

**Basel III - Pillar 3 Disclosures
as at 30 September 2022**



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

Key Regulatory Ratios - Capital and Liquidity

Item	As at 30 Sep 2022	As at 30 Jun 2022
Regulatory Capital (LKR '000)		
Common Equity Tier 1	11,986,765	12,046,163
Tier 1 Capital	11,986,765	12,046,163
Total Capital	14,016,311	14,160,118
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Min. Requirement - 7%)	11.9%	13.4%
Tier 1 Capital Ratio (Min. Requirement - 8.5%)	11.9%	13.4%
Total Capital Ratio (Min. Requirement - 12.5%)	13.9%	15.7%
Leverage Ratio (Min. Requirement - 3%)	7.03%	7.04%
Regulatory Liquidity		
Statutory Liquid Assets (LKR'000) - Domestic Banking Unit	37,457,146	30,702,492
Statutory Liquid Assets (USD'000) - Off-Shore Banking Unit	2,540	4,200
Statutory Liquid Assets Ratio (Min. Requirement - 20%)		
Domestic Banking Unit (%)	30.63%	23.79%
Off-Shore Banking Unit (%)	36.80%	40.38%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 90%)	274.28%	387.25%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement -90%)	212.72%	232.94%

Basel III Computation of Capital Ratios

Item	Amount (LKR '000) As at 30 Sep 2022	Amount (LKR '000) As at 30 Jun 2022
Common Equity Tier 1 (CET1) Capital after Adjustments	11,986,765	12,046,163
Common Equity Tier 1 (CET1) Capital	11,986,765	12,046,163
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Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-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	476,183	416,785
Goodwill (net)		
Intangible Assets (net)	219,217	224,587
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)	204,894	140,126
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	2,029,547	2,113,955
Tier 2 Capital	2,029,547	2,113,955
Qualifying Tier 2 Capital Instruments		
Revaluation Gains	707,723	707,723
Loan Loss Provisions	1,321,824	1,406,233
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	11,986,765	12,046,163
Total Tier 1 Capital	11,986,765	12,046,163
Total Capital	14,016,311	14,160,118
Total Risk Weighted Assets (RWA)	100,618,005	89,937,644
RWAs for Credit Risk	94,271,400	83,985,866
RWAs for Market Risk	592,556	413,849
RWAs for Operational Risk	5,754,048	5,537,928
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	11.91%	13.39%
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 (%)	11.91%	13.39%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	13.93%	15.74%
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

Computation of Leverage Ratio

Item	Amount (LKR '000)	
	As at 30 Sep 2022	As at 30 Jun 2022
Tier 1 Capital	11,986,765	12,046,163
Total Exposures	170,436,971	171,016,593
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	142,387,861	137,549,769
Derivative Exposures	18,806,604	24,586,918
Securities Financing Transaction Exposures		
Other Off-Balance Sheet Exposures	9,242,506	8,879,906
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.03%	7.04%

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	As at 30 Sep 2022		As at 30 Jun 2022	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	11,603,822	11,563,996	19,114,314	19,088,874
Total Adjusted Level 1A Assets	11,524,170	11,524,170	19,063,434	19,063,434
Level 1 Assets	11,524,170	11,524,170	19,063,434	19,063,434
Total Adjusted Level 2A Assets				
Level 2A Assets				
Total Adjusted Level 2B Assets				
Level 2B Assets	79,652	39,826	50,879	25,440
Total Cash Outflows	132,927,991	21,745,099	127,433,359	20,291,937
Deposits	92,555,736	9,255,574	89,468,384	8,946,838
Unsecured Wholesale Funding	16,725,622	8,654,510	14,066,795	7,514,747
Secured Funding Transactions				
Undrawn Portion of Committed (Irrevocable)	23,634,633	3,823,015	23,313,828	3,246,000
Facilities and Other Contingent Funding Obligations	12,000	12,000	584,352	584,352
Additional Requirements				
Total Cash Inflows	27,401,997	19,152,290	17,076,250	12,097,069
Maturing Secured Lending Transactions Backed by Collateral	9,276,817	9,276,817	8,454,032	
Committed Facilities				
Other Inflows by Counterparty which are Maturing within 30 Days	6,727,077	5,116,279	4,016,094	3,008,084
Operational Deposits	1,879,714		3,336,219	-
Other Cash Inflows	9,518,388	4,759,194	1,269,906	634,953
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		212.72		232.94

