**11,524,170**
Level 1 Assets	**8,196,635**	**8,196,635**	**11,524,170**	**11,524,170**
Total Adjusted Level 2A Assets	**-**	**-**		
Level 2A Assets	**-**	**-**		
Total Adjusted Level 2B Assets	**-**	**-**		
Level 2B Assets	**59,561**	**29,781**	**79,652**	**39,826**
Total Cash Outflows	**132,414,300**	**26,022,408**	**132,927,991**	**21,745,099**
Deposits	94,271,050	9,427,105	92,555,736	9,255,574
Unsecured Wholesale Funding	17,759,516	9,131,826	16,725,622	8,654,510
Secured Funding Transactions				
Undrawn Portion of Committed (Irrevocable)	20,362,853	7,442,597	23,634,633	3,823,015
Facilities and Other Contingent Funding Obligations	20,880	20,880	12,000	12,000
Additional Requirements				
Total Cash Inflows	**41,497,638**	**22,150,798**	**27,401,997**	**19,152,290**
Maturing Secured Lending Transactions Backed by Collateral	9,824,951	9,824,951	9,276,817	9,276,817
Committed Facilities				
Other Inflows by Counterparty which are Maturing within 30 Days	15,047,363	12,273,720	6,727,077	5,116,279
Operational Deposits	16,521,070		1,879,714	
Other Cash Inflows	104,254	52,127	9,518,388	4,759,194
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		**126.45**		**212.72**

Amãna Bank

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 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

Amãna Bank

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	5,992,140	-	5,992,140	-	-	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	41,388,085	9,697,145	41,388,085	259,389	11,459,918	28%
Claims on Financial Institutions	55,363		55,363	-	55,363	100%
Claims on Corporates	32,284,595	11,128,488	32,107,859	3,806,521	35,914,381	100%
Retail Claims	44,302,990	6,343,148	43,148,263	2,776,374	30,051,082	65%
Claims Secured by Residential Property	4,548,789		4,548,789	-	2,616,954	58%
Claims Secured by Commercial Real Estate	-		-	-	-	-
Non-Performing Assets (NPAs) **(i)**	2,068,635	56,152	2,068,635	11,230	2,087,107	100%
Higher-risk Categories	120,933		120,933	-	302,332	250%
Cash Items and Other Assets	10,038,468	902,611	10,038,468	902,611	5,319,850	49%
Total	140,799,999	28,127,543	139,468,536	7,756,125	87,806,987	60%

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.

Amãna Bank

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) As at 31 Dec 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	**14,449**
(i) General Equity Risk	7,446
(ii) Specific Equity Risk	7,003
(c) RWA for Foreign Exchange & Gold	**52,213**
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	**533,294**

Amãna Bank

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 31 Dec 2022</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>4,232,493</td><td>4,797,552</td><td>6,365,381</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>
<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">Capital Charges for Operational Risk (LKR'000)</td></tr>
<tr><td>The Basic Indicator Approach</td><td></td><td colspan="4">769,771</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">6,158,168</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>

Amãna Bank

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 December 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	**141,687,893**	**141,458,674**	**139,468,536**	**59,561**	**2,701,438**
Cash and Cash Equivalents	22,603,294	5,621,229	5,621,229	-	-
Balances with Central Banks	5,085,679	5,085,679	5,085,679	-	-
Placements with Banks	24,570,370	39,993,861	39,993,861	-	-
Derivative Financial Instruments	70,733	70,733	49,852	-	-
Other Financial Assets Held-For-Trading	-	-			
Financial Assets Designated at Fair Value through Profit or Loss	59,561	59,561	-	59,561	-
Financing and Receivables to Banks	-	-	-	-	-
Financing and Receivables to Other Customers	83,185,917	83,202,017	81,130,883	-	2,071,134
Financial Assets Measured at Fair Value through Other Comprehensive Income	332,505	332,505	71,854	-	260,651
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,466,761	2,466,761	2,466,761	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	319,253	317,582	-	-	317,582
Deferred Tax Assets	407,786	52,072	-	-	52,072
Other Assets	2,586,033	4,256,674	5,048,417	-	-
Liabilities	**127,326,537**	**127,100,042**	**-**	**-**	**-**
Due to Banks	11,856,723	10,821,935	-	-	-
Derivative Financial Instruments	20,880	20,880	-	-	-
Other Financial Liabilities Held-For-Trading	-		-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-		-	-	-
Due to Other Customers	112,546,017	111,152,812	-	-	-
Other Borrowings	-		-	-	-
Debt Securities Issued	-		-	-	-
Current Tax Liabilities	645,606	556,671	-	-	-
Deferred Tax Liabilities	-		-	-	-
Other Provisions	-		-	-	-
Other Liabilities	2,257,311	4,547,744	-	-	-
Due to Subsidiaries	-		-	-	-
Subordinated Term Debts	-		-	-	-
Off-Balance Sheet Liabilities	**20,258,285**	**20,258,285**	**18,658,394**	**-**	**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	1,479,481	-	3,079,372
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	1,721,762	1,690,036	-	-	-
Accumulated Other Comprehensive Income	85,394	85,394	-	-	-
Other Reserves	1,205,378	1,234,381	-	-	707,723
Total Shareholders' Equity	**14,361,355**	**14,358,632**	**-**	**-**	**707,723**

* Based on audited financial statements

** Based on unaudited financial statements submitted to the Central Bank as at 31st December 2022.