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 30 Sep 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

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

Asset Class	Amount (LKR'000) as at 30 Sep 2022					
	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	5,572,055	-	5,572,055	-	-	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	39,632,218	16,030,316	39,632,218	386,731	15,670,410	39%
Claims on Financial Institutions	51,738	-	51,738	-	51,700	100%
Claims on Corporates	31,918,085	19,962,502	31,822,307	4,971,585	36,643,745	100%
Retail Claims	44,127,752	8,120,194	42,637,720	3,157,517	30,982,527	68%
Claims Secured by Residential Property	5,253,318	-	5,253,318	-	3,176,141	60%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) (i)	2,138,070	400,033	2,138,070	80,007	2,375,756	107%
Higher-risk Categories	121,917	-	121,917	-	304,791	250%
Cash Items and Other Assets	13,406,421	965,897	13,406,421	965,897	5,066,331	35%
Total	142,221,573	45,478,942	140,635,763	9,561,737	94,271,400	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 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	17,888
(i) General Equity Risk	9,957
(ii) Specific Equity Risk	7,931
(c) RWA for Foreign Exchange & Gold	56,182
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	592,556

Operational Risk under Basic Indicator Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 30 Sep 2022		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		4,031,233	4,629,482	5,724,413
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					719,256
The Standardised Approach					N/A
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					5,754,048
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 30 September 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	142,858,996	142,864,044	140,635,763	79,652	1,798,007
Cash and Cash Equivalents	21,147,560	9,305,987	9,305,987	-	-
Balances with Central Banks	4,683,676	4,683,676	4,683,676	-	-
Placements with Banks	27,786,610	38,589,493	38,589,493	-	-
Derivative Financial Instruments	71,953	71,953	59,952	-	-
Other Financial Assets Held-For-Trading	-	-	-	-	-
Financial Assets Designated at Fair Value through Profit or Loss	79,652	79,652	-	79,652	-
Financing and Receivables to Banks	-	-	-	-	-
Financing and Receivables to Other Customers	83,434,232	83,434,232	82,112,408	-	1,321,824
Financial Investments - Available-For-Sale	329,804	329,804	124,910	-	204,894
Financial Investments - Held-To-Maturity	-	-	-	-	-
Investments in Subsidiaries	-	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-
Property, Plant and Equipment	2,267,630	2,267,630	2,267,630	-	-
Investment Properties	-	-	-	-	-
Goodwill and Intangible Assets	219,217	219,217	-	-	219,217
Deferred Tax Assets	592,227	52,072	-	-	52,072
Other Assets	2,246,435	3,830,328	3,491,708	-	-
Liabilities	128,636,175	128,641,214	-	-	-
Due to Banks	16,203,434	14,804,272	-	-	-
Derivative Financial Instruments	12,000	12,000	-	-	-
Other Financial Liabilities Held-For-Trading	-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-	-	-	-
Due to Other Customers	109,724,034	108,563,683	-	-	-
Other Borrowings	-	-	-	-	-
Debt Securities Issued	-	-	-	-	-
Current Tax Liabilities	419,480	383,205	-	-	-
Deferred Tax Liabilities	141,022	-	-	-	-
Other Provisions	-	-	-	-	-
Other Liabilities	2,136,205	4,878,055	-	-	-
Due to Subsidiaries	-	-	-	-	-
Subordinated Term Debts	-	-	-	-	-
Off-Balance Sheet Liabilities	29,191,300	29,191,300	29,191,300	-	-
Guarantees	3,025,900	3,025,900	3,025,900	-	-
Performance Bonds	745,140	745,140	745,140	-	-
Letters of Credit	1,119,748	1,119,748	1,119,748	-	-
Other Contingent Items	4,254,932	4,254,932	4,254,932	-	-
Undrawn Loan Commitments	20,045,580	20,045,580	20,045,580	-	-
Other Commitments	-	-	-	-	-
Shareholders' Equity	-	-	-	-	-
Equity Capital (Stated Capital)/ Assigned Capital	11,079,706	11,079,706	-	-	-
of which Amount Eligible for CET1	11,079,706	11,079,706	-	-	-
of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	1,826,042	1,826,050	-	-	-
Accumulated Other Comprehensive Income	82,692	82,692	-	-	-
Other Reserves	1,234,381	1,234,381	-	-	707,723
Total Shareholders' Equity	14,222,821	14,222,829	-	-	707,